FINANCE COMMITTEE AGENDA PACKAGE

January 18, 2023
2:00 p.m.
Dial-in Info: 1-321-299-0575
Meeting Number: 232 126 059 127#

Committee Members

Jim Williams, Leesburg – Chair
Barbara Mika, Fort Pierce
Howard McKinnon, Havana
Barbara Quiñones, Homestead
Karen Nelson, Jacksonville Beach
Jesse Perloff, Key West
Larry Mattern, Kissimmee
Steve Langley, Mount Dora
Dallas Lee, Newberry
Marie Brooks, Ocala
James Braddock, Wauchula

Meeting Location
Florida Municipal Power Agency
8553 Commodity Circle
Orlando, FL 32819
(407) 355-7767

Linda Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: FMPA Finance Committee

FROM: Linda S. Howard

DATE: January 17, 2023

SUBJECT: FMPA Finance Committee Meeting
January 18, 2023 at 2:00 pm

PLACE: Florida Municipal Power Agency Board Room
8553 Commodity Circle,
Orlando, FL 32819

DIAL-IN INFORMATION: 321-299-0575, Meeting 232 126 059 127#
LINK: Click here to join the meeting
(If you have trouble connecting via phone or internet, please call 407-355-7767)

Chairperson Jim Williams, Presiding

AGENDA

LSH/su

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 1-(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

Finance Committee Meeting
January 18, 2023

AGENDA ITEM 2 – RECOGNITION OF GUESTS

Finance Committee Meeting
January 18, 2023

AGENDA ITEM 3 – PUBLIC COMMENTS (Individual Public Comments Limited to 3 Minutes)

Finance Committee Meeting
January 18, 2023

AGENDA ITEM 4 – SET AGENDA (By Vote)

Finance Committee Meeting
January 18, 2023

AGENDA ITEM 5 – CONSENT AGENDA

a. **Approval of Minutes – Meeting Held on December 07, 2022**

Finance Committee Meeting
January 18, 2023

CLERKS DULY NOTIFIED……………………………………………………November 29, 2022
AGENDA PACKAGE SENT TO MEMBERS………………………………… November 29, 2022

MINUTES
FINANCE COMMITTEE MEETING
WEDNESDAY, DECEMBER 07, 2022
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL

PARTICIPANTS PRESENT	Barbara Mika, Fort Pierce (virtual) Howard McKinnon, Havana Barbara Quinones, Homestead (virtual) Allen Putnam, Jacksonville Beach (virtual) Jesse Perloff, Key West (virtual) Larry Mattern, Kissimmee (virtual) Jim Williams, Leesburg Steve Langley, Mount Dora (virtual) Dallas Lee, Newberry (virtual) Marie Brooks, Ocala (virtual) James Braddock, Wauchula (virtual)
PARTICIPANTS ABSENT	None
OTHERS PRESENT	Christina Simmons, Bushnell (virtual) Tim Westgate, Purvis Gray & Company Kathryn Eno, Purvis Gray & Company Mike Mace, PFM (virtual) Lourdes Abadin, Estrada Hinojosa
STAFF PRESENT	Jacob Williams, General Manager and CEO Jody Finklea, General Counsel and CLO Ken Rutter, Chief Operating Officer Linda Howard, Chief Financial Officer Sharon Adams, Chief People and Member Services Office Dan O'Hagan, Assistant General Counsel and Manager of Regulatory Compliance Sena Mitchell, Treasury Analyst and Cash Manager II Jason Wolfe, Financial Planning Rates and Budget Director Sue Utley, Executive Assistant to CEO/Asst. Sec. Bd. Dir. Lindsay Jack, Administrative Specialist Liyuan Woerner, Audit Manager Ryan Dumas, Senior Public Relations Specialist Rachel Ilardi, Public Relations Specialist

ITEM 1 – Call to Order, Roll Call and Declaration of Quorum

Chair Jim Williams, Leesburg, called the FMPA Finance Committee Meeting to order at 2:00 p.m. on Wednesday, December 7, 2022, in the Frederick M. Bryant Board Room, FMPA, 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared, with 10 of 11 members present. Larry Mattern, Kissimmee, joined after roll call bringing total members present to 11 out of 11.

ITEM 2 – RECOGNITION OF GUESTS

Tim Westgate & Katy Eno of Purvis Gray & Company
Mike Mace of PFM

ITEM 3 – PUBLIC COMMENTS (INDIVIDUAL PUBLIC COMMENTS LIMITED TO 3 MINUTES)

None

ITEM 4 – SET AGENDA (BY VOTE)

MOTION: Howard McKinnon, Havana, moved approval of the agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 11-0.

ITEM 5 –CONSENT AGENDA

a. Approval of Minutes – Meeting Held on October 19, 2022

MOTION: Howard McKinnon, Havana, moved the approval of the Consent Agenda. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 11-0.

ITEM 6 – CHAIRPERSONS REMARKS

None.

ITEM 7 – CFO REPORT

Linda S. Howard reported on the following items:

1. Discussion with rating agencies
2. Reminder for 2023 meeting dates
3. 2022 audit update
4. Adding January 11, Finance Committee meeting

ITEM 8 – ACTION ITEMS

a. Approval of Contract Risk Management Policy

Rich Popp presented the Contract Risk Management Policy

MOTION: Larry Mattern, Kissimmee, moved approval of the OUC Audit Report. Howard McKinnon, Havana, seconded the motion. Motion carried 11-0.

ITEM 9 – INFORMATION ITEMS

a. Financial Advisors' Contract Renewals
Linda Howard provided the Financial Advisors' Contract Renewals

b. Review of the Annual Debt Report
Ed Nunez provided the Annual Debt Report.

c. Review of the Agency Risk Inventory
Rich Popp provided the Agency Risk Inventory Review.

d. Update on the Pooled Loan Program
Sena Mitchell provided the Pooled Loan Program Update.

e. Review of the Procurement Audit Report
Liyuan Woerner provided the Procurement Audit Report Review.

f. Update on Natural Gas/Power Price Stability
Jacob Williams provided the Natural Gas/Power Price Stability update.

g. Preliminary Financial Results for Fiscal Year 2022
Danyel Sullivan-Marrero, Tim Westgate & Kathryn Eno of Purvis Gray provided the Preliminary Financial Results for Fiscal Year 2022.

h. Budget Amendment for Pooled Loan Project
Jason Wolfe provided the Budget Amendment for the Pooled Loan Project.

ITEM 10 – REPORTS

a. Investment Reports – As of September 30 and October 31, 2022

This report is for information only. There was no discussion.

ITEM 11 – COMMENTS

Linda Welcomed Lourdes Abadin of Estrada Hinojosa.

Howard McKinnon, Havana, says the Town of Havana is getting caught up on their financial statements and thanked the FMPA staff for their help with this.

ITEM 12 – ADJOURNMENT

There being no further business, the meeting was adjourned at 3:21 p.m.

Approved Date__________________________

LSH/lj

AGENDA ITEM 5 – CONSENT AGENDA

b. Risk Management Policies, Human Resources and IT

Finance Committee Meeting
January 18, 2023

RISK MANAGEMENT POLICY
APPENDIX N

FLORIDA MUNICIPAL POWER AGENCY

HUMAN RESOURCES RISK MANAGEMENT POLICY

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HUMAN RESOURCES RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Human Resources Risk Management Policy (the "Policy") and any effective subordinate procedures establish the governance, framework and the controls under which Florida Municipal Power Agency (FMPA) may engage in activities to identify, measure and minimize future business risk resulting from employment practices. This Policy is Appendix N of the FMPA Risk Management Policy.

1.0 Policy Statement

The Board of Directors and Executive Committee of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its members. FMPA is hereby authorized to put mechanisms into place, such as those more fully described in Section 5.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse impact on FMPA's legal or financial standing.

It is the Policy of the Board of Directors and Executive Committee that:

- ❖ Functions of the Human Resources (HR) Department shall comply with all applicable laws and regulations, and Board or Executive Committee approved policies.
- ❖ The HR Department shall oversee employee benefits and compensation and strive to maintain a competitive and cost-effective program.
- ❖ The HR Department shall coordinate with management to oversee and guide the recruitment, hiring, and termination of personnel.
- ❖ Authority is delegated to the Chief People & Member Services Officer to create procedures to implement this Policy.
- ❖ Deviations from this Policy shall be reported to the Finance Committee.

This Policy serves to create a framework that enables the Chief People & Member Services Officer Chief People & Member Services Officerto document controls that will minimize FMPA's exposure to risk and enable compliance with established employment and payroll laws and regulations, as well as all Board or Executive Committee approved policies.

2.0 Scope

This Policy applies to all personnel management practices of the Agency, regardless of the normal office location of the employee. As used in this Policy, references to "employee" shall mean any full-time, part-time, casual part-time, or intern staff member employed directly by the Agency. This Policy does not apply to consultants or other professionals engaged by the Agency.

Authority for day-to-day actions is hereby granted to the Chief People & Member Services Officer, under the direction of the CEO. The Chief People & Member Services Officer is responsible for ensuring that all minimum standards and procedures regarding personnel management are in compliance with federal and state laws, rules, and regulations.

3.0 Types of Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to safeguard the Agency's personnel and assets. The Chief People & Member Services Officer will cause procedures to be created that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. While not intended to be a comprehensive listing of risk encountered by FMPA during the normal course of the business cycle, the following provides insight into the major areas of personnel management risk exposure for FMPA.

3.1 Operational Risk: The risk that internal practices, policies, procedures or systems will not perform as intended. An example of operational risk would be if a failure in internal control processes in the HR Department resulted in the processing of inaccurate or fraudulent payroll. This type of failure in the payroll process could cause financial and reputation loss to the Agency.

3.2 Legal Risk: The risk of financial or economic losses incurred by an organization through an unauthorized deviation from any legal obligations imposed by law, rules, regulations, ordinances, or contracts. An example of legal risk would be violating federal or state regulations concerning discrimination in the workplace. Such a violation could cause financial and reputation loss to the Agency.

3.3 Strategic Risk: The risk that the actions of management or the governing body do not promote the successful attainment of organization objectives. An example of strategic risk might occur if FMPA's Compensation Policy is not applied consistently across the Agency. Such a failure could lead to employee dissatisfaction, increased turnover, or an inability to attract qualified personnel which could impede the Agency in meeting its goals.

4.0 Personnel Management

FMPA's HR Department is responsible for maintaining all personnel records, coordinating the hiring, orientation, and termination processes, administering benefits and compensation programs, and coordinating personnel related activities such as performance evaluations, wellness programs, and professional development opportunities. The Employee Manual addresses many of these responsibilities. The following provides further risk-related detail for significant areas within the HR Department.

4.1 **Payroll:** The Agency's payroll function is completed by the HR Department. Sufficient segregation of duties shall be in place to ensure that payroll entries are approved at appropriate levels and verified for accuracy. The Agency currently uses a professional third-party vendor to process payroll, which mitigates risk of noncompliance with tax laws and federal filing requirements.

The HR Department must maintain adequate backup documentation to support time worked by employees, to record employee absences due to vacation, sick leave or other leave, and to document payments for overtime worked or other pay types (such as retroactive pay or bonuses). The HR Department shall cooperate with reviews of these controls conducted by internal or external auditors.

Additional guidelines regarding employee payroll and leave during specific Events are located in the Contingency Planning Policy, Appendix M of this FMPA Risk Management Policy.

4.2 **HIPPA Administration:** All employee health and wellness records shall be maintained per Health Insurance Portability and Accountability Act ("HIPAA") regulations. The HR Department is responsible for securing all employee information regarding personal health and wellness as required by HIPAA. The Chief People & Member Services Officer shall cause to be completed employee enrollment in eligible benefits. The HR Department shall also ensure that benefit eligibility records are properly maintained for all employees.

The Chief People & Member Services Officer shall cause an annual review of FMPA's healthcare plan to be conducted to assess competitiveness and cost effectiveness of the healthcare program.

4.3 Compensation: FMPA's Compensation Policy is contained within the Employee Manual. The Compensation Policy can only be modified by approval of the Board of Directors. The HR Department is responsible for enforcing consistent application of the Compensation Policy across the Agency.

Salary ranges are reviewed and may be adjusted to market during the annual budget process. As required in the Compensation Policy in the Employee Manual, the Chief People & Member Services Officer shall cause to be completed **as deemed necessary but at least within** a 5-year period by a professional third-party review of salary ranges. Such a review shall be conducted to determine maximum and minimum salary range points based on a statistically validated range. In between third-party salary level reviews, any proposed salary range adjustment shall be based on the Consumer Price Index and/or metrics provided by professional associations such as the Society for Human Resources Management or World at Work, or via a survey of individual agencies FMPA competes with for employees (i.e. through contracting comparable jurisdictions to determine what percentage adjustment they are making to their pay scales).

The HR Department is also responsible for ensuring that all personnel are classified correctly and that all payroll laws and regulations are followed, as required in the Fair Labor Standards Act ("FLSA"). The HR Department shall also strive to ensure that the Agency's compensation structure remains competitive with industry standards.

4.4 Employment: The HR Department shall ensure that all employment laws and regulations are followed consistently and fairly. This includes, but is not limited to, FLSA, Americans with Disabilities Act ("ADA"), Family Medical Leave Act ("FMLA"), HIPAA, Consolidated Omnibus Budget Reconciliation Act ("COBRA"), and Equal Opportunity Employment ("EEO") requirements.

The Chief People & Member Services Officer and FMPA's labor law attorney, in consultation with General Counsel and CLO, shall cause to be implemented legal requirements and advise management to ensure compliance with applicable employment laws.

4.5 Succession Planning: The HR Department shall provide support to management in the recruitment and development of employees, so that employees are prepared for advancement within the organization. The HR Department shall assist management in identifying and preparing suitable employees for succession opportunities. Succession planning shall ensure that existing employees are prepared for new leadership opportunities and the Agency's operations are not adversely impacted by the departure of key personnel. If a key management position will be vacated through a planned retirement, a placement in advance of the expected departure date is desirable to minimize the risks of an ineffective succession.

5.0 Internal Controls

The Chief People & Member Services Officer shall cause to be established a system of written internal controls to safeguard the Agency's personnel and financial assets, consistent with this Policy and Human Resources Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. The controls shall be designed to meet the requirements of applicable legal regulations. FMPA shall use a cost-benefits analysis when making decisions regarding the implementation of internal controls.

5.1 System of Controls: The system of internal controls includes the Employee Manual issued by the Agency to all employees. The FMPA Employee Manual includes guidelines for complying with legal requirements, recruitment and employment practices, compensation, employee conduct, benefits, and a variety of Agency procedures. Further internal controls are established in the HR Department governing the separation of payroll duties.

5.2 Ongoing Training: The Chief People & Member Services Officer shall ensure that all employees receive any training as required by law or regulation. Records must be maintained by the Chief People & Member Services Officer sufficient to show compliance with training requirements.

The Chief People & Member Services Officer and other appropriate human resource staff shall be required to complete annually (each fiscal year) 4 hours of continuing professional education in subject courses of study related to personnel management.

5.3 Policy Compliance: Internal Audit Manager shall monitor compliance with this Policy, to include recommendations to the Finance Committee (FC) for external legal compliance reviews when determined necessary. Results of such reviews shall be reported to the Risk Director and FC.

6.0 Reporting

The Chief People & Member Services Officer shall cause any deviations from this Policy to be reported according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. The Internal Audit Manager shall cause to be completed an annual report on the operation and effectiveness of this Human Resources Policy as described in the FMPA Risk Management Policy, Section 7.0. Any deviations from this policy shall be reported to the Finance Committee.

Appendix A

Florida Municipal Power Agency
Risk Management Reporting Calendar
Human Resource Management Reporting Requirements

Reporting Item	Frequency of Report	Responsible Party	Policy Reference	Link to Policy Reference
Review of Healthcare Plans	Annually	Chief People & Member Services Officer	Section 4.2	HIPPA Administration
Review of Salary Ranges	Within 5 years	Chief People & Member Services Officer	Section 4.3	Compensation
Policy Compliance	As Needed	Internal Audit Manager	Section 5.3	Policy Compliance
Deviations from Policy	As Needed	Chief People & Member Services Officer	Section 6.0	Reporting
Policy Operation & Effectiveness	Annually	Internal Audit Manager	Section 6.0	Reporting

FLORIDA MUNICIPAL POWER AGENCY

RISK MANAGEMENT POLICY
APPENDIX O

INFORMATION TECHNOLOGY RISK MANAGEMENT POLICY

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INFORMATION TECHNOLOGY RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Information Technology Risk Management Policy (the "Policy") and any effective subordinate procedures establish the governance, framework and the controls under which Florida Municipal Power Agency ("FMPA") may engage in activities to identify, measure and minimize future business risk resulting from the use of information technology ("IT") assets and resources. This Policy is Appendix O of the FMPA Risk Management Policy.

1.0 Policy Statement

The Board of Directors and Executive Committee of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its governing bodies. FMPA staff is hereby authorized to put mechanisms into place, such as those more fully described in Section 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse effect on FMPA's ability to utilize its IT assets and resources.

The following summarizes the Policy of the Board of Directors and Executive Committee:

- ❖ Information technology management shall conform to applicable regulatory and legal requirements.
- ❖ The IT/OT & Cybersecurity Director shall report on activities as required in Section 6.0 of this Policy.
- ❖ The Internal Audit Manager shall report deviations from this Policy to the Finance Committee ("FC").

2.0 Scope

This Policy applies to all IT assets utilized by FMPA whether at office or generation asset locations, except those Operational Technology assets subject to NERC CIP standards, which shall be governed by policies or procedures established by the CIP Senior Manager. For this Policy "information technology assets and resources" are defined as the staff, software, hardware, phone systems and facilities that are used to electronically store, retrieve and/or manipulate business information at FMPA.

All users of FMPA's IT assets and resources are responsible for the proper care and use of IT assets and resources under their direct control as defined in this Policy, the Employee Manual, and all associated policies and procedures.

3.0 Types of Information Technology Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to ensure the effective and efficient operation of information technology assets and resources. The IT/OT & Cybersecurity Director will cause procedures to be created that identify risks in the areas noted below and provide ways to measure, control, and mitigate FMPA's exposure to those risks. The FMPA Risk Management Policy identifies ten risks composing FMPA's common risk framework. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the framework provides insight into the major areas of risk exposure for FMPA. The following selected framework risks are those risks presented by typical information technology activities.

3.1 Regulatory Risk: The potential adverse impact of an action or direction from a regulatory body. An example of regulatory risk impacting IT assets might occur if regulatory standards are issued, which require a higher level of IT security than currently in place. Non-compliance to such standards could expose FMPA to fines or other regulatory action.

3.2 Administrative Risk: The potential of financial loss due to deficiencies in internal control structure and management reporting due to human error, fraud, or a system failure. An example of administrative risk for IT assets would be if unauthorized system changes were made to a financial information system. Such changes could allow fraud or financial misstatement to occur, resulting in financial loss to FMPA. Not being able to detect such unauthorized changes would make this risk more pronounced.

3.3 Strategic Risk: The risk that the policies and actions of a governing body or management do not promote the successful attainment of strategic goals and objectives. An example of strategic risk related to IT assets would be if decisions regarding implementation of new software were not tied to FMPA's strategic goals. This lack of coordination could result in separate business decisions which do not support the achievement of FMPA's goals, resulting in financial and/or reputation loss.

4.0 Information Technology Management

This Policy establishes broad measures to secure FMPA's IT assets and resources against theft, fraud, malicious or accidental damage, and/or breach of integrity.

4.1 Information Technology Ownership: A custodian is responsible for IT assets or resources under their control as described below.

The IT/OT & Cybersecurity Director is the custodian of the infrastructure of all Agency-wide systems, including all hardware, software (inclusive of cloud applications), phone systems, and facilities that are used to electronically store, retrieve and/or manipulate business information at FMPA. This includes items such as, but not limited to, email and network servers, internet connections, firewalls, and virus protection.

Managers are custodians of all applications and systems under each manager's direct control. The IT/OT & Cybersecurity Director shall maintain a list of the current applications and system owners, in accordance with procedures established as prescribed in Section 4.1.

All staff are custodians of computing systems or telecommunication devices issued for their exclusive use, regardless of length of time of use. This includes, but is not limited to, desktop and laptop computers, cell phones, and storage media. The Employee Manual further addresses staff responsibilities and disciplinary actions resulting from misconduct.

IT/OT & Cybersecurity Director shall cause to develop, and maintain a cybersecurity policy which shall be reviewed for effectiveness annually by the Agency's Internal Audit department.

4.1.1 Software Licenses: All staff are responsible for complying with applicable copyright laws and with the terms and conditions of any contract or software licenses for purchased, leased, or acquired software.

4.1.2 Incident Response Plan: FMPA shall maintain an incident response plan (IRP). Annually the IRP will be tested and updated. The IRP will communicate how FMPA will detect, respond to, and recover from cyber incidents.

4.1.3 Security Incidents:

All custodians are responsible for notifying the IT/OT & Cybersecurity Director of security incidents that require actions beyond the custodian's ability or authority. A security incident is defined for this Policy as data or actions which intentionally or unintentionally violate this Policy. The IT/OT & Cybersecurity Director shall report incidents and, as soon as possible, provide a summary report (if incidents occur) to the CEO, Agency Risk Director, and any manager affected by the event. The IRP provides for how incidents will be detected, responded to and recovered from as described in section 4.1.2.

4.1.4 Security and Privacy Standards: Protective measures shall be taken by all custodians to ensure compliance with any applicable regulations and to maintain the integrity of FMPA's IT assets and resources. Satisfactory controls shall be directed at reducing probable high impact risk events, such as preventing access of unauthorized users.

IT/OT & Cybersecurity Director will cause an internal annual self assessment to check for vulnerabilities. IT/OT Cybersecurity Director shall also seek an external party security assessment review every three years. The results from each test shall be presented as described in section 6.0.

5.0 Internal Controls

The IT/OT & Cybersecurity Director shall cause to be established a system of written internal controls to manage IT assets and resources, consistent with this Policy and associated Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy.

The acceptable level of internal controls may change with the Agency's IT assets and resources. The IT Department will strive to maintain a segregation of duties such as by use of role based controls between system administrators and others. To the extent such segregation of duties is not possible, such as no logging or auditing on the compensating controls shall be established and documented by the IT/OT & Cybersecurity Director.

5.1 Policy and Procedure Compliance: The Internal Audit Manager shall cause compliance with this Policy and associated procedures to be monitored on an annual basis. Any unresolved compliance issues will be presented to the FC by the Agency Internal Audit Manager. Violations involving personnel issues shall be handled through FMPA's standard disciplinary process.

5.2 Staff Training: New employees shall be notified of this Policy during orientation. The IT/OT & Cybersecurity Director shall develop an ongoing cybersecurity awareness program to address common security topics.

These topics may include:

- Phishing
- Social engineering
- Mobile device security
- Strong passwords /Multi Factor Authentication
- Safe computing habits

Staff training may be conducted through formal training, written communications, or web-hosted training materials.

5.3 Continuing Education: The IT/OT & Cybersecurity Director and other appropriate IT Department staff are recommended to complete at least 8 hours of continuing education annually in subject courses of study related to IT assets, system management, and/or security as it pertains to job duties.

6.0 Reporting

The IT/OT & Cybersecurity Director is responsible for completion of the following reporting requirements:

6.1 Report to FC or appropriate higher Governing body: An annual report will be presented to the FC or appropriate higher governing body on the activities of the previous year. Such report shall at a minimum include the following:

1. Security incidents
2. Significant changes to industry related risks since last report
3. Summary of any reportable action items.

The Agency Risk Director shall cause any deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMPA Risk Management Policy. Internal Audit Manager shall report annually on the operation and effectiveness of this Policy and it shall be presented to the FC as described in Section 7.0 of the FMPA Risk Management Policy. The IT/OT & Cybersecurity Director shall report on the current risk environment affecting FMPA's information technology to the Agency's Risk Director as needed and engage any necessary discussion before recommending action to the appropriate governing body.

Appendix A

Security Incidents to Risk Director	As Needed	IT/OT & Cybersecurity Director	Section 4.1.3	Security Incidents
Internal Self Assessment	Annually	IT/OT & Cybersecurity Director	Section 4.1.4	Security and Privacy Standards
External Security Assessment	Every Three Years	IT/OT & Cybersecurity Director	Section 4.1.4	Security and Privacy Standards
FC annual report	Annually	IT/OT & Cybersecurity Director	Section 6.1	Reporting
Policy Operation & Effectiveness	Annually	Internal Audit Manager	Section 6.1	Reporting

AGENDA ITEM 6 – CHAIRPERSON'S REMARKS

Finance Committee Meeting
January 18, 2023

PRESENTED AT JANUARY 11, 2023 FINANCE COMMITTEE MEETING

AGENDA ITEM 7 – CFO REPORT

Finance Committee Meeting
January 18, 2023

AGENDA ITEM 8 – ACTION ITEMS

a. **Recommended Approval of Budget Amendment for Pooled Loan Project**

Finance Committee Meeting
January 18, 2023

8a – Recommended Approval of Budget Amendment for Pooled Loan Project

Finance Committee

Jan. 18, 2023

Budget Increase Needed for Pooled Loan Project

Would Support Future Loans and ARP Debt Service Payments

- A pooled loan was issued to the ARP in October to support fuel/power cost stabilization (margin calls and 60-day cash target)
- Similar to Stanton II pooled loan, principal and interest paid by ARP must also be captured as an expense of the Pooled Loan Project under GASB rules
- ARP pooled loan was not part of fiscal 2023 Pooled Loan Project budget
- Fiscal 2023 budget reflected expenses for up to six loans
- Six loans currently issued and need to provide for additional loans that may be issued during the year
- Additional $1 million spending authority requested for ARP pooled loan debt service and future loan costs; no financial impact to project or members
- Amended spending authority would be $1,616,257

FMPA MUNICIPAL POWER

Recommended Motion

- Move approval of recommendation of Resolution 2023-B1 to the Board of Directors for approval to increase the fiscal 2023 Pooled Loan Project budget spending authority by $1 million.

Exhibit

Current Pooled Loan Project Participants

$43.3 Million Issued, Approved for Up to $46.8 Million Total

Loan Participant	Loan Amount
Bushnell	$7.9 Million
Stanton II Project	$3.9 Million
Clewiston	$1.4 Million
Homestead – Loan 1	$8.6 Million
All-Requirements Project	$15 Million
Homestead – Loan 2	$6.5 Million

FMPA MUNICIPAL POWER

AGENDA ITEM 8 – ACTION ITEMS

b. Approval of Audited Financial Statements

Finance Committee Meeting
January 18, 2023

8b – Approval of Fiscal 2022 Financial Statements

Finance Committee

Jan. 18, 2023

Recommended Motion

- Move approval of the 2022 external audit report and audited financial statements.

Financial Statements

For The Fiscal Year Ended September 30, 2022

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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PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Florida Municipal Power Agency (the Agency) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Agency, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis information and the schedule of changes in the Agency's net other postemployment benefits liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

INDEPENDENT AUDITOR'S REPORT

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
Management is responsible for the other information included in the annual report. The other information, listed in the table of contents, comprises but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2023, 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Purvis Gray

January 12, 2023
Ocala, Florida

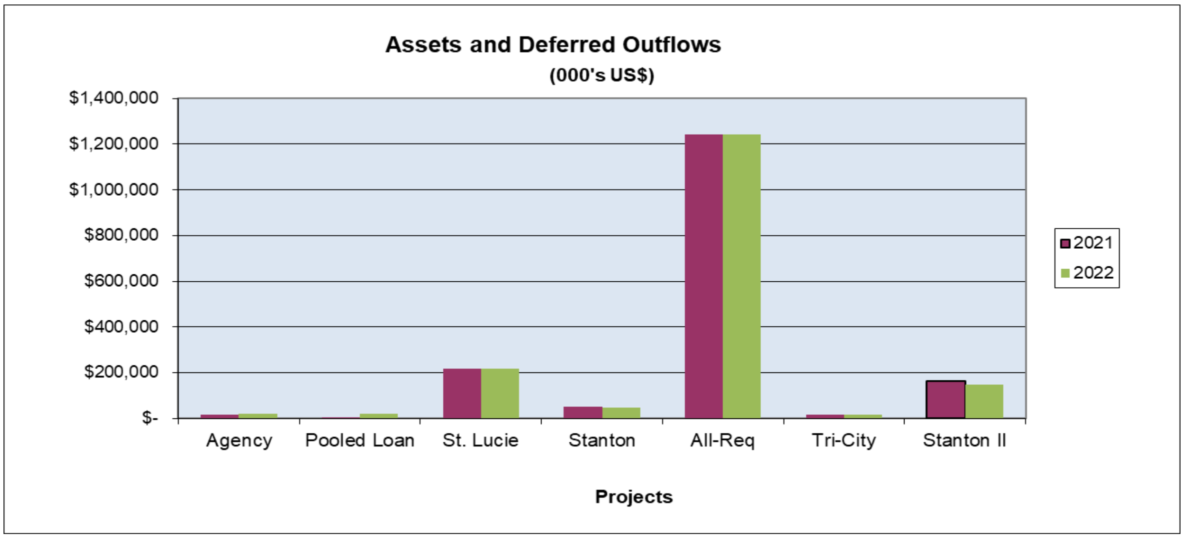
MANAGEMENT'S DISCUSSION & ANALYSIS
For Fiscal Year Ended September 30, 2022

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, 2022, of FMPA's Agency Fund and other projects decreased $3.4 million from the prior year.



Assets and Deferred Outflows (000's US$)								
Year	Agency	Pooled Loan	St. Lucie	Stanton	All-Req	Tri-City	Stanton II	Total
2021	$ 17,890	$ 3,592	$ 216,817	$ 49,790	$ 1,242,104	$ 14,767	$ 163,836	$ 1,708,796
2022	$ 18,045	$ 18,021	$ 215,870	$ 47,139	$ 1,242,647	$ 14,392	$ 149,239	$ 1,705,353
Variance	$ 155	$ 14,429	$ (947)	$ (2,651)	$ 543	$ (375)	$ (14,597)	$ (3,443)

FINANCIAL HIGHLIGHTS (CONTINUED)

Total Liabilities and Deferred Inflows at September 30, 2022, for FMPA's Agency Fund and other projects decreased by $4.6 million during the current fiscal year.

Long-Term Liability balance outstanding at September 30, 2022, for FMPA's Agency Fund and Projects was $1.2 billion, which is about the same as last fiscal year.

Long-Term Bonds balance, less current portion, was $1.06 million, including All-Requirements balance of $920 million.

Total Revenue for Agency and all projects increased by $235 million for the current fiscal year, primarily due to increased billings to cover increased natural gas prices.

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

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FINANCIAL HIGHLIGHTS (CONTINUED)

Statement of Net Position
Proprietary funds
September 30, 2022
(000's US$)

2022	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
	Business-Type Activities- Proprietary Funds							
Assets:								
Capital Assets, Net	$ 2,820	$ -	$ 41,172	$ 20,855	$ 532,828	$ 7,939	$ 84,226	$ 689,840
Current Unrestricted Assets	14,653	605	53,591	19,592	383,066	4,146	53,757	529,410
Non-Current Restricted Assets	-	17,780	120,336	5,690	76,192	1,948	6,386	228,332
Other Non Current Assets	572	(364)	-	-	201,532	-	5	201,745
Deferred Outflows of Resources	-	-	771	1,002	49,029	359	4,865	56,026
Total Assets & Deferred Outflows	$ 18,045	$ 18,021	$ 215,870	$ 47,139	$ 1,242,647	$ 14,392	$ 149,239	$ 1,705,353
Liabilities:								
Long-Term Liabilities	$ 4,647	$ 17,464	$ 168,997	$ 1,371	$ 960,361	$ 492	$ 75,574	$ 1,228,906
Current Liabilities	2,885	557	7,176	2,866	208,762	1,037	12,845	236,128
Deferred Inflows of Resources		-	39,697	42,902	73,524	12,863	60,820	229,806
Total Liabilities & Deferred Inflows	$ 7,532	$ 18,021	$ 215,870	$ 47,139	$ 1,242,647	$ 14,392	$ 149,239	$ 1,694,840
Net Position:								
Investment in capital assets	$ 2,820	$ -	$ (23,544)	$ 20,855	$ (259,666)	$ 7,939	$ 67,969	$ (183,627)
Restricted	-	-	15,598	5,690	81,662	1,948	10,626	115,524
Unrestricted	7,693	-	7,946	(26,545)	178,004	(9,887)	(78,595)	78,616
Total Net Position	$ 10,513	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,513

Statement of Net Position
Proprietary funds
September 30, 2021
(000's US$)

2021	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
	Business-Type Activities- Proprietary Funds							
Assets:								
Capital Assets, Net	$ 3,062	$ -	$ 34,977	$ 24,138	$ 558,414	$ 9,212	$ 88,917	$ 718,720
Current Unrestricted Assets	14,401	705	56,292	19,987	358,152	2,812	59,699	512,048
Non-Current Restricted Assets	-	2,955	122,015	4,663	70,748	2,384	7,519	210,284
Other Non Current Assets	427	(68)	-	-	220,544	-	-	220,903
Deferred Outflows of Resources	-	-	3,533	1,002	34,246	359	7,701	46,841
Total Assets & Deferred Outflows	$ 17,890	$ 3,592	$ 216,817	$ 49,790	$ 1,242,104	$ 14,767	$ 163,836	$ 1,708,796
Liabilities:								
Long-Term Liabilities	$ 5,784	$ 2,986	$ 187,011	$ 1,203	$ 993,268	$ 432	$ 93,452	$ 1,284,136
Current Liabilities	2,704	606	7,321	2,261	166,725	1,094	16,501	197,212
Deferred Inflows of Resources	-		22,485	46,326	82,111	13,241	53,883	218,046
Total Liabilities & Deferred Inflows	$ 8,488	$ 3,592	$ 216,817	$ 49,790	$ 1,242,104	$ 14,767	$ 163,836	$ 1,699,394
Net Position:								
Investment in capital assets	$ 3,062	$ -	$ (52,699)	$ 24,138	$ (307,068)	$ 9,212	$ (7,967)	$ (331,322)
Restricted	-	-	26,213	4,664	84,486	2,384	19,256	137,003
Unrestricted	6,340	-	26,486	(28,802)	222,582	(11,596)	(11,289)	203,721
Total Net Position	$ 9,402	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,402

FINANCIAL HIGHLIGHTS (CONTINUED)

Statements of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For Fiscal Year Ended September 30, 2022

2022	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	$ 16,914	$ 32	$ 44,663	$ 25,577	$ 629,759	$ 10,255	$ 54,597	$ 781,797
Sales to others	43	-	2,077	369	137,442	131	580	140,642
Amounts to be recovered from (refunded to) participants	-	(58)	(3,735)	(30)	(36,553)	43	(1,184)	(41,517)
Investment Income (loss)	(165)	87	4,472	(309)	(9,781)	(53)	(1,841)	(7,590)
Total Revenue	$ 16,792	$ 61	$ 47,477	$ 25,607	$ 720,867	$ 10,376	$ 52,152	$ 873,332
Expenses:								
Operation, Maintenance & Nuclear Fuel Amortization	$ -	$ -	$ 12,748	$ 4,800	$ 75,310	$ 1,717	$ 7,000	$ 101,575
Purchased power, Transmission & Fuel Costs	-		3,732	18,052	519,614	6,448	25,129	572,975
Administrative & General	15,127	4	2,872	1,945	26,019	976	3,012	49,955
Depreciation & Decommissioning	554	-	7,937	4,234	46,867	1,613	6,507	67,712
Interest & Amortization	-	57	2,976		31,780		3,566	38,379
Environmental remediation costs					2,152			2,152
Total Expense	$ 15,681	$ 61	$ 30,265	$ 29,031	$ 701,742	$ 10,754	$ 45,214	$ 832,748
Change in net position before regulatory asset adjustment	$ 1,111	$ -	$ 17,212	$ (3,424)	$ 19,125	$ (378)	$ 6,938	$ 40,584
Net cost recoverable/future Participant billings	-	0	(17,212)	3,424	(19,125)	378	(6,938)	(39,473)
Change in Net Positon After Regulatory Adj	$ 1,111	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,111
Net position at beginning of year	9,402	-	-	-	-	-	-	9,402
Net position at end of year	$ 10,513	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,513

Statements of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For Fiscal Year Ended September 30, 2021
(000's US$)

2021	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	$ 14,962	$ 37	$ 46,920	$ 15,237	$ 419,512	$ 5,657	$ 45,316	$ 547,641
Sales to others	-	-	3,860	384	85,989	137	602	90,972
Amounts to be recovered from (refunded to) participants	-	64	72	(83)	(9,690)	(294)	279	(9,652)
Investment Income (loss)	24	33	6,463	70	2,671	28	379	9,668
Total Revenue	$ 14,986	$ 134	$ 57,315	$ 15,608	$ 498,482	$ 5,528	$ 46,576	$ 638,629
Expenses:								
Operation, Maintenance &	$ -	$ -	$ 11,131	$ 3,933	$ 64,733	$ 1,396	$ 6,671	$ 87,864
Nuclear Fuel Amortization	-		4,046					4,046
Purchased power, Transmission & Fuel Costs	-	-	3,864	12,783	302,101	4,256	21,821	344,825
Administrative & General	14,524	70	3,501	1,344	23,837	738	2,057	46,071
Depreciation & Decommissioning	453	-	6,839	4,052	38,808	1,548	6,369	58,069
Interest & Amortization	-	64	4,657	-	34,168	-	4,337	43,226
Environmental Remediation Costs	-	-	-	-	3,515	-	-	3,515
Total Expense	$ 14,977	$ 134	$ 34,038	$ 22,112	$ 467,162	$ 7,938	$ 41,255	$ 499,752
Change in net position before regulatory asset adjustment	$ 9	$ -	$ 23,277	$ (6,504)	$ 31,320	$ (2,410)	$ 5,321	$ 51,013
Net cost recoverable/future Participant billings	-	-	(23,277)	6,504	(31,320)	2,410	(5,321)	(51,004)
Change in Net Positon After Regulatory Adj	$ 9	$ -	$ -	$ -	$ -	$ -	$ -	$ 9
Net position at beginning of year	9,393							9,393
Net position at end of year	$ 9,402	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,402

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2022

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, 2022. 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 an enterprise type, or fiduciary type as compared to governmental activities. FMPA has no component units to report. The Financial Statements can be found on pages 12 through 15 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 two types of Funds, the Enterprise Fund type, and the Fiduciary 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 2022 and 2021 is shown on pages 4 and 5. A more detailed version of the major fund proprietary financial statements can be found on pages 12 through 14 of this report. The Fiduciary Fund statements provide information about the financial relationships in which the Agency acts solely as a trustee or agent for the benefit of other governments. The Fiduciary Fund financial statements can be found on pages 15 and 16 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 17 through 55 of this report.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2022

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 carefully study the financial statements of each fund and project. For example, total revenues increased $235 million primarily due to increased 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 $603 thousand from fiscal year 2021 to fiscal year 2022.

The **Pooled Loan Fund** was re-established during the 2019 fiscal year and has made three loans to members. As required by the Governmental Accounting Standards Board Statement 91 they are 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) and one loan to an FMPA Project (ARP), 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 an initial 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. FPL has applied for a subsequent 20-year extension of the operating licenses.

The Project billed 716,436 Megawatt-hours (MWh) in fiscal year 2022. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, decreased 8.5% to $62.34 in fiscal year 2022.

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 284,082 MWh in fiscal year 2022. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses increased 90% to $90.03 per MWh in fiscal year 2022 due to higher coal and natural gas prices utilized by 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 increased 48.2% was $105.61 per MWh in fiscal year 2022, which is all-inclusive of Energy, Demand and Transmission expenses. The billed Megawatt hours for fiscal year 2022 were 5,963,224.

The All-Requirements participant net cost of power increased to $99.48 per MWh in fiscal year 2022, a 30.0% increase from fiscal year 2021. This increase was primarily due to higher natural gas fuel expenses. The fuel supply mix was 81.9% for natural gas, 11.0% for coal, .1% for oil 3.7% for purchases 1.4% nuclear and 1.9% for renewables.

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 2022. The All-Requirements project adjusts the 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 105,451 MWh in fiscal year 2022. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, increased 77.7% to $97.25 per MWh during fiscal year 2022 due to increased 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 375,451 MWh in fiscal year 2022. The average all-inclusive billing rate, which includes budgeted Demand, Energy, and Transmission expenses, increased by 90.6% to $145.42 per MWh in fiscal year 2022. This was caused by a higher fuel costs for the plant.

BUDGETARY HIGHLIGHTS

The FMPA Board of Directors approves the budgets for projects, other than the All-Requirements Project, and the Executive Committee approves the Agency and All-Requirements Project budgets, establishing legal boundaries for expenditures. Due to higher than anticipated fuel costs for fiscal year 2022, the Stanton budget was amended to increase expenditures $14.4 million, the All-Requirements Project budget was amended to increase expenditures $255 million, the Tri-City budget was amended to increase expenditures $5.2 million, and the Stanton II budget was amended to increase expenditures $6.4 million.

CAPITAL ASSETS AND LONG-TERM DEBT

FMPA's investment in Capital Assets**,** as of September 30, 2022, was $690 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 2022 decreased by 4.5% or $28.9 million. This was caused primarily by depreciation of plant assets.

At September 30, 2022, 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 $)	
Pooled Loan Fund	$	-
St. Lucie Project		62,932
All-Requirements Project		919,965
Stanton II Project		73,422
Total	$	1,056,319

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

MANAGEMENT'S DISCUSSION & ANALYSIS
For Fiscal Year Ended September 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Multi-year operational and financial modeling was conducted to arrive at the fiscal year 2022 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

Global demand for natural gas continues to rise, including in the United States, however, production has not kept up with this increased demand, therefore natural gas prices have been extremely volatile in 2022. FMPA instituted a gas price stability program to help manage the volatility of natural gas prices. The program was approved by the Executive Committee for the All-Requirements Project through April 2025. See Note VI for more details.

The gas price stability program required additional cash liquidity, therefore the All Requirements Project obtained a pooled loan and is utilizing the 2021B bond proceeds to support the funding of margin calls and the sixty days cash requirements. The borrowed funds will be replenished by the members through a four month recovery method. See Note IX A.5 for more details.

Advance refundings of the 2012A St. Lucie and Stanton II bonds resulted in a present value savings of $9 million dollars. See Note IX A.3 and 7 for more details on these transactions.

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, 2022
(000's US$)

	Business-Type Activities							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
ASSETS & DEFERRED OUTFLOWS								
Current Assets:								
Cash and cash equivalents	$ 3,751	$ 9	$ 9,521	$ 5,183	$ 119,527	$ 1,883	$ 8,618	$ 148,492
Investments	7,858	-	38,419	10,495	61,772	732	30,968	150,244
Participant accounts receivable	1,678	-	1,908	2,173	66,747	870	5,029	78,405
Due from Participants	-	46	-	-	-	43	-	89
Fuel stock and material inventory	-	-	-	1,722	40,748	616	2,589	45,675
Other current assets	1,366	-	325	19	34,924	2	169	36,805
Restricted assets available for current liabilities	-	550	3,418	-	59,348	-	6,384	69,700
Total Current Assets	14,653	605	53,591	19,592	383,066	4,146	53,757	529,410
Non-Current Assets:								
Restricted Assets:								
Cash and cash equivalents	-	604	105,503	2,209	88,940	143	7,352	204,751
Investments	-	-	18,221	3,471	46,418	1,802	5,410	75,322
Accrued interest	-	-	30	10	182	3	8	233
Loans to Project	-	17,726	-	-	-	-	-	17,726
Less: Portion Classified as Current	-	(550)	(3,418)	-	(59,348)	-	(6,384)	(69,700)
Total Restricted Assets	-	17,780	120,336	5,690	76,192	1,948	6,386	228,332
Utility Plant:								
Electric plant	-	-	319,966	97,015	1,321,287	38,484	212,894	1,989,646
General plant	10,394	-	38,502	21	5,627	36	91	54,671
Less accumulated depreciation and amortization	(7,574)	-	(319,852)	(76,181)	(797,371)	(30,581)	(128,759)	(1,360,318)
Net utility plant	2,820	-	38,616	20,855	529,543	7,939	84,226	683,999
Construction work in progress	-	-	2,556	-	3,285	-	-	5,841
Total Utility Plant, net	2,820	-	41,172	20,855	532,828	7,939	84,226	689,840
Other Assets:								
Net costs recoverable/future participant billilngs	-	60	-	-	201,277	-	-	201,337
Due from (to) other funds	128	(424)	-	-	-	-	5	(291)
Other	444	-	-	-	255	-	-	699
Total Other Assets	572	(364)	-	-	201,532	-	5	201,745
Total Assets	18,045	18,021	215,099	46,137	1,193,618	14,033	144,374	1,649,327
Deferred Outflows of Resources								
Deferred Outflows from Asset Retirement Obligations	-	-	-	1,002	1,116	359	1,572	4,049
Deferred Outflows Natural Gas Hedges	-	-	-	-	20,177	-	-	20,177
Unamortized Loss on Advanced Refunding	-	-	771	-	27,736	-	3,293	31,800
Total Deferred Outflows	-	-	771	1,002	49,029	359	4,865	56,026
Total Assets & Deferred Outflows	18,045	18,021	215,870	47,139	1,242,647	14,392	149,239	1,705,353
LIABILITIES, DEFERRED INFLOWS & NET POSITION								
Current Liabilities:								
Payable from unrestricted assets:								
Accounts payable & Accrued Liabilities	2,644	7	23	2,836	71,715	1,037	5,277	83,539
Due to Participants	-	-	3,735	30	63,947	-	1,184	68,896
Other Post Employment Benefits	241	-	-	-	-	-	-	241
Other Obligations	-	-	-	-	13,752	-	-	13,752
Total Current Liabilities Payable from Unrestricted Assets	2,885	7	3,758	2,866	149,414	1,037	6,461	166,428
Payable from Restricted Assets:								
Current portion of long-term revenue bonds	-	522	2,555	-	42,190	-	5,677	50,944
Accrued interest on long-term debt	-	28	863	-	17,158	-	707	18,756
Total Liabilities Payable from Restricted Assets	-	550	3,418	-	59,348	-	6,384	69,700
Total Current Liabilities	2,885	557	7,176	2,866	208,762	1,037	12,845	236,128
Long-Term Liabilities Payable from Restricted Assets:								
Accrued Decommissioning Liability	-	-	106,065	-	-	-	-	106,065
Total Liabilities Payable from Restricted Assets	-	-	106,065	-	-	-	-	106,065
Long-Term Liabilities Less Current Portion:								
Long-term debt	-	-	62,932	-	919,965	-	73,422	1,056,319
Pooled Loan Fund Non-Conduit Debt	-	17,464	-	-	-	-	-	17,464
Other Post-employment Benefits	4,647	-	-	-	-	-	-	4,647
Landfill Closure & Asset Retirement Obligations	-	-	-	1,371	1,531	492	2,152	5,546
FMV Derivative Instruments	-	-	-	-	20,177	-	-	20,177
Advances from Participants	-	-	-	-	18,688	-	-	18,688
Total Long-Term Liabilities	4,647	17,464	62,932	1,371	960,361	492	75,574	1,122,841
Deferred Inflows of Resources								
Net cost refundable/future participant billings	-	-	39,697	42,902	-	12,863	60,820	156,282
Acquisition Adjustment - Vero Beach Entitlements	-	-	-	-	73,524	-	-	73,524
Total Deferred Inflows of Resources	-	-	39,697	42,902	73,524	12,863	60,820	229,806
Total Long-Term Liabilities & Deferred Inflows	4,647	17,464	208,694	44,273	1,033,885	13,355	136,394	1,458,712
Total Liabilities and Deferred Inflows	7,532	18,021	215,870	47,139	1,242,647	14,392	149,239	1,694,840
Net Position:								
Net Investment in Capital Assets	2,820	-	(23,544)	20,855	(259,666)	7,939	67,969	(183,627)
Restricted	-	-	15,598	5,690	81,662	1,948	10,626	115,524
Unrestricted	7,693	-	7,946	(26,545)	178,004	(9,887)	(78,595)	78,616
Total Net Position	10,513	-	-	-	-	-	-	10,513
Total Liabilities and Net Position	$ 18,045	$ 18,021	$ 215,870	$ 47,139	$ 1,242,647	$ 14,392	$ 149,239	$ 1,705,353

The accompanying notes are an integral part of these financial statements

FLORIDA MUNICIPAL POWER AGENCY
STATEMENT OF REVENUE, EXPENSES, AND CHANGE IN FUND NET POSITION
PROPIETARY FUNDS
For the fiscal year ended September 30, 2022
(000's US$)

	Business-Type Activities							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
Operating Revenue:								
Billings to participants	$ 16,914	$ 32	$ 44,663	$ 25,577	$ 629,759	$ 10,255	$ 54,597	$ 781,797
Interchange Sales	-	-	-	-	29,829	-	-	29,829
Sales to others	43	-	2,077	369	99,026	131	580	102,226
Amortization of Vero Beach Acquisition Adj.	-	-	-	-	8,587	-	-	8,587
Amounts to be recovered from (refunded to) participants	-	(58)	(3,735)	(30)	(36,553)	43	(1,184)	(41,517)
Total Operating Revenue	16,957	(26)	43,005	25,916	730,648	10,429	53,993	880,922
Operating Expenses:								
Operation and maintenance	-	-	8,523	4,800	75,310	1,717	7,000	97,350
Fuel expense	-	-	-	16,534	426,331	5,904	22,660	471,429
Nuclear fuel amortization	-	-	4,225	-	-	-	-	4,225
Purchased power	-	-	3,242	-	49,849	-	-	53,091
Transmission services	-	-	490	1,518	43,434	544	2,469	48,455
General and administrative	15,127	4	2,872	1,945	26,019	976	3,012	49,955
Depreciation and amortization	554	-	1,169	4,234	46,867	1,613	6,507	60,944
Decommissioning	-	-	6,768	-	-	-	-	6,768
Total Operating Expense	15,681	4	27,289	29,031	667,810	10,754	41,648	792,217
Total Operating Income	1,276	(30)	15,716	(3,115)	62,838	(325)	12,345	88,705
Non-Operating Income (Expense):								
Interest expense	-	(57)	(2,091)	-	(26,362)	-	(2,143)	(30,653)
Debt issuance costs	-	-	(172)	-	(23)	-	(82)	(277)
Investment earnings (losses)	(165)	87	4,472	(309)	(9,781)	(53)	(1,841)	(7,590)
Amortization of Loss on Advanced Termination	-	-	(713)	-	(5,395)	-	(1,341)	(7,449)
Environmental remediation costs	-	-	-	-	(2,152)	-	-	(2,152)
Total Non-Operating Income (Expenses)	(165)	30	1,496	(309)	(43,713)	(53)	(5,407)	(48,121)
Change in net assets before regulatory asset adjustment	1,111	-	17,212	(3,424)	19,125	(378)	6,938	40,584
Net cost recoverable (refundable)/future participant billings	-	-	(17,212)	3,424	(19,125)	378	(6,938)	(39,473)
Change in Net Position After Regulatory Adj	1,111	-	-	-	-	-	-	1,111
Net Position at beginning of year	9,402	-	-	-	-	-	-	9,402
Net Position at end of year	$ 10,513	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,513

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, 2022
(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	$ 16,496	$ 324	$ 46,780	$ 25,299	$ 731,049	$ 9,979	$ 54,379	$ 884,306
Cash Paid to Suppliers	(7,847)	(60)	(17,202)	(24,757)	(622,740)	(9,125)	(33,945)	(715,676)
Cash Paid to Employees	(8,656)	-	-	-	-	-	-	(8,656)
Net Cash Provided by (Used in) Operating Activities	$ (7)	$ 264	$ 29,578	$ 542	$ 108,309	$ 854	$ 20,434	$ 159,974
Cash Flows From Investing Activities:								
Proceeds From Sales and Maturities Of Investments	$ 21,071	$ 772	$ 1,125,997	$ 16,027	$ 239,963	$ 3,337	$ 38,091	$ 1,445,258
Pooled Loans to Projects	-	(15,000)	-	-	-	-	-	(15,000)
Purchases of Investments	(18,934)	-	(1,115,722)	(13,878)	(159,201)	(3,221)	(38,763)	(1,349,719)
Income received on Investments - Less Losses	(71)	87	9,371	231	(2,407)	16	2,047	9,274
Net Cash Provided by (Used in) Investment Activities	$ 2,066	$ (14,141)	$ 19,646	$ 2,380	$ 78,355	$ 132	$ 1,375	$ 89,813
Cash Flows From Capital & Related Financing Activities:								
Proceeds from Issuance of Bonds & Loans	$ -	$ 15,000	$ 40,625	$ -	$ 15,000	$ -	$ 25,510	$ 96,135
Debt Issuance Costs	-	-	(172)	-	(23)	-	(82)	(277)
Other Deferred Costs - Preliminary Engineering	-	-	-	-	-	-	-	-
Capital Expenditures - Utility Plant	(312)	-	(11,589)	(951)	(21,281)	(340)	(1,816)	(36,289)
Long Term Gas Pre Pay - PGP					(428)			(428)
Principal Payments - Long Term Debt	-	(512)	(62,365)	-	(68,276)	-	(47,108)	(178,261)
Interest paid on Debt	-	(60)	(6,888)	-	(39,781)	-	(5,441)	(52,170)
Development Project Charges	(145)	-	-	-	(113)	-	-	(258)
Net Cash Provided (Used in) Capital & Related Financing Activities	$ (457)	$ 14,428	$ (40,389)	$ (951)	$ (114,902)	$ (340)	$ (28,937)	$ (171,548)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 1,602	$ 551	$ 8,835	$ 1,971	$ 71,762	$ 646	$ (7,128)	$ 78,239
Cash and Cash Equivalents - Beginning	2,149	62	106,189	5,421	136,705	1,380	23,098	275,004
Cash and Cash Equivalents - Ending	$ 3,751	$ 613	$ 115,024	$ 7,392	$ 208,467	$ 2,026	$ 15,970	$ 353,243
Consisting of:								
Unrestricted	$ 3,751	$ 9	$ 9,521	$ 5,183	$ 119,527	$ 1,883	$ 8,618	$ 148,492
Restricted	-	604	105,503	2,209	88,940	143	7,352	204,751
Total	$ 3,751	$ 613	$ 115,024	$ 7,392	$ 208,467	$ 2,026	$ 15,970	$ 353,243
	-	-	-	-	-	-	-	-
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:								
Operating Income (Loss)	$ 1,276	$ (30)	$ 15,716	$ (3,115)	$ 62,838	$ (325)	$ 12,345	$ 88,705
Adjustment to Reconcile Net Operating Income to Net Cash Provided by (Used In) Operating Activities:								
Depreciation	554	-	1,169	4,234	46,867	1,613	6,507	60,944
Decommissioning			6,768					6,768
Amortization of Nuclear Fuel			4,225					4,225
Amortization of Pre Paid Gas - PGP					428			428
Amortization of Vero Exit Payment					(8,587)			(8,587)
Changes in Assests and Liabilities Which Provided (Used) Cash:								
Inventory	-	-	-	(787)	165	(281)	(982)	(1,885)
Receivables From (Payable to) Participants	(461)	350	3,775	(617)	8,988	(450)	(792)	10,793
Prepaids	(420)	-	50	1	(26,578)	-	(6)	(26,953)
Accounts Payable and Accrued Expense	(956)	(56)	(2,125)	826	24,188	297	3,362	25,536
Other Deferred Costs								-
Net Cash Provided By (Used In) Operating Activities	$ (7)	$ 264	$ 29,578	$ 542	$ 108,309	$ 854	$ 20,434	$ 159,974
	-	-	-	-	-	-	-	-
Noncash Investing, capital and financing activities:								
Increase (Decrease) in mark to market values Investments	$ (94)	$ -	$ (2,766)	$ (469)	$ (9,430)	$ (62)	$ (2,390)	(15,211)

The accompanying notes are an integral part of these financial statements

FLORIDA MUNICIPAL POWER AGENCY
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2022
(000's US$)

		Custodial Funds
ASSETS		
Current Assets:		
Cash and cash equivalents	$	14,106
Investments		33,628
Accrued Interest		117
Mark to Market Adjustment		(1,477)
Total Assets	$	46,374
Net Position		
Restricted for other governments	$	46,374

FLORIDA MUNICIPAL POWER AGENCY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2022
(000's US$)

Additions		
Contributions		
Received from other governments - Investment	$	40,000
Investment Income		(1,169)
Total additions	$	38,831
Deductions		
Paid to other governments - Loan Proceeds	$	10
Paid to other governments - Rate Stabilization		75
Bank Charges		2
Total deductions	$	87
Change in net position	$	38,744
Net position, beginning of year		7,630
Net position, end of year	$	46,374

The accompanying notes are an integral part of these financial statements

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, 2022, 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 director representing 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 structures. 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.

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.
- The Fiduciary Fund accounts for assets held by the Agency as a trustee for other governmental units.

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 40 years.

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 includes 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, Florida law also allows FMPA to adopt its own investment policy, subject to certain restrictions. FMPA's policy 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 All-Requirements 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, 2022, the liability for unused vacation was $969,467 and a portion of $849,231 for unused sick/personal leave is accounted for in the Agency Fund.

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, and use of estimates when computing the OPEB liability, asset retirement obligations, landfill closure costs, and pollution remediation obligations. Actual results could differ from those estimates.

12. Derivative Financial Instruments

FMPA used commodity futures contracts and options on forward contracts to hedge the effects of fluctuations in the price of natural gas storage. The contracts were held by Florida Gas Utility (FGU) and FMPA agreed to reimburse FGU for any loss on the contracts and FGU agreed to pay FMPA for any gain on the contracts. This practice was discontinued during a prior fiscal year.

Additionally, FMPA utilizes derivative instruments - fair value hedges to hedge financial exposure and mitigate risk related to daily price changes in the natural gas supply market, as further disclosed in Note VI.

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 three items that qualify for reporting in this category, the deferred portion of Asset Retirement Obligations, the Unamortized Loss on Refunding, and hedging derivative instruments. 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. For effective hedging derivative instruments, the changes in fair values are reported as deferred inflows and outflows. The amount is deferred until the gain or loss is realized.

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.

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.

18. New Required Standards from the Governmental Accounting Standards Board for 2022

- **GASB No. 87** on leases was established to create a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This statement specifically excludes purchase power agreements and software subscriptions. Management reviewed and evaluated FMPA contracts and have determined that this statement is not applicable to any current contracts.

- **GASB No. 89** for Accounting for Interest Cost Incurred Before the End of a Construction Period was established to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. Management has determined that this statement does not apply to any FMPA projects and retroactive restatement is not required.

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 ($106 million) and Accrued Decommissioning Liability ($106 million) at September 30, 2022. 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.

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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, including the proportionate closure and post closure maintenance costs of $1.50 million as of September 30, 2022, 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 $188 thousand over the remaining useful life of the landfill. As of September 30, 2020, and 2021, 65.9% and 70.9%, respective of the total landfill capacity has been used. As of 2021, six years remain on the landfill life. An update for 2022 has not been received.

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, 2022 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	$ -	$ -	$ -	$ 451	$ 507	$ 162	$ 710	$ 1,830
Remaining Liability	-	-	-	(82)	(92)	(29)	(130)	(333)
Total Liability at September 30	$ -	$ -	$ -	$ 369	$ 415	$ 133	$ 580	$ 1,497
Closure Liability	$ -	$ -	$ -	$ 44	$ 51	$ 16	$ 77	$ 188
Post-Closure Liability	-	-	-	325	364	117	503	1,309
Asset Retirement Obligation	-	-	-	1,002	1,116	359	1,572	4,049
Total Landfill Closure and Asset Retirement Obligation	$ -	$ -	$ -	$ 1,371	$ 1,531	$ 492	$ 2,152	$ 5,546

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IV. Capital Assets

A description and summary as of September 30, 2022, 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:

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

New capital undertakings are accounted for in the Construction Work in Process account and included in the Utility Plant 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, 2022 was as follows:

	September 30, 2022			
	Beginning Balance	Increases*	Decreases*	Ending Balance
	(000's US$)			
Land	$ 653	$ -	$ -	$ 653
General Plant	9,429	312	-	9,741
Construction work in process	-	-	-	-
General Plant in Service	$ 10,082	$ 312	$ -	$ 10,394
Less Accumulated Depreciation	(7,020)	(554)	-	(7,574)
General Plant in Service, Net	3,062	(242)	-	2,820

* Includes Retirements Less Salvage

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IV. Capital Assets (continued)

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 2021, management extended the useful life to 60 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, 2022, was as follows:

	September 30, 2022			
	Beginning Balance	Increases	Decreases*	Ending Balance
	(000's US$)			
Land	$ 75	$ -	$ -	$ 75
Electric Plant	311,688	8,203	-	319,891
General Plant	1,208	-	-	1,208
Nuclear Fuel	35,602	1,692	-	37,294
Construction work in process	1,548	1,008	-	2,556
Electric Utility Plant in Service	$ 350,121	$ 10,903	$ -	$ 361,024
Less Accumulated Depreciation	(315,145)	(5,394)	687	(319,852)
Utility Plant in Service, Net	$ 34,976	$ 5,509	$ 687	$ 41,172

* Includes Retirements Less Salvage

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

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, 2022, was as follows:

	September 30, 2022			
	Beginning Balance	Increases	Decreases*	Ending Balance
	(000's US$)			
Land	$ 125	$ -	$ -	$ 125
Electric Plant	95,939	951	-	96,890
General Plant	21	-	-	21
Electric Utility Plant in Service	$ 96,085	$ 951	$ -	$ 97,036
Less Accumulated Depreciation	(71,947)	(4,234)	-	(76,181)
Utility Plant in Service, Net	$ 24,138	$ (3,283)	$ -	$ 20,855

* Includes Retirements Less Salvage

IV. Capital Assets (continued)

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 or ownership cost responsibility (for jointly owned and participant owned units) 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.5 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 — 35 years
- Cane Island Unit 1 — 25 years
- Cane Island Units 2, 3 — 30 years
- Cane Island Unit 4 — 35 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.*

All-Requirements plant asset activity for the year ended September 30, 2022, was as follows:

	September 30, 2022			
	Beginning Balance	Increases	Decreases*	Ending Balance
	(000's US$)			
Land	$ 13,405	$ -	$ -	$ 13,405
Electric Plant	1,289,053	18,829	-	1,307,882
General Plant	5,321	306	-	5,627
CWIP	1,139	2,146	-	3,285
Electric Utility Plant in Service	$ 1,308,918	$ 21,281	$ -	$ 1,330,199
Less Accumulated Depreciation	(750,504)	(46,867)	-	(797,371)
Utility Plant in Service, Net	$ 558,414	$ (25,586)	$ -	$ 532,828

*Includes Retirements Less Salvage

IV.

IV. Capital Assets (continued)

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, 2022, was as follows:

	September 30, 2022			
	Beginning Balance	Increases	Decreases*	Ending Balance
	(000's US$)			
Land	$ 48	$ -	$ -	$ 48
Electric Plant	38,096	340	-	38,436
General Plant	36		-	36
Electric Utility Plant in Service	$ 38,180	$ 340	$ -	$ 38,520
Less Accumulated Depreciation	(28,968)	(1,613)	-	(30,581)
Utility Plant in Service, Net	$ 9,212	$ (1,273)	$ -	$ 7,939

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 39 years

Stanton Unit 2 plant asset activity for the year ended September 30, 2022, was as follows:

	September 30, 2022			
	Beginning Balance	Increases	Decreases*	Ending Balance
	(000's US$)			
Land	$ 217	$ -	$ -	$ 217
Electric Plant	210,861	1,816	-	212,677
General Plant	91	-	-	91
Electric Utility Plant in Service	$ 211,169	$ 1,816	$ -	$ 212,985
Less Accumulated Depreciation	(122,252)	(6,507)	-	(128,759)
Utility Plant in Service, Net	$ 88,917	$ (4,691)	$ -	$ 84,226

* Includes Retirements Less Salvage

V. Cash, Cash Equivalents, and Investments

A. Cash and Cash Equivalents

At September 30, 2022, FMPA's Cash and Cash Equivalents consisted of demand deposit accounts, money market accounts, and funds that are held with a fiscal agent. Demand deposit and money market accounts are authorized under FMPA bond resolutions. These funds are held at two financial institutions. All of FMPA's demand deposits at September 30, 2022, 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. Approximately $50 million is held with a fiscal agent, Florida Gas and Utility, for the purpose of fulfilling margin calls as a requirement of gas hedging instruments. These funds are not insured by the FDIC program nor the Public Depository Act of Florida and are, therefore, not collateralized. FMPA believes any credit or custodial risk are minimal.

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, 2022 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, 2022, 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.

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, 2022, are as follows:

	September 30, 2022 *(000's US$)*	Weighted Average Maturity (Days)	Credit Rating
Unrestricted			
Cash and Cash Equivalents	$ 3,751		
US Gov't/Agency Securities*	4,895	224	Aaa/AA+/AAA *
Commercial Paper	2,963	34	
Corporate Notes	-		
Total Unrestricted	$ 11,609		
Total	$ 11,609		

*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, 2022, 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	$ -	$ -	$ -
US Treasury Obligations	4,903		
Corporate Notes		-	
Brokered CDs		-	
Total By Level	$ 4,903	$ -	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 3,751		
Commercial Paper	2,975		
Total Money Market and Mutual Fund Instruments	$ 6,726		
Total Market Value of Assets	$ 11,629		
Accrued Interest (including portion within other current assets of Unrestricted Assets)	(20)		
Market value (less) Accrued Interest	$ 11,609		

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, 2022, are as follows:

		September 30, 2022	Weighted Average Maturity (Days)	Credit Rating
		(000's US$)		
Restricted				
Cash and Cash Equivalents	$	604		
Total Restricted	$	604		
Unrestricted				
Cash and Cash Equivalents	$	9		
Total Unrestricted	$	613		
Total	$	613		

Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure		
Cash Equivalents	$	613
Total Money Market and Mutual Fund Instruments	$	613
Total Market Value of Assets	$	613
Accrued Interest (including portion within other current assets of Unrestricted Assets)		
Market value (less) Accrued Interest	$	613

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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. Cash, cash equivalents and investments for the St. Lucie Project at September 30, 2022, are as follows:

	September 30, 2022	Weighted Average Maturity (Days)	Credit Rating
	(000's US$)		
Restricted			
Cash and Cash Equivalents	$ 105,503		
US Gov't/Agency Securities	9,314	723	Aaa/AA+/AAA **
Municipal Bonds	943	732	*
Commercial Paper	5,973	70	P1/A1 **
Corporate Notes	1,991	504	
Total Restricted	$ 123,724		
Unrestricted			
Cash and Cash Equivalents	$ 9,521		
US Gov't/Agency Securities*	13,415	534	Aaa/AA+/AAA **
Municipal Bonds	5,628	500	
Commercial Paper	7,282	29	
Corporate Notes	12,094	682	
Total Unrestricted	$ 47,940		
Total	$ 171,664		

*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, 2022, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(000's US$)	*(000's US$)*	*(000's US$)*
Agency Obligations	$ -	$ -	$ -
US Treasury Obligations	22,801		
Municipal Bonds		6,614	
Corporate Notes		14,147	
Brokered CDs		-	
Total By Level	$ 22,801	$ 20,761	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 115,024		
Commercial Paper	13,255		
Total Money Market and Mutual Fund Instruments	$ 128,279		
Total Market Value of Assets	$ 171,841		
Accrued Interest (including portion within other current assets of Unrestricted Assets)	(177)		
Market value (less) Accrued Interest	$ 171,664		

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, 2022, are as follows:

	September 30, 2022	Weighted Average Maturity (Days)	Credit Rating
	(000's US$)		
Restricted			
Cash and Cash Equivalents	$ 2,209		
US Gov't/Agency Securities	2,361	355	Aaa/AA+/AAA **
Municipal Bonds	111	763	*
Commercial Paper	999	11	P1/A1 **
Total Restricted	$ 5,680		
Unrestricted			
Cash and Cash Equivalents	$ 5,183		
US Gov't/Agency Securities*	$ 2,687	648	Aaa/AA+/AAA **
Municipal Bonds	$ 956	671	*
Commercial Paper	$ 3,024	101	P1/A1 **
Coporate Notes	$ 3,828	495	
Total Unrestricted	15,678		
Total	$ 21,358		

*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, 2022, 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	$ -	$ -	$ -
US Treasury Obligations	5,063		
Municipal Bonds		1,072	
Corporate Notes		3,838	
Total By Level	$ 5,063	$ 4,910	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 7,392		
Commercial Paper	4,023		
Total Money Market and Mutual Fund Instruments	$ 11,415		
Total Market Value of Assets	$ 21,388		
Accrued Interest (including portion within other current assets of Unrestricted Assets)	(30)		
Market value (less) Accrued Interest	$ 21,358		

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, 2022, are as follows:

	September 30, 2022 (000's US$)	Weighted Average Maturity (Days)	Credit Rating
Restricted			
Cash and Cash Equivalents	$ 88,940		
US Gov't/Agency Securities	22,728	723	Aaa/AA+/AAA **
Municipal Bonds	10,590	732	*
Commercial Paper	4,191	70	P1/A1 **
Corporate Notes	8,909	504	
Total Restricted	$ 135,358		
Unrestricted			
Cash and Cash Equivalents	$ 119,527		
US Gov't/Agency Securities*	20,097	534	Aaa/AA+/AAA **
Municipal Bonds	21,843	500	*
Commercial Paper	3,192	29	P1/A1 **
Corporate Notes	16,640	682	
Total Unrestricted	$ 181,299		
Total	$ 316,657		

*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, 2022, 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	$ -	$ -	$ -
US Treasury Obligations	42,946		
Municipal Bonds		32,663	
Brokered CD's			
Corporate Notes		25,619	
Total By Level	$ 42,946	$ 58,282	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 208,467		
Commercial Paper	7,383		
Total Money Market and Mutual Fund Instruments	$ 215,850		
Total Market Value of Assets	$ 317,078		
Accrued Interest (including portion within other current assets of Unrestricted Assets)	(421)		
Market value (less) Accrued Interest	$ 316,657		

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, 2022, are as follows:

	September 30, 2022 (000's US$)	Weighted Average Maturity (Days)	Credit Rating
Restricted			
Cash and Cash Equivalents	$ 143		
US Gov't/Agency Securities	637	261	Aaa/AA+/AAA **
Municipal Bonds	242	305	*
Commercial Paper	487	280	
Corporate Notes	436	357	
Total Restricted	$ 1,945		
Unrestricted			
Cash and Cash Equivalents	$ 1,883		
US Gov't/Agency Securities	633	484	Aaa/AA+/AAA **
Corporate Notes	99	167	
Total	$ 2,615		
Total	$ 4,560		

*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, 2022, 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	$ -	$ -	$ -
US Treasury Obligations	1,274		
Municipal Bonds		242	
Corporate Notes		535	
Brokered CD's		-	
Total By Level	$ 1,274	$ 777	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 2,026		
Commercial Paper	488		
Total Money Market and Mutual Fund Instruments	$ 2,514		
Total Market Value of Assets	$ 4,565		
Accrued Interest (including portion within other current assets of Unrestricted Assets)	(5)		
Market value (less) Accrued Interest	$ 4,560		

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, 2022, are as follows:

	September 30, 2022 *(000's US$)*	Weighted Average Maturity (Days)	Credit Rating
Restricted			
Cash and Cash Equivalents	$ 7,352		
US Gov't/Agency Securities	2,377	324	Aaa/AA+/AAA **
Commercial Paper	796	59	P1/A1 **
Corporate Notes	2,237	314	
Total Restricted	$ 12,762		
Unrestricted			
Cash and Cash Equivalents	$ 8,618		
US Gov't/Agency Securities	8,963	692	Aaa/AA+/AAA **
Municipal Bonds	11,837	838	*
Commercial Paper	4,347	257	P1/A1 **
Corporate Notes	5,821	332	
Total Unrestricted	$ 39,586		
Total	$ 52,348		

*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, 2022, 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	$ -	$ -	$ -
US Treasury Obligations	11,370		
Municipal Bonds		11,928	
Corporate Notes		8,108	
Brokered CD's		-	
Total By Level	$ 11,370	$ 20,036	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 15,970		
Commercial Paper	5,148		
Total Money Market and Mutual Fund Instruments	$ 21,118		
Total Market Value of Assets	$ 52,524		
Accrued Interest (including portion within other current assets of Unrestricted Assets)	(176)		
Market value (less) Accrued Interest	$ 52,348		

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

B. Investments (continued)

8. Fiduciary Activities

Cash, cash equivalents and investments for Fiduciary Activities at September 30, 2022, are as follows:

	September 30, 2022	Weighted Average Maturity (Days)	Credit Rating
	(000's US$)		
Restricted			
Cash and Cash Equivalents	$ 14,106		
US Gov't/Agency Securities	18,259	547	Aaa/AA+/AAA **
Commercial Paper	4,568	55	P1/A1 **
Corporate Notes	9,324	707	
Total Restricted	$ 46,257		

*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 Fiduciary Activities at September 30, 2022, 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	$ -	$ -	$ -
US Treasury Obligations	18,304		
Corporate Notes		9,396	
Total By Level	$ 18,304	$ 9,396	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 14,106		
Commercial Paper	4,568		
Total Money Market and Mutual Fund Instruments	$ 18,674		
Total Market Value of Assets	$ 46,374		
Accrued Interest (including portion within other current assets of Unrestricted Assets)	(117)		
Market value (less) Accrued Interest	$ 46,257		

VI. Derivative Financial Instruments

A. Natural Gas Futures, Contracts and Options

FMPA used commodity futures contracts and options on forward contracts to hedge the effects of fluctuations in the price of natural gas. 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 will ultimately be rolled into the price of natural gas burned in the Project's electric generators.

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. At September 30, 2022 the Project had the following fixed price contracts in place for future purchases of natural gas. The contract is for 15,000 MMbtu's of gas per day from April 1, 2023 to April 30, 2025 at a price of $6.30 per MMbtu. Volumes for each fiscal year is as follows:

Fiscal Year	Thousands of MMbtu's	Dollars (000's)
2023	2,745	$ 17,294
2024	5,490	34,587
2025	3,180	20,034
Total	11,415	$ 71,915

FMPA also uses New York Mercantile Exchange (NYMEX) natural gas futures contracts as a tool to establish the cost on natural gas that will be needed by the All-Requirements Project in the future (next month or several years from now). NYMEX contracts can be used to obtain physical gas supplies, however, all futures contracts that FMPA enters into will be financially settled before physical settlement is required by the Exchange. Any gain or loss of value in these futures contracts are ultimately rolled into the price of the natural gas burned in the Project's electric generators.

Risks Associated with Derivative Instruments

- Basis Risk is the financial risk taken when a position is hedged by entering into a contrary position in a derivative. The risk arises in the case of an imperfect hedge, when the hedge cannot offset losses in an investment. The NYMEX-based commodity hedging transactions are subject to locational basis risk. NYMEX-based derivative instruments are based on pricing at the Henry Hub delivery point. For the hedged volumes, FGU enters into commodity derivatives, on FMPA's behalf, based on pricing at certain points to mitigate basis risk.
- Rollover Risk is the risk on hedging derivative instruments that mature or may be terminated. When these derivative instruments terminate, FMPA will be re-exposed to the risks being hedged by the derivative instrument.
- Custodial Credit Risk is the risk of the failure of the counterparty. In the event of a failure of a counterparty, FMPA will not be able to recover the value of deposits that are in possession of an outside party. These funds are uninsured and unregistered securities held on behalf of FMPA.

V. Derivative Financial Instruments (continued)

A. Natural Gas Futures, Contracts and Options (continued)

All transactions are entered into as hedges against the volatility of natural gas prices. The All-Requirements Project as of September 30, 2022, had futures contracts outstanding in the following amounts, covering the fiscal years 2023 through 2025. These hedges have been tested and deemed effective using the quantitative regression analysis method under GASB 53 comparing the Henry Hub pricing to each FGT Zone where the All-Requirements Project purchases natural gas. The related unrealized gains or losses for effective hedges are deferred. As of September 30, 2022, unrealized losses are approximately $20.2 million Realized gains and losses on theses transactions are recognized as the instruments are settled.

Fiscal Year Ending	Thousands of MMbtu's	Fair Market Value at 9/30/2022	
2023	17,770	$	(13,990)
2024	10,100		(5,422)
2025	910		(765)
Total	28,780	$	(20,177)

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VII. Regulatory Operations (Net Costs Recoverable (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.

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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, 2022, all FMPA projects were in compliance with requirements of the bond resolution.

Segregated restricted net position at September 30, 2022, 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	$ -	$ -	$ 3,420	$ -	$ 59,843	$ -	$ 6,148	$ 69,411
Reserve & Contingency Funds	-	-	14,671	5,690	28,004	1,948	6,621	56,934
Posted for Margin - Hedging					20,177			20,177
Decomissioning Fund	-	-	105,663	-	-	-	-	105,663
Accrued Interest on Long-Term Debt	-		(2,091)	-	(26,362)	-	(2,143)	(30,596)
Accrued Decommissioning Expenses			(106,065)					(106,065)
Total Restricted Net Assets	$ -	$ -	$ 15,598	$ 5,690	$ 81,662	$ 1,948	$ 10,626	$ 115,524

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.
- 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, 2022, 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

	2022 (000's US$)				
Business-Type Activities	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**	**Amounts Due Within One Year**
Direct Placement Debt					
Total Loan	$ 20,695	$ 15,000	$ (1,049)	$ 34,646	1,286
Less Conduit Loan - Bushnell	(7,273)		327	(6,946)	(336)
Less Conduit Loan - Homestead	(8,574)	-	171	(8,403)	(348)
Less Conduit Loan - Clewiston	(1,350)	-	39	(1,311)	(80)
Non-Conduit Pooled Loans	$ 3,498	$ 15,000	$ (512)	$ 17,986	$ 522

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. The maximum capacity was increased from 25 million to 50 million in 2022. In September 2019 the City of Bushnell drew $7.9 million at 2.56% for 10 years, in June 2021 the City of Homestead drew $8.6 million at 1.95% for 10 years and in September 2021 the City of Clewiston drew $1.4 million at 1.77% 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. In September 2022 the All-Requirements project drew $15 million at a variable rate of the 1 Month SOFR rate, plus 1.18%, adjusting monthly, for 3 years.

3. St. Lucie Project

	2022 (000's US$)				
Business-Type Activities	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**	**Amounts Due Within One Year**
Revenue Bonds					
Bonds 2012A	58,870		(58,870)	-	
Bonds 2021A	14,775		-	14,775	1,200
Direct Placement Debt					
Bonds 2010A	2,180		(2,180)	-	
Bonds 2013A	8,460		(1,315)	7,145	1,355
Bonds 2021B	-	$ 33,920		33,920	$ -
Total Principal	$ 84,285	$ 33,920	$ (62,365)	$ 55,840	$ 2,555
Deferred Premiums					
And Discounts	6,924	6,705	(3,982)	9,647	-
Total Revenue Bonds	$ 91,209	$ 40,625	$ (66,347)	$ 65,487	$ 2,555
Unamortized loss on advanced refunding	$ (3,533)	$ (936)	$ 3,698	$ (771)	$ -

IX. Long-Term Debt (continued)

A. Debt (continued)

3. St.Lucie Project (continued)

The 2012A bonds had a fixed interest rate of 5.0%, with a maturity date in 2026. These bonds were advanced refunded in July of 2022.with the proceeds of from the issuance of the 2021B bonds. This resulted in a present value savings of $7 million or 11.83%.

The 2013A bonds have a fixed interest rate of 2.73%, and mature in 2026.

The 2021A Bonds were issued with a fixed interest rate of 5% and mature in 2031. The 2021A bonds are not subject to redemption prior to maturity. The 2021B bonds were issued with a fixed interest rate of 5% with a maturity date of 2030. At the election of FMPA, on or after October 1, 2028, bonds may be redeemed at a call rate of 100%.

4. Stanton Project

The Stanton Project paid off all long-term debt during the fiscal year ended September 30, 2020.

5. All-Requirements Project

	2022 (000's US$)				
Business-Type Activities	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**	**Amounts Due Within One Year**
Revenue Bonds					
Bonds 2015B	$ 92,555	$ -	$ (6,535)	$ 86,020	$ 6,865
Bonds 2016A	385,705	-	(40,330)	345,375	26,720
Bonds 2017A	69,625	-	-	69,625	-
Bonds 2017B	50,700	-	(6,765)	43,935	6,920
Bonds 2018A	57,790	-	-	57,790	-
Bonds 2019A	75,220	-	-	75,220	-
Bonds 2019B	5,055	-	(1,650)	3,405	1,685
Bonds 2021A	36,720	-	-	36,720	-
Bonds 2021B	100,495	-	-	100,495	-
Direct Placement Debt					
Pooled Loan	-	15,000		15,000	-
Total Principal	$ 873,865	$ 15,000	$ (55,280)	$ 833,585	$ 42,190
Capital Leases and Other					
KUA - TARP	$ 88,547	$ -	$ (12,935)	$ 75,612	$ 13,688
St. Lucie County	264		(61)	203	64
Total Other Liabilities	$ 88,811	$ -	$ (12,996)	$ 75,815	$ 13,752
& Capital Lease	$ 962,676	$ 15,000	$ (68,276)	$ 909,400	$ 55,942
Deferred Premiums And Discounts	$ 78,842	$ -	$ (12,335)	$ 66,507	$ -
Total Revenue Bonds & Capital Lease	$ 1,041,518	$ 15,000	$ (80,611)	$ 975,907	$ 55,942
Unamortized loss on advanced refunding	$ (33,130)	$ -	$ 5,394	$ (27,736)	$ -

Portions of the Series 2015B, 2016A, 2017B, 2021A and 2021B bonds are subject to redemption prior to maturity at the election of FMPA at a call rate of 100%. The Series 2017A, 2019A and 2019B bonds are not subject to redemption prior to maturity.

IX. Long-Term Debt (continued)

A. Debt (continued)

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.

Payments remaining under the agreement at September 30, 2022, amount to $86.2 million and the present value of these payments is $75.6 million. The capital assets at September 30, 2022 include Facilities and Equipment of $228.8 million less Accumulated Depreciation of $189.0 million resulting in a net book value of $39.8 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 received agreed-upon fixed payments over a preset period 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, 2022 include Facilities and Equipment of $4.8 million less Accumulated Depreciation of $4.8 million resulting in a net book value of $-0-.

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, 2022, three payments remain under this obligation with the final payment to be made September 30, 2025.

6. Tri-City Project

The Tri-City Project paid off all long-term debt during the fiscal year ended September 30, 2020.

IX. Long-Term Debt (continued)

A. Debt (continued)

7. Stanton II Project

Business-Type Activities	2022 (000's US$) Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Bonds					
Refunding 2012A	$ 41,020	$ -	$ (41,020)	$ -	$ -
Direct Placement Debt					
Refunding 2017A	20,727	-	(387)	20,340	387
Refunding 2017B	35,495	-	(4,930)	30,565	5,028
Refunding 2022A	-	25,510	-	25,510	-
Pooled Loan	3,498	-	(772)	2,726	262
Total Principal	$ 100,740	$ 25,510	$ (47,109)	$ 79,141	$ 5,677
Deferred Premiums And Discounts	2,273	(50)	(2,265)	(42)	-
Total Bonds and Loans	$ 103,013	$ 25,460	$ (49,374)	$ 79,099	$ 5,677
Unamortized loss on advanced refunding	$ (6,129)	$ (887)	$ 3,723	$ (3,293)	$ -

The 2017A and 2017B revenue bonds are fixed, and have a maturity date of 2027. The rate for the 2017A bonds is 2.53% and the 2017B bonds is 2.32%. The Series 2017A and 2017B are subject to redemption in whole or part prior to maturity at the call rate of 100%.The pooled loan has a fixed rate of 1.77% and a final maturity of 2027.

The Series 2012A bonds were advance refunded in July 2022 with $10 million in debt service and debt service reserve funds, and in conjunction with the issuance of the Series 2022A Bonds. This will result in a present value savings of $2 million. A forward bond purchase agreement was executed in February 2022 for the Series 2022A bonds. The bonds were issued at par in July 2022 with a fixed rate of 1.58%. The bonds are callable on or after October 1, 2023 with final maturity of October 2027.

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.

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, 2022, are as follows:

(000's US$)

Fiscal Year Ending September	St. Lucie Project Principal	St. Lucie Project Interest	All-Req Project Principal	All-Req Project Interest	Stanton II Project Principal	Stanton II Project Interest	Totals
Revenue Bonds							
2023	$ 1,200	$ 1,953	42,190	33,367			$ 78,710
2024	1,295	$ 2,342	43,985	31,425			79,047
2025	1,360	$ 2,276	45,985	29,373			78,994
2026	1,425	$ 2,206	60,195	27,028			90,854
2027	6,385	$ 2,011	163,620	23,466			195,482
2028 - 2032	37,030	4,810	425,890	57,703			525,433
2033 - 2037			36,720	1,102			37,822
Total Revenue Bonds	$ 48,695	$ 15,598	$ 818,585	$ 203,464	$ -	$ -	$ 1,086,342
Direct Placement Debt							
2023	$ 1,355	$ 177	$ -	$ 780	$ 5,677	$ 1,508	$ 9,497
2024	1,390	139		780	11,826	1,432	15,567
2025	1,430	101	15,000	780	11,993	1,201	30,505
2026	1,465	61			12,133	967	14,626
2027	1,505	20			12,349	730	14,604
2028 - 2032					25,163	304	25,467
2033 - 2037							
Total Direct Placement Debt	$ 7,145	$ 498	$ 15,000	$ 2,340	$ 79,141	$ 6,142	$ 110,266
Total Principal & Interest	$ 55,840	$ 16,096	$ 833,585	$ 205,804	$ 79,141	$ 6,142	$ 1,196,608
Less:							
Interest		(16,096)		(205,804)		(6,142)	(228,042)
Unamortized loss on refunding	(771)		(27,736)		(3,293)		(31,800)
Add:							
Unamortized Premium (Discount), net	9,647		66,507		(42)		76,112
Total Net Debt Service Requirement at September 30, 2022	$ 64,716	$ -	$ 872,356	$ -	$ 75,806	$ -	$ 1,012,878

The annual cash flow debt service requirements to amortize **all** long-term debt outstanding as of September 30, 2022, are as follows:

(000's US$)

Fiscal Year Ending September	St. Lucie Project Principal	St. Lucie Project Interest	All-Req Project Principal	All-Req Project Interest	Stanton II Project Principal	Stanton II Project Interest	Totals
2023	$ 2,555	$ 2,130	$ 55,942	$ 37,033	$ 5,677	$ 1,508	$ 104,845
2024	2,685	2,481	58,526	35,137	11,826	1,432	112,087
2025	2,790	2,377	61,376	32,292	11,993	1,201	112,029
2026	2,890	2,267	91,400	29,116	12,133	967	138,773
2027	7,890	2,031	178,285	23,956	12,349	730	225,241
2028 - 2032	37,030	4,810	427,151	57,739	25,205	304	552,239
2033 - 2037	-		36,720	1,102			37,822
Total Principal & Interest	$ 55,840	$ 16,096	$ 909,400	$ 216,375	$ 79,183	$ 6,142	$ 1,283,036

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	Stanton Clean Energy LLC	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, 2026. Through participation with OUC, FMPA's estimated cost share of the existing purchases by project for the next five fiscal years is summarized below.

			000's US$		
Project	**2023**	**2024**	**2025**	**2026**	**2027**
Stanton Project	$ 19,896	$ 13,413	$ 9,792	$ 2,328	$ -
All-Requirements Project	15,205	10,250	7,483	1,779	-
Tri-City Project	7,117	4,798	3,503	833	-
Stanton II Project	15,598	10,516	7,677	3,193	-

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.

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.

FMPA's share of the total investment costs amounts to approximately $104 million for PGP Pool #1, and $29 million for PGP Pool #2 as of September 30, 2022. During FYE 2020 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, an activity that is still in progress. Accordingly, the project was written down to zero as of September 30, 2021. Any future net revenue from the Pools will be shown as an offset or addition to fuel expense.

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	7/19/2022		7/19/2022	7/19/2022
Cumulative Factor Fired Hours	115,843	105,627	141,095	86,062
Estimated Hours at Performance End Date	207,000		236,000	175,000
Current Termination Amount (000's USD)	$ 3,695		$ 3,403	$ 3,312
Specified Contract End Date	11/21/2037	12/31/2019	11/21/2037	11/21/2037
Estimated Performance End Date	FYE 2035		FYE 2037	FYE 2035

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.

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. In 2017,the Parties mutually agreed to extend the expiration date to October 1, 2022. On October 1, 2022 the agreement was again extended until the retirement of the units, however either party may terminate the agreement with 60 days written notice. 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.

- 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.

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	$	9,117
Oleander Power Project LP, LLC - Unit 5 PPA	12/16/2027		45,453
Total Minimum Liability		$	54,570

- 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 (mmBtu/day)	Annual Cost (000's US$)	Expiration	Primary Delivery/Receiving Point
Fl Gas Transmission FTS-1	21,984	$ 4,304	Various	Cane Island Treasure Coast
Fl Gas Transmission FTS-2	61,488	15,104	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	0	750	12/31/2033	Treasure Coast
TECO-Peoples Gas	0	750	12/31/2033	Cane Island/Oleander
		$ 26,142		

- 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, 2020, for 500,000 MMBtu and expired March 31, 2021, for the remaining 500,000 MMBtu. In March 2021 the Project contracted for 125,000 MMBtu of storage for three years from April 2021 to March 2024.

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, 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) 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 these transactions is $0.32 per MMBtu on 10,000 MMBtu per day.

- In 2020, FGU also entered into thirty year agreements on behalf for the ARP with the Municipal Gas Authority of Georgia (MGAG) for the purchase of specified amounts of natural gas. The ARP's weighted average discount from these transactions is $0.32 per MMBtu on 13,250 MMBtu per Day. In 2022, additional thirty-year agreements were executed for an average of 7,279 MMBtu per day with an average discount of .32 per MMBtu.

- In 2022, FGU entered into agreements, with various counter parties on behalf of the ARP, for the purchase of additional specified amounts of natural gas at discounted prices. An agreement with Peak/BP Energy was executed for a four year discount of .08 per MMBtu on 3,000 MMBtu per day. An agreement with Tennessee Energy/Goldman Sachs is a thirty-year contract with a discount of .34 per MMBtu on 5,000 MMBtu per day. The agreement with BBE/Goldman Sachs is a thirty-year contract with a discount of .35 per MMBtu for an average of 2,721 MMBtu per day. The agreement with Minnesota Gas Agency/RBC is a thirty-year contract with a discount of .30 per MMBtu on 15,000 MMBtu per day, during the summer months.

- 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.

- 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 term of their contract is now fixed and terminates on September 30, 2035.

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 2021, FMPA and Fort Meade entered into a Supplemental Power and Ancillary Services Agreement (Fort Meade Supplemental Agreement). Effective September 1, 2020, 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, 2021 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 2020 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 2020, 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, full power supply requirements of approximately 65 MWs from 2021 through 2022.
  - City of Winter Park, partial requirements of about 70MW from 2020 through 2027.
  - City of Homestead, partial requirements of 15MW from 2020 through 2026.
  - City of Williston, full power supply requirements of 8MW from 2021 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

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 paid to Key West fixed annual payments of $670,000 each January 1 from 2011 through 2021. 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 March 2020, 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 All Requirements Project resource. Commercial operations began late June 2020 for the All-Requirements Project first solar facility. The Executive Committee 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.

- 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.

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X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All Requirements (continued)

E. Solar Project & Solar II 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 with the solar facilities' commercial operation date expected to be in Summer of 2023 In coordination with these new endeavors, the Board of Directors authorized the creation of a Solar Project Committee, which is advisory to the Board of Directors on matters involving the Solar Project. In December 2022, due to site conditions and cost pressures, a mutual agreement with the developer was reached to terminate the contract for their share of the 57 MW-AC 20 year purchase power agreement. The Solar Project Committee, and subsequently the Board of Directors have approved termination.

In December 2019, the FMPA Board of Directors approved the establishment of the Solar II Project as a seventh power supply project. It 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 the end of 2024. The five Solar II Project participants are the Florida cities of Homestead, Lake Worth Beach, Mount Dora, New Smyrna Beach, and Winter Park.

F. Stock Island Environmental Remediation

In early September 2021, personnel at the Stock Island Generating Facility (the “Plant) noted an oil sheen in Safe Harbor adjacent to the Plant. Testing of the sheen by the US Coast Guard indicated the substance was diesel fuel that matched diesel fuel that is stored at the Plant. We are currently actively engaged in a substantial effort to stop the release of diesel fuel to Safe Harbor and the ground and remediation of the impacts of the diesel fuel that has been released. Our current estimate is that the remediation will cost $6.25 million and the expense is included in the September 30, 2021 and 2022 financial statements.

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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 12 MWs and 76 MWs (based on the designation of the participant) for a maximum of ten months. The agreement term automatically renewed on October 1, 2022 for an additional five years. The next automatic renewal will occur on October 1, 2027, 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 it participation.

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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 Director's 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, except for the General Counselor whose contribution is governed by his employment agreement with FMPA. Total payroll for the year ended September 30, 2022, was $8.7 million, which approximates covered payroll. The 401(a) defined contribution plan has 70 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 Mission Square Retirement, formerly ICMA Retirement Corporation, the Plan Administrator and Trustee.

Agency contributions to the Defined Contribution Plan resulted in expenses for the fiscal year 2022 of $939,899. 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.

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, 2021 and 2022, the plan membership consisted of the following participants:

	9/30/2021	9/30/2022
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	16	21
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0	0
Active Plan Members	16	11
	32	32

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, 2022. The measurement period for the OPEB expense was October 1, 2021 to September 30, 2022. The reporting period is October 1, 2021 through September 30, 2022. The Sponsor's Total OPEB Liability was measured as of September 30, 2022.

The Sponsor's Total OPEB Liability for The Agency's ledger adjustment was measured as of September 30, 2022 using a discount rate of 4.77%.

XII. Employment Benefits (continued)

B. Post-Employment Benefits other than Retirement (continued)

Actuarial Assumptions:
Total OPEB Liability for The Agency's ledger adjustment was measured as of September 30, 2022 using a discount rate of 4.77%.

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2022 (measurement date) using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.77%
Initial Trend Rate	7.25%
Ultimate Trend Rate	4.00%
Years to Ultimate	52

For all lives, mortality rates were Pub G-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

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 4.77%. The high-quality municipal bond rate was based on 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, 2022, the Agency will recognize OPEB Revenue of $877,829.

(000's US$)

Fiscal Year Ending		9/30/2022
Service Cost	$	59
Interest		145
Differences Between Expected and Actual Experience		221
Recognition of Changes in Total OPEB Liability		(1,305)
Administrative Expenses		(241)
Total OPEB Expense/(Revenue)	$	(1,121)

XII. Employment Benefits

B. Post-Employment Benefits other than Retirement (continued)

Total OPEB Liability as of the Measurement Date is:

Description	(000's US$) Amount
Reporting Period Ending September 30, 2021	$ 6,009
Service Cost	59
Interest	145
Differences between Expected and Actual Experience	221
Changes in Assumptions	(1,305)
Benefits Payments	(241)
Reporting Period Ending September 30, 2022	$ 4,888

Changes of assumptions reflect a change in the discount rate from 2.43% for the reporting period ended September 30, 2021 to 4.77% for the reporting period ended September 30, 2022. Also reflected as assumption changes are updated mortality rates, updated health care costs and premiums, and updated health care cost trend rates.

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
	3.77%	4.77%	5.77%
Total OPEB Liability (000's US$)	$ 5,523	$ 4,888	$ 4,358

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% - 6.25%	4.00% - 7.25%	5.00% - 8.25%
Total OPEB Liability (000's US$)	$ 4,521	$ 4,888	$ 5,322

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, 2022, the most recent valuation date, the Total OPEB Plan Liability was $4.9 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 $1.7 million, and the ratio of the Total OPEB Plan Liability to the covered payroll was 282 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 Executive Committee 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, investments, insurance, credit, and contracts.

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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 active members of the All-Requirements Project. The Executive Committee elects a Chairperson and Vice-Chairperson. 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, Tri-City, Solar and, Solar II 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 Solar Project and Solar Project II Committees, which will be advisory to the Board of Directors on matters involving the Solar Projects. The Executive Committee has authorized the creation of an ARP Solar and Solar II Project Advisory Committees, which are Executive Committee subcommittees 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.

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XV. Subsequent Events

A. Wholesale Purchasing Membership was created

The Reedy Creek Improvement District (RCID) joined as a member on November 17, 2022, on a limited basis, to facilitate the All Requirements Project's longer-term sale of excess capacity and energy to RCID. Wholesale Purchasing members are not obligated beyond the term of the power sales contract with FMPA.

B. FMPA and Northern Star signed an agreement on October 14, 2022 to purchase two assets

Orange is a 105 MW 2 on 1 LM6000 combined cycle unit, available September 1, 2024. Mulberry is a 115 MW 7 EA combined cycle unit., available January 1, 2026. Acquisition of the units is to meet future capacity needs beginning in 2024. They are fully permitted and operational with transmission and gas pipeline capacity, with an overall acquisition cost below $21 million.

C. Termination of Solar 20 Year Purchase Power Agreement

In 2019, the Solar Project approved a 20 Year Purchase Power Agreement for 57 MW-AC of solar energy on behalf of its participants. This agreement was terminated in December 2022. See Note X. E. for additional information

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Required Supplementary Information
(unaudited)

Schedule of Changes in Agency's Net OPEB Liability and Related Ratios
Last Ten Years
(000's US$)

	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Reporting Period Ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability					
Service Cost	$ 59	$ 63	$ 56	$ 47	$ 53
Interest	145	133	201	215	201
Differences Between Expected and Actual Experience	221	-	-	-	-
Changes in Assumptions	(1,305)	(235)	674	410	(374)
Benefit Payments	(241)	(225)	(326)	(233)	(214)
Net Change in Total OPEB Liability	$ (1,121)	$ (264)	$ 605	$ 439	$ (334)
Total OPEB Liability - Beginnning of Year	6,009	6,273	5,668	5,229	5,563
Total OPEB Liabilty - End of Year	$ 4,888	$ 6,009	$ 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	$ 4,888	$ 6,009	$ 6,273	$ 5,668	$ 5,229
Trust Fiduciary Net Position as a % of Total OPEB Liability	0%	0%	0%	0%	0%
Covered Payroll	1,734	2,190	2,126	2,321	2,167
Agency's Net OPEB Liability as a % of Covered Payroll	282%	274%	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, 2022: 4.77%
Fiscal Year Ending September 30, 2021: 2.43%
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, 2022
(000's US$)

	Amended Budget	Actual	Variance Over / (Under) Budget
Agency Fund			
Received from projects	$ 17,108	$ 16,859	$ (249)
Received from member assessments	60	55	(5)
Interest income	1	(69)	(70)
Other income	-	43	43
	$ 17,169	$ 16,888	$ (281)
General and administrative	$ 16,100	$ 15,128	$ (972)
Invested in Capital Assets	690	312	(378)
Principal on Debt	-	-	-
Other Adjustments	380	381	1
	$ 17,170	$ 15,821	$ (1,349)
Net Revenue	$ (1)	$ 1,067	$ 1,068
St. Lucie Project			
Participant billing	$ 43,406	$ 43,406	$ -
Reliability exchange contract sales	3,500	3,327	(173)
Interest income	98	198	100
	$ 47,004	$ 46,931	$ (73)
Operation and maintenance	$ 8,019	$ 8,817	$ 798
Purchased power	3,500	3,242	(258)
Transmission service	518	490	(28)
General and administrative	2,928	2,618	(310)
Deposit to renewal and replacement fund	7,500	7,500	-
Deposit to general reserve fund & FSA	9,200	9,200	-
Deposit to Nuclear Fuel Fund	4,000	4,000	-
Deposit to debt service fund	10,089	6,079	(4,010)
	$ 45,754	$ 41,946	$ (3,808)
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ 1,250	$ 4,985	$ 3,735

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, 2022
(000's US$)

	Amended Budget	Actual	Variance Over/ (Under) Budget
Stanton Project			
Participant billing & sales to others	$ 32,795	$ 25,945	$ (6,850)
Interest income	-	2	2
Other income	43	51	8
	$ 32,838	$ 25,998	$ (6,848)
Operation and maintenance, fuel	$ 28,496	$ 21,167	$ (7,329)
Transmission service	1,511	1,517	6
General and administrative	1,493	1,946	453
Deposits to debt service and other funds	2,500	2,500	-
	$ 34,000	$ 27,130	$ (6,870)
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ (1,162)	$ (1,132)	$ 30
All-Requirements Project			
Participant billing & sales to others	$ 707,866	$ 758,614	$ 50,748
Transfer from Rate Protection	13,635	-	(13,635)
Interest Income	829	(1,317)	(2,146)
	$ 722,330	$ 757,297	$ 34,967
Member Capacity	$ 62,037	$ 39,804	$ (22,233)
Contract Capacity	18,798	18,809	11
ARP Owned Capacity	40,931	39,096	(1,835)
Debt & Capital Leases	100,882	100,530	(352)
Direct Charges & Other	24,863	23,163	(1,700)
Gas Transportation	30,975	29,209	(1,766)
Fuels	388,595	395,416	6,821
Purchased Power	12,535	31,027	18,492
Transmission	42,714	43,690	976
	$ 722,330	$ 720,744	$ (1,586)
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ -	$ 36,553	$ 36,553

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, 2022
(000's US$)

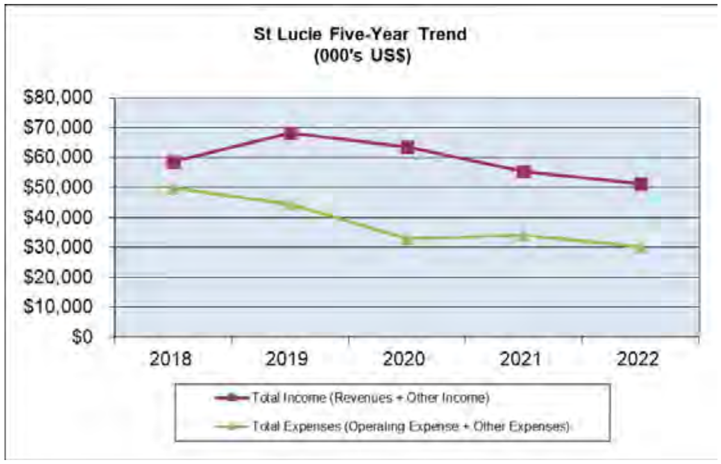
	Amended Budget	Actual	Variance Over/ (Under) Budget
Tri-City Project			
Participant billing & sales to others	$ 12,934	$ 10,386	$ (2,548)
Interest income	20	4	(16)
	$ 12,954	$ 10,390	$ (2,564)
Operation and maintenance, fuel	$ 10,279	$ 7,560	$ (2,719)
Transmission service	519	544	25
General and administrative	802	975	173
Deposits to debt service and other funds	900	900	-
	$ 12,500	$ 9,979	$ (2,521)
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ 454	$ 411	$ (43)
Stanton II Project			
Participant billing & sales to others	$ 58,664	$ 55,173	$ (3,491)
Interest Income	136	124	(12)
Other Income	-	4	4
	$ 58,800	$ 55,301	$ (3,499)
Operation and maintenance, fuel	$ 33,632	$ 29,396	$ (4,236)
Transmission service	2,458	2,469	11
General and administrative	2,141	3,012	871
Deposits to debt service and other funds	20,769	19,440	(1,329)
	$ 59,000	$ 54,317	$ (4,683)
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ (200)	$ 984	$ 1,184

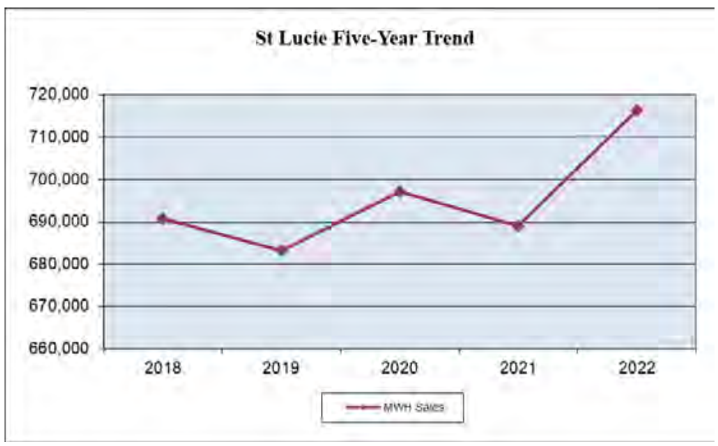
Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

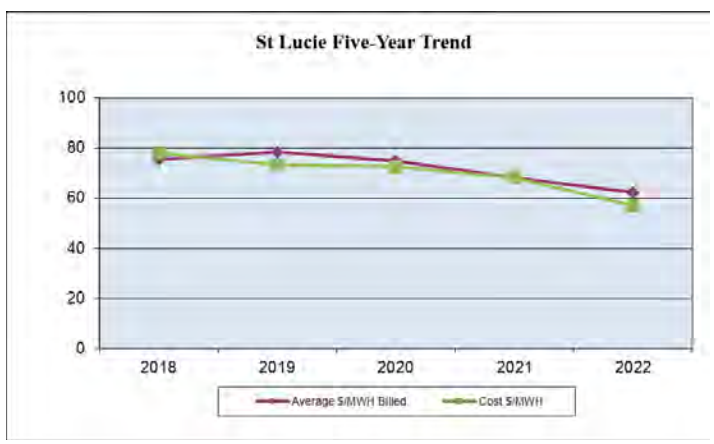
FIVE-YEAR TREND ANALYSIS

(000's US$ except for MWH Sales and Average $/MWH)	2018	2019	2020	2021	2022
St. Lucie Project					
Capital Assets	$ 19,469	$ 20,554	$ 26,455	$ 41,172	$ 38,616
Total Assets & Deferred Outflows	$ 404,525	$ 235,863	$ 220,606	$ 216,817	$ 215,870
Long-Term Liabilities	$ 392,067	$ 130,798	$ 98,029	$ 87,714	$ 62,932
Total Liabilities & Deferred Inflows	$ 404,525	$ 235,863	$ 220,606	$ 215,870	$ 208,694
Billings to Participants	$ 52,049	$ 53,669	$ 52,151	$ 46,920	$ 44,663
Sales to Others	4,099	3,971	3,820	2,077	2,077
Total Operating Revenues	$ 56,148	$ 57,640	$ 55,971	$ 48,997	$ 46,740
Purchased Power	$ 3,540	$ 3,116	$ 2,894	$ 3,435	$ 3,242
Production-Nuclear O&M	10,953	7,594	10,026	11,131	8,523
Nuclear Fuel Amortization	4,799	5,338	3,209	4,046	4,225
Transmission	350	350	408	429	490
General & Administrative	3,278	2,722	2,700	3,501	2,872
Depreciation & Decommissioning	11,342	6,743	8,216	6,839	7,937
Total Operating Expenses	$ 34,262	$ 25,863	$ 27,453	$ 29,381	$ 27,289
Net Operating Revenues	$ 21,886	$ 31,777	$ 28,518	$ 19,616	$ 19,451
Investment Income	$ 2,586	$ 10,676	$ 7,662	$ 6,463	$ 4,472
Total Other Income	$ 2,586	$ 10,676	$ 7,662	$ 6,463	$ 4,472
Interest Expense	$ 14,111	$ 11,675	$ 4,259	$ 3,507	$ 2,091
Amortization & Other Expense	1,613	7,003	1,300	1,150	885
Total Other Expenses	$ 15,724	$ 18,678	$ 5,559	$ 4,657	$ 2,976
Net Income (Loss)	$ 8,748	$ 23,775	$ 30,621	$ 21,422	$ 20,947
Net Cost Recovered (Credited) in the Future	(9,080)	(18,998)	(27,505)	(23,277)	(17,212)
Due from (to) Participants	332	(4,777)	(3,116)	72	(3,735)
Total Income	$ -	$ -	$ -	$ (1,783)	$ -
MWH Sales	690,698	683,132	697,116	688,960	716,436
Average $/MWH Billed	$ 75.36	$ 78.56	$ 74.81	$ 68.10	$ 62.34
Cost $/MWH	$ 78.20	$ 73.15	$ 72.54	$ 68.21	57.13

FIVE-YEAR TREND ANALYSIS

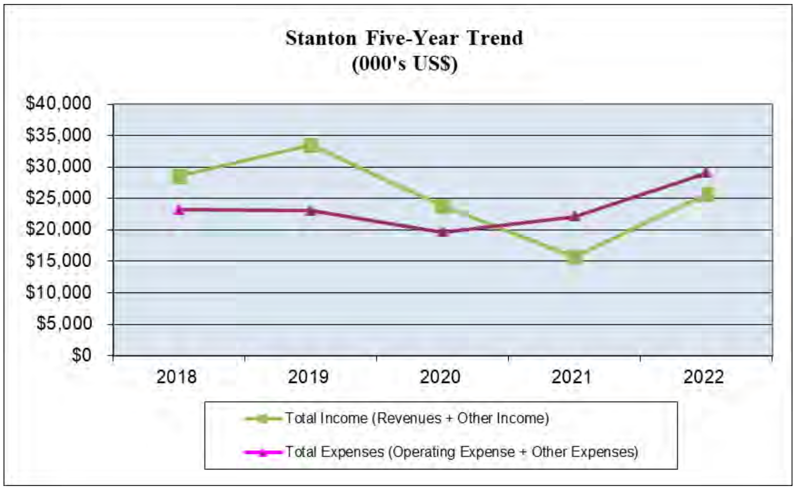


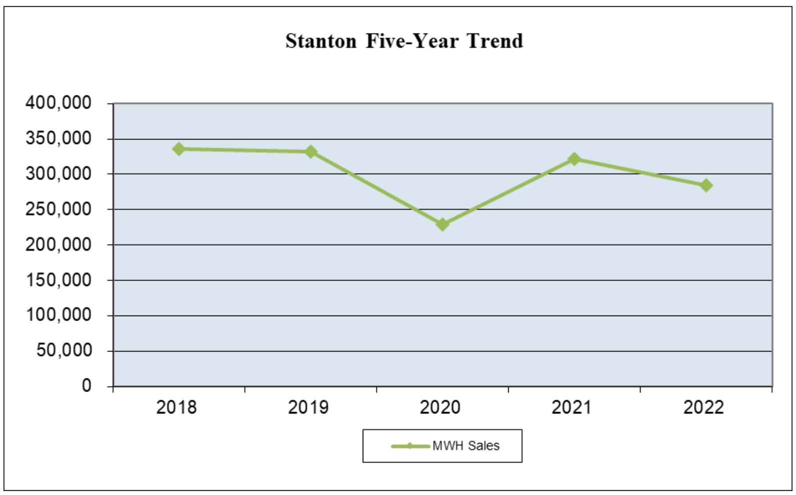


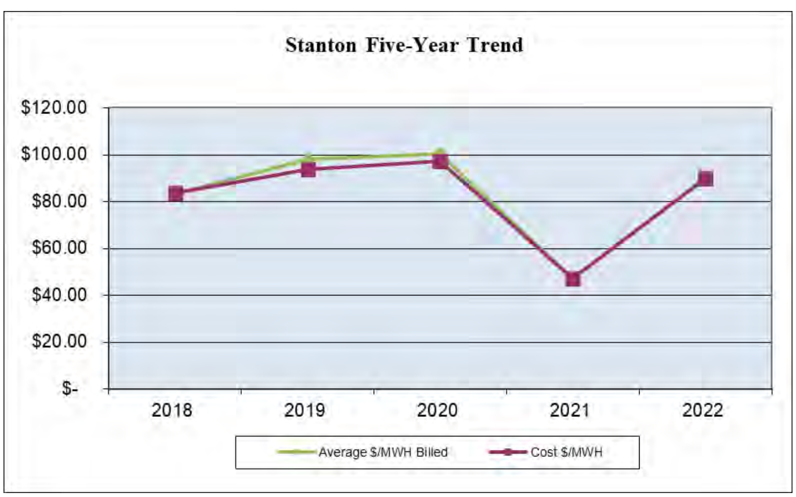


(000's US$ except for MWH Sales and Average $/MWH)	2018	2019	2020	2021	2022
Stanton Project					
Capital Assets	$ 28,797	$ 27,079	$ 27,044	$ 24,138	$ 20,855
Total Assets & Deferred Outflows	$ 59,299	$ 62,403	$ 55,644	$ 49,790	$ 47,139
Long-Term Debt	$ 9,091	$ 1,123	$ 1,159	$ 1,203	$ 1,371
Total Liabilities & Deferred Inflows	$ 59,299	$ 62,403	$ 55,644	$ 49,790	$ 44,273
Billings to Participants	$ 28,027	$ 32,521	$ 22,955	$ 15,237	$ 25,577
Sales to Others	352	360	378	384	369
Total Operating Revenues	$ 28,379	$ 32,881	$ 23,333	$ 15,621	$ 25,946
Production-Steam O&M	$ 4,702	$ 5,134	$ 5,384	$ 3,933	$ 4,800
Fuel Expense	11,625	11,132	7,934	11,366	16,534
Transmission	1,176	1,170	1,289	1,417	1,518
General & Administrative	1,382	1,562	1,342	1,344	1,945
Depreciation & Decommissioning	3,436	3,569	3,685	4,052	4,234
Total Operating Expenses	$ 22,321	$ 22,567	$ 19,634	$ 22,112	$ 29,031
Net Operating Revenues	$ 6,058	$ 10,314	$ 3,699	$ (6,491)	$ (3,085)
Investment Income	$ 209	$ 549	$ 401	$ 70	$ (309)
Total Other Income	$ 209	$ 549	$ 401	$ 70	$ (309)
Interest Expense	$ 911	$ 472	$ -	$ -	$ -
Amortization & Other Expense	58	37	-	-	-
Total Other Expenses	$ 969	$ 509	$ -	$ -	$ -
Net Income (Loss)	$ 5,298	$ 10,354	$ 4,100	$ (6,421)	$ (3,394)
Net Cost Recovered (Credited) in the Future	(5,474)	(9,035)	(3,392)	6,504	3,424
Due from (to) Participants	176	(1,319)	(708)	(83)	(30)
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	336,361	332,105	228,947	321,529	284,082
Average $/MWH Billed	$ 83.32	$ 97.92	$ 100.26	$ 47.39	$ 90.03
Cost $/MWH	$ 83.85	$ 93.95	$ 97.17	$ 47.13	$ 89.93

FIVE-YEAR TREND ANALYSIS



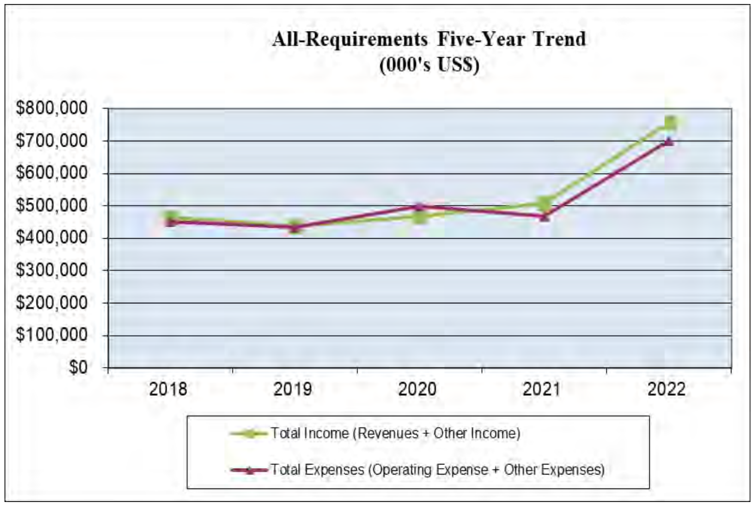


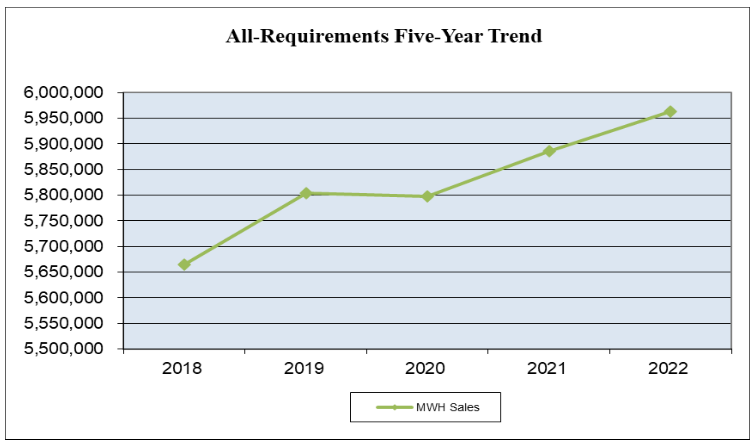


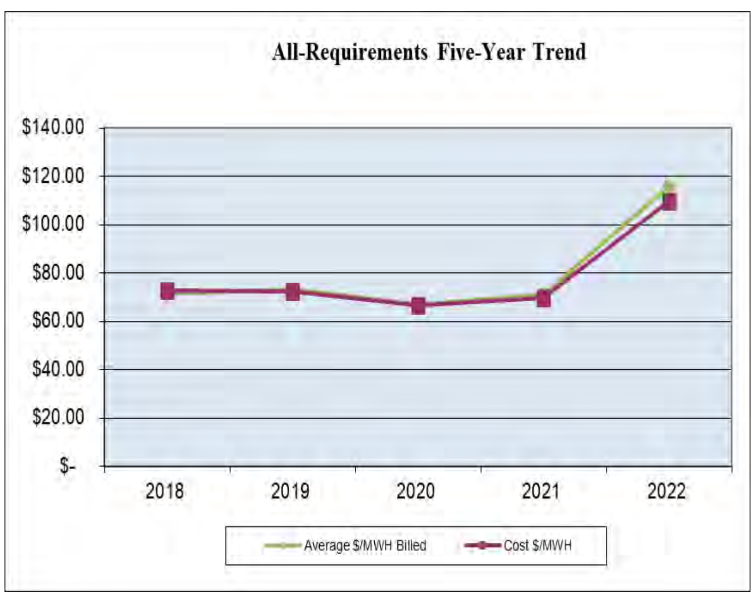
FIVE-YEAR TREND ANALYSIS

	2018	2019	2020	2021	2022
(000's US$ except for MWH Sales and Average $/MWH)					
All-Requirements Project					
Capital Assets	$ 727,100	$ 674,858	$ 635,185	$ 558,414	$ 532,828
Total Assets & Deferred Outflows	$ 1,397,705	$ 1,307,621	$ 1,265,991	$ 1,242,104	$ 1,242,647
Long-Term Liabilities	$ 1,241,223	$ 1,157,636	$ 1,007,611	$ 993,268	$ 960,361
Total Liabilities & Deferred Inflows	$ 1,397,705	$ 1,307,621	$ 1,265,991	$ 1,075,379	$ 1,033,885
Billings to Participants **	$ 428,034	$ 406,073	$ 419,721	$ 419,512	$ 629,759
Sales to Others	33,480	29,883	43,166	85,989	137,442
Total Operating Revenues	$ 461,514	$ 435,956	$ 462,887	$ 505,501	$ 767,201
Purchased Power	$ 21,814	$ 23,561	$ 28,034	$ 37,314	$ 49,849
O&M Production-Steam	65,550	61,398	79,383	64,733	75,310
Fuel Expense	205,925	194,661	196,638	229,393	426,331
Transmission	28,187	28,661	29,658	35,394	43,434
General & Administrative	21,841	22,029	23,922	23,837	26,019
Depreciation & Decommissioning	56,412	57,332	58,599	38,808	46,867
Total Operating Expenses	$ 399,729	$ 387,642	$ 416,234	$ 429,479	$ 667,810
Net Operating Revenues	$ 61,785	$ 48,314	$ 46,653	$ 76,022	$ 99,391
Investment Income	$ 3,307	$ 2,657	$ 6,681	$ 2,671	$ (9,781)
Total Other Income	$ 3,307	$ 2,657	$ 6,681	$ 2,671	$ (9,781)
Interest Expense	$ 55,371	$ 51,785	$ 35,043	$ 27,425	$ 26,362
Amortization & Other Expense	(3,203)	(4,265)	48,401	10,258	7,570
Total Other Expenses	$ 52,168	$ 47,520	$ 83,444	$ 37,683	$ 33,932
Net Income (Loss)	$ 12,924	$ 3,451	$ (30,110)	$ 41,010	$ 55,678
Net Cost Recovered (Credited) in the Future	(9,008)	(10,739)	29,221	(31,320)	(19,125)
Due from (to) Participants	(3,916)	7,288	889	(9,690)	(36,553)
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	5,664,825	5,803,759	5,797,669	5,885,763	5,963,224
Average $/MWH Billed	$ 71.68	$ 73.32	$ 67.31	$ 71.28	$ 105.61
Cost $/MWH	$ 72.97	$ 72.47	$ 66.83	$ 69.63	$ 99.48

FIVE-YEAR TREND ANALYSIS



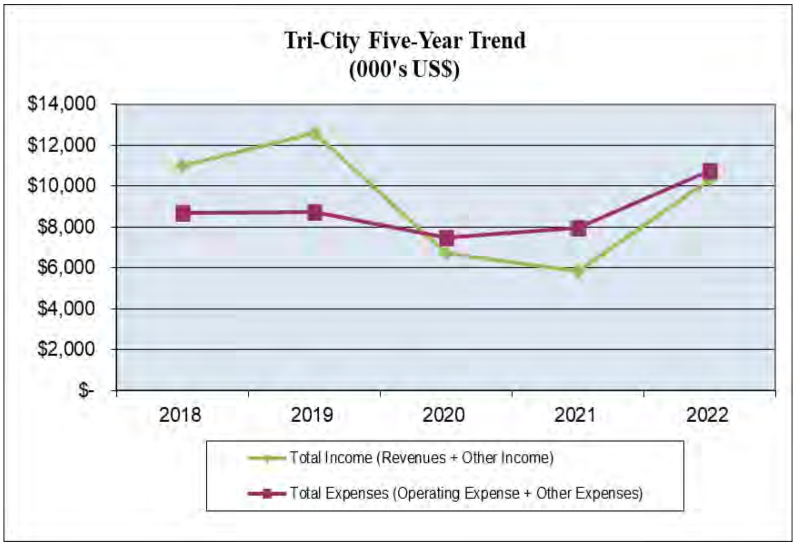


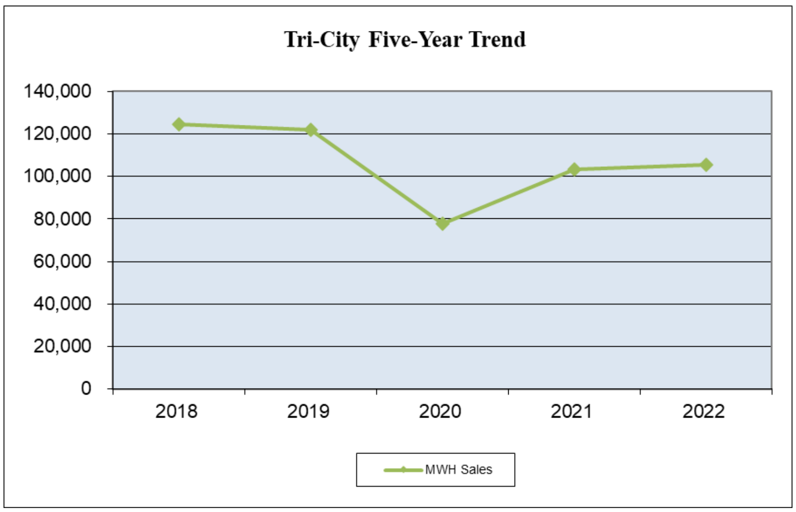


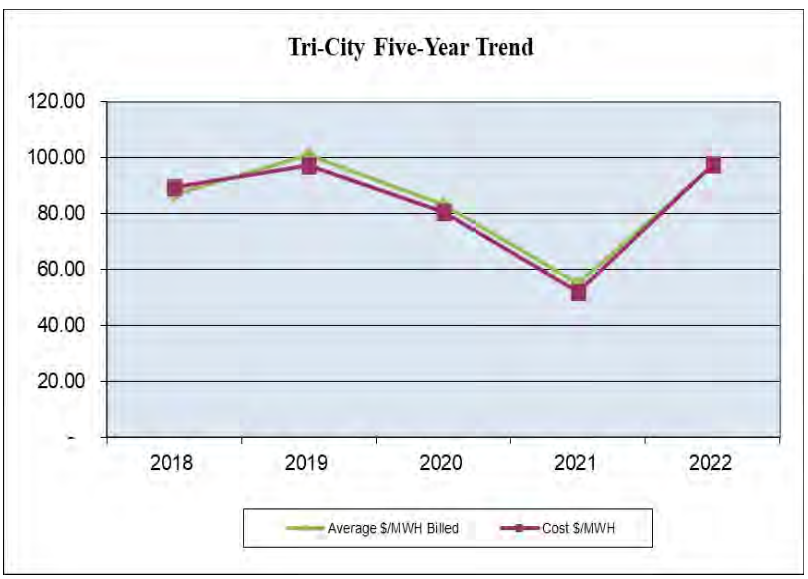
FIVE-YEAR TREND ANALYSIS

(000's US$ except for MWH Sales and Average $/MWH)	2018	2019	2020	2021	2022
Tri-City Project					
Capital Assets	$ 11,157	$ 10,460	$ 10,350	$ 9,212	$ 7,939
Total Assets & Deferred Outflows	$ 20,172	$ 21,241	$ 16,635	$ 14,767	$ 14,392
Long-Term Debt	$ 3,325	$ 402	$ 415	$ 432	$ 492
Total Liabilities & Deferred Inflows	$ 20,172	$ 21,241	$ 16,635	$ 13,673	$ 13,355
Billings to Participants	$ 10,794	$ 12,296	$ 6,480	$ 5,657	$ 10,255
Sales to Others	126	129	135	137	131
Total Operating Revenues	$ 10,920	$ 12,425	$ 6,615	$ 5,794	$ 10,386
Production-Steam O&M	$ 1,682	$ 1,836	$ 1,938	$ 1,396	$ 1,717
Fuel Expense	4,246	4,123	2,875	3,751	5,904
Transmission	415	415	456	505	544
General & Administrative	774	837	766	738	976
Depreciation & Decommissioning	1,312	1,359	1,416	1,548	1,613
Total Operating Expenses	$ 8,429	$ 8,570	$ 7,451	$ 7,938	$ 10,754
Net Operating Revenues	$ 2,491	$ 3,855	$ (836)	$ (2,144)	$ (368)
Investment Income	$ 73	$ 138	$ 97	$ 28	$ (53)
Total Other Income	$ 73	$ 138	$ 97	$ 28	$ (53)
Interest Expense	$ 139	$ 69	$ -	$ -	$ -
Amortization & Other Expense	97	76	-	-	-
Total Other Expenses	$ 236	$ 145	$ -	$ -	$ -
Net Income (Loss)	$ 2,328	$ 3,848	$ (739)	$ (2,116)	$ (421)
Net Cost Recovered (Credited) in the Future	(2,656)	(3,419)	946	2,410	378
Due from (to) Participants	328	(429)	(207)	(294)	43
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	124,558	121,919	77,805	103,371	105,451
Average $/MWH Billed	$ 86.66	$ 100.85	$ 83.29	$ 54.73	$ 97.25
Cost $/MWH	$ 89.29	$ 97.34	$ 80.62	$ 51.88	$ 97.66

FIVE-YEAR TREND ANALYSIS



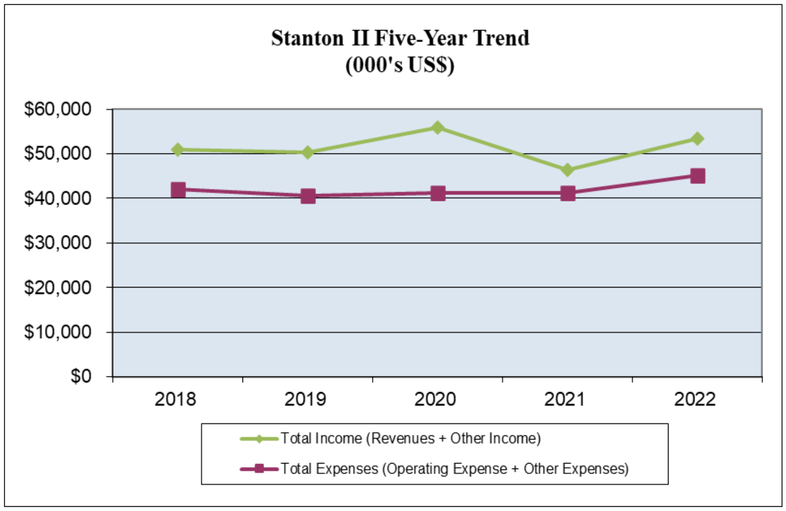


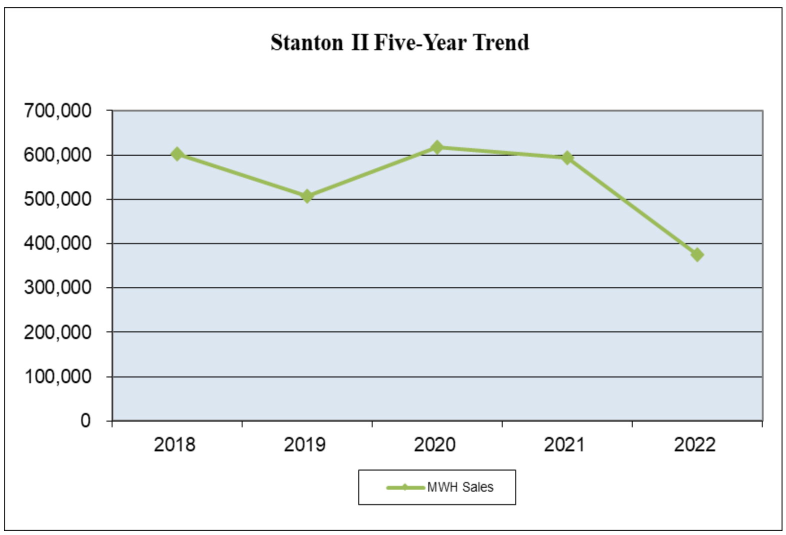


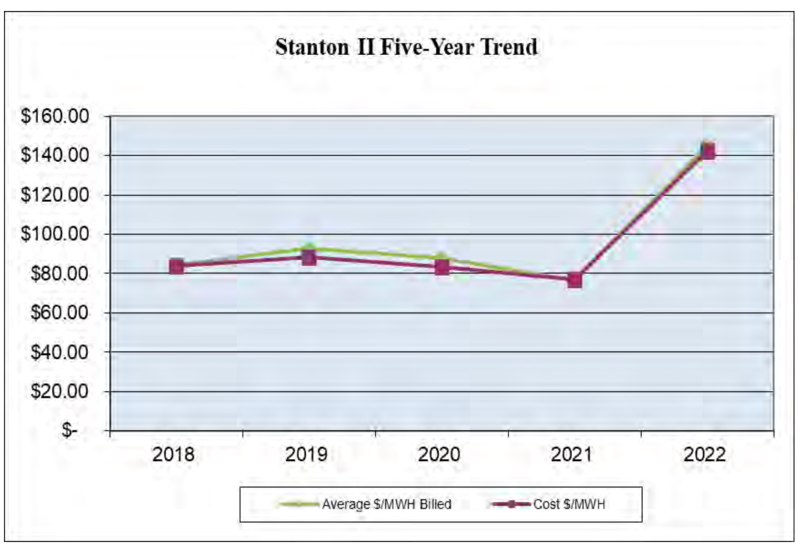
FIVE-YEAR TREND ANALYSIS

(000's US$ except for MWH Sales and Average $/MWH)	2018	2019	2020	2021	2022
Stanton II Project					
Capital Assets	$ 92,263	$ 93,918	$ 91,952	$ 88,917	$ 84,226
Total Assets & Deferred Outflows	$ 170,490	$ 170,021	$ 171,548	$ 163,836	$ 149,239
Long-Term Debt	$ 127,446	$ 117,323	$ 105,633	$ 91,564	$ 75,574
Total Liabilities & Deferred Inflows	$ 170,490	$ 170,021	$ 171,548	$ 147,335	$ 149,239
Billings to Participants	$ 50,933	$ 47,171	$ 54,223	$ 45,316	$ 54,597
Sales to Others	552	565	592	602	580
Total Operating Revenues	$ 51,485	$ 47,736	$ 54,815	$ 45,918	$ 55,177
Production-Steam O&M	$ 6,860	$ 8,634	$ 7,834	$ 6,671	$ 7,000
Fuel Expense	19,809	16,836	18,317	19,524	22,660
Transmission	1,895	1,895	2,082	2,297	2,469
General & Administrative	1,941	2,221	1,885	2,057	3,012
Depreciation & Decommissioning	5,535	5,556	5,738	6,369	6,507
Total Operating Expenses	$ 36,040	$ 35,142	$ 35,856	$ 36,918	$ 41,648
Net Operating Revenues	$ 15,445	$ 12,594	$ 18,959	$ 9,000	$ 13,529
Investment Income	$ (475)	$ 2,637	$ 1,050	$ 379	$ (1,841)
Total Other Income	$ (475)	$ 2,637	$ 1,050	$ 379	$ (1,841)
Interest Expense	$ 4,695	$ 3,295	$ 3,469	$ 2,600	$ 2,143
Amortization & Other Expense	1,260	2,260	1,816	1,737	1,423
Total Other Expenses	$ 5,955	$ 5,555	$ 5,285	$ 4,337	$ 3,566
Net Income (Loss)	$ 9,015	$ 9,676	$ 14,724	$ 5,042	$ 8,122
Net Cost Recovered (Credited) in the Future	(8,579)	(7,476)	(11,932)	(5,321)	(6,938)
Due from (to) Participants	(436)	(2,200)	(2,792)	279	(1,184)
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	601,691	507,678	616,808	593,865	375,451
Average $/MWH Billed	$ 84.65	$ 92.92	$ 87.91	$ 76.31	$ 145.42
Cost $/MWH	$ 83.93	$ 88.58	$ 83.38	$ 76.78	$ 142.26

FIVE-YEAR TREND ANALYSIS







Compliance Report

PURVIS GRAY

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, each major fund, and the aggregate remaining fund information of the Florida Municipal Power Agency (the Agency), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated January 12, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the basic 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 basic 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 basic 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 or significant deficiencies may exist that were not identified.

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

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*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's basic 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.

Purvis Gray

January 12, 2023
Ocala, Florida

PURVIS GRAY

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, 2022, and have issued our report thereon dated January 12, 2023.

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 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 the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants 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 January 12, 2023, 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. We noted no prior year management letter recommendations.

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, 2022, financial statements. There are no component units related to the Agency.

Board of Directors and Executive Committee
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.

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 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 granting agencies, the Agency's Executive Committee, the Board of Directors, 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.

Purvis Gray

January 12, 2023
Ocala, Florida

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTE SECTION 218.415 - INVESTMENT OF PUBLIC FUNDS

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, 2022. 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 extent 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2022.

This report is intended solely for the information and use of the Florida Auditor General, the Agency's Executive Committee, the Board of Directors, the Finance Committee, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

January 12, 2023
Ocala, Florida

CERTIFIED PUBLIC ACCOUNTANTS
Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa
purvisgray.com
Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA

Recommended Motion

- Move approval of the 2022 external Audit Report and Audited Financial Statements.

AGENDA ITEM 8 – ACTION ITEMS

c. **Approval of the Debt Risk Management Policy**

Finance Committee Meeting
January 18, 2023

8c – Approval of Debt Risk Management Policy

Finance Committee

Jan. 18, 2023

Overview

Key Areas of Focus with Recommended Changes

- In Section 3.0 Removal of CFO will cause debt management procedures that identify risks….
    - Staff does not have procedures to identify debt issuance risk
  - Modification: CFO will work with Debt Finance Team to identify risks……

- In Section 4.0 modification to allow for the issuance of debt for working capital and liquidity
  - Added language allowing the issuance of debt for working capital and liquidity to be issued no longer than seven years.

Recommended Motion

- Move to approve the Debt Risk Management Policy with recommended changes

FLORIDA MUNICIPAL POWER AGENCY

RISK MANAGEMENT POLICY - APPENDIX B

DEBT RISK MANAGEMENT POLICY

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(Continued)

DEBT RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Debt Risk Management Policy (the "Policy") and any effective subordinate procedures establish the governance, framework, and the controls under which Florida Municipal Power Agency (FMPA) may engage in activities to identify, measure, and minimize future business risk resulting from the issuance and management of all FMPA debt financing. This Policy is Appendix B of the FMPA Risk Management Policy.

1.0 Policy Statement

The Executive Committee ("EC") and Board of Directors ("BOD") of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its governing bodies. FMPA staff is hereby authorized to put mechanisms into place, such as those more fully described in Section 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert adverse effects on FMPA's ability to access capital markets at reasonable rates and with reasonable credit terms.

This Policy covers the planning and management of debt financing. The appropriate governing body may approve exceptions to this Policy for specific debt transactions.

The following summarizes the Policy of the EC and BOD:

- ❖ The debt management program shall conform to all applicable federal, state, and local legal requirements regarding the issuance and management of debt (Section 2.0).
- ❖ The EC and BOD must approve all forms of FMPA debt issuance (Section 2.0).
- ❖ Authority is delegated to the Chief Financial Officer ("CFO") to create procedures to facilitate the management of debt and administer this Policy (Section 3.0).
- ❖ FMPA's Debt Financing Team (the "DFT" as defined by this Policy) shall be active participants in all contemplated debt transactions (Section 4.1).
- ❖ FMPA's Financial Advisor shall provide a written recommendation to the appropriate governing body prior to approval of any debt issuance (Section 2.0).

- FMPA's DFT shall fully explain the risks associated with any given structure and the financial instruments to be used to the CEO as required in Section 4.3
- FMPA shall manage its debt portfolios to contribute to the goal of maintaining credit ratings of no less than "A-" or "A3" as required in Section 4.0.
- Interest rate hedging strategies may only be employed as detailed in Section 5.0 of this Policy. No new interest rate hedging will be considered by the All Requirements Project ("ARP") after May 2015 unless specifically approved by the EC.
- The Treasurer and Risk Director shall report on the debt portfolio as required in Section 7.1 of this Policy.
- The Agency Risk Director shall report deviations from this Policy to the Finance Committee ("FC") as required in Section 7.3.

2.0 Scope and Authority

FMPA has the authority to undertake and finance projects including, among other things, to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend, or otherwise participate jointly in those projects and issue debt obligations for the purpose of financing or refinancing the costs of such projects. The debt management program shall further conform to all federal, state, and local legal requirements governing the issuance and management of debt.

The EC and BOD, respectively, is responsible for the approval of all forms of FMPA debt issuance and the details associated therewith. The CEO has ultimate responsibility for administration of FMPA's financial policies. The CFO or designee coordinates the administration and issuance of debt and is responsible for the attestation of financial disclosures and other bond related documents. The CFO or designee, in consultation with the DFT, must also recommend to the CEO and appropriate governing body the following:

1. the selection of any external agents,
2. review proposed annual capital expenditures which require a debt issuance,
3. identify specific projects for such debt financing or refinancing,
4. a written recommendation provided by the Financial Advisor.

3.0 Types of Debt Issuance Risk

This Policy is intended to provide guidance for the types of debt issued, given FMPA's risk tolerance and awareness of recent market fluctuations, capital market outlooks, future capital needs, tax implications, rating agency considerations, and industry competition. The CFO will ~~cause Debt Management Procedures to be created~~ work with the DFT to ~~that~~ identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. The FMPA Risk Management Policy identifies ten risks that compose FMPA's common risk framework. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the framework provides insight into the major areas of risk exposure for FMPA. The following selected risks in the framework are those risks presented by typical debt management and interest rate hedging activity.

3.1 Market Risk

The risk of potential change in the value of a portfolio caused by adverse changes in market factors. When considering debt management including interest rate hedging, the types of market risk that FMPA is most exposed are interest rate risk and basis risk. An example of interest rate risk occurs when a change in interest rates inversely affects a bond's value, such as when higher interest rates cause bond value to fall. This risk can be reduced by diversifying (issuing fixed rate debt with different durations) or hedging (such as interest rate swaps). An example of basis risk can occur in a floating-to-fixed rate swap when there is a difference between the interest rate paid on variable rate demand obligations and the rate received from the swap counterparty. This mismatch in rates could result in higher-than-expected interest rate costs.

3.2 Credit Risk

The potential of financial loss due to the failure of a counterparty to fulfill the terms of a contract. When considering debt management including interest rate hedging, the types of credit risk that FMPA is most exposed to are counterparty risk and concentration risk. An example of counterparty risk would be if FMPA depends on the performance of a counterparty to provide interest payments under a swap agreement. The failure of that counterparty to make interest payments as required under the swap agreement might expose FMPA to current market conditions, which may or may not be favorable at the time of non-performance. An example of counterparty concentration risk might occur if a counterparty with several swap agreements fails to make the required payments. This failure might cause FMPA to terminate several swap agreements and expose FMPA to market conditions on a greater scale.

3.3 Regulatory Risk

The potential adverse impact of an action or direction from an administrative body such as, but not limited to, FERC, DOE, or the Treasury Department. An example of regulatory risk might occur if tax laws are changed, and the Agency becomes ineligible to issue tax-exempt debt. This change would expose the Agency to the market rate for taxable debt and increase the cost of debt issuance.

4.0 Debt Issuance

Effective debt management includes an analysis of what level of debt is acceptable given a particular set of circumstances and assumptions. FMPA's debt portfolios shall contribute to the goal of maintaining at least "A-" or "A3" credit ratings, in coordination with strategic plans and member needs. Management of the Agency's credit ratings is addressed in the FMPA Risk Management Policy.

FMPA may consider issuing bonds, short term debt, and other debt instruments as allowed by law, each subject to the approval of the appropriate governing body. When ~~D~~debt is ~~may only be~~ issued for capital projects ~~with an~~the asset must have an economic life of five years or more. Short term capital needs should be provided for in the budget process. When debt is issued for FMPA Project working cap~~at~~ital~~ and~~ or liquidity the term should be less than seven years.

4.1 Debt Financing Team

A team of FMPA staff and advisors shall determine the details of all debt transactions to be proposed to and approved by any governing body. The DFT shall, at a minimum, consist of the personnel listed below. Others may be assigned as needed.

- CFO (Chairperson)

- Treasurer and Risk Director
- Chief Legal Officer
- FMPA's Financial Advisor(s)
- Resource and Strategic Planning Manager (as necessary)
- FMPA's Swap Advisor (as necessary)
- Bond Counsel (as necessary)
- Bond Disclosure Counsel (as necessary)

The DFT shall ensure that any proposed debt issuance complies with the requirements of this Policy. The CFO, as Chairperson of the DFT, shall present all DFT recommendations to the CEO.

4.2 Selection of Bond Professionals

The issuance of bonds or debt in any form is a significant event and should be managed in a way to protect FMPA from any number of risks. Engaging competent professionals is a key step in mitigating such risks. Underwriters, bond counsel, financial and swap advisors, trustees, and arbitrage/rebate consultants are key advisors in a successful issuance process. FMPA staff will pursue a competitive selection process to occur for all professionals associated with FMPA's debt using a Request for Proposal (RFP), a Request for Qualification (RFQ) or some other competitive selection process. The competitive selection process document should describe the scope of services desired, the length of the engagement, evaluation criteria, and the selection process. Best practices recommendations of relevant professional bodies should be considered in the development of the competitive selection document as well as in the selection process.

4.2.1 Qualifications

The selected individual(s) or firm(s) shall have a well-established practice at a level of sophistication and standing in their respective field of practice commensurate with FMPA's needs, the Bond Resolution and any other relevant legal document(s) or requirements imposed by external entities such as the Securities and Exchange Commission (SEC), the Municipal Securities Rulemaking Board (MSRB) and the Commodity Futures Trading Commission (CFTC) as examples. Sufficient depth of staff should be present in order to ensure timely and consistent professional service when such services are required.

4.2.2 Selection

Qualified individuals or firms will be invited to submit a proposal for professional services to be considered for selection. The proposal response must document the individual's or firm's qualifications, registrations, applicable experience, knowledge of FMPA and its issues or practices, any sanctions or warnings from any relevant professional bodies, insurances in force, and fee structures. The proposals will be evaluated by the DFT and rank in order of preference, providing the resulting ranking and associated rationale to staff for presentation to the FC. The FC shall either approve or reject the DFT top ranked proposal. If the top ranked proposal is rejected, the FC will consider the next highest ranked proposal for approval. If none are found acceptable by the FC, the DFT will evaluate the FC's feedback and begin the process over. Once the FC has approved a recommended proposal, the selected individual(s) or firm(s) will be presented to the EC/BOD, as appropriate, for final approval.

4.2.3 Terms of Service

The selected individual(s) or firm(s) shall provide services for no more than one five-year base term per each single contract period. The selected individual(s) or firm(s) may provide services beyond the base term for no more than two individual one-year extensions. At the end of any contract term (either base or extension), the incumbent individual(s) or firm(s) will not be excluded from submitting a new proposal for the subsequent competitive selection process. The selected individual(s) or firm(s) may perform the services requested on a negotiated fee basis.

4.3 Types of Debt

FMPA's capital structure may consist of fixed rate and variable rate debt in traditional as well as synthetic form, along with hedging instruments such as interest rate swaps, caps, collars, and other non-speculative derivative products. The DFT shall fully explain the risks associated with any given structure and the financial instruments used to those who must decide and approve any such structure. No debt will be issued without written evidence of absolute authority, including all required regulatory approvals, for FMPA to proceed with the capital expenditures relating to the proposed debt issuance.

The debt mix for each of FMPA's projects shall be measured at the time of each debt issuance and comply with the limits defined in Appendix B of this Policy. The governing body issuing debt may approve exceeding such limits when a particular type of debt issue would be prudent given market conditions.

4.4 Structure

The following structuring guidelines shall govern the issuance of new money financing:

- The maturity of debt shall be less than or equal to the useful economic life of the item financed, not to exceed the remaining length of relevant FMPA Project. The table below shows the assumed useful economic life for different types of financed generation assets to be used at the time of debt issuance:

Financed Generation Assets	Useful Economic Life
Combined-Cycle	30
Combustion Turbine	25
Coal Plant	30
Nuclear	30
Photovoltaic	25

  Exceptions may be approved by the appropriate governing body. The Power Resources Division shall determine the useful economic life of financed generation assets not contained in the table above.
- The use of a cash funded debt service reserve shall always be evaluated against the use of a surety or other debt service reserve product.
- The DFT shall evaluate the costs and benefits of call provisions for each debt issue.

- Non-rated securities may be issued if obtaining a credit rating on the issue does not perform any economic benefit or add any value to capital market participants, for example bank loans.

4.5 Tax Status

FMPA may issue either taxable or tax-exempt debt. The DFT shall consider the economic value of tax status and on the advice of legal counsel (bond and/or tax counsel as appropriate) recommend a taxable or tax-exempt debt issuance, unless a taxable debt issuance is required by law.

4.6 Credit Enhancement

The use of credit enhancement (including bond insurance, letter of credit, and other securitization products) shall be evaluated on a maturity-by-maturity basis. The DFT shall analyze the benefits and costs of issuing debt without credit enhancements, with consideration of the risks and restrictions of using credit enhancement. Credit enhancement shall only be used when the benefits exceed the costs. Post-issuance, the Treasurer and Risk Director shall monitor any credit enhancement associated with variable-rate debt for possible effects on credit or basis risk.

4.7 Methods of Sale

FMPA's policy is to sell public debt using the method of sale expected to achieve the best result, taking into consideration short-term and long-term implications. Decisions on selecting either a competitive or negotiated sale are the responsibility of the DFT. The DFT shall evaluate whether to seek funding by way of a private placement or bank loan where the size of the borrowing does not justify the incurrence of typical bond issuance expenses or market conditions favor such funding. The CFO and FMPA's Financial Advisor, if used, shall compare the overall costs of a private placement with those of a public offering and recommend the most cost-effective approach.

4.8 Debt Service Coverage

Debt service coverage shall conform to any respective bond resolutions and remain at or above those levels to ensure that FMPA's credit rating is not adversely impacted.

4.9 Refunding Bonds

Refunding bonds may be issued to achieve debt service savings on outstanding bonds by redeeming high interest rate debt with lower interest rate debt. Refunding bonds may also be issued to restructure debt or modify covenants contained in the bond documents. Current tax law limits to one time the issuance of tax-exempt advance refunding bonds to refinance bonds issued after 1986. There is no current similar limitation for taxable bonds.

4.9.1 Structure

The life of the refunding bonds shall not exceed the remaining life of the assets financed. Refunding bonds should generally be structured to achieve the desired objectives of the authorizing governing body.

4.9.2 Present Value

Refunding bonds issued to achieve debt service savings should have a minimum savings level measured on a present value basis equal to 3% of the par amount of the bonds being refunded. The 3% minimum target savings level for refunding should be used as a general guide to guard against prematurely using the one advance refunding opportunity for post-1986 bond issues. However, because of the numerous considerations involved in the sale of refunding bonds, the 3% target shall not prohibit exercising refunding when the circumstances justify a deviation from the guideline.

4.10 Defeasance

Defeasance is a provision that allows the exchange of one type of collateral, such as pledged revenues for another type of collateral (normally US Treasury securities), where the borrower sets aside cash or bonds sufficient to service the borrowers' debt. FMPA may use this tool when financially beneficial and as allowed by bond covenants. Allowable securities would be purchased by FMPA and held by an Escrow Agent, with the principal and interest earned on the securities sufficient to meet all payments of principal and interest on the outstanding bonds when they become due.

4.11 Disclosure Policy and Procedures Relating Thereto

FMPA is committed to ensuring that disclosures made in connection with its municipal finance offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and all other applicable laws. Further, it is the policy of FMPA to satisfy, in a timely manner, its contractual obligations undertaken pursuant to continuing disclosure agreements entered into in connection with municipal finance offerings. In furtherance of these objectives and policies, the CEO and FMPA's Chief Legal Officer shall cause municipal finance disclosure procedures to be drafted and presented to the EC and BOD for review and adoption in order to establish a framework for compliance by FMPA, with its disclosure and/or contractual obligations regarding the securities it issues or that are issued on its behalf, pursuant to the requirements of the 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, and other applicable rules, regulations, and orders ("Disclosure Procedures"), which shall be disseminated to FMPA staff. These Disclosure Procedures are intended to formally confirm and enhance FMPA's existing practices regarding compliance with federal securities laws relating to its disclosure responsibilities in order to:

a. **Educate:** To ensure that staff sufficiently understands FMPA's disclosure policy and FMPA's obligations under the federal securities laws and other applicable laws, and

b. **Reduce Borrowing Costs:** To reduce borrowing costs by promoting good investor relations, and

c. **Protect the Public:** To avoid damage to third parties from misstatements or omissions in, or failure to timely file, its disclosure documents, and

d. **Comply with Law and Contract:** To facilitate compliance with applicable law and existing contracts when preparing and distributing disclosure documents in connection with municipal finance offerings and continuing disclosure documents, and

e. **Reduce Liability:** To reduce exposure (of FMPA and its officials and employees) to liability for damages and enforcement actions based on misstatements and omissions in, or failure to timely file, its disclosure documents.

5.0 Interest Rate Hedging

As of May 2015, no new interest rate hedging may be employed for the ARP unless specifically approved beforehand by the EC. The remainder of this Section is only applicable to other FMPA Projects or ARP interest rate hedges put in place prior to May 2015. Upon any specific EC approval for the hedging of interest rates in the future, this Section would then apply.

FMPA and its Projects are exposed to volatility in interest rates both during the period between a known capital project and its associated debt issuance and with the issuance of any variable interest rate debt. Management defines interest rate hedging as balancing gains and losses to an asset by taking offsetting positions in a derivative product. FMPA's business purpose for the interest rate hedging program is to balance interest rate volatility risk with obtaining the lowest reasonable cost of capital. FMPA will not enter into interest rate hedging transactions that have no authorized business purpose, as determined by the DFT, and affirmed by the appropriate governing body.

The use of interest rate swaps and any other derivative instruments such as interest rate caps or collars shall only be upon the express approval of the appropriate governing body, and pursuant to the requirements of this Policy. The CFO, as Chairperson of the DFT, shall present all interest rate hedging recommendations to the CEO before such recommendations are made to any governing body.

The CFO, in consultation with the DFT, shall ensure active oversight of the interest rate hedging program according to these standards. See Section 7.0 for reporting requirements.

5.1 Hedging Objectives

FMPA's objective for interest rate hedging is to manage interest rate risk for each Project's debt portfolio. The benefits and risks of a specific interest rate hedge should be compared to fixed rate bonds or future interest rate projections, with consideration that an expected lower interest cost should be obtained if the derivative product contains an element of basis risk or if the product is long-dated (greater than 10 years in duration).

5.2 Transaction Management

The DFT shall review any interest rate hedging transaction before it is presented to the appropriate governing body for consideration. The DFT shall specifically review:

- Existence of associated debt
- Existence of all necessary project approvals, including all required regulatory approvals, prior to issuance or interest rate hedging authorization.
- Purpose of proposed interest rate hedge
- Type of interest rate hedge instrument and counterparty(s) to be used
- Duration of interest rate hedge
- Expected results and probabilities of achieving those results
- Risks of the interest rate hedge strategy or transaction

As Chairperson of the DFT, the CFO or designee shall notify rating agencies, applicable insurers, and other interested parties before entering into an interest rate swap agreement.

5.3 Counterparty Risk

Interest rate swap counterparties must have long-term bond ratings of A1/A+ or higher when the interest rate swap transaction is entered into. Where possible, counterparties shall be required to collateralize their obligations if their ratings are downgraded below the counterparty's rating at the time the interest rate swap is entered into, dependent upon the specific terms of the approved ISDA agreement. Interest rate hedging counterparties must be specifically approved by the appropriate governing body.

The Treasurer and Risk Director shall notify the DFT of any collateral calls and/or collateral returns within 1 business day of such call/return.

The CFO shall report any default of an interest rate swap transaction by or with a counterparty to the DFT, CEO and FC, EC, and BOD chairs within 1 business day of such default.

5.4 Hedging Criteria

Products shall be favored which have well-established and liquid markets to facilitate liquidity of the hedging contract. Interest rate hedging products can be transacted on a negotiated or competitive basis, as determined by the DFT. Interest rate swap agreement documentation shall include a standard ISDA Master Agreement, a Schedule to the Agreement, a Credit Support Agreement or Guarantee (if required) and trade confirmations as the primary documents for terms and conditions.

5.5 Provider Diversification

No more than 35% of any single debt provider of a Project's total debt shall be hedged with interest rate swaps, caps or other hedging instruments, in the aggregate to be measured at the time of purchase and annually thereafter. In the event that a single debt provider exceeds the 35% maximum, the CFO shall cause such condition to be reported to the FC and submit for approval a strategy for addressing that condition, including an appropriate timeline for implementation.

5.6 Termination

The appropriate governing body must approve the initiation of optional termination by FMPA. In general, FMPA shall not agree to terms that permit a counterparty to terminate a swap at its unconditioned option unless giving the counterparty such right is in the best interest of FMPA, taking into consideration the purposes for and circumstances under which the Agency is entering into the swap. Criteria for termination/default events are found in each respective ISDA Schedule and/or agreement.

5.7 Collateral at Risk

The CFO shall cause any amounts posted for interest rate hedging collateral to be reported to the FC at each regular meeting along with a strategy for handling the collateral at risk level. Such strategy shall consider liquidity requirements, termination costs, rating downgrade posting thresholds, and the resulting impact on rates. Amounts posted for collateral shall also be included in the monthly swap report detailed in Section 7.1 below.

5.8 Dodd-Frank ISDA Compliance

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the implementing U.S. Commodity Futures Trading Commission (CFTC) regulations, including external business conduct standards applicable to FMPA, impose a number of new compliance obligations on FMPA regarding providing information about its swap agreements. This Section 5.8 of the Debt Risk Management Policy is specifically focused on the Dodd-Frank Act compliance responsibilities of FMPA staff.

5.8.1 Recorded Communication

Each person at FMPA who has discussions with a swap counterparty regarding an existing swap transaction or a proposed swap transaction or the master agreement (including the related schedule and credit support annex, if applicable) that governs or will govern such swap transaction acknowledges and agrees that the discussions will be recorded by the swap counterparty and consents to the recording and agrees to sign an annual acknowledgement form stating that they acknowledge that they have read and understand the policies and procedures regarding discussions of swap documentation.

5.8.2 Dodd-Frank Supplement

FMPA will take the necessary steps to comply with its representations, agreements, and notice requirements in the ISDA August 2012 DF Supplement, published on August 13, 2012 by the International Swaps and Derivatives Association, Inc., and in any other ISDA protocol documentation entered into by FMPA (directly or through incorporation by reference into existing ISDA master agreements) from time to time.

5.8.3 Qualified Independent Representative

FMPA will enter into a contract with a firm or firms that will have the qualifications to act as a qualified independent representative to FMPA in accordance with the requirements of CFTC Regulation §23.450 and its related safe harbor provisions. Each such contract will require the firm(s) to make representations and provide agreements to satisfy the requirements and safe harbor provisions of CFTC Regulation §23.450 in a manner satisfactory to FMPA.

5.8.3.1 FMPA shall utilize the services of such qualified independent representative when entering, modifying, or terminating (in whole or in part) any swap transaction.

5.8.3.2 FMPA shall monitor the continued performance of each qualified independent representative by requesting certifications annually, as a minimum, from each qualified independent representative restating that the representations and agreements in the contract described above (in Section 5.8.3) are true and correct and that no breach of the contract has occurred. Such certification shall include reference that any notice of failure of a representation or agreement provided by the qualified independent representative was true and correct and promptly provided.

6.0 Internal Controls

The CFO shall cause to be established a system of written internal controls to manage debt issuance and related activities, consistent with this Policy, established Debt Management Procedures and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. FMPA will continue to commit the resources necessary to debt management activities to be viewed by investors in the most favorable light, doing so with highest ethical principles, and consistent with all applicable rules and laws.

The Agency Risk Director shall be responsible to review all documented internal controls and procedures established to ensure they comply with the FMPA Risk Management Policy and adequately mitigate all applicable risks. If, after review, the Agency Risk Director identifies areas of concern, the documented internal controls weakness(s) will be communicated to the CFO and FC as appropriate.

The CFO or designee is responsible for issuance of debt. Accounting staff shall maintain accounting records for debt transactions but shall not have any responsibility for the process of financing assets.

6.1 Policy and Procedure Compliance

The Agency Risk Director shall cause compliance with this Policy and associated Procedures to be monitored on an ongoing basis. This shall include a review of policy compliance following *each* debt issuance. Any unresolved compliance issues will be presented to the FC by the Agency Risk Director.

6.2 Post Issuance

Following the issuance of bonds for any project, the Treasurer and Risk Director shall cause the following requirements to be met:

- Primary Disclosure: As required by the Florida Division of Bond Finance.
- Continuing Disclosure: MSRB/EMMA as required, in compliance with SEC rule 15c2-12 concerning primary and secondary market disclosure.
- Arbitrage Rebate Reports: To be completed annually by a qualified third party. Amounts calculated as liabilities will be reported in the annual audited financial statements. Rebate payments, if required, will be paid for each bond issue as required by regulatory requirements.
- Investor Relations: See Section 7.0 of the Accounting, Internal Controls & Audit Policy; Appendix J of the FMPA Risk Management Policy, for financial reporting requirements.
- Economic Life Evaluation: Treasurer and Risk Director shall provide outstanding debt information in a timely manner to the Resource and Strategic Planning Manager for any required evaluations of outstanding term to remaining economic life per the Power Supply & Resource Planning Policy, Appendix H of the FMPA Risk Management Policy.

7.0 Reporting

Required reports shall be obtained from information maintained in the Agency's treasury database software (such as Integrity) which is subject to mid-office oversight. Reports not obtained from such software shall be subject to additional oversight as deemed appropriate by the Agency Risk Director.

7.1 Debt Portfolio Reports

The Treasurer and Risk Director is responsible for completion of the following reporting requirements:

A. If Swaps are outstanding, monthly swap report to be posted on FMPA's member website and will include, at a minimum, the following:

1) Description of each interest rate swap agreement, including the effective date, notional amount, pay and receive coupon rates, counterparty, and any other relevant information as appropriate.

2) Market value as of report date from an independent third-party source (such as Bloomberg or FMPA's swap advisor). Value per counterparty may be used when independent market value is not widely obtainable.

3) Collateral posting thresholds per counterparty.

4) Collateral posted with/by counterparties.

5) Interest earned on collateral postings.

B. Annual debt report presented to the EC and BOD at their first regularly scheduled meeting following approval of audited financial statements. Such annual debt report shall include, at a minimum, the following:

1) Percentage of portfolio that is fixed rate, variable rate, and synthetic fixed rate at fiscal year-end.
2) Total cost of debt (effective interest rate) per Project for the previous fiscal year.
3) Interest rate swap counterparty diversification report.
4) Debt outstanding for each Project by respective participants.

C. The Treasurer and Risk Director shall report on the current risk environment affecting FMPA's debt outstanding to the DFT, as needed. The DFT shall engage in any necessary discussion before recommending action to the appropriate governing body.

7.2 Post-closing Report

The CFO, as chairperson of the DFT, is responsible for completion of a post-closing debt report. Such report shall be made to the appropriate governing body at their next regular meeting following the closing of a debt financing transaction. The report shall include, at a minimum, the total cost of debt financing, type of debt issued and effect on the portfolio mix, any associated interest rate swaps, any credit enhancement, method of sale, and underwriter diversification for the Project.

7.3 Oversight Structure

The Agency Risk Director shall cause any deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMPA Risk Management Policy. An annual report on the operation and effectiveness of this Policy shall be completed by the Internal Audit Manager, as directed by the FC, as described in Section 7.0 of the FMPA Risk Management Policy.

Appendix A

Florida Municipal Power Agency Risk Management Reporting Calendar Debt Management Policy Reporting Requirements				
Reporting Item	Frequency of Report	Responsible Party	Policy Section Reference	Policy Category Reference
Collateral Call or Return	As Needed	Treasurer and Risk Director	Section 5.2	Transaction Management
Swap Transaction Defaults	As Needed	CFO	Section 5.3	Counterparty Risk
Swap Diversity Exceptions	As Needed	CFO	Section 5.5	Provider Diversification
Collateral Posted	As Needed	CFO	Section 5.7	Collateral at Risk
Policy and Procedure Compliance	As Needed	Treasurer and Risk Director	Section 6.1	Policy and Procedure Compliance
Primary and Continuing Disclosure	As Needed	Treasurer and Risk Director	Section 6.2	Post Issuance
Interest Rate Swap Report	Monthly (if applicable)	Treasurer and Risk Director	Section 7.1	Debt Portfolio Reports
Recorded Communication Consent Form	Annually (As Needed)	Treasurer and Risk Director	Section 5.8.1	Recorded Communication
QIR qualification attestation	Annually	Treasurer and Risk Director	Section 5.8.3	Qualified Independent Representative
Annual Debt Report	Annually	Treasurer and Risk Director	Section 7.1	Debt Portfolio Reports
Post-Closing Report	Upon Debt Issuance	CFO	Section 7.2	Post-closing Report
Deviations from Policy	As Needed	Treasurer and Risk Director	Section 7.3	Oversight Structure
Policy Operating and Effectiveness	Annually	Internal Audit Manager	Section 7.3	Oversight Structure

Appendix B

The table below shows the approved debt portfolio mix as described in Section 4.3 of this Debt Risk Management Policy.

LIMITS OF EXECUTIVE COMMITTEE DEBT PORTFOLIO MIX			
	Minimum Fixed Rate	**Maximum Fixed Rate**	**Maximum % of Debt w/ Interest Rate Swaps**
All-Requirements Project	60%	100%	25%

LIMITS OF BOARD OF DIRECTORS DEBT PORTFOLIO MIX			
Stanton Project	60%	100%	25%
Stanton II Project	60%	100%	25%
St. Lucie Project	60%	100%	25%
Tri-City Project	60%	100%	25%

AGENDA ITEM 9 – INFORMATION ITEMS

a. **Final Budget Vs. Actual Status for Fiscal Year 2022**

Finance Committee Meeting
January 18, 2023

9a – Final Budget vs. Actual Status for Fiscal 2022

Finance Committee

Jan. 18, 2023

Preliminary Final Fiscal 2022 Budget Status

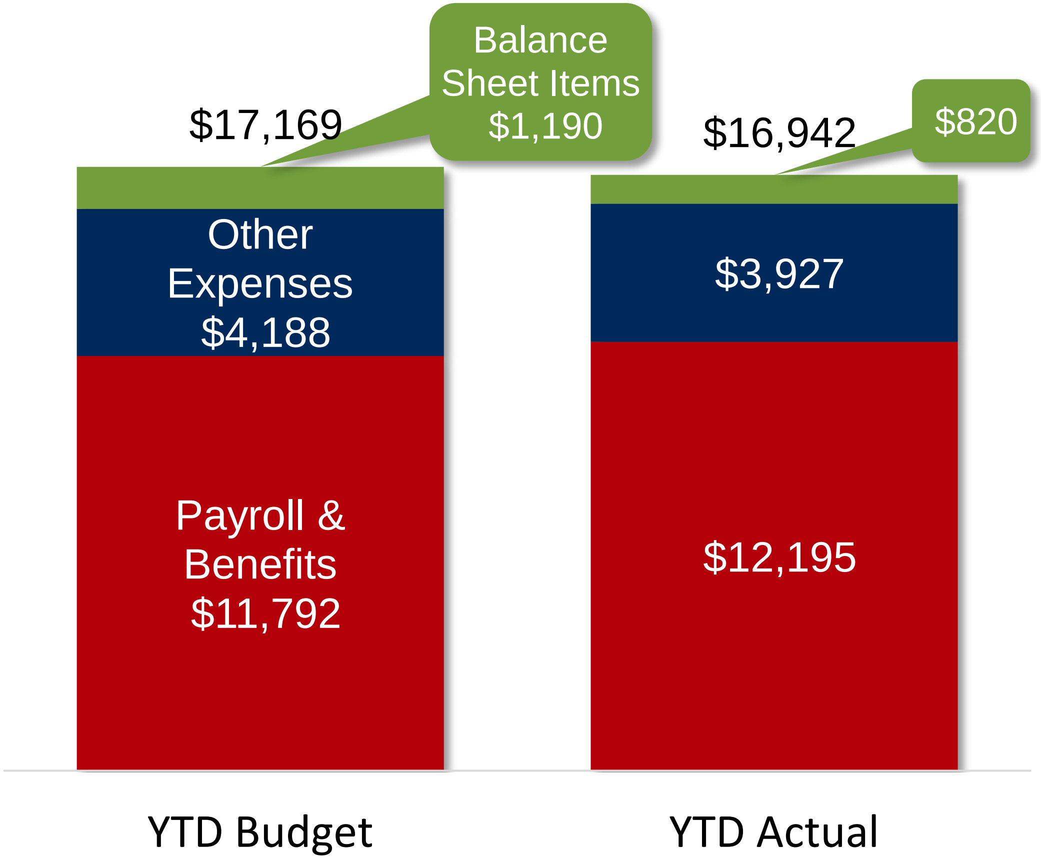
ARP, Stanton, Tri-City and Stanton II Budgets Amended Due to Fuel Costs

- Agency expenses ~$230k (1%) < budget; capital expenses biggest savings
- ARP expenses and MWh sales ~ amended budget; $/MWh sales $11/MWh < budget due to margins on 3rd party sales and physical gas sales
- Stanton and Tri-City project expenses and $/MWh costs < amended budget due to coal conservation but much higher than original budgets due to fuel costs
- Stanton II Project expenses ~$5M < target but $/MWh costs well above target due to combination of high $/MWh fuel costs and generation 32% below target
- St. Lucie Project expenses and $/MWh costs 8% < target levels primarily due to debt savings from 2021 refinancing

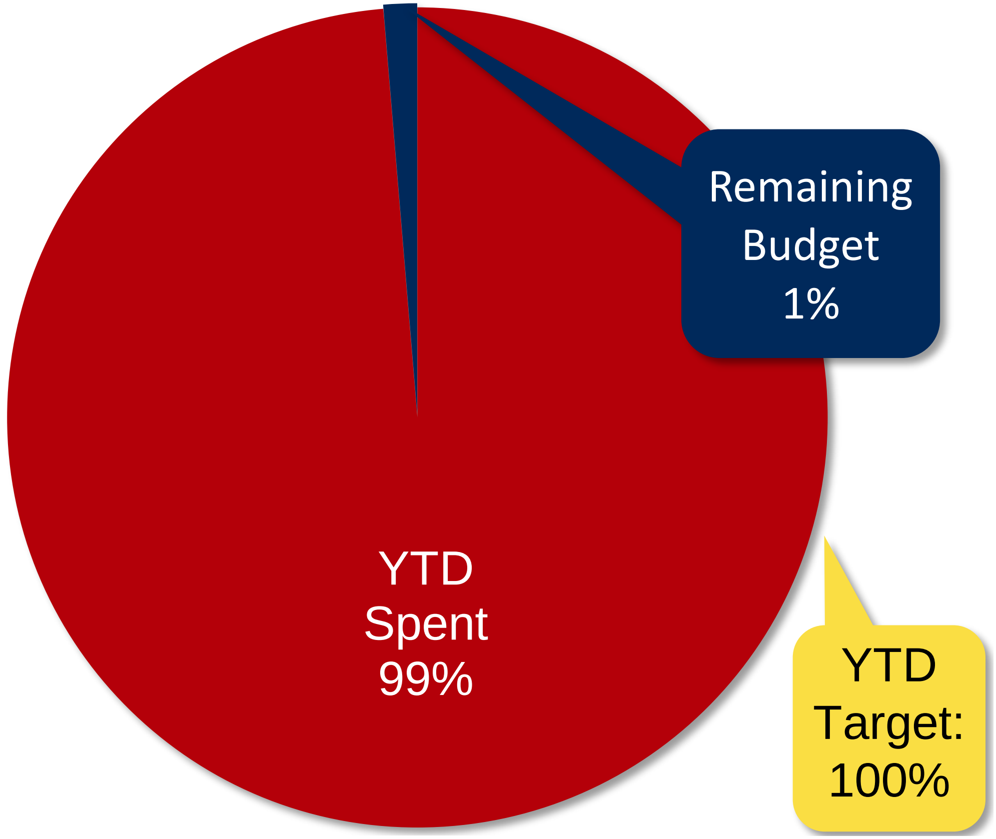
YTD Agency Costs End ~$230k (1%) < Budget

Capital ($378k Below) Largest Category Below Budget

YTD Expenses ($Thousands)



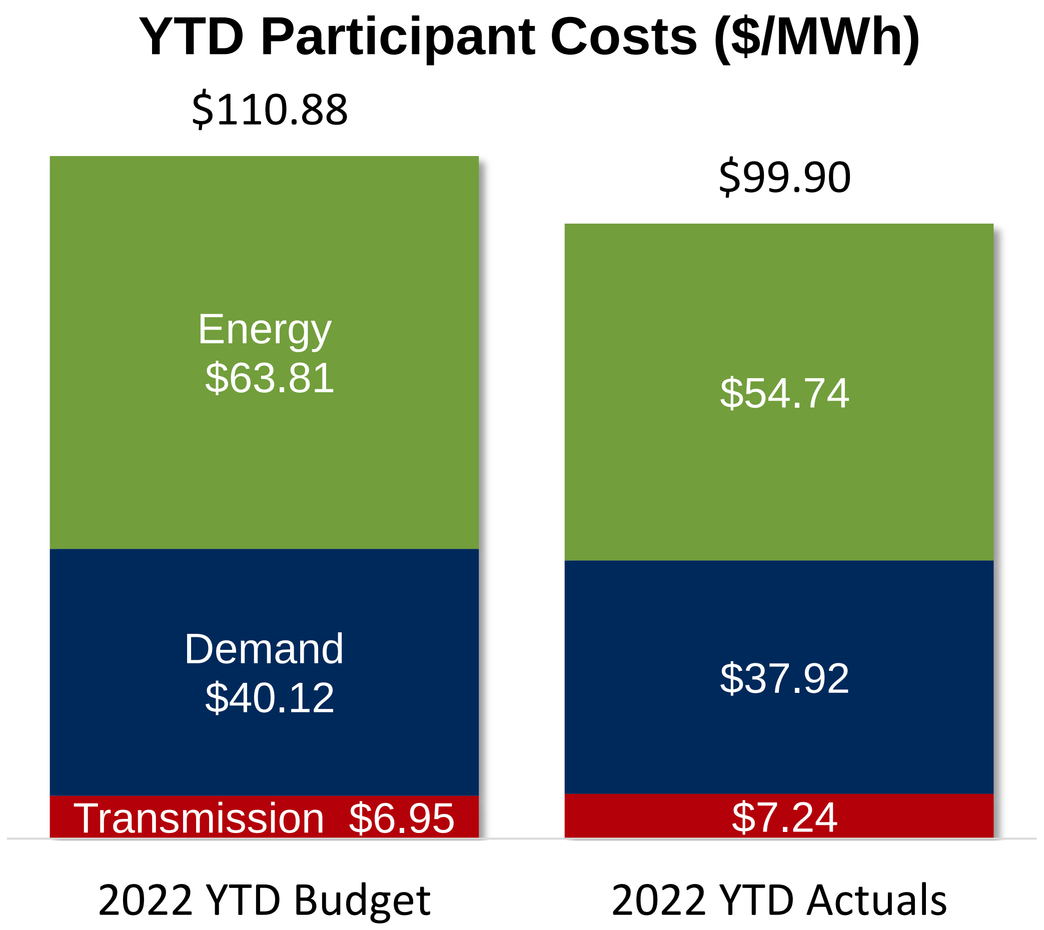
FY 2022 Spending vs. Budget

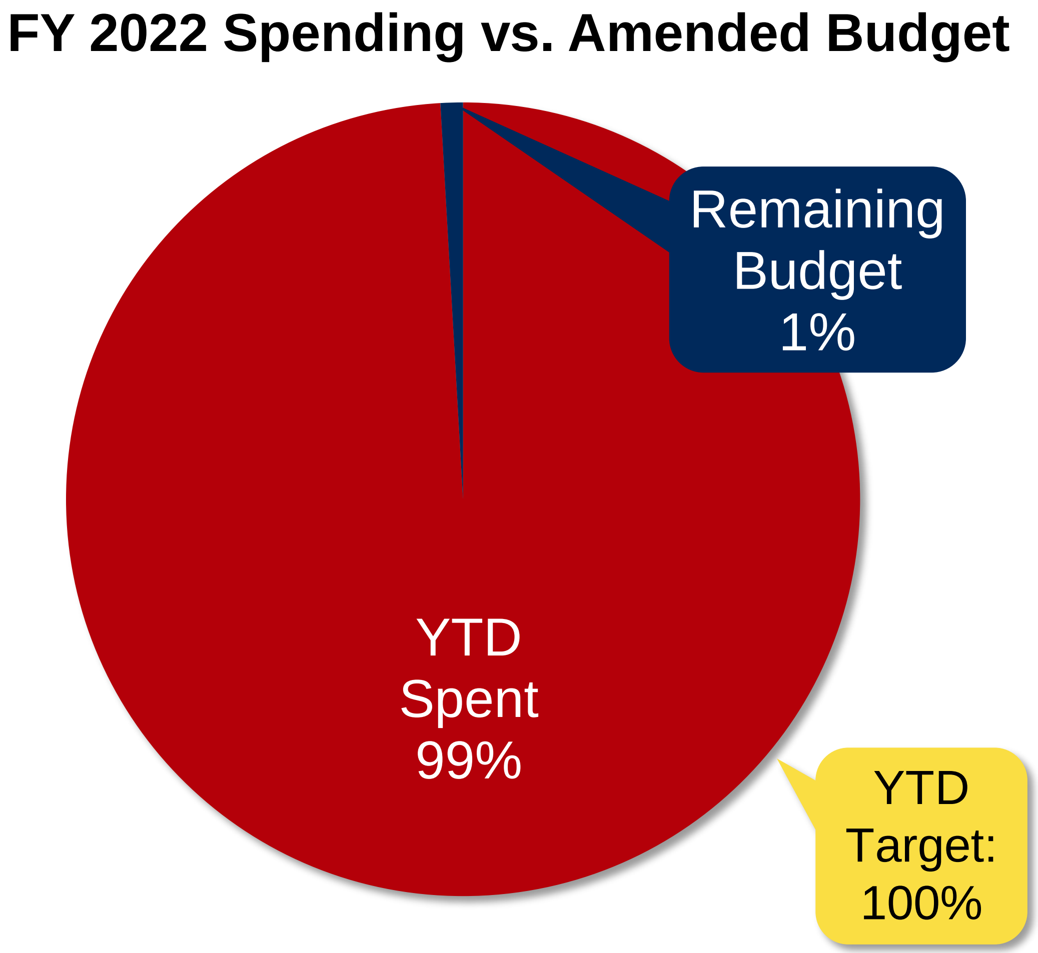


NOTE: Results through September 2022

YTD ARP Participant Costs ~$11/MWh (10%) < Budget

Fuel Costs Two Times Original Budgeted Levels



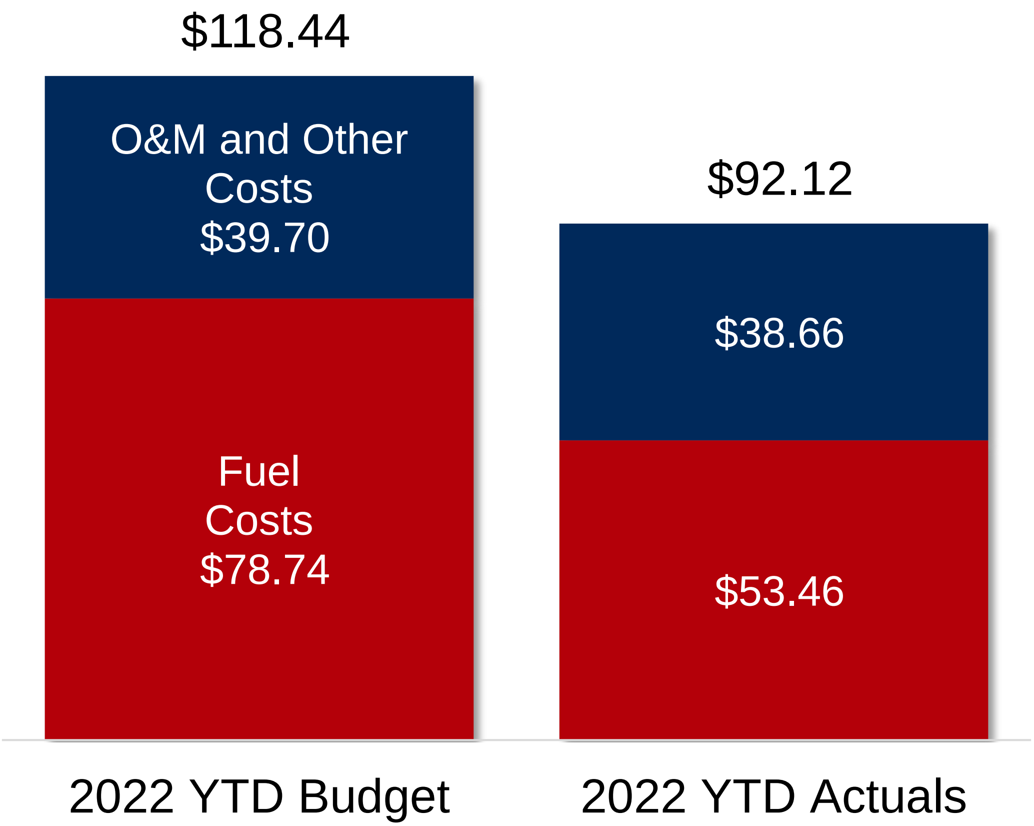


Results through September 2022; budget values reflect amended budgets

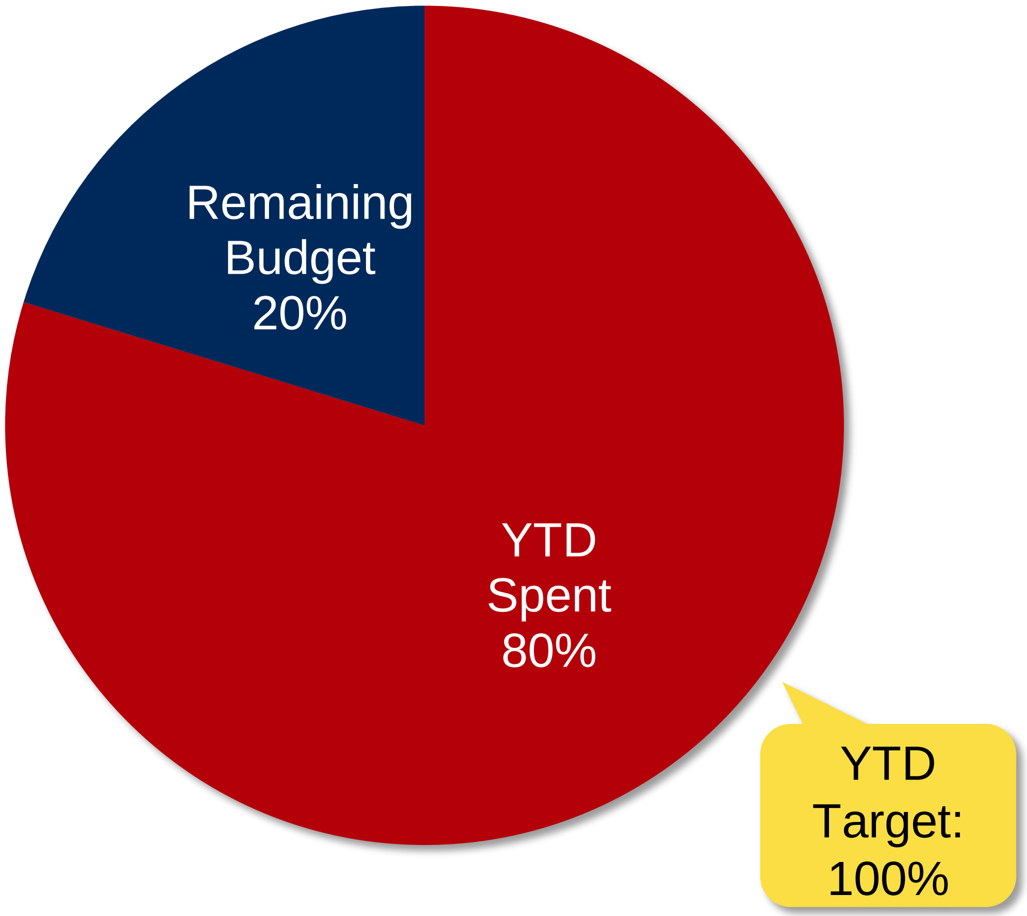
Stanton Participant Costs ~$26/MWh (22%) < Budget

Driven by $/MWh Fuel Costs Below Amended Budget

YTD Participant Costs ($/MWh)



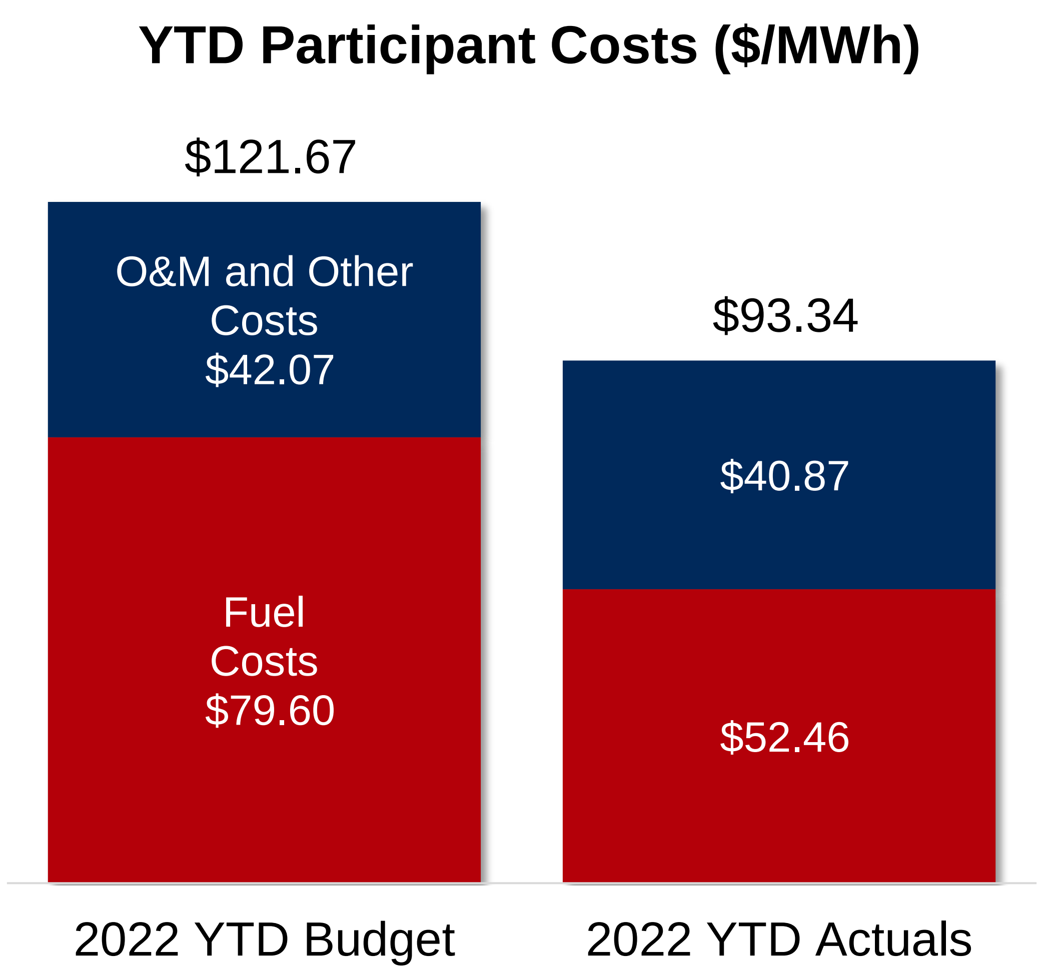
FY 2022 Spending vs. Amended Budget

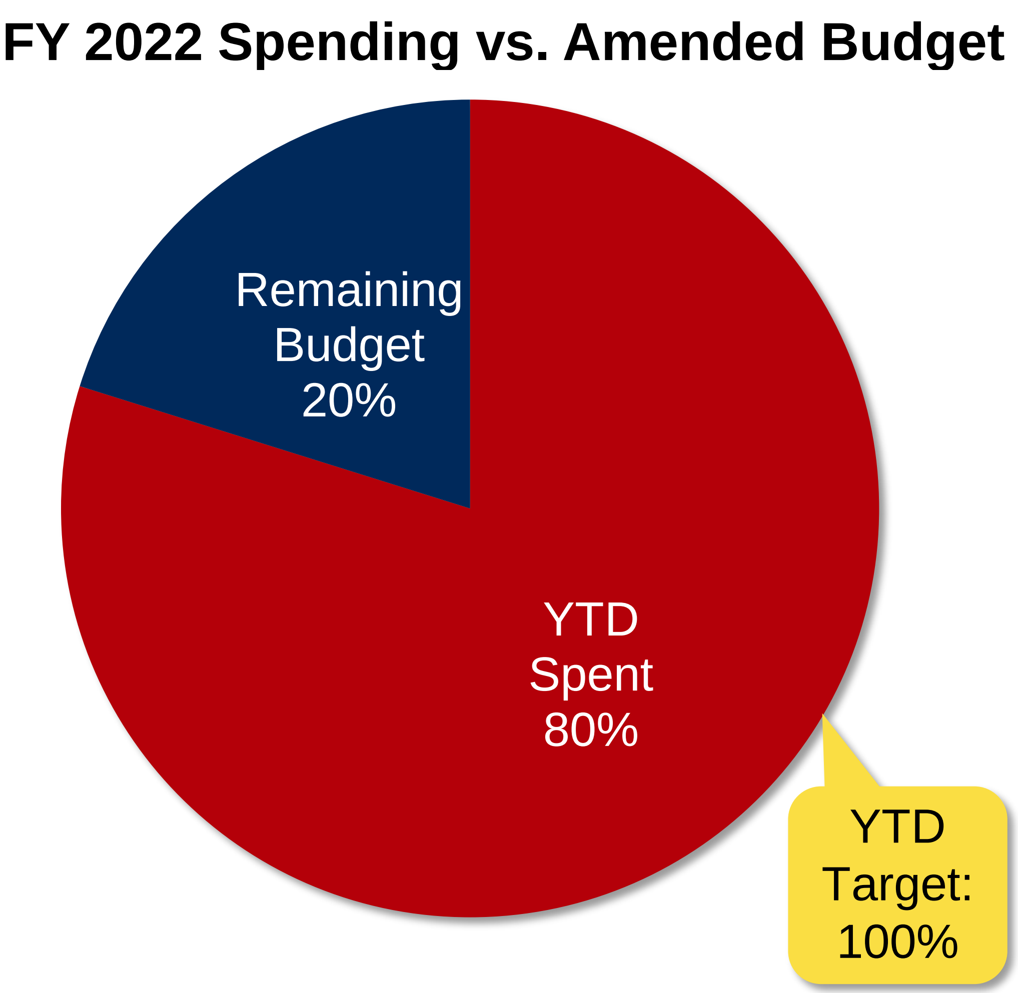


NOTE: Results through September 2022; budget values reflect amended budgets

Tri-City Participant Costs ~$28/MWh (23%) < Budget

Driven by $/MWh Fuel Costs Below Amended Budget



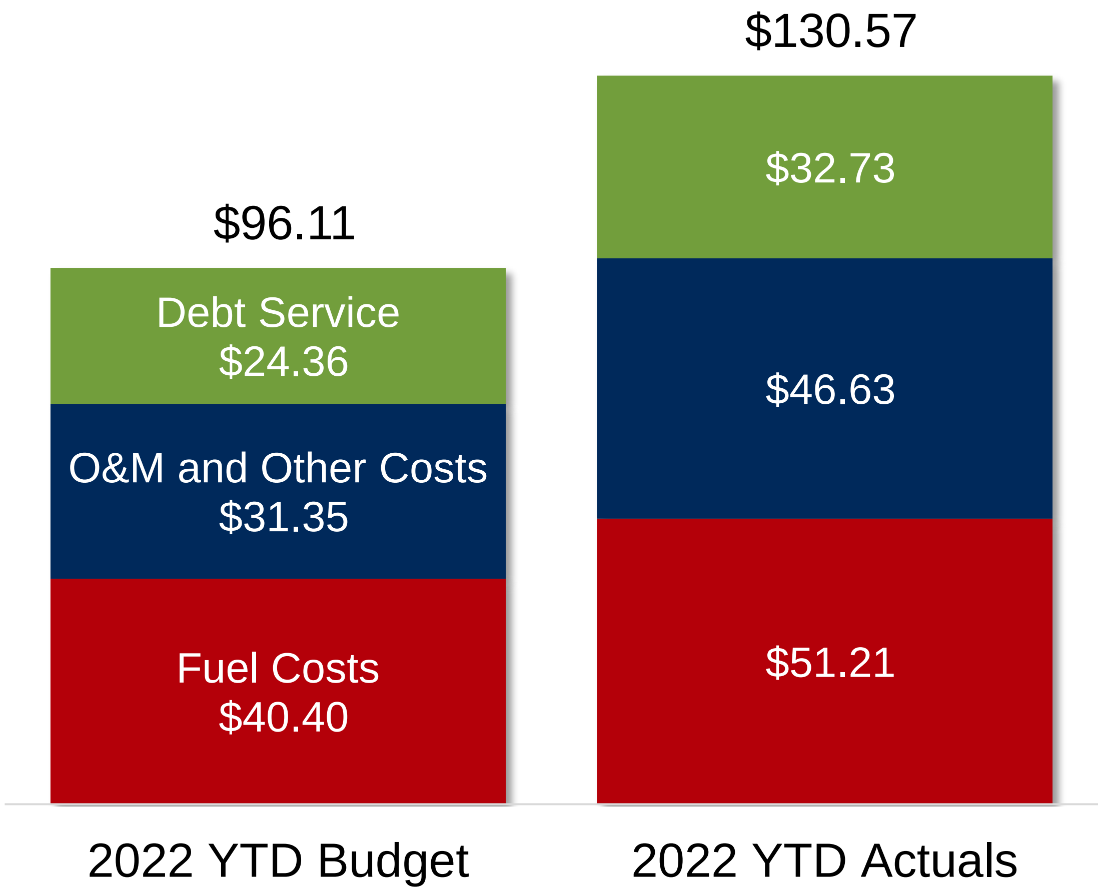


Results through September 2022; budget values reflect amended budgets

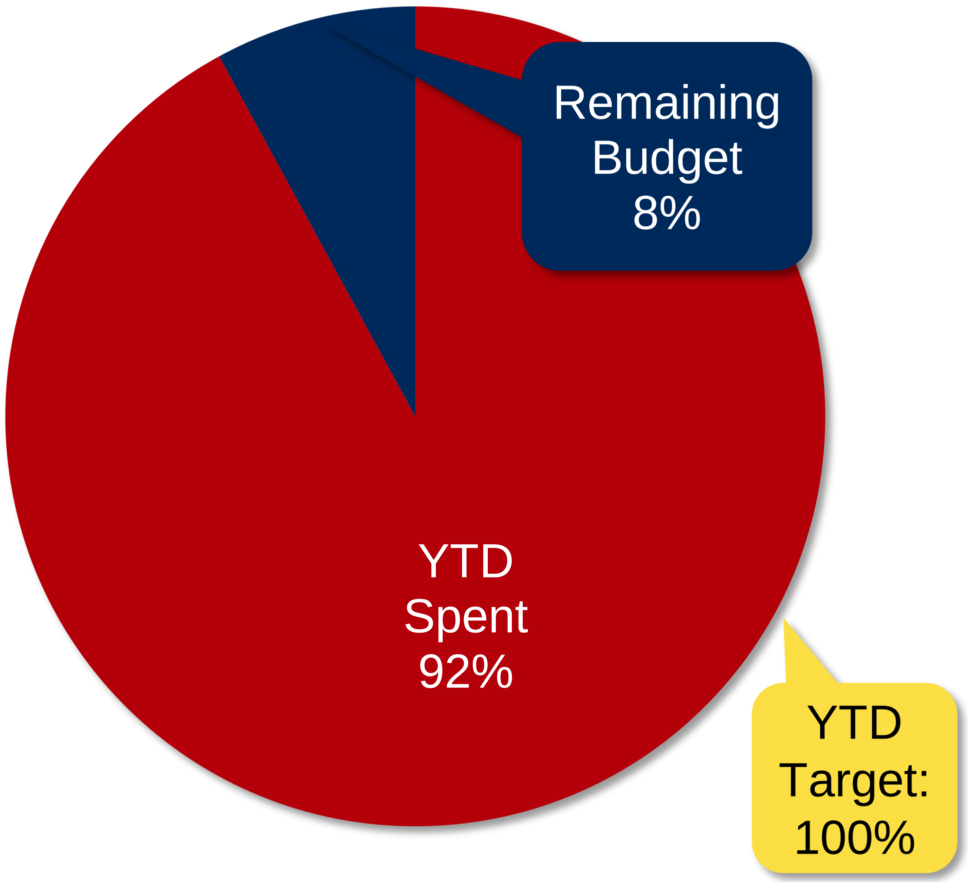
Stanton II Participant Costs ~$34/MWh (36%) > Budget

Driven By High $/MWh Fuel Costs and Generation 32% < Budget

YTD Participant Costs ($/MWh)



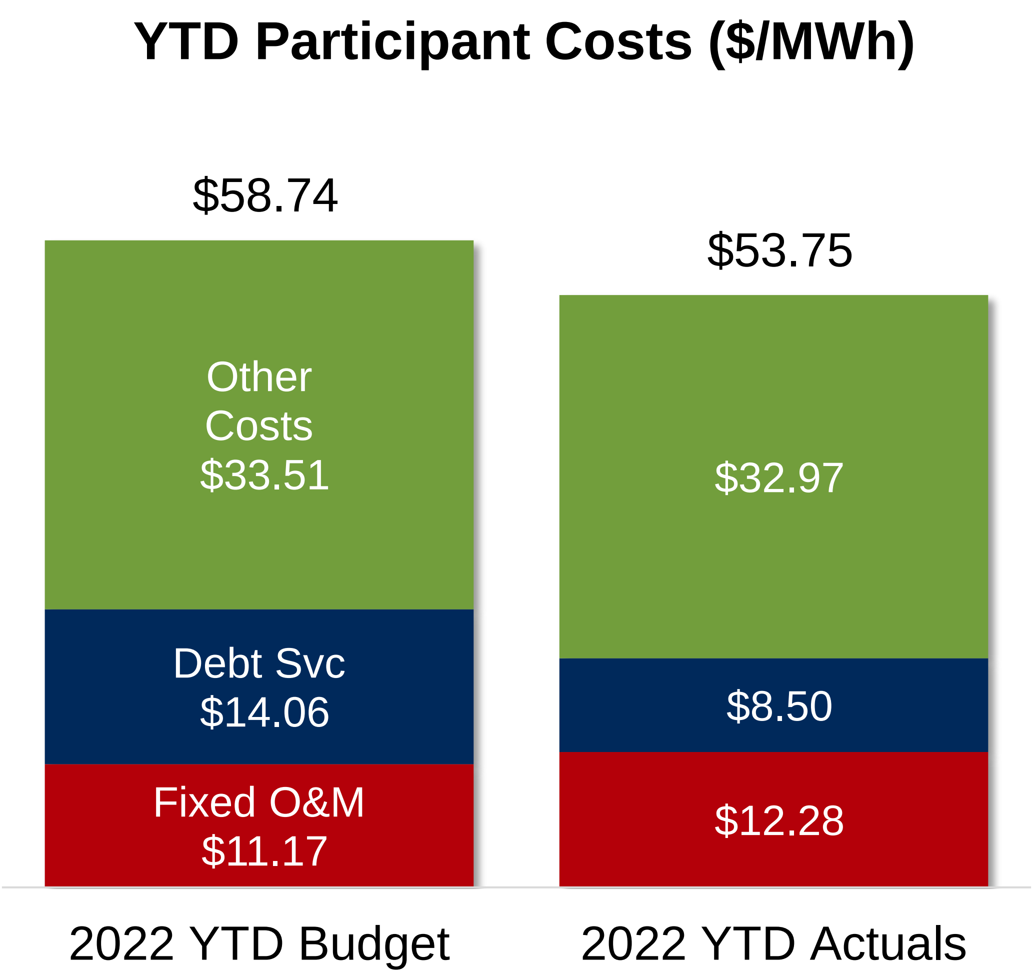
FY 2022 Spending vs. Budget

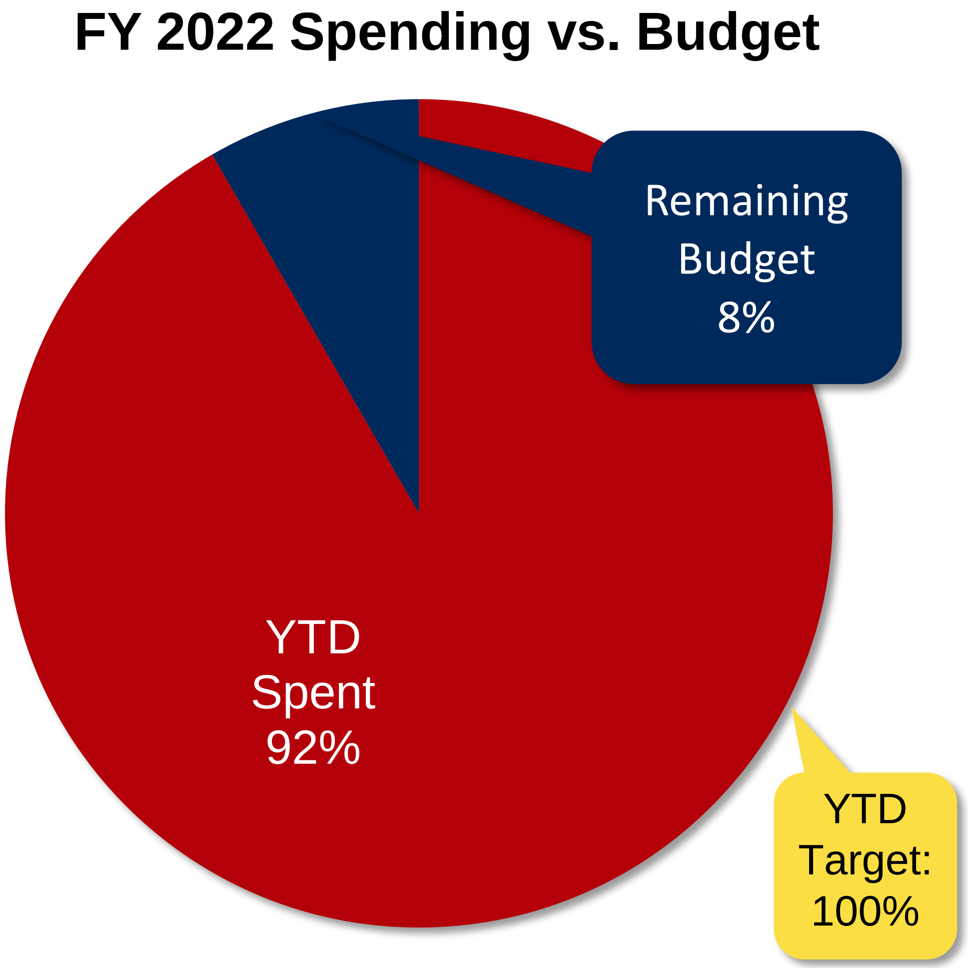


Results through September 2022; budget values reflect amended budgets

St. Lucie YTD Participant Costs $5/MWh < Budget

Debt Savings from Refi Drive Total Expenses 8% Below Budget





NOTE: "Other Costs" include deposits to General Reserve Fund to pay future debt cost. Results shown through September 2022.

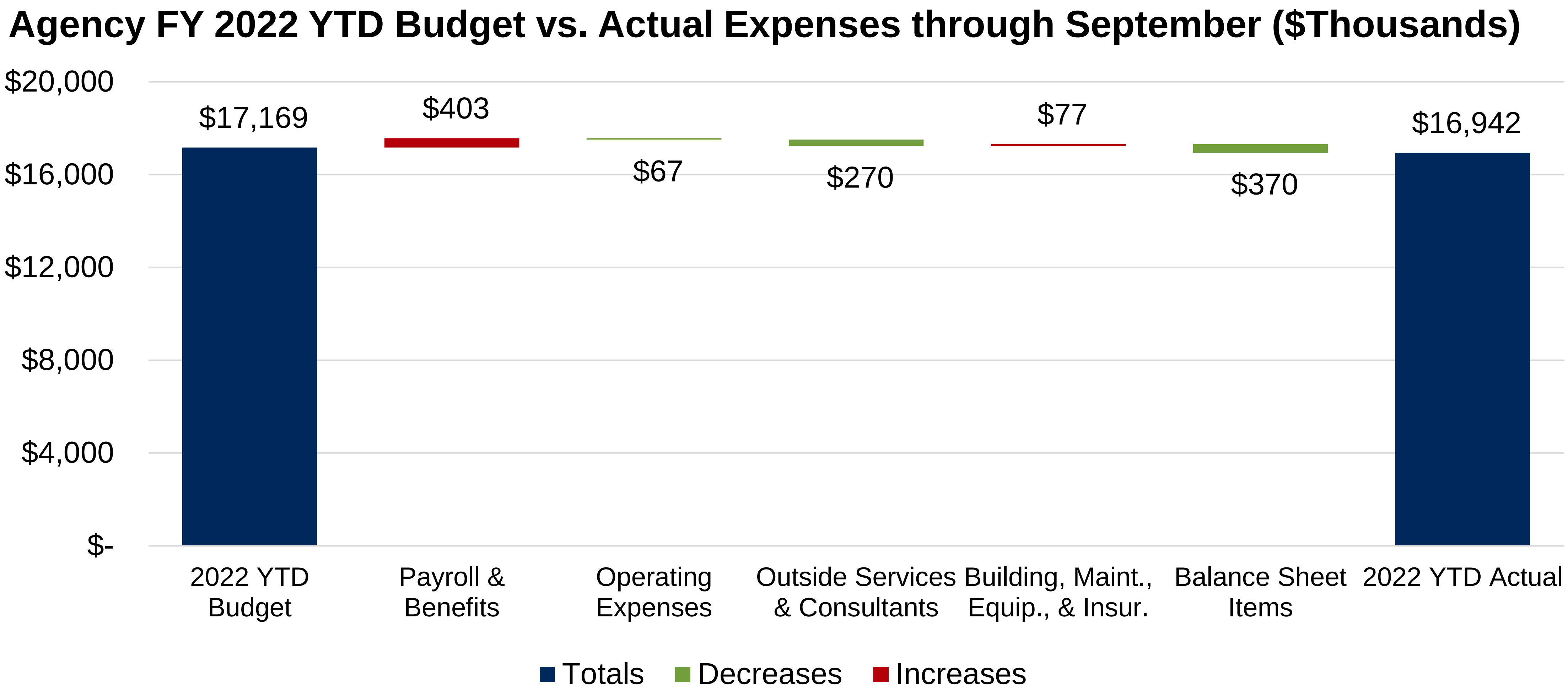
Recommended Motion

- For information only. No action requested.

Supplemental Slides

Agency ~$230k Below Budget

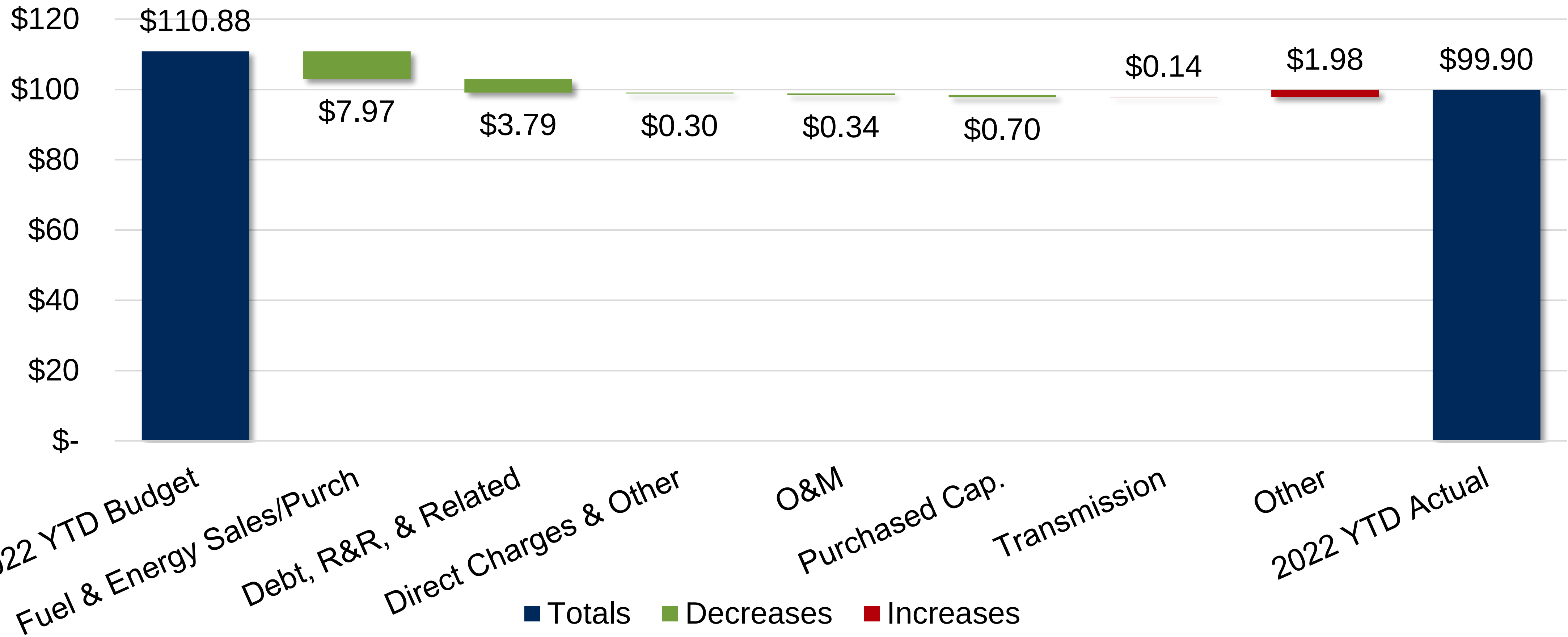
Capital Expenses Largest Savings vs. Budget



ARP YTD $/MWh Costs $11/MWh (10%) < Target

Fuel Costs $8/MWh < Amended Budget; Additional Savings Driven by Not Funding Rate Projection Account

ARP FY 2022 YTD Budget vs. Actual Participant Costs through September ($/MWh)

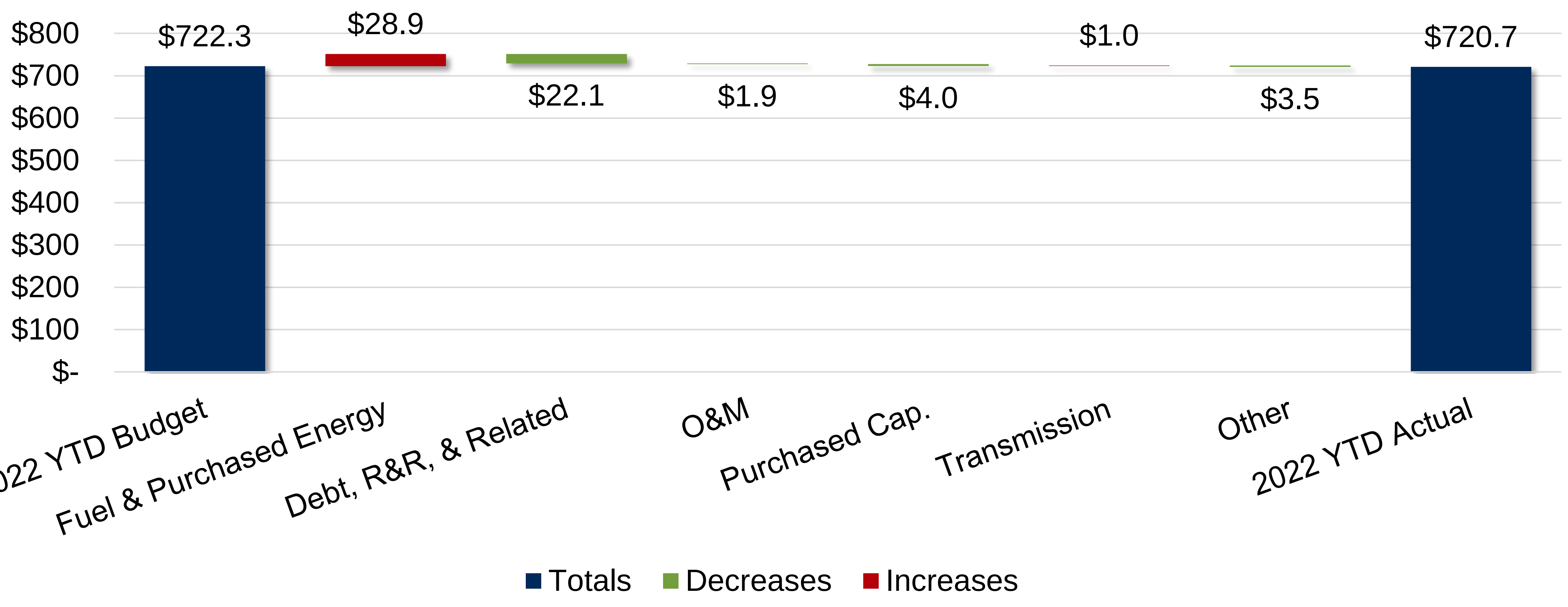


FMPA MUNICIPAL POWER

YTD ARP Expenses $1.6M (0.2%) < Amended Budget

Primarily Due to Fuel Expense $236M (2.5x) > Original Budgeted Levels

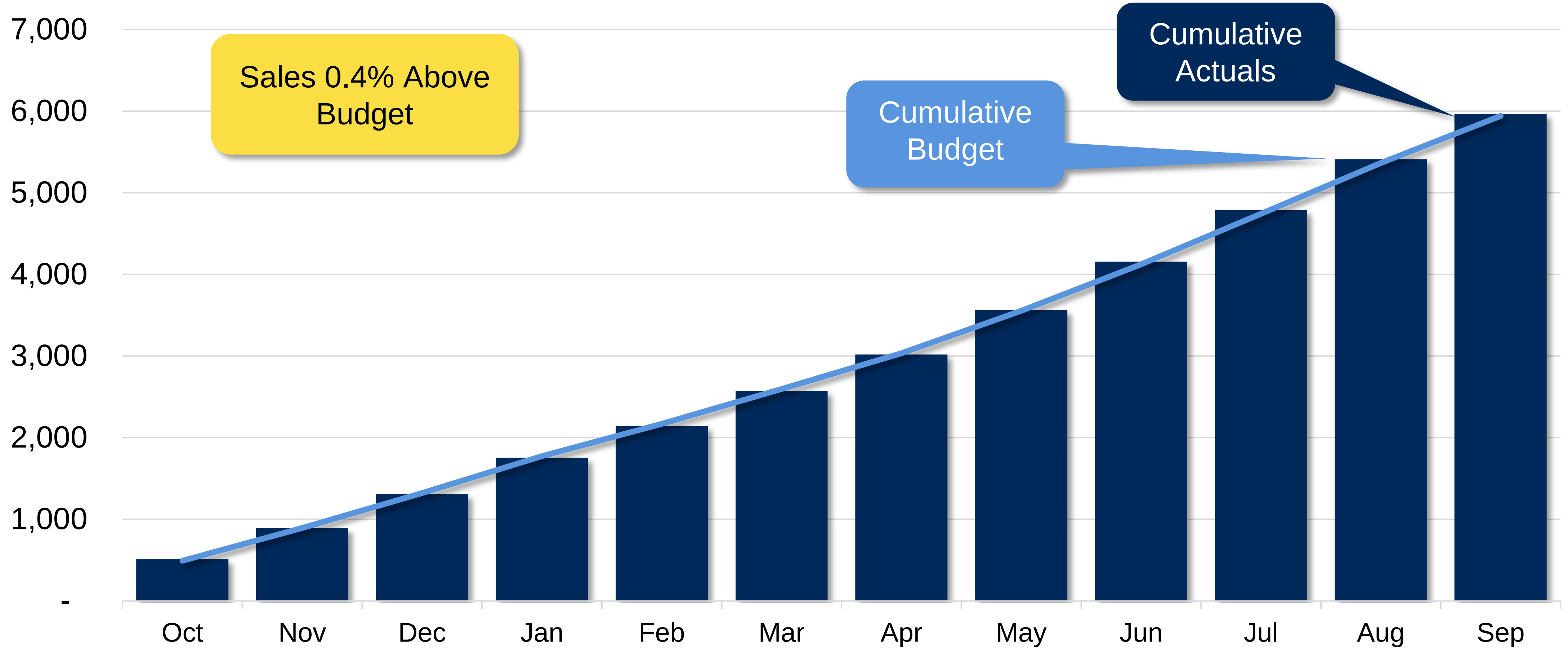
ARP FY 2022 YTD Budget vs. Actual Expenses through September ($Millions)



Final FY 2022 ARP Sales ~ Budget

Sales 1% < Budget During First 6 Months but 1.5% > Budget for Final 6 Months

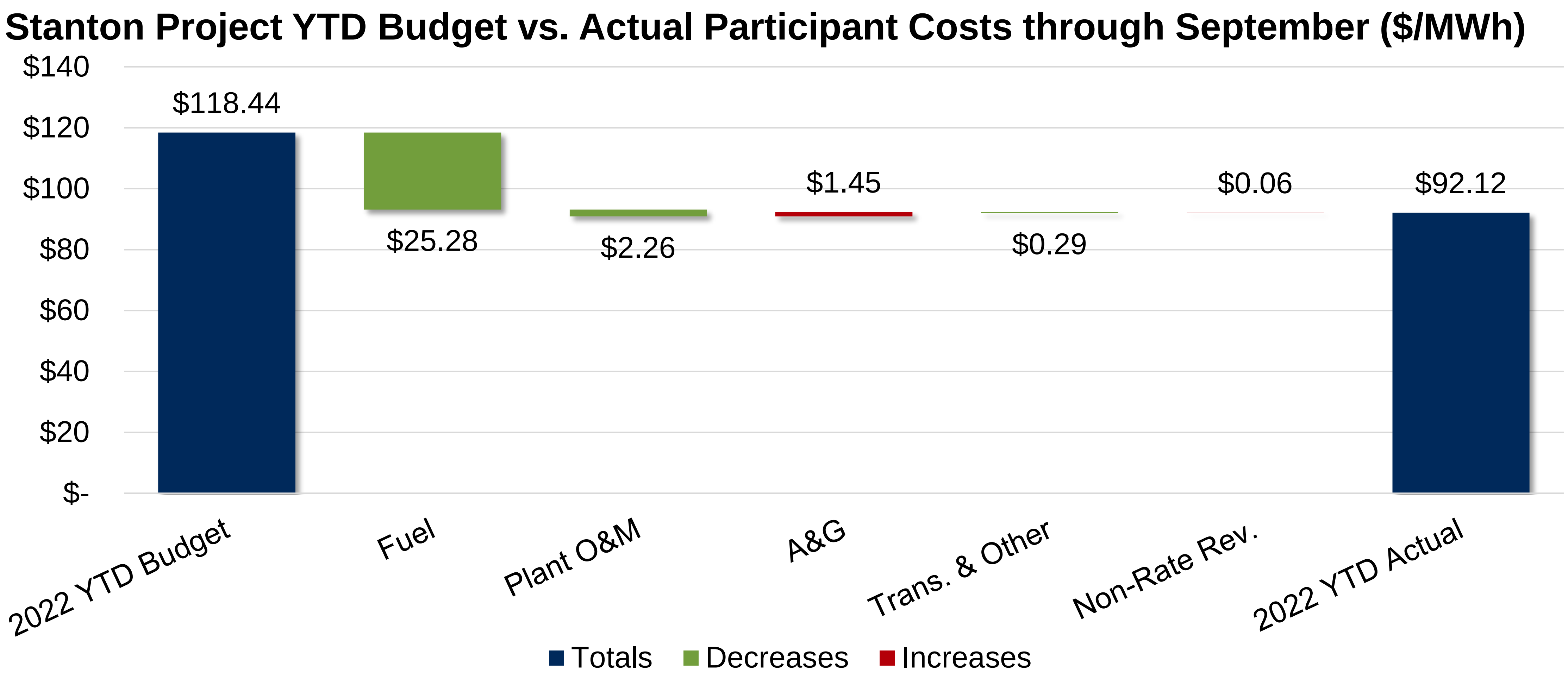
ARP FY 2022 Cumulative Sales through September (GWh)



FMPA MUNICIPAL POWER

Stanton $/MWh Costs 22% < Budget

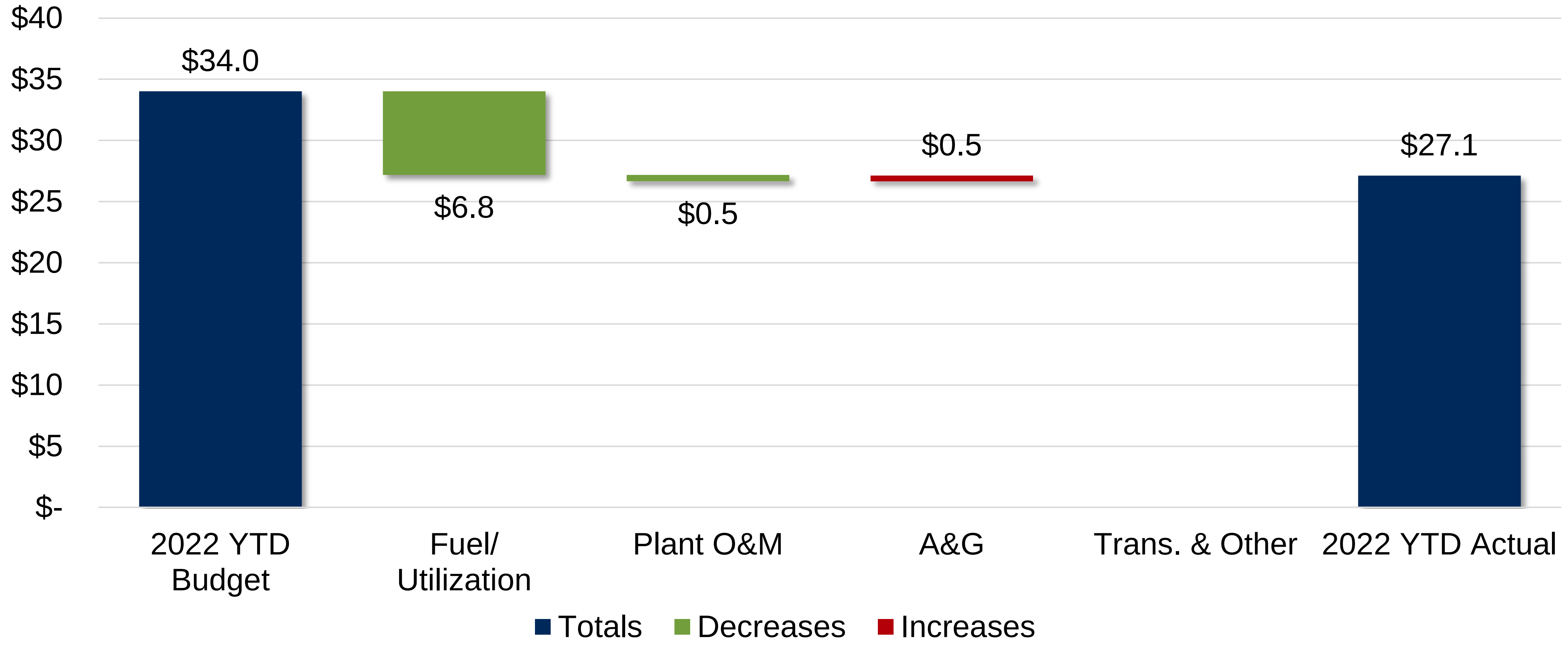
Fuel Costs $25/MWh < Amended Budget



Stanton Project Expenses ~$7M (20%) < Budget

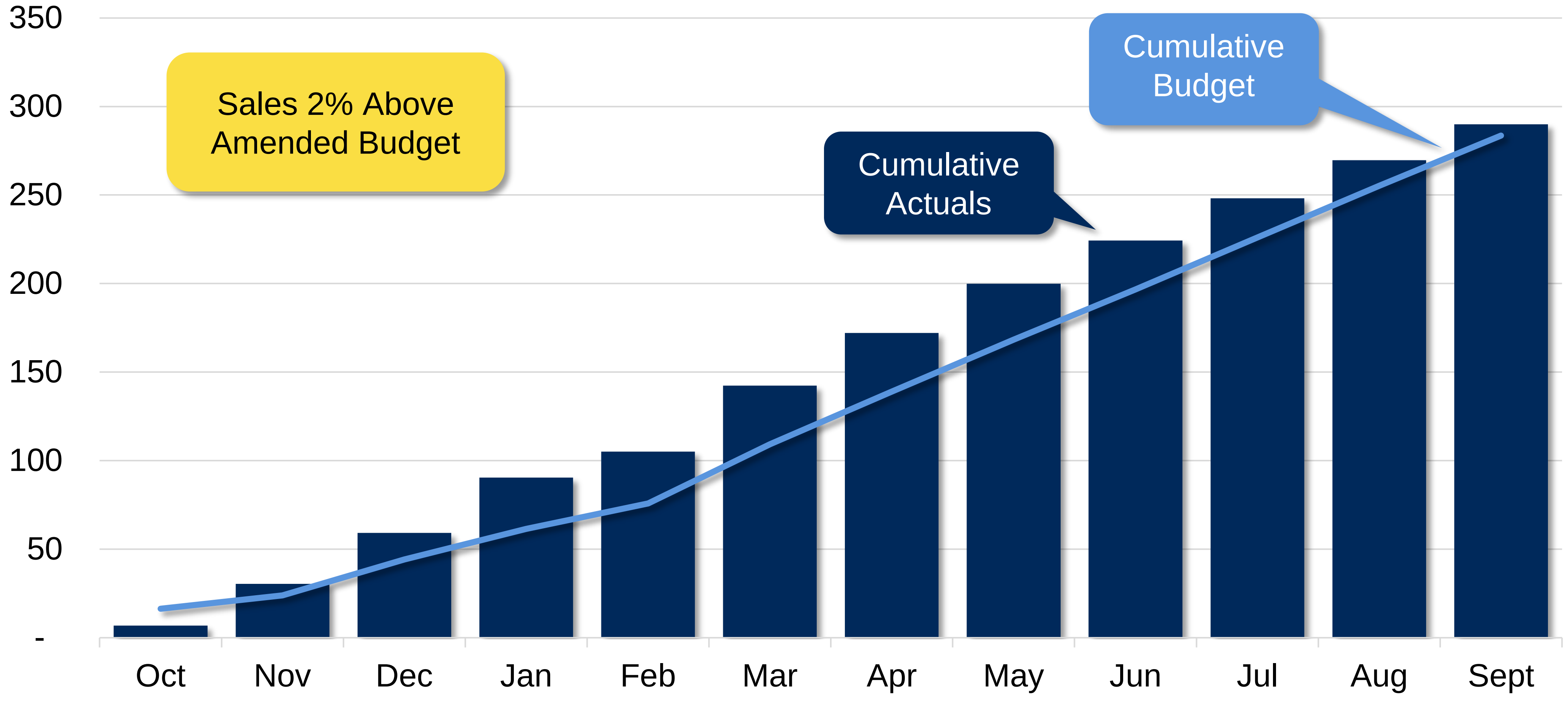
Fuel Costs $6.8M < Amended Budget ~ 100% of Net Decrease

Stanton Project Budget vs. Actual Expenses through September ($Millions)



Stanton Project Final MWh Sales 2% > Amended Budget

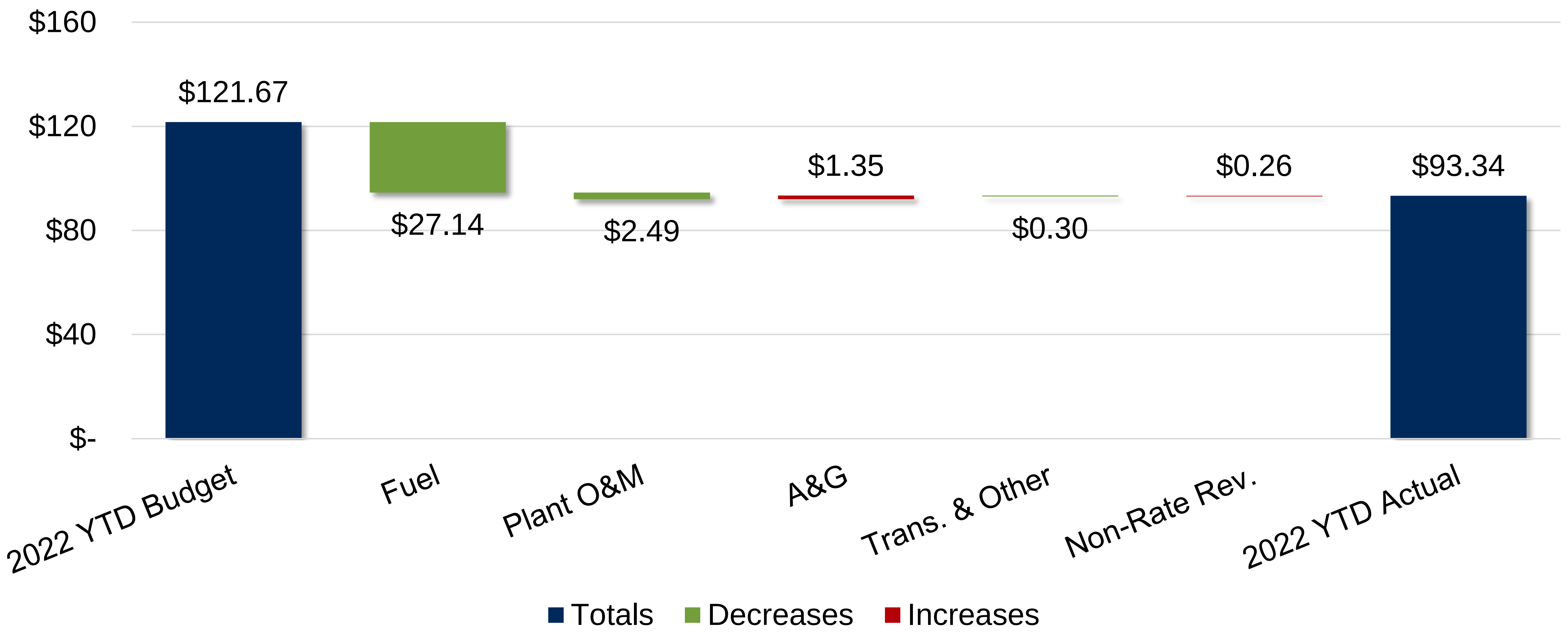
Stanton Project FY 2022 Cumulative Sales through September (GWh)



Tri-City Participant $/MWh Costs 23% < Budget

Fuel Costs $27/MWh < Amended Budget

Tri-City Project Budget vs. Actual Participant Costs through September ($/MWh)

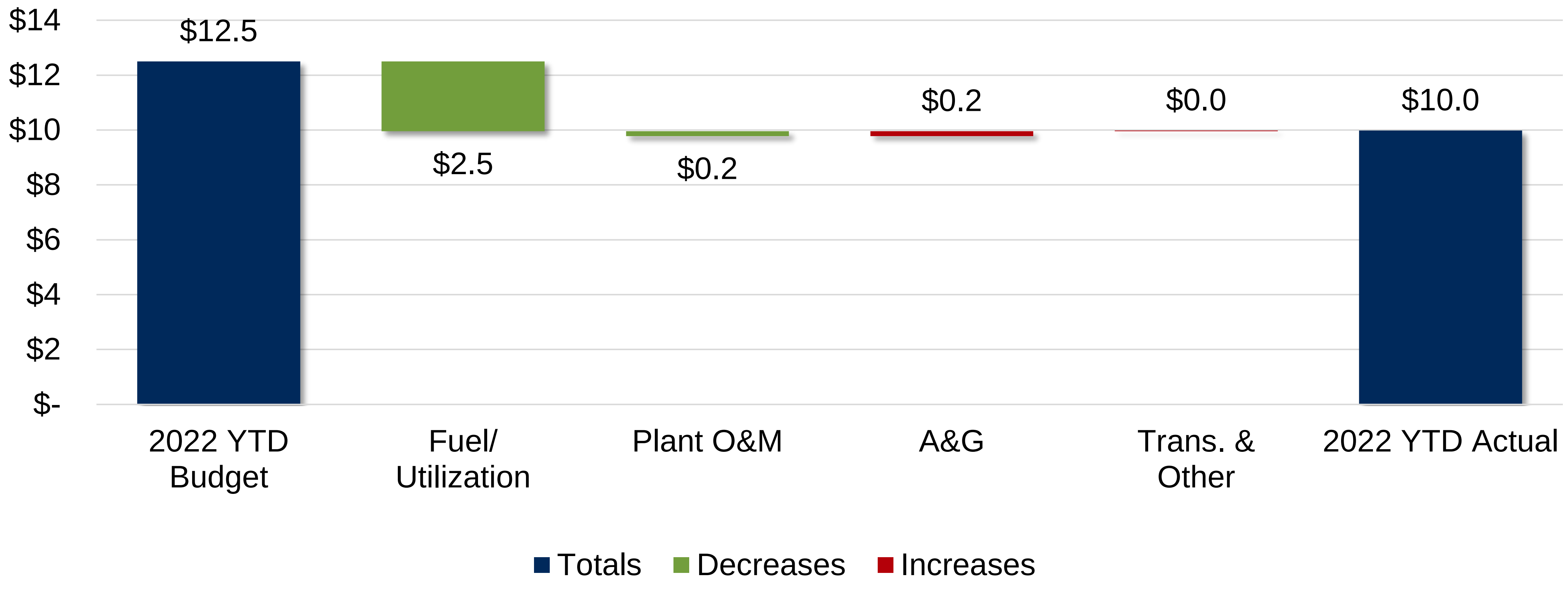


FMPA MUNICIPAL POWER

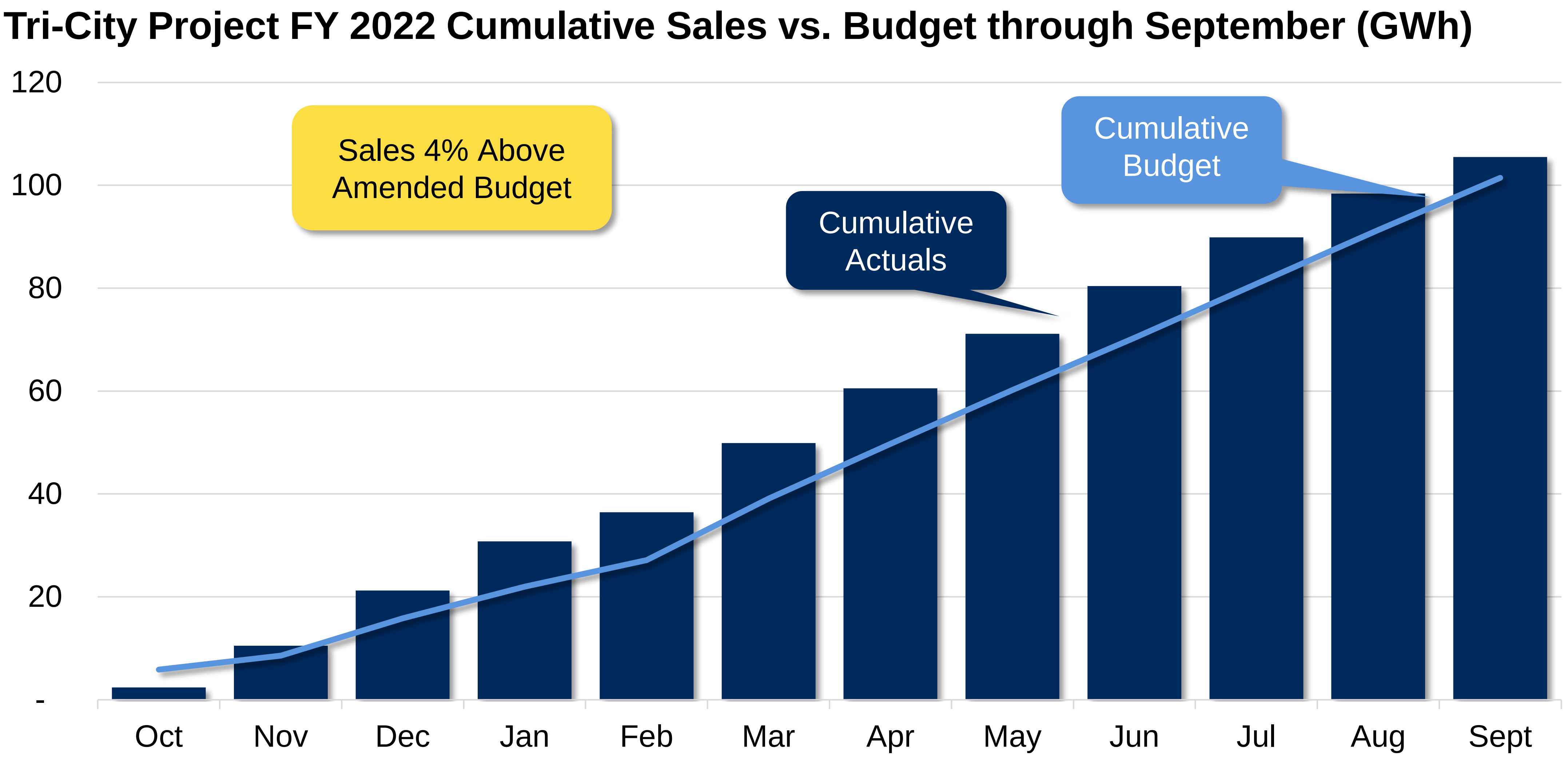
Tri-City Project Expenses $2.5M (20%) < Budget

Fuel Costs $2.5M < Amended Budget ~100% of Net Decrease

Tri-City Project Budget vs. Actual Expenses through September ($Millions)



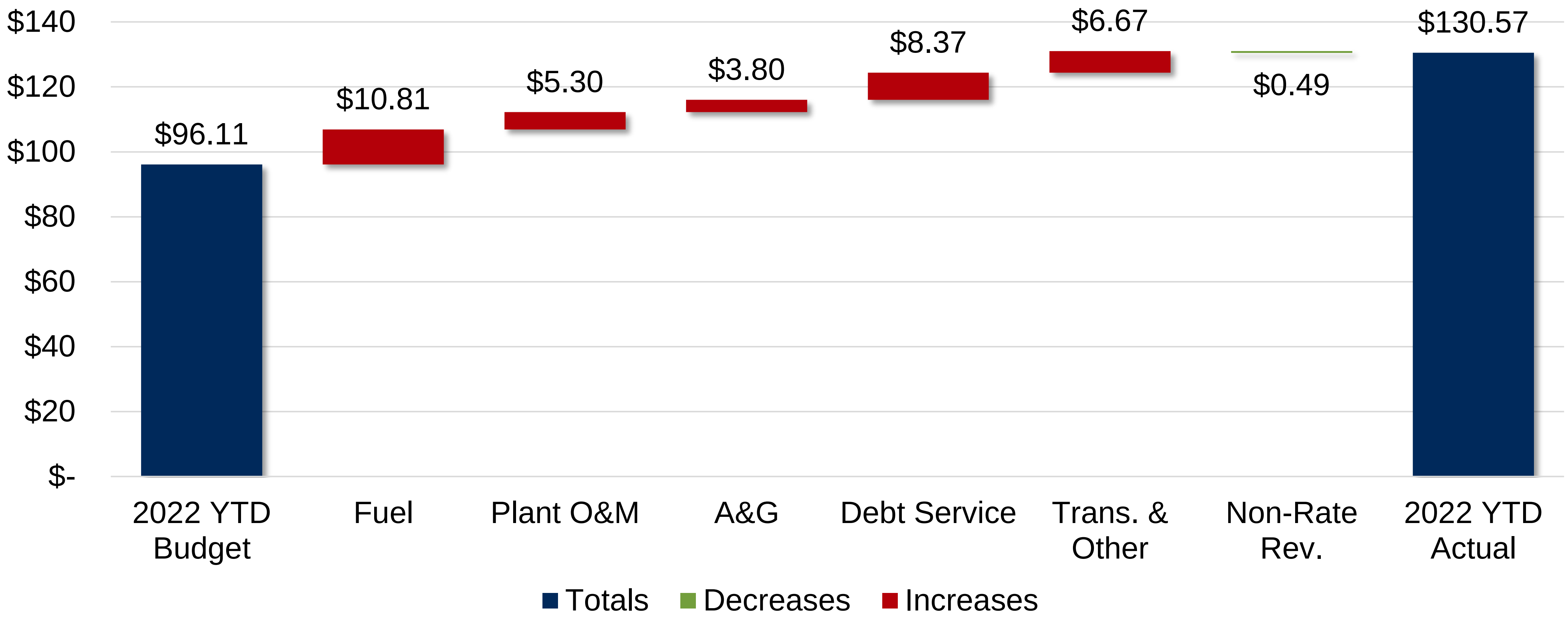
Tri-City Project Final Sales 4% > Amended Budget



Stanton II Participant $/MWh Costs 36% > Budget

Low Generation Drives $/MWh Costs < Amended Budget

Stanton II Project YTD Budget vs. Actual Participant Costs through Sept. ($/MWh)

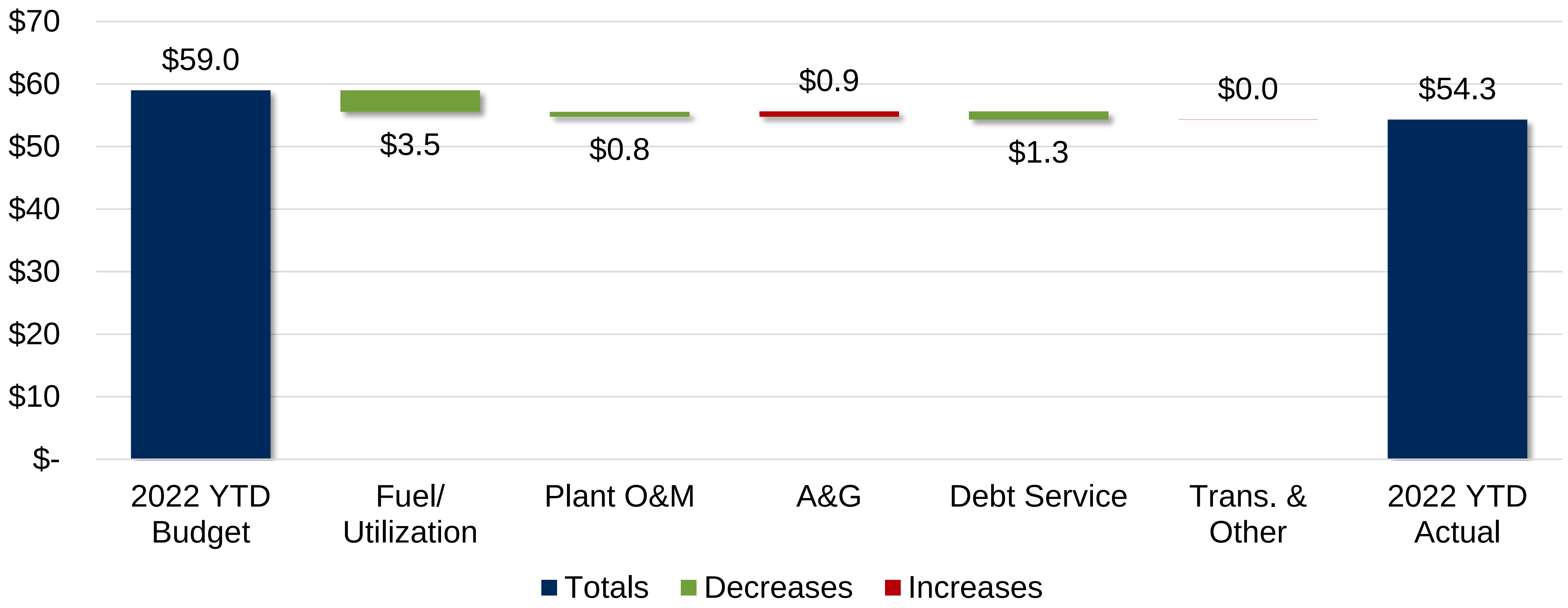


FMPA MUNICIPAL POWER

Stanton II Project Expenses ~$5M (8%) < Budget

Fuel Costs $3.5M < Amended Budget; Debt Service $1.3M < Budget Due to Refinancing Savings

Stanton II Project YTD Budget vs. Actual Expenses through September ($Millions)



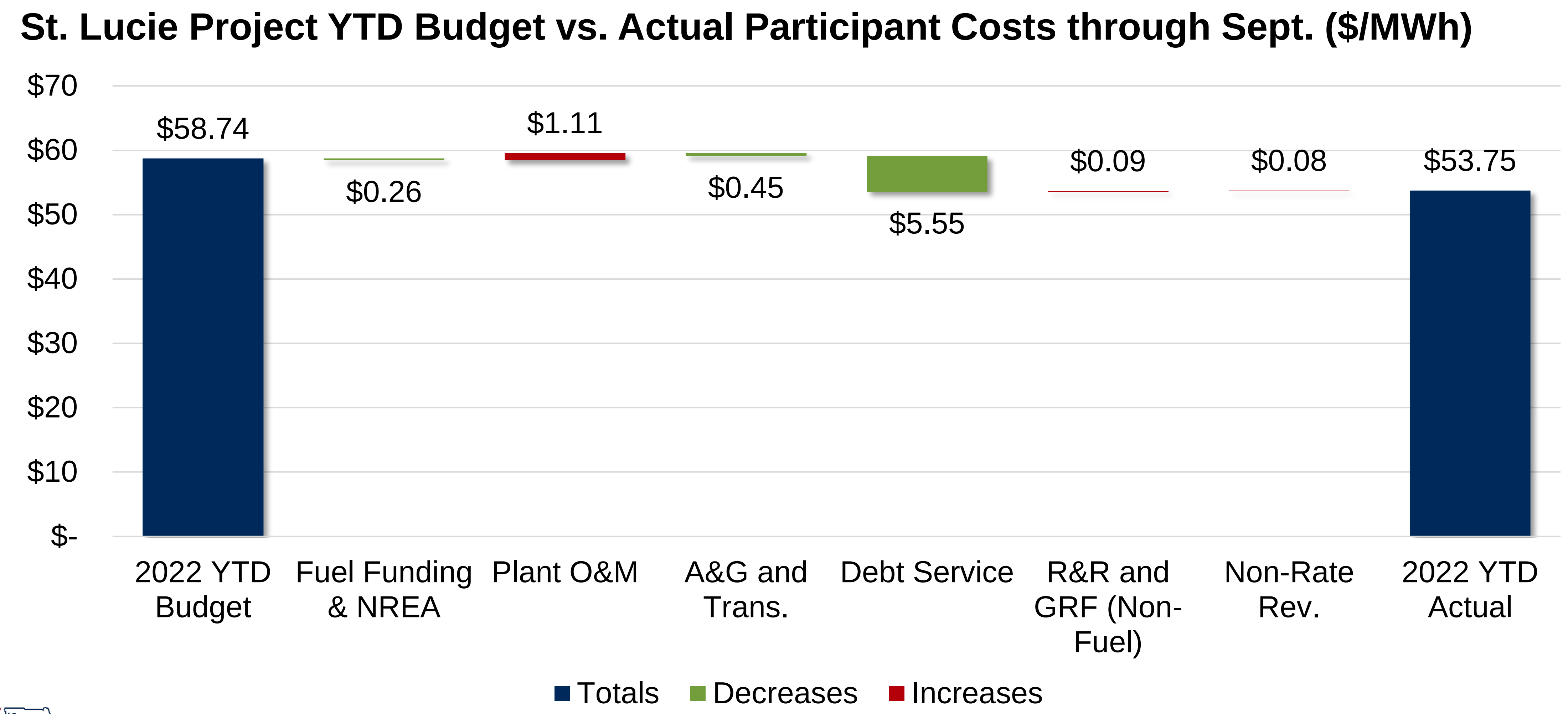
Stanton II Project Final Sales 32% < Budget

Primarily Due to Coal Conservation

Stanton II Project FY 2022 Cumulative Sales vs. Budget through September (GWh)

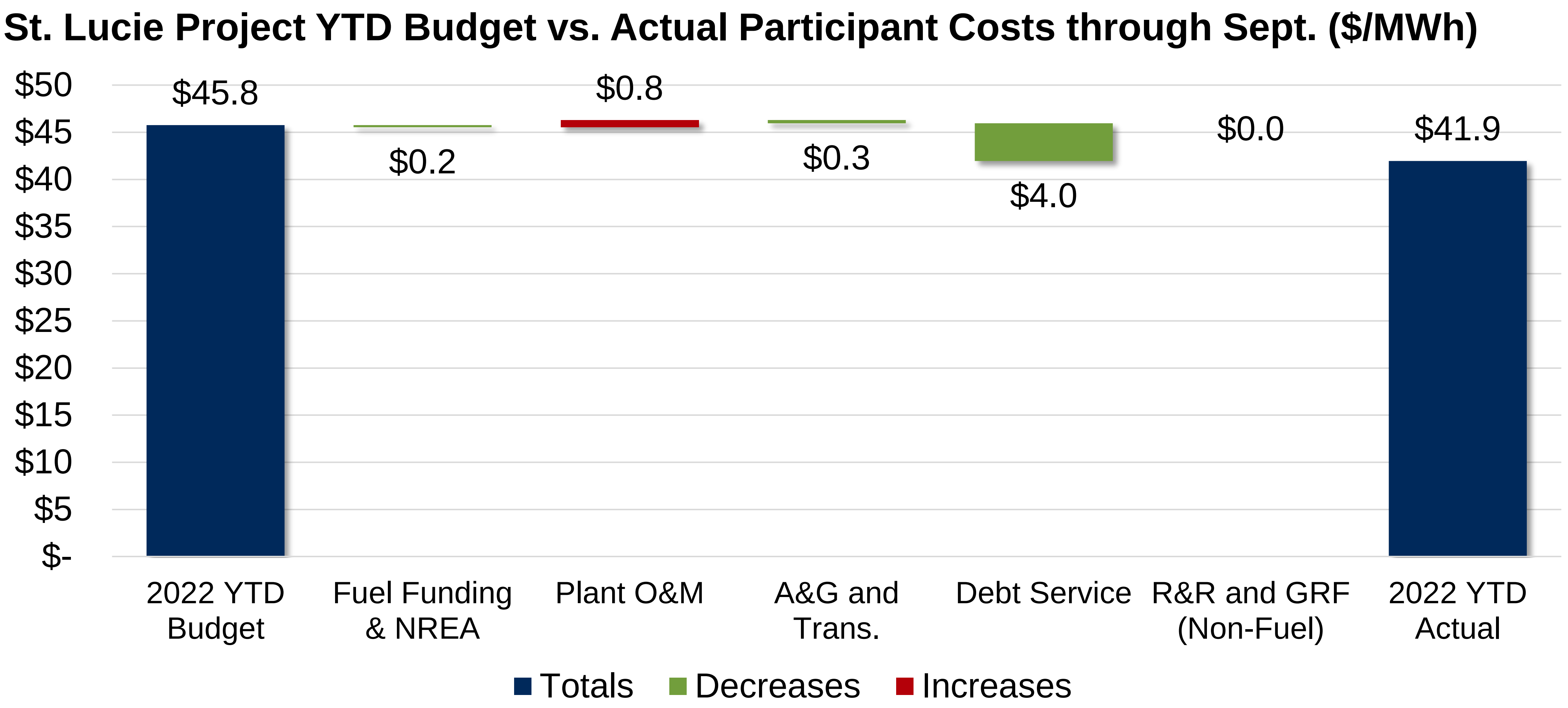
St. Lucie Project Participant Costs $5/MWh < Budget

Lower Debt Expense Due to Refinancing Offsets Other Costs



St. Lucie Project Expenses ~$4M < Budget

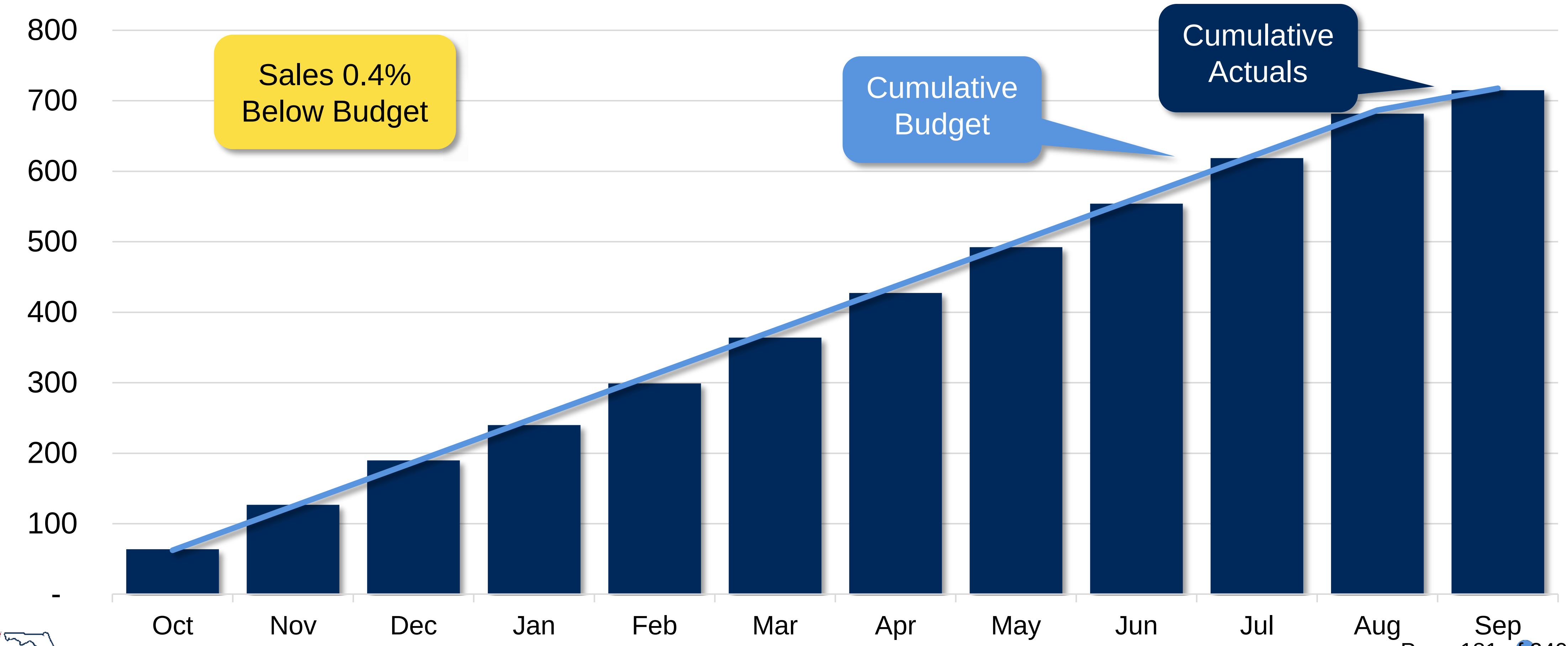
Lower Debt Expense Offsets O&M Expense > Budget



St. Lucie Project Final Sales ~ Budget

Unit 1 Planned Outage Occurred in September

St. Lucie Project FY 2022 Cumulative Sales vs. Budget through September (GWh)



AGENDA ITEM 9 – INFORMATION ITEMS

b. Review of Risk Policy Compliance Report

Finance Committee Meeting
January 18, 2023

9b – Review of Risk Policy Compliance Reports

Finance Committee

January 18, 2023

Compliance Covered

- Debt Policy (Appendix B)
- Human Resource Policy (Appendix N)
- Information Technology Policy (Appendix O)

Review Result

- Two changes for Debt Policy
- One exception identified for HR Policy:
  - Section 5.2 – Agency procurement training was not done in 2022.
- Refer to management comments for this item in review form

Debt Risk Management Policy (Appendix B)

This Policy compliance review is conducted by the Internal Audit Department (IAD) to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment. Documentation or attestation of compliance may be required during this review. The final form is submitted to the appropriate Executives and the CEO prior to being presented to the Finance Committee (FC) as an information item.

Review period **December 2021 to November, 2022**

Responsible Manager(s): Rich Popp, Treasurer and Risk Director

Policy Compliance: Indicate whether the following items required in the Debt Risk Management Policy were completed during the review period.

REQUIREMENT	YES	NO	EXPLANATION
The Financial Advisor provided written recommendations to the appropriate governing bodies prior to execution of debt. (Section 2.0)	X		Recommendations were contained in the respective debt resolutions presented for approval as part of the closing documents for each deal.
The CFO caused Debt Management Procedures to be created that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. (Section 3.0)	X		Debt Financing team identifies risk. Recommend policy change to make this clear.
CFO, as Chairperson of the DFT, presented all Debt Financing Team (DFT) recommendations to CEO. (Section 4.1)	X		All DFT recommendations become formal Agenda items which are set and approved by the CEO.
The DFT fully explained the risks associated with any given structure and the financial instruments used to those who must decide and approve any such structure. (Section 4.3)	X		ARP issued a variable interest rate Pooled Loan to match short-term investment liquidity as discussed in the Agenda item on September 15, 2022.
The debt mix for each of FMPA's projects were measured at the time of each debt issuance and complied with the limits defined in Appendix B of this Policy. (Section 4.3)	X		All project portfolios are in compliance with the policy
The life of the refunding bonds did not exceed the remaining life of the assets financed. (Section 4.9.1)			N/A
The CFO, in consultation with the DFT, ensured active oversight of the interest rate hedging program according to these standards. (Section 5.0)			N/A

The DFT reviewed any interest rate hedging transaction before it was presented to the appropriate governing body for consideration. (Section 5.2)			N/A
Where possible, counterparties were required to collateralize their obligations if their ratings were downgraded below the counterparty's rating at the time the interest rate swap was entered into, dependent upon the specific terms of the approved ISDA agreement. (Section 5.3)			N/A
The Treasurer and Risk Director notified the DFT of any collateral calls and/or collateral returns within 1 business day of such call/return. (Section 5.3)			N/A – None occurred during review period.

Policy Compliance continued:

REQUIREMENT	YES	NO	EXPLANATION
Interest rate swap counterparties had long-term bond ratings of A1/A+ or higher when the interest rate swap transaction was entered into. (Section 5.3)			N/A
The CFO reported any default of an interest rate swap transaction by or with a counterparty to the DFT, CEO and FC, EC, and BOD chairs within 1 business day of such default. (Section 5.3)			N/A
In the event that a single debt provider exceeds the 35% maximum, the CFO caused such condition to be reported to the FC and submit for approval a strategy for addressing that condition, including an appropriate timeline for implementation. (Section 5.5)			N/A
The appropriate governing body approved the initiation of optional termination by FMPA. (Section 5.6)			N/A
The CFO caused any amounts posted for interest rate hedging collateral to be reported to the FC at each regular meeting along with a strategy for handling the collateral at risk level. (Section 5.7)			N/A
The Treasurer and Risk Director caused all post-issuance reporting and compliance requirements to be met. (Section 6.2)	X		Part of the compliance includes completing the CDR by June 30th. CDR completed May 2022.
The Treasurer and Risk Director reported on the current risk environment affecting FMPA's debt outstanding to the DFT, as needed. (Section 7.1)	X		Report presented during February 17, 2022 EC and BOD meeting.
The CFO, as chairperson of the DFT, completed post-closing debt reports. (Section 7.2)			N/A - Pool loan issued without parameters.

Internal Control Assessment: Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.

Debt Risk Management Policy (Appendix B)

OBJECTIVE	1	2	3	4	EXPLANATION
Controls are in place to identify and assess risks related to issuance of debt.			X		
Debt portfolio contributes to at least an A- or A3 credit rating.			X		
The cost and benefit of all aspects of proposed debt structures are fully considered.			X		
Debt service coverage remains at levels to comply with bond covenants.			X		

Internal Control Assessment: continued					
OBJECTIVE	**1**	**2**	**3**	**4**	**EXPLANATION**
Controls are in place to identify and assess risks related to interest rate swap transactions.					N/A
Hedging transactions have authorized business purposes and measured risk.					N/A
Sufficient segregation of duties is maintained.			X		
Off-balance sheet obligations are reported to the FC or higher governing body.					N/A

Are there any concerns related to debt risk management which should be brought to the attention of the CEO as part of this review? Yes ☐ No ☒ If yes, describe below.

Are there internal control concerns related to debt risk management which require immediate attention? Yes ☐ No ☒ If yes, describe below including any change to risk inventory controls score.

Debt Risk Management Policy (Appendix B)

Rate the overall functioning of debt risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
☐	☐	☒	☐	

Additional comments from responsible Manager(s):
Are there any emerging risks or environmental changes which impact debt risk management?
Yes ☐ No ☒ If yes, describe below including any proposed changes to risk inventory.

Other comments:

Rating scale for Policy compliance reviews:

1 = Risk management practices not in place.

2 = Risk management practices in place are not effective in meeting Policy requirements.

3 = Risk management practices in place meet Policy requirements.

4 = Risk management practices in place exceed Policy requirements.

Debt Risk Management Policy (Appendix B)

Standard of compliance:

Completion of this review indicates that the Risk Management Reviewer has verified existence of applicable procedures or process documentation and believes them to be reasonably sufficient and up-to-date.

Liyuan Woerner
44E87DB4176AB1D6637A461E1078F68E readysign

01/09/2023

Internal Audit Reviewer **Date**

Rich Popp
8F3C20F5CA44E0B613D0640B6D5585E8 readysign

01/09/2023

Responsible Manager Signature **Date**

Linda Howard
5AE53B26C3F0655BA5AB8662036AC034 readysign

01/09/2023

Responsible Executive Officer Signature **Date**

Human Resources Policy (Appendix N)

This Policy compliance review is conducted by the Internal Audit Department (IAD) to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment. Documentation or attestation of compliance may be required during this review. The final form is submitted to the CEO prior to being presented to the Finance Committee (FC) as an information item.

Review period: **December 2021 to November 2022**

Responsible Manager(s): Sharon Adams, Chief People and Member Services Officer

Policy Compliance: Indicate whether the following items required in the Human Resources Policy were completed during the review period.

REQUIREMENT	YES	NO	EXPLANATION
The Chief People and Member Services Officer caused procedures to be created that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. (Section 3.0)	X		
HR Department cooperated with reviews of payroll controls by internal or external auditors. (Section 4.1)	X		
All employee health and wellness records were maintained per Health Insurance Portability and Accountability Act ("HIPAA") regulations. (Section 4.2)	X		
The Chief People and Member Services Officer caused an annual review of FMPA's healthcare plan to be conducted to assess competitiveness and cost effectiveness of the healthcare program. (Section 4.2)	X		The Health and Wellness Plan were reviewed in September 2022.
HR Department enforced consistent application of the Compensation Policy across the Agency. (Section 4.3)	X		
The Chief People and Member Services Officer caused to be completed as deemed necessary but at least within a 5-year period by a professional third-party review of salary ranges. (Section 4.3)	X		We did internal benchmark reviews against national salary surveys (with Segal) in 2021. Next review will be scheduled in 2026.
HR Department ensured employment laws and regulations were followed consistently and fairly. (Section 4.4)	X		
The Chief People and Member Services Officer caused a system of written internal controls to be established to safeguard the Agency's personnel and financial assets, consistent with this Policy and Human Resources Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. (Section 5.0)	X		

The Chief People and Member Services Officer ensured that all employees received any training as required by law or regulation. (Section 5.2)		X	One cycle of training just completed. It took us a while to get all locations done.
The Chief People and Member Services Officer and other appropriate human resource staff completed 4 hours of continuing professional education in subject courses of study related to personnel management annually (each fiscal year) . (Section 5.2)	X		Chief People and Member Services Officer attended training in May 2022.
The Chief People and Member Services Officer caused any deviations from this Policy to be reported according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. (Section 6.0)			

Internal Control Assessment: Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.

OBJECTIVE	1	2	3	4	EXPLANATION
Controls are in place to identify and assess risks related to personnel management activities.			X		
Employee benefits and compensation are competitive and cost-effective.			X		
Appropriate segregation of duties is maintained related to the payroll function.			X		
Employees are enrolled in eligible benefits and eligibility records are maintained.			X		ADP Electronic Benefit Management System.
Personnel are correctly classified and all payroll laws and regulations are followed.			X		On-going
Succession planning is sufficiently supported and implemented across the Agency.			X		This is completed through the performance evaluation process, and through discussion by senior leadership team, as well as training of a backup for key staff where possible
External legal compliance reviews are conducted as deemed necessary by the CEO and/or General Counsel.			X		

Are there any concerns related to human resources risk management which should be brought to the attention of the CEO as part of this review?

Yes ☐ No ☒ If yes, describe below.

Are there internal control concerns related to human resources risk management which require immediate attention?

Yes ☐ No ☒ If yes, describe below including any change to risk inventory controls score.

Human Resources Policy (Appendix N)

Rate the overall functioning of human resources risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
☐	☐	☒	☐	

Additional comments from responsible Manager(s):
Are there any emerging risks or environmental changes which impact human resources risk management?
Yes ☒ No ☐ If yes, describe below including any proposed changes to risk inventory.

The Procurement Policy requires an owner and procurement training needs to be added to the policy per the Board directives.

Other comments:

Rating scale for Policy compliance reviews:

1 = Risk management practices not in place.

2 = Risk management practices in place are not effective in meeting Policy requirements.

3 = Risk management practices in place meet Policy requirements.

4 = Risk management practices in place exceed Policy requirements.

Standard of compliance:

Completion of this review indicates that the Risk Management Reviewer has verified existence of applicable procedures or process documentation and believes them to be reasonably sufficient and up-to-date.

Liyuan Woerner 44E87DB4176AB1D6637A461E1078F68E readysign	01/10/2023
Internal Audit Reviewer	**Date**
Sharon Adams 833E3FDA1A8879386675C4C27844DA03 readysign	01/10/2023
Responsible Manager Signature	**Date**
Rich Popp 8F3C20F5CA44E0B613D0640B6D5585E8 readysign	01/10/2023
Risk Director Signature	**Date**
Jacob Williams 60AEFF8DE3386768F20FB8257465EE9B readysign	01/10/2023
Responsible Executive Officer Signature	**Date**

FMPA Risk Management Department

Policy Compliance Review

Information Technology Risk Management Policy (Appendix O)

This Policy compliance review is conducted by the Internal Audit Department (IAD) to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment. Documentation or attestation of compliance may be required during this review. The final form is submitted to the appropriate Executives and the CEO prior to being presented to the Finance Committee (FC) as an information item.

Review period: November, 2021 to October, 2022

Responsible Manager(s): Wayne Koback, IT Manager and Carter Manucy, IT/OT & Cybersecurity Director

Policy Compliance: Indicate whether the following items required in the Information Technology Risk Management Policy were completed during the review period.

REQUIREMENT	YES	NO	EXPLANATION
The IT/OT & Cybersecurity Director caused procedures to be created that identify risk and provide ways to measure, control, and mitigate FMPA's exposure to those risks. (Section 3.0)	X		All procedures are on IT SharePoint site.
The IT/OT & Cybersecurity Director maintained a list of the current applications and system owners, in accordance with procedures established as prescribed in Section 4.1. (Section 4.1)	X		On SharePoint
FMPA maintained an incident response plan (IRP). The IRP was tested and updated annually.(Section 4.1.2)	X		IRP is tested twice a year; NUARI and GridEX (done with Ocala) as well as, hosted FMPA staff IRP plan.
IT/OT & Cybersecurity Director caused an internal annual self assessment to check for vulnerabilities. (Section 4.1.4)	X		Conducted on a monthly basis by CISA and scanning done monthly by FMPA staff.

Policy Compliance continued:

REQUIREMENT	YES	NO	EXPLANATION
IT/OT Cybersecurity Director shall also seek an external party security assessment review every three years. (Section 4.1.4)	X		Digital Boundaries reviewed in October 2022.
The Internal Audit Manager caused compliance with this Policy and associated procedures to be monitored on an annual basis. (Section 5.0)	X		
The IT/OT & Cybersecurity Director developed an ongoing cybersecurity awareness program to address common security topics. (Section 5.2)	X		Monthly meetings, phishing password, access, etc.

The IT/OT & Cybersecurity Director and other appropriate IT Department staff completed a minimum of 8 hours of continuing education. (Section 5.3)	X		Auditor verified FMEA training evidence and attendee list.
IT/OT & Cybersecurity Director reported on the current risk environment to the Agency's Risk Director as needed and engaged any necessary discussion before recommending action to the appropriate governing body. .(Section 6.1)	X		
IT/OT & Cybersecurity Director Manager presented annual report to the FC or appropriate higher governing body on the activities of the previous year. (Section 6.1)	X		Presented to FC in September 2022.

Internal Control Assessment: Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.

OBJECTIVE	1	2	3	4	EXPLANATION
Internal controls in place to secure IT assets from theft, fraud, damage, or breach of integrity.			X		
Custodians are responsible for IT assets under their control.			X		
Security breaches are reported to Risk Manager.			X		
All staff comply with copyright laws, contracts, and software licenses.			X		
Appropriate segregation of duties is maintained within the IT Department.			X		

Are there any concerns related to information technology risk management which should be brought to the attention of the CEO as part of this review? Yes ☐ No ☒ If yes, describe below.

Are there internal control concerns related to information technology risk management which require immediate attention? Yes ☐ No ☒ If yes, describe below including any change to risk inventory controls score.

Information Technology Risk Management Policy (Appendix O)

Rate the overall functioning of information technology risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
☐	☐	☒	☐	Regular communication with staff, budget requests met, and trainings provided.

Additional comments from responsible Manager(s):
Are there any emerging risks or environmental changes which impact information technology risk management?
Yes ☐ No ☒ If yes, describe below including any proposed changes to risk inventory.

Other comments:

Rating scale for Policy compliance reviews:

1 = Risk management practices not in place.

2 = Risk management practices in place are not effective in meeting Policy requirements.

3 = Risk management practices in place meet Policy requirements.

4 = Risk management practices in place exceed Policy requirements.

Standard of compliance:

Completion of this review indicates that the Risk Management Reviewer has verified existence of applicable procedures or process documentation and believes them to be reasonably sufficient and up-to-date.

Liyuan Woerner
44E87DB4176AB1D6637A461E1078F68E readysign

12/06/2022

Internal Audit Manager Signature **Date**

Carter Manucy
CD6C8D65D3CE16EAFB34FF54AFDBD4A4 readysign

01/03/2023

Responsible Manager Signature **Date**

Rich Popp
8F3C20F5CA44E0B613D0640B6D5585E8 readysign

01/03/2023

Risk Director Signature **Date**

Jacob Williams
60AEFF8DE3386768F20FB8257465EE9B readysign

01/03/2023

Responsible Executive Officer Signature **Date**

AGENDA ITEM 9 – INFORMATION ITEMS

c. **Review of Annual Insurance Report**

Finance Committee Meeting
January 18, 2023

9c - Review of Annual Insurance Report

Finance Committee

January 18, 2023

Insurance Risk Management Policy Requirement

- Prior year actuals for premiums, claims and losses
- Cost of insurance coverage
- Change of coverage limits, amounts or other material aspects of the policy within the current policy period year
- Recommend changes to coverage limits, amounts or other material aspects of the policy within a future policy period
- Any additional coverage purchases within current or future policy periods

Insurance Market Update

Still "Hard" Insurance Market

FM Global Membership Credit expected $200k

Property Coverage Expect 10% Increase

Declining Reinsurance Capacity

Cyber Coverage 50%-100% Increase

Non-Property Expect <10% Increase

Excess Liability Expect 10-15% Increase

Inflation, Supply Chain, Property Values

Well Run Organization Save Money on Premiums

Good Track Record Needed for Affordable Insurance

- **Property Insurance**
  - **Catastrophe-exposed** property with minimal loss history and good risk quality will see rate increases of between 15% and 50%, while property
  - **Valuations** increasing, budgeting for FY 2024 independent consultant review
- **Cyber insurance**
  - Coverage was underpriced, but now rates are going up and underwriting requirements are strict. Based on recent experience, cyber insurance costs will likely go up 50% to 100%

FMPA MUNICIPAL POWER

Premium Increases Due to 2020's Hard Market

Shopped Coverages Best Terms and Premium

Coverage	Deductible	Limits	Premium 22/23	% Change 22/23	Claims FY 2021/2022
Automobile	$1,000	$1,000,000	$12,095	11%	None
Directors & Officers Liability	$250,000	$ 20,000,000	$172,237	12%	None
Crime	$125,000	$10,000,000	$19,149	(11%)	None
Cyber	$150,000	$5,000,000	$109,243	121%	None
Excess Liability	$200,000	$50,000,000	$349,865	9%	Stock Island
Professional Lawyer's Liability	$25,000	$5,000,000	$11,228	(38%)	None
Property Agency ARP FEMA Flood (Stock Island)	 Tall/Orl. $25,000 $500k-$1.50M $3,000 per asset	 $850,000,000 $850,000,000 $1,000,000 per asset	 $25,000 $3,136,597 $16,867	 N/A (4%) 1%	 None Stock Island Denied None
Workers Compensation		Statutory/ $1,000,000	$47,056	-1%	None

FMPA MUNICIPAL POWER

Proposed Policy Coverage Changes

Cyber, Flood and Excess Changes Needed to Manage Premiums

- **Cyber insurance**
  - Market has new carriers.
  - If cyber premiums increase above 30% look to increase deductible up from $150 to $500k
  - If cyber premium can not be kept below 50% with increased deductible, cease coverage
- **Excess Flood Coverage** at Stock Island not available last renewal
  - Explore coverage up to $5 million less than $80k premium
  - More than $80k do not purchase coverage
- **Excess Liability** Increase Deductible
  - Current deductible $200,000
  - Propose increase to at least $500,000
    - Look at options up to $2 million and purchase general liability coverage above $500,000 to Excess deductible

FMPA MUNICIPAL POWER

AGENDA ITEM 10 – REPORTS

a. **Budget Report Preliminary Actuals for September 30, 2022**

Finance Committee Meeting
January 18, 2023

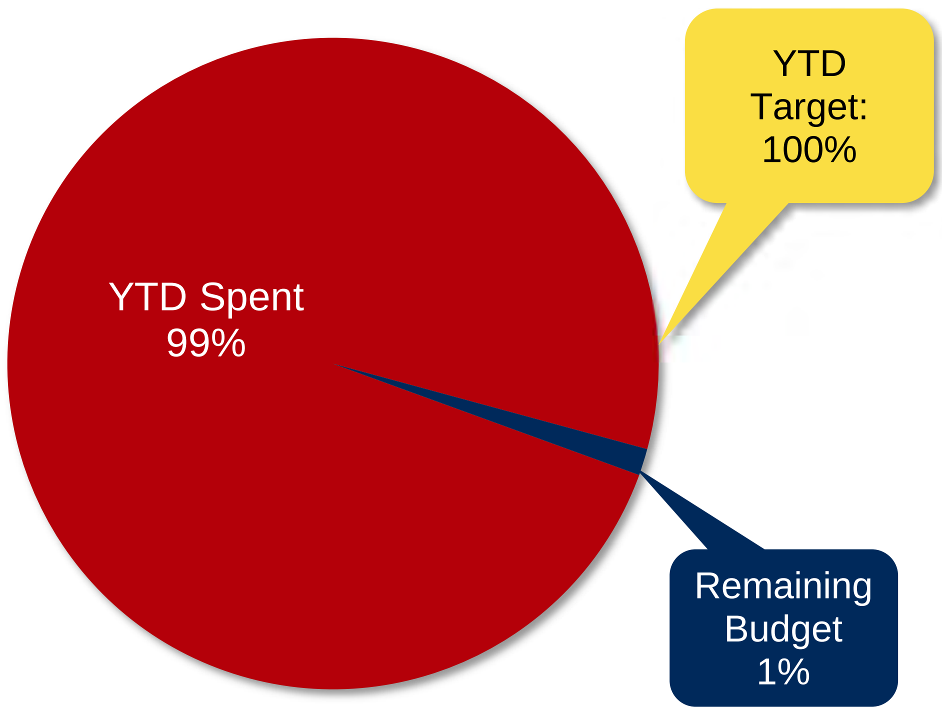
FMPA MUNICIPAL POWER

FISCAL YEAR 2022
BUDGET REPORT

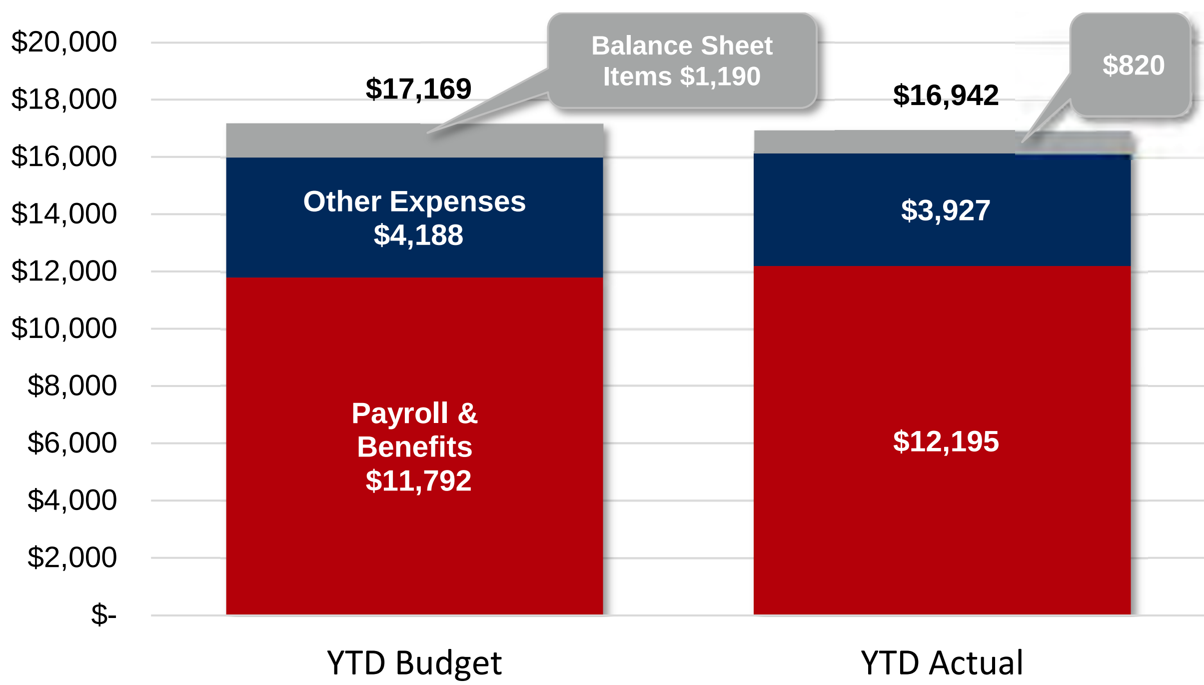
Actuals through September 30, 2022

AGENCY

Fiscal Year 2022 Budget Status through September

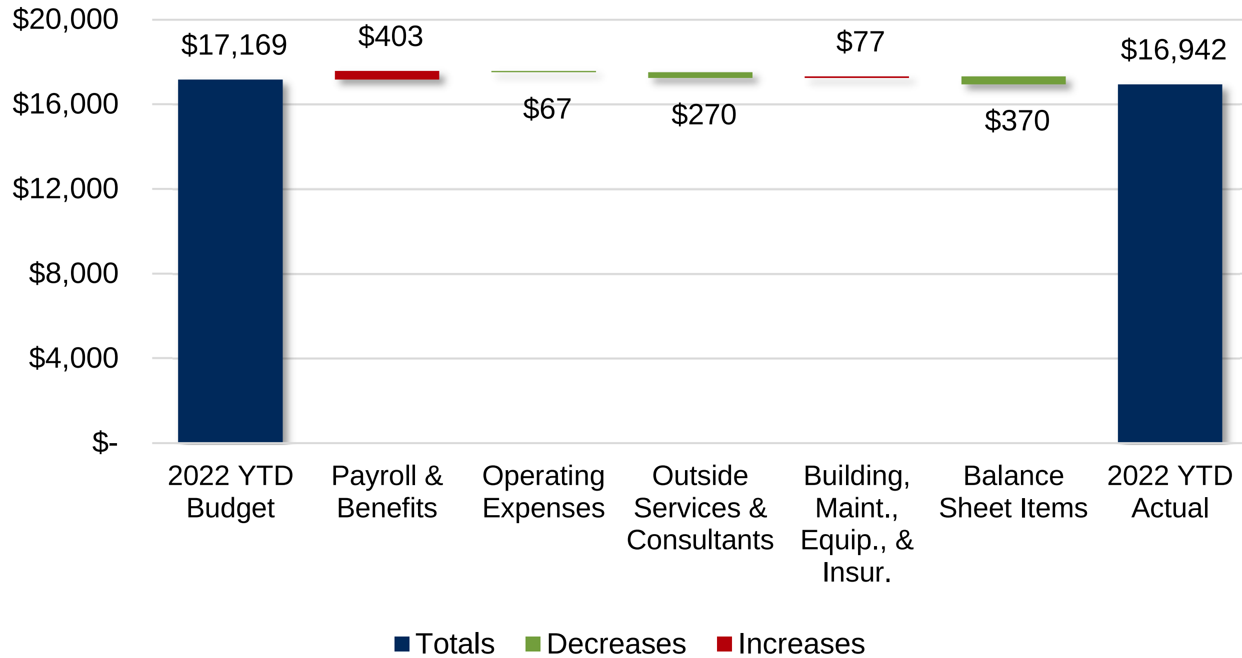


YTD Expense Summary through September ($000)

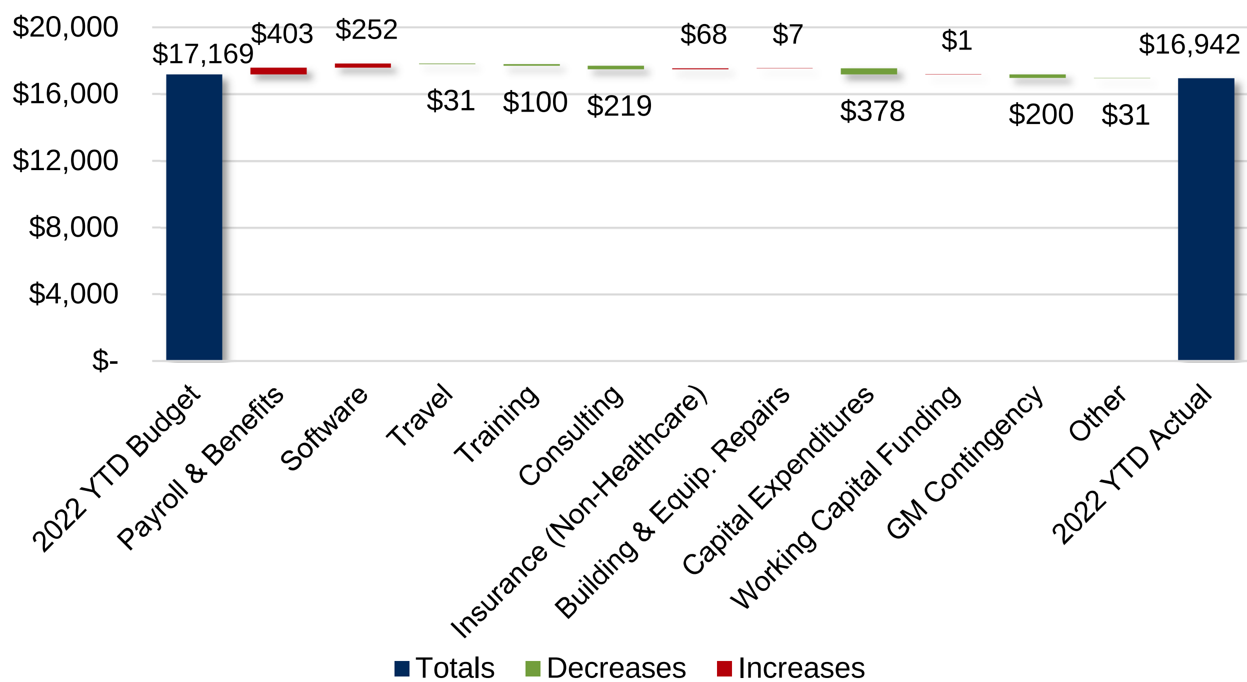


AGENCY

YTD Expenses vs. Budget by Category ($000)

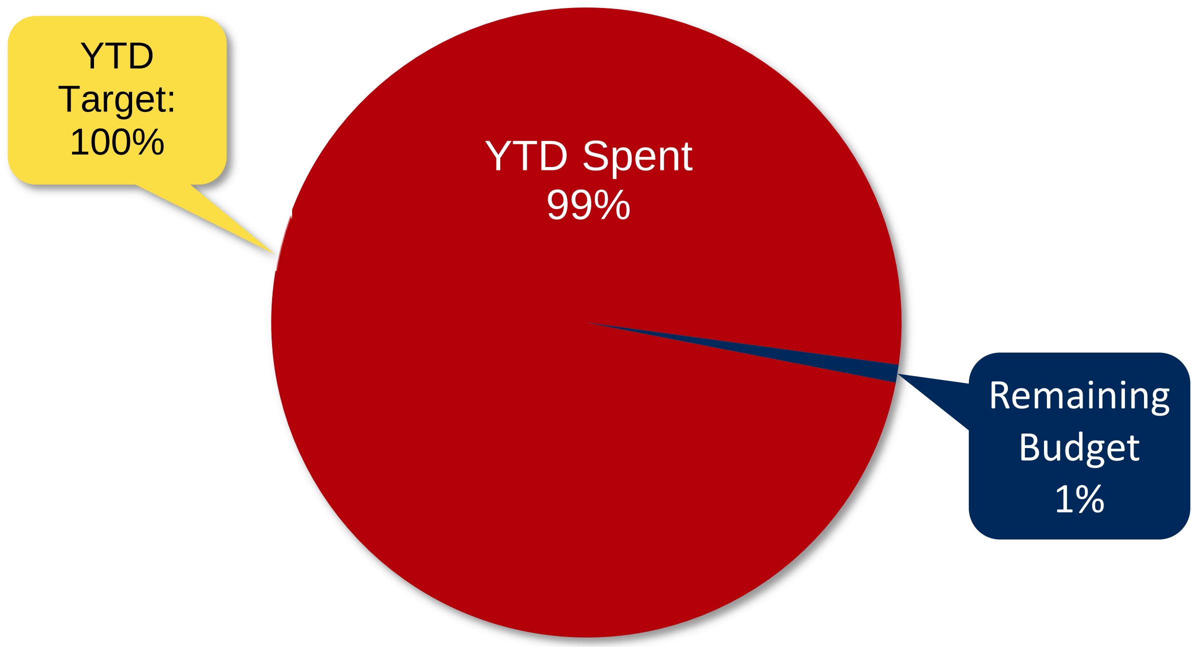


YTD Detailed Expenses vs. Budget ($000)

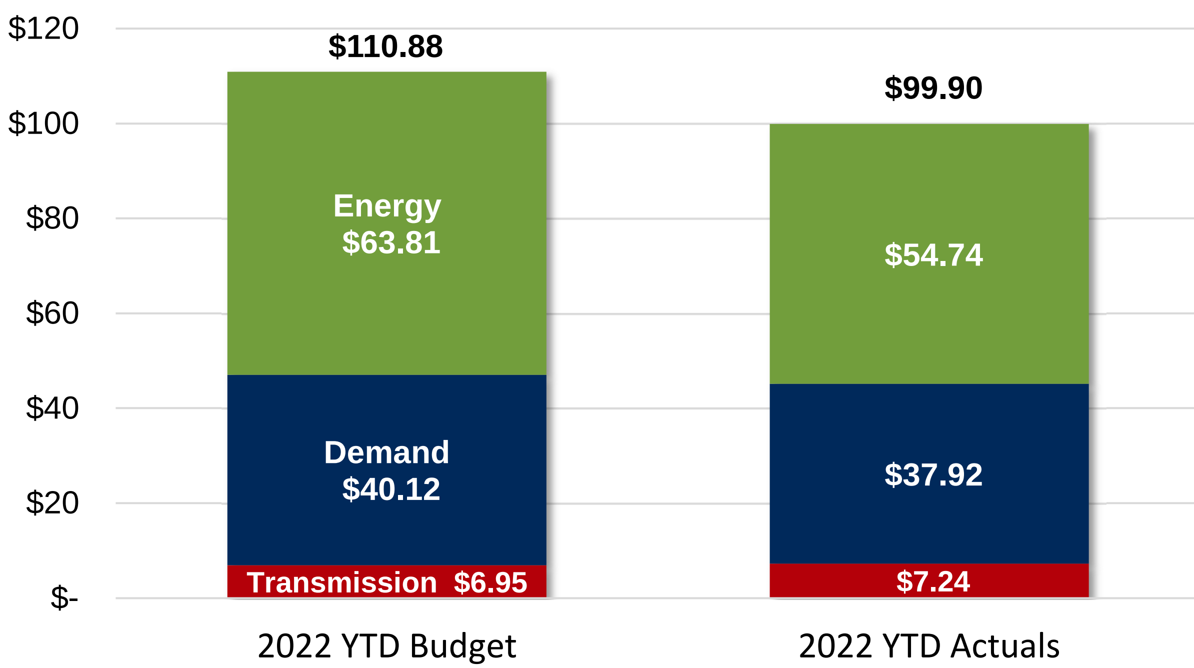


ALL-REQUIREMENTS PROJECT

Fiscal Year 2022 Budget Status through September

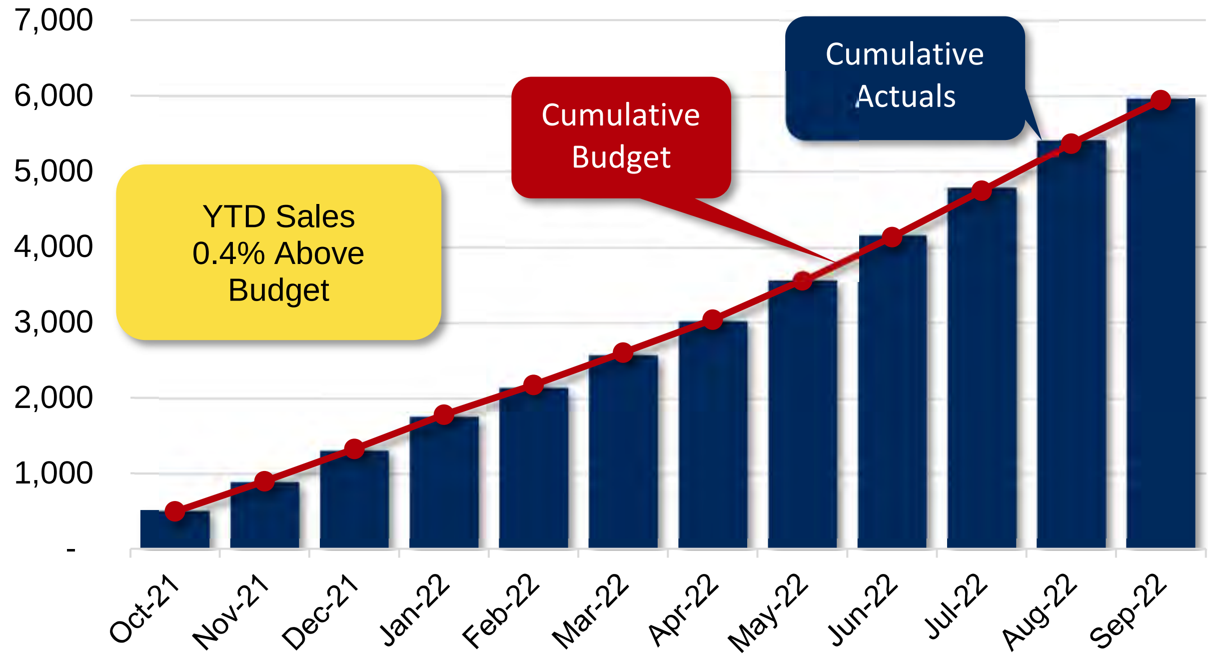


YTD Participant Costs ($/MWh)

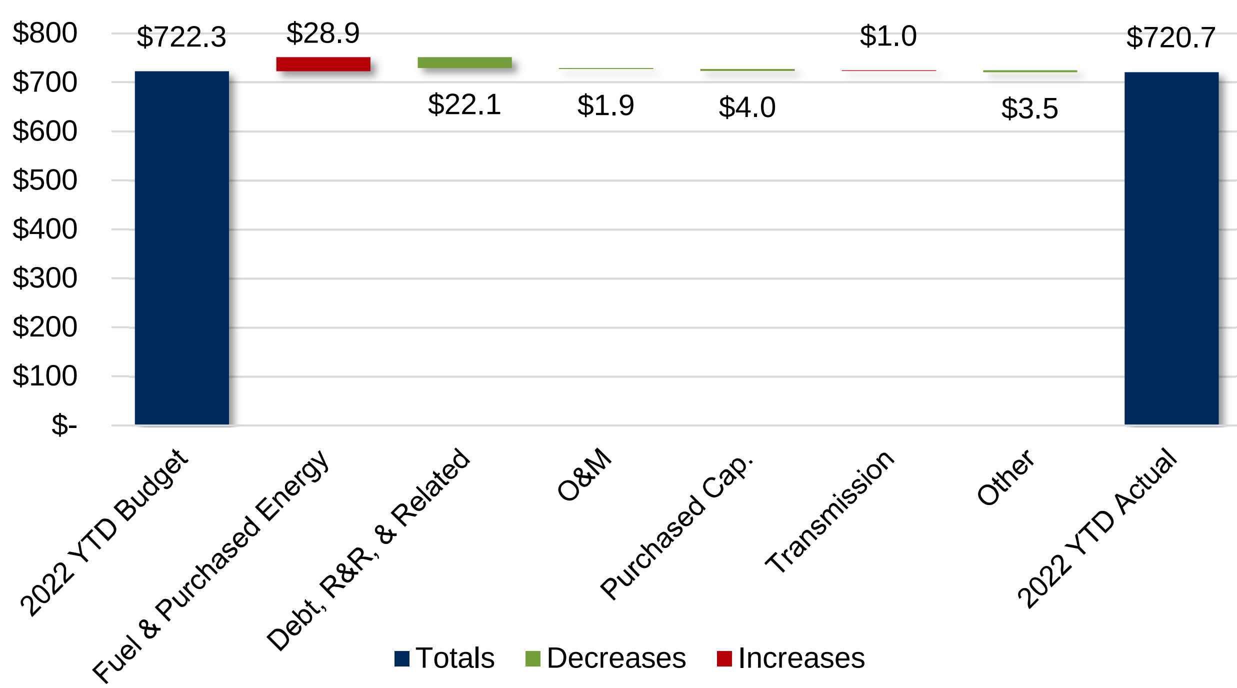


ALL-REQUIREMENTS PROJECT

Cumulative Sales to Participants (GWh)

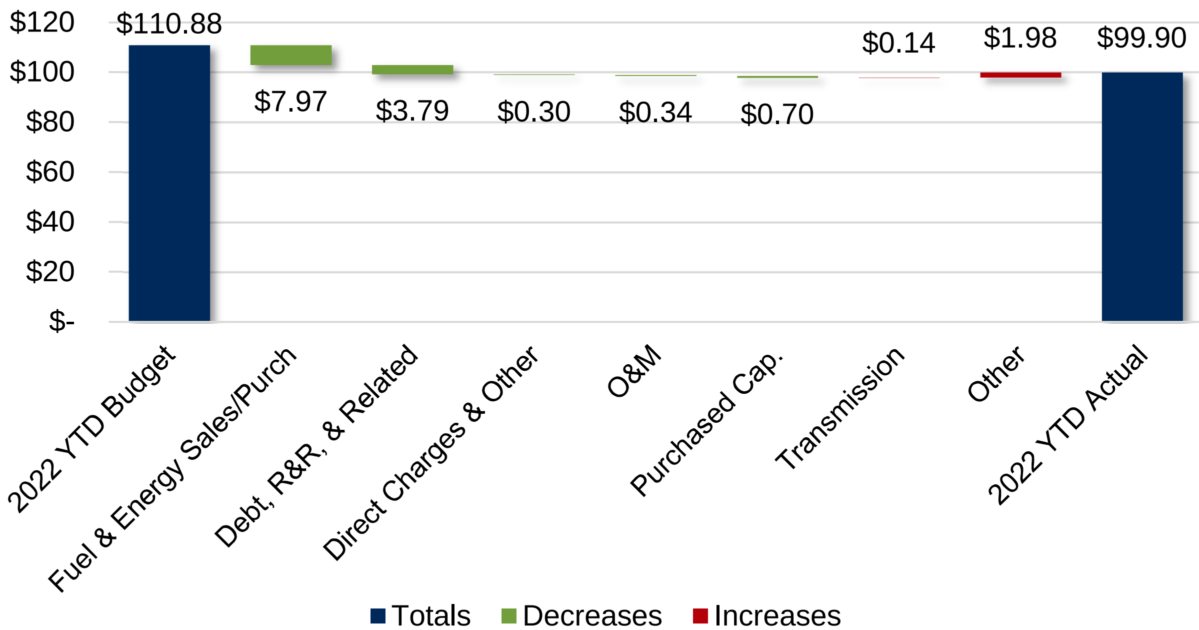


YTD Expenses vs. Budget ($Millions)



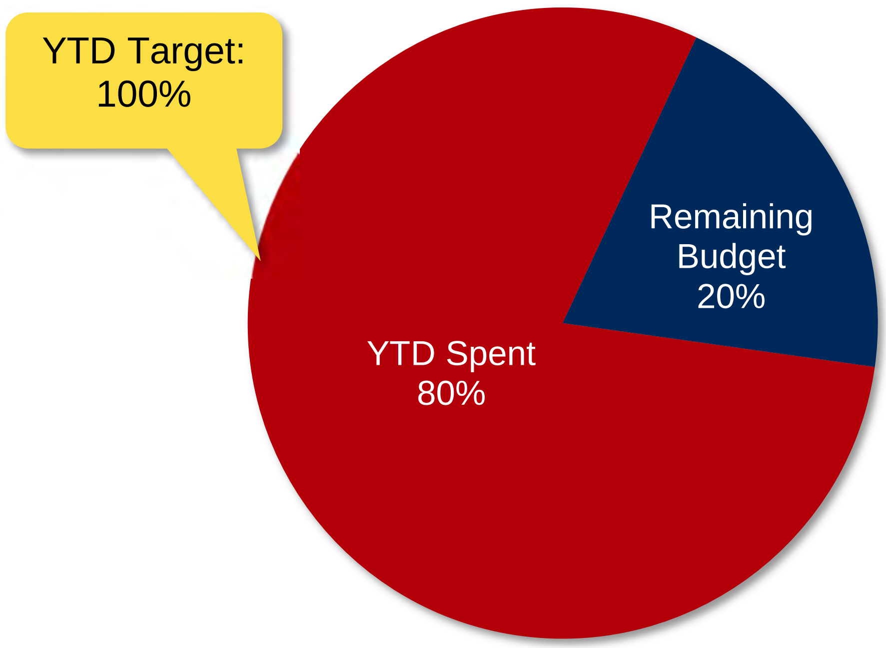
ALL-REQUIREMENTS PROJECT

YTD Participant Costs vs. Budget ($/MWh)

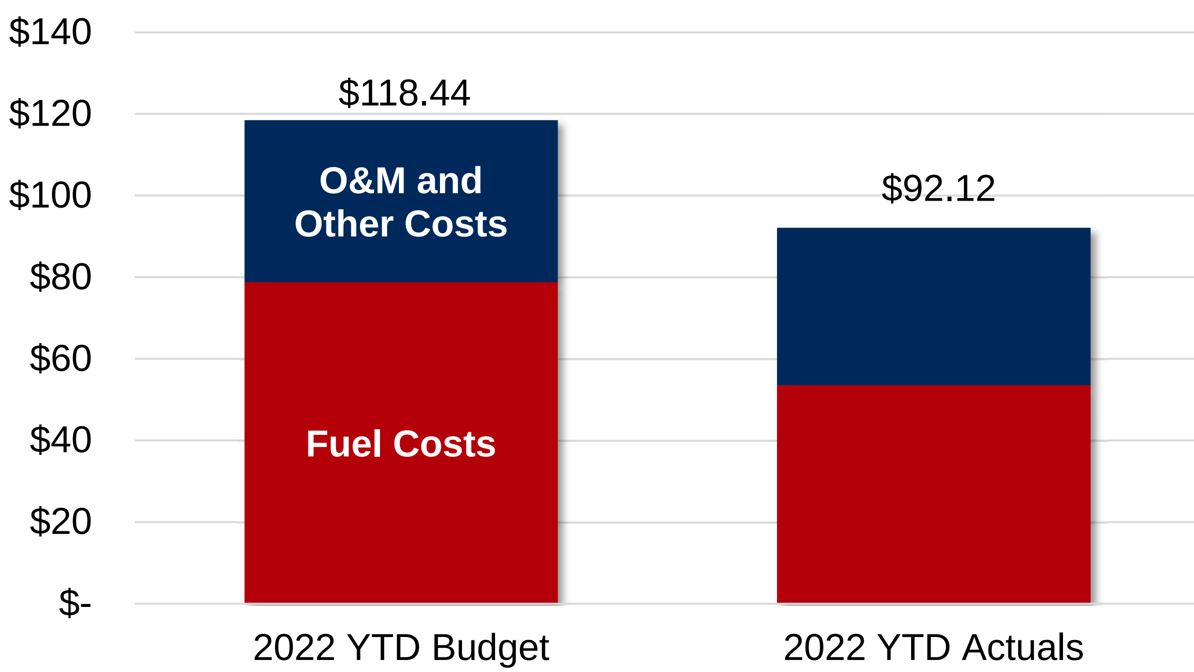


STANTON PROJECT

Fiscal Year 2022 Budget Status through September



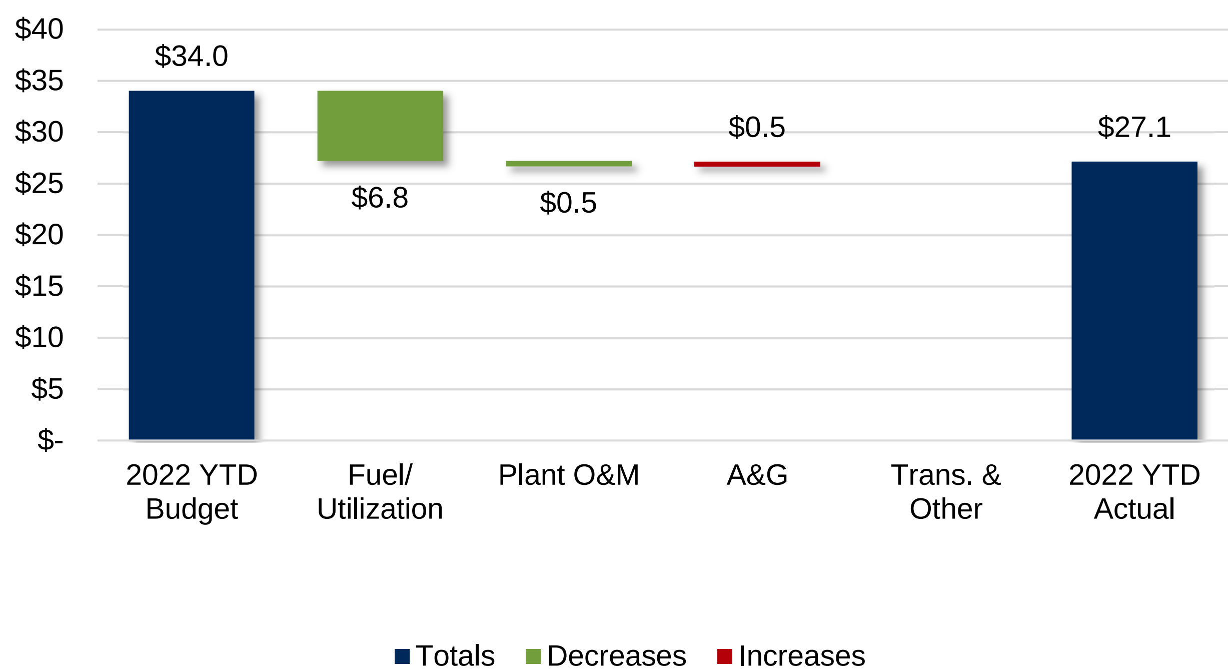
YTD Participant Costs ($/MWh)



STANTON PROJECT

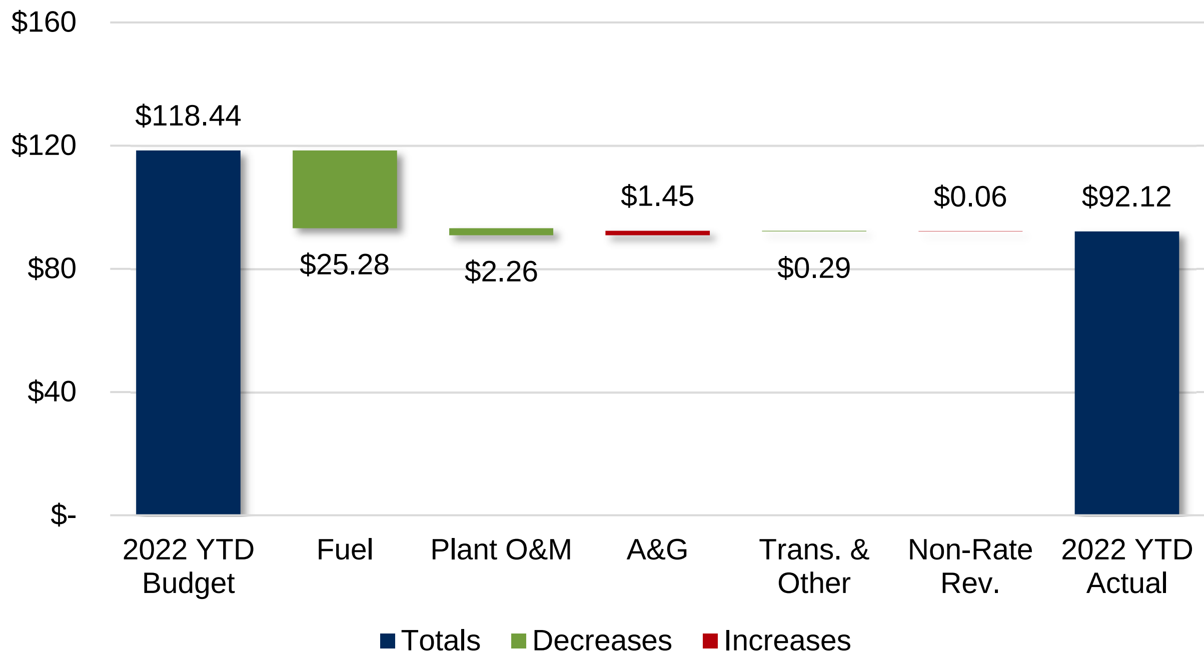
Cumulative Generation (GWh)

YTD Expenses vs. Budget ($Millions)



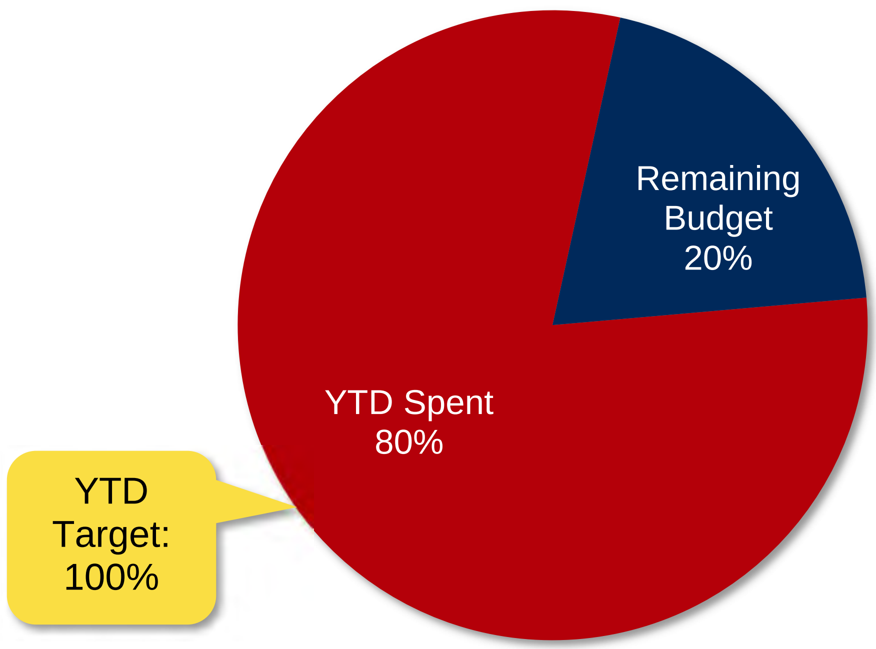
STANTON PROJECT

YTD Participant Costs vs. Budget ($/MWh)

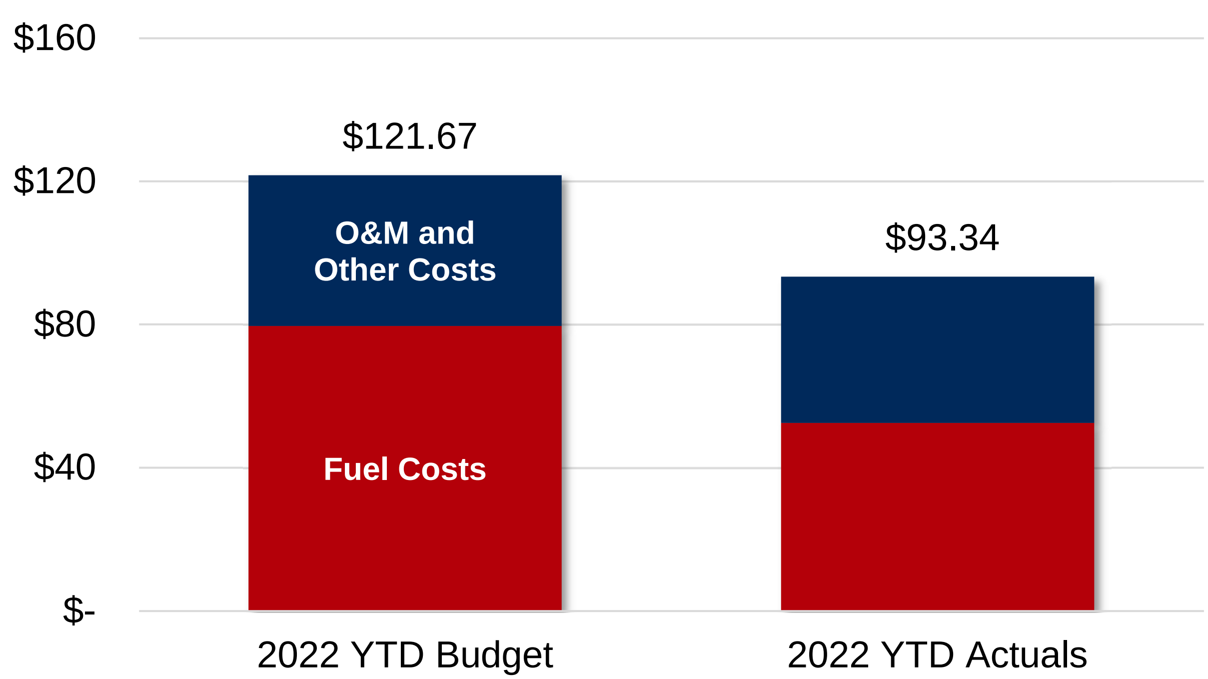


TRI-CITY PROJECT

Fiscal Year 2022 Budget Status through September

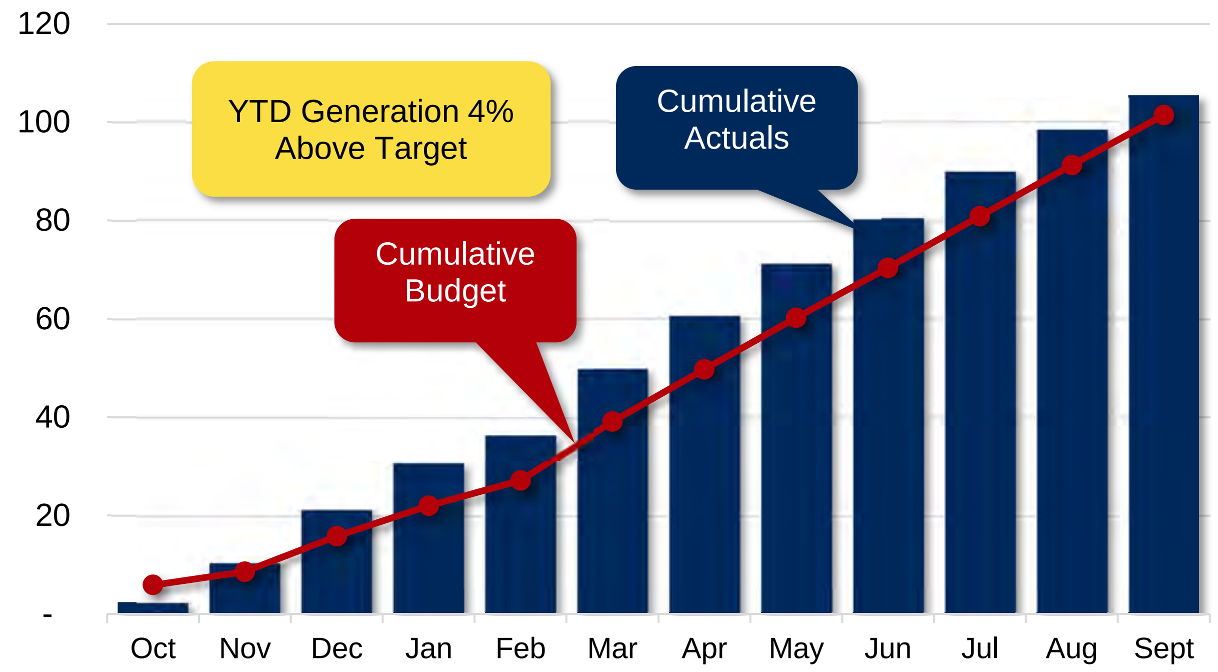


YTD Participant Costs ($/MWh)

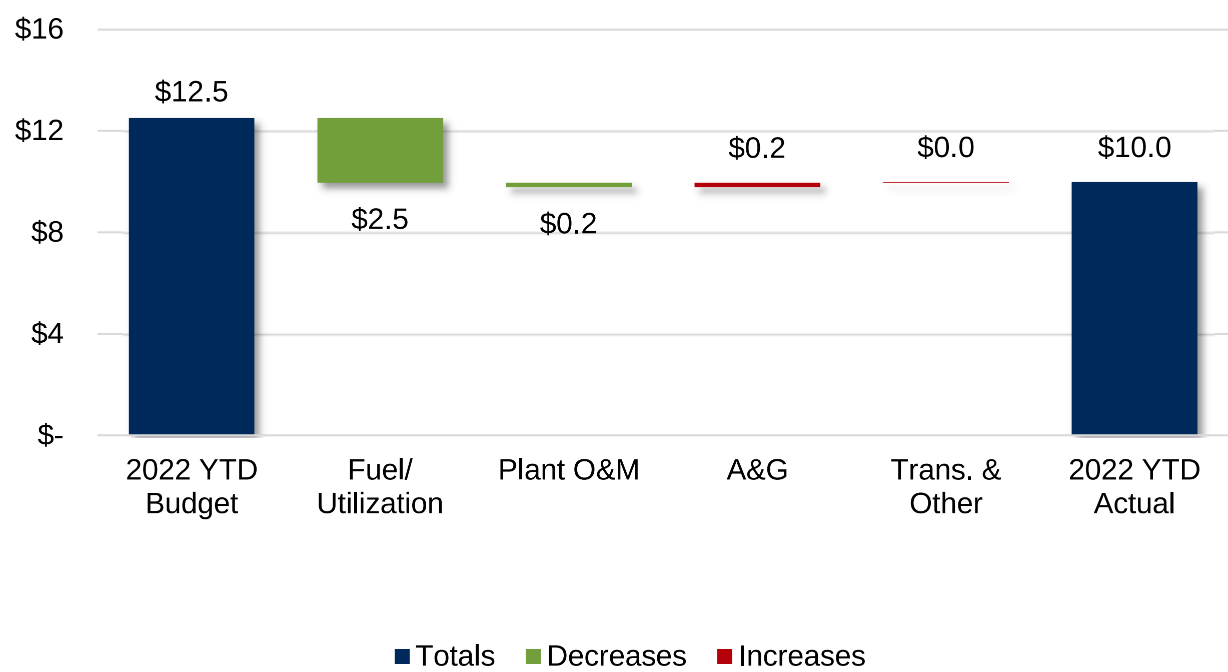


TRI-CITY PROJECT

Cumulative Generation (GWh)

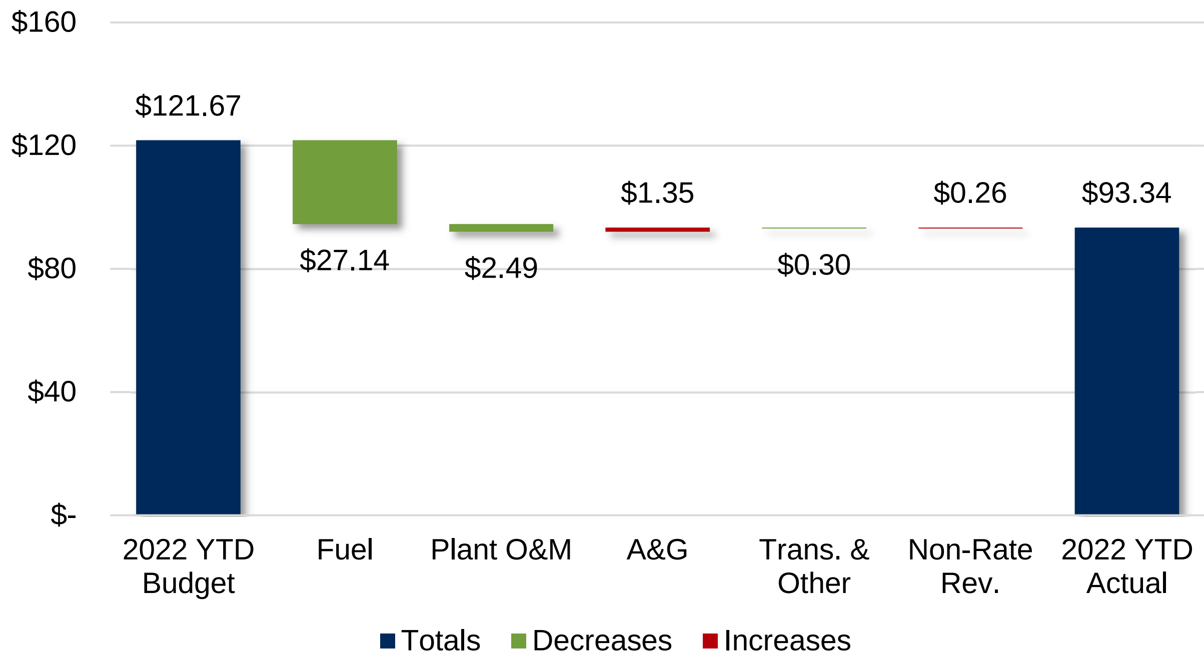


YTD Expenses vs. Budget ($Millions)



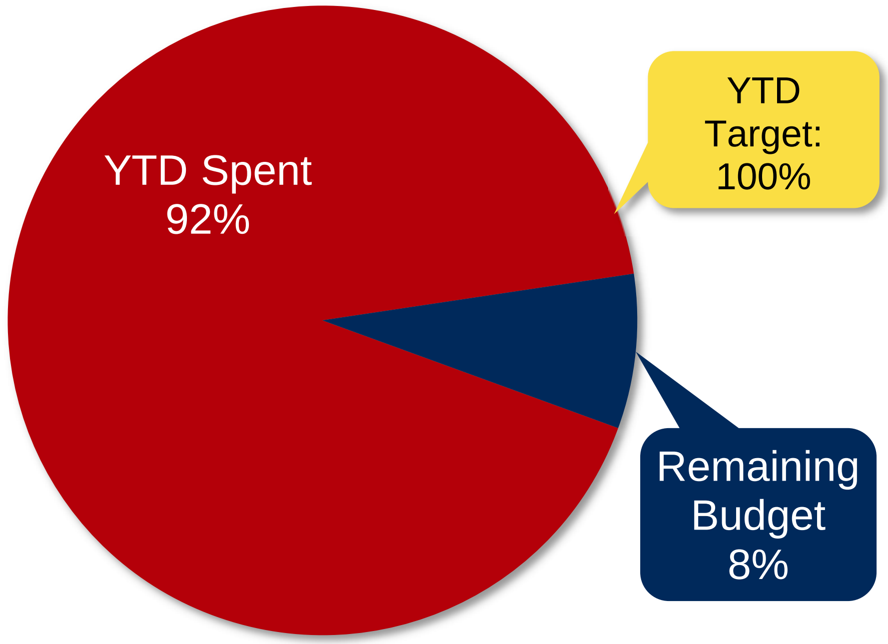
TRI-CITY PROJECT

YTD Participant Costs vs. Budget ($/MWh)

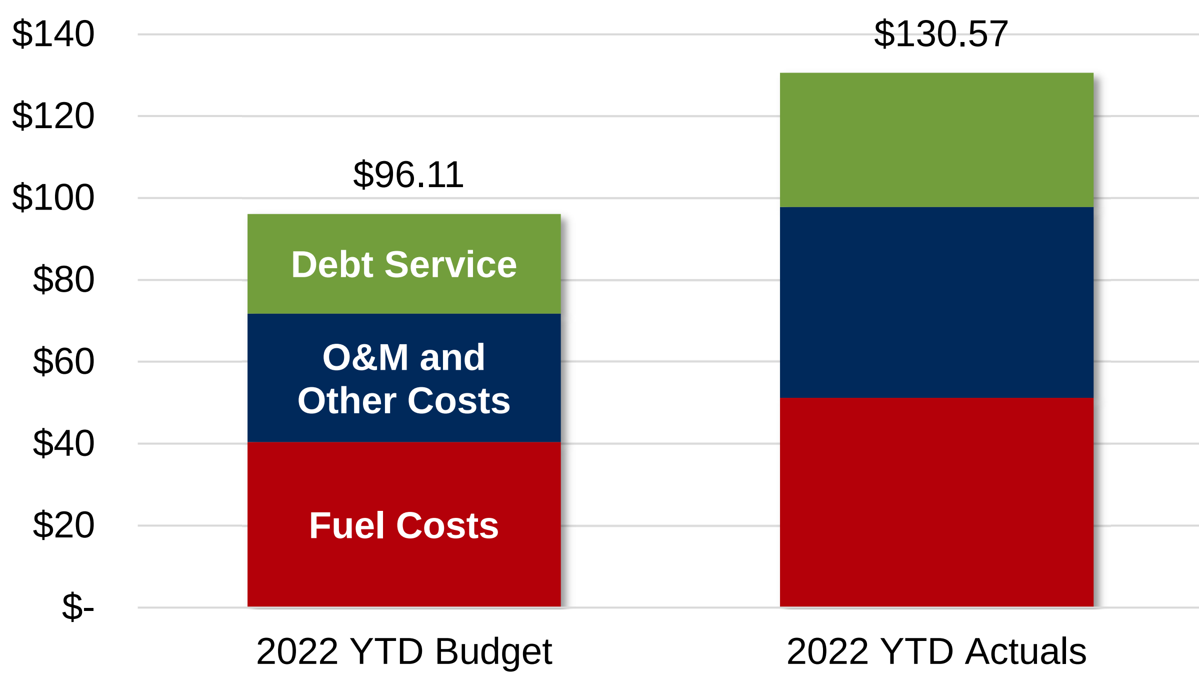


STANTON II PROJECT

Fiscal Year 2022 Budget Status through September

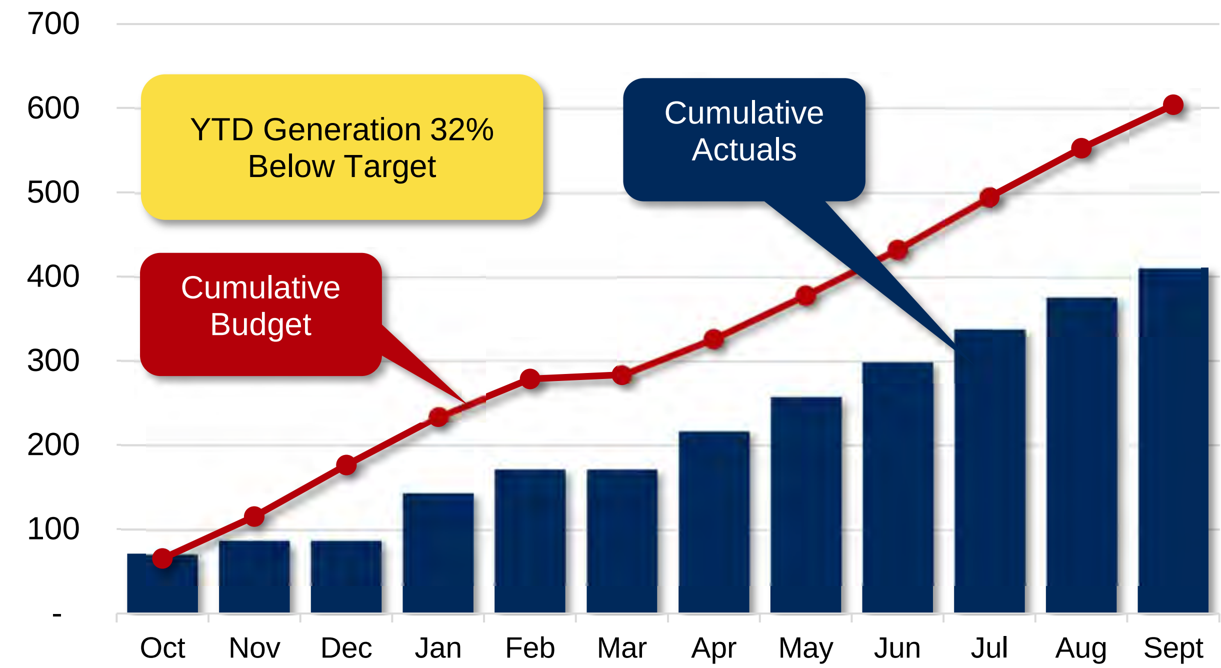


YTD Participant Costs ($/MWh)

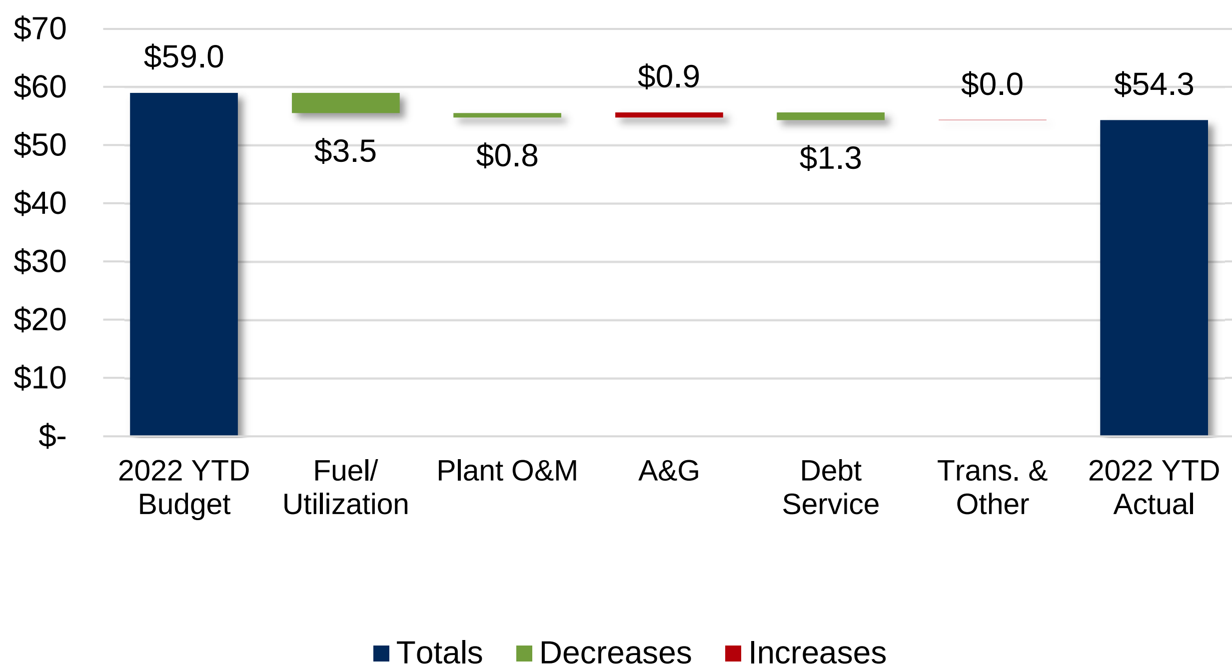


STANTON II PROJECT

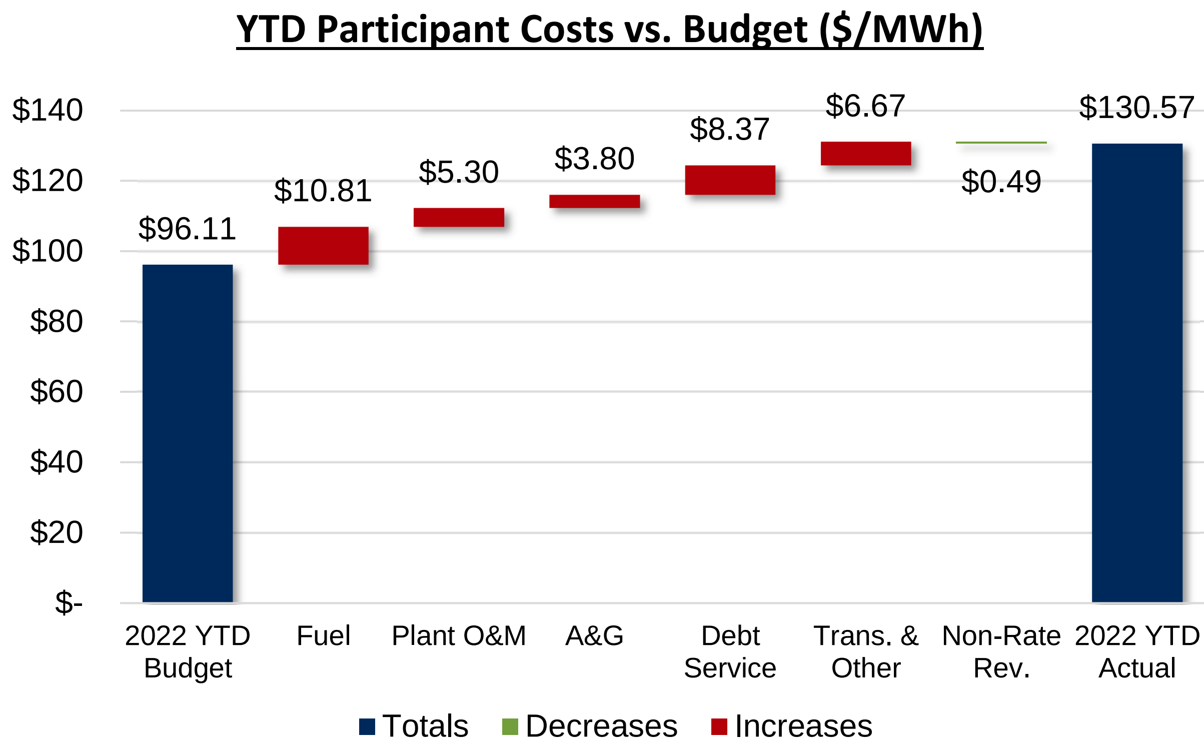
Cumulative Generation (GWh)



YTD Expenses vs. Budget ($Millions)

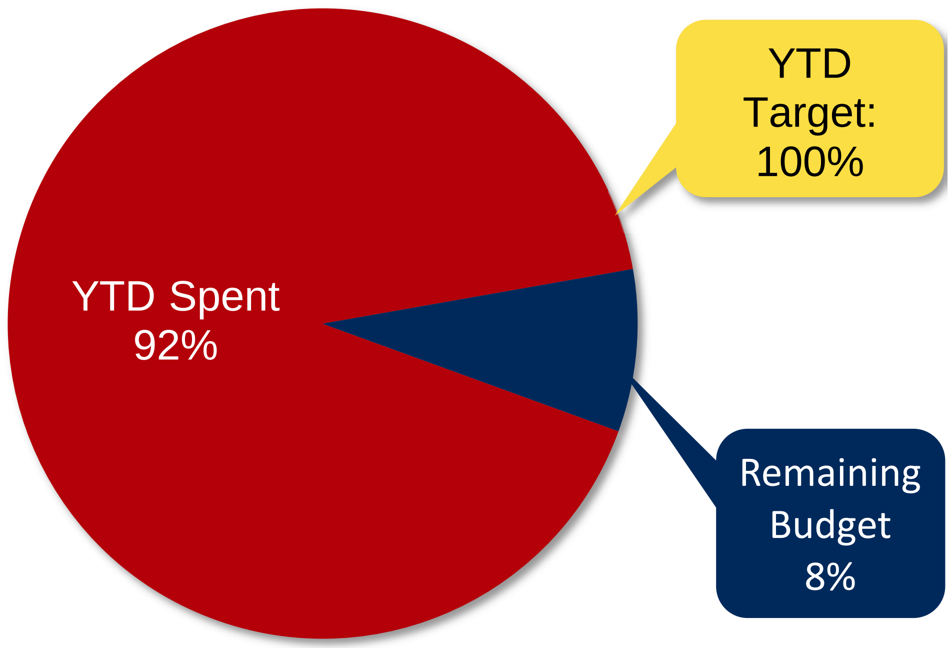


STANTON II PROJECT

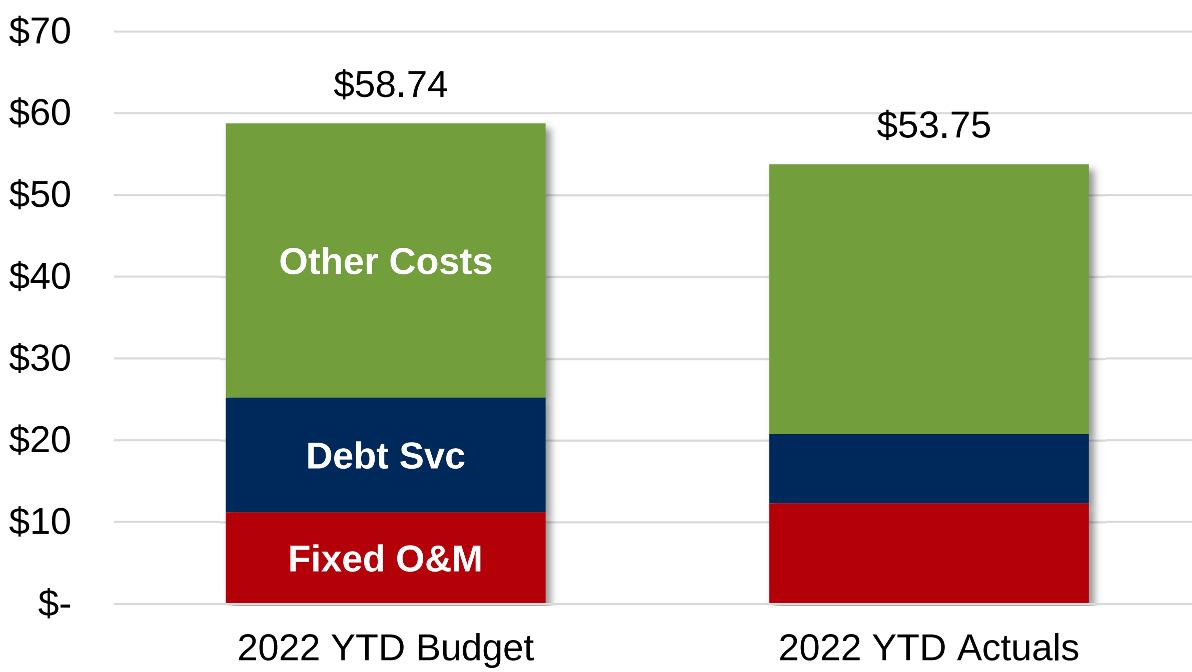


ST. LUCIE PROJECT

Fiscal Year 2022 Budget Status through September

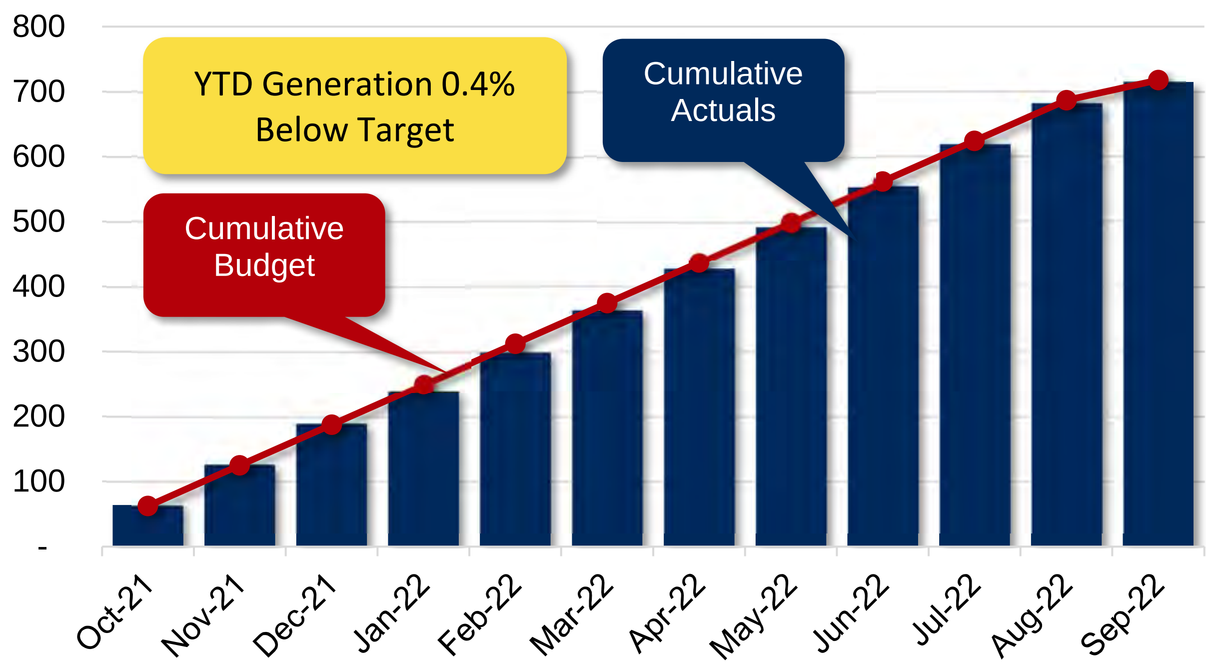


YTD Participant Costs ($/MWh)

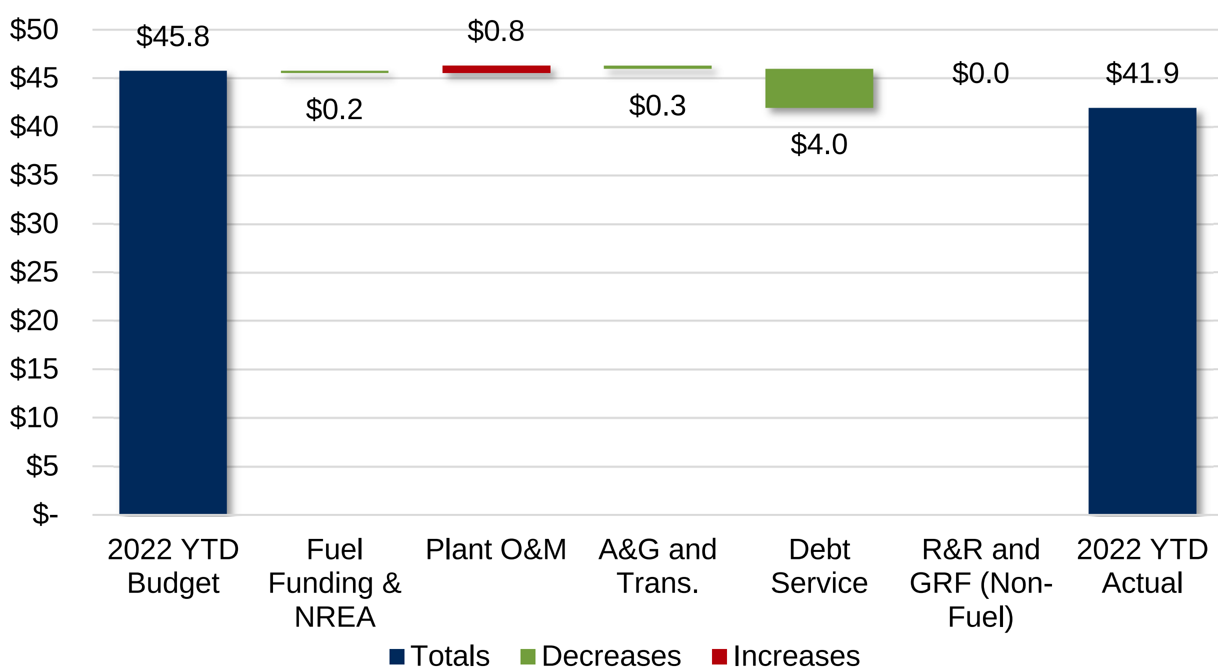


ST. LUCIE PROJECT

Cumulative Generation (GWh)

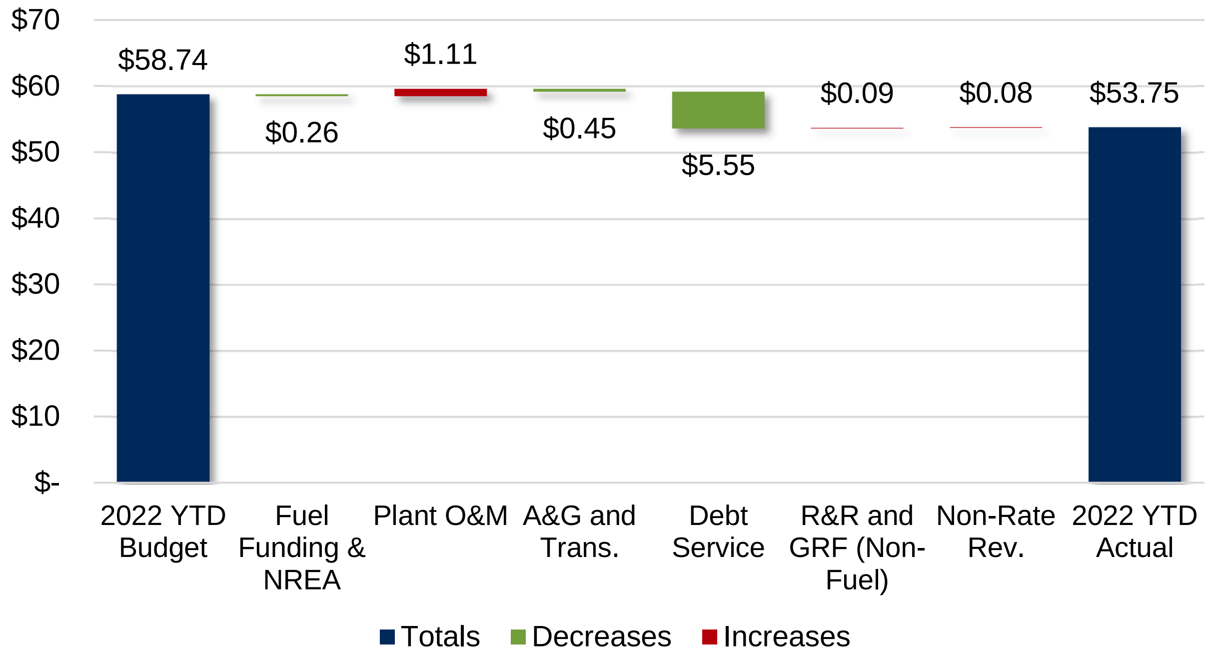


YTD Expenses vs. Budget ($Millions)



ST. LUCIE PROJECT

YTD Participant Costs vs. Budget ($/MWh)



EXHIBITS

FLORIDA MUNICIPAL POWER AGENCY

Agency Budget vs. Actual Income Statement (Budget-Based)

FY 2022 - Year to Date through September

Line No.	Description	Current Month Budget	Current Month Actual	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance (Actual - Budget)	Year-to-Date Variance (%)	Total Annual Budget	% of Budget Spent
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Revenues								
	Revenues from Members								
	Agency Allocation Billings								
1	FMPA Projects	$ 1,433,220	$ 2,017,508	$ 17,021,990	$ 16,787,640	$ (234,350)	-1%	$ 17,021,990	100%
2	Joint Owner Services	$ 7,167	$ 2,872	$ 86,000	$ 70,949	$ (15,051)	-18%	$ 86,000	100%
3	Member Services	$ -	$ 55,000	$ 60,000	$ 55,000	$ (5,000)	-8%	$ 60,000	100%
4	Total Agency Allocation Billings	1,440,386	2,075,379	17,167,990	16,913,589	(254,401)	-1%	17,167,990	100%
5	***Total Revenues from Members***	***1,440,386***	***2,075,379***	***17,167,990***	***16,913,589***	***(254,401)***	***-1.5%***	***17,167,990***	***100.0%***
	Other Revenues								
6	*Investment Income*	$ 117	$ 21,822	$ 1,400	$ (68,933)	$ (70,333)	-5024%	$ 1,400	100%
7	*Other Income*	$ -	$ 6,917	$ -	$ 43,075	$ 43,075		$ -	
8	***Total Other Revenues***	***117***	***28,739***	***1,400***	***(25,858)***	***(27,258)***	***-1947.0%***	***1,400***	***100.0%***
9	**Total Revenues**	**1,440,503**	**2,104,118**	**17,169,390**	**16,887,732**	**(281,658)**	**-1.6%**	**17,169,390**	**100.0%**
	Expenses								
	Payroll & Benefits								
	Payroll								
10	Gross Payroll	$ 726,206	$ 1,230,352	$ 8,714,476	$ 8,856,550	$ 142,073	1.6%	$ 8,714,476	101.6%
11	FICA & Medicare	$ 46,058	$ 76,888	$ 552,701	$ 659,504	$ 106,803	19.3%	$ 552,701	119.3%
12	Total Payroll	772,265	1,307,240	9,267,177	9,516,053	248,876	3%	9,267,177	103%
	Benefits								
13	401A	$ 74,288	$ 114,857	$ 891,454	$ 939,899	$ 48,445	5.4%	$ 891,454	105.4%
14	Long-Term Care	$ 1,260	$ (31)	$ 15,121	$ 11,933	$ (3,188)	-21.1%	$ 15,121	78.9%
15	Healthcare Insurance	$ 119,384	$ 99,107	$ 1,432,608	$ 1,436,565	$ 3,957	0.3%	$ 1,432,608	100.3%
16	Other Post Employment Benefits	$ -	$ -	$ -	$ -	$ -		$ -	
17	Workers Comp Insurance	$ 4,583	$ 3,921	$ 55,000	$ 49,816	$ (5,184)	-9.4%	$ 55,000	90.6%
18	Unemployment Compensation	$ -	$ -	$ -	$ 275	$ 275		$ -	
19	Recruit & Relocate	$ 5,833	$ 23,811	$ 70,000	$ 198,424	$ 128,424	183.5%	$ 70,000	283.5%
20	Wellness	$ 2,325	$ 1,892	$ 27,900	$ 22,857	$ (5,043)	-18.1%	$ 27,900	81.9%
21	Tuition Reimbursement	$ 503	$ -	$ 6,034	$ 4,128	$ (1,906)	-31.6%	$ 6,034	68.4%
22	Employee Recognition	$ 1,104	$ 129	$ 13,250	$ 6,305	$ (6,945)	-52.4%	$ 13,250	47.6%

FLORIDA MUNICIPAL POWER AGENCY

Agency Budget vs. Actual Income Statement (Budget-Based)

FY 2022 - Year to Date through September

Line No.	Description	Current Month Budget	Current Month Actual	Year-to-Date Budget	Year-to-Date Actual	Variance (Actual - Budget)	Variance (%)	Total Annual Budget	% of Budget Spent
23	Employee Activities	$ 1,092	$ 2,000	$ 13,100	$ 8,907	$ (4,193)	-32.0%	$ 13,100	68.0%
24	Total Benefits	210,372	245,687	2,524,467	2,679,110	154,643	6%	2,524,467	106%
25	***Total Payroll & Benefits***	***982,637***	***1,552,927***	***11,791,644***	***12,195,163***	***403,519***	***3.4%***	***11,791,644***	***103.4%***
	Operating Expenses and A&G								
	Operating Expenses								
26	Employer Dues	$ 18,292	$ 10,500	$ 220,550	$ 213,084	$ (7,466)	-3.4%	$ 220,550	96.6%
27	FCG - Florida Electric Power Coord Group	$ 4,583	$ 16,424	$ 55,000	$ 58,697	$ 3,697	6.7%	$ 55,000	106.7%
28	Subscriptions	$ 4,220	$ 763	$ 62,828	$ 59,922	$ (2,906)	-4.6%	$ 62,828	95.4%
29	Employee Dues	$ 1,030	$ 1,099	$ 14,373	$ 7,288	$ (7,085)	-49.3%	$ 14,373	50.7%
30	Office Supplies	$ 2,550	$ 2,950	$ 31,670	$ 27,518	$ (4,152)	-13.1%	$ 31,670	86.9%
31	Bank Charges	$ 1,500	$ 147	$ 18,000	$ 10,872	$ (7,128)	-39.6%	$ 18,000	60.4%
32	Software	$ 57,811	$ 173,771	$ 693,728	$ 946,228	$ 252,500	36.4%	$ 693,728	136.4%
33	Hardware	$ 4,308	$ 5,319	$ 51,700	$ 104,472	$ 52,772	102.1%	$ 51,700	202.1%
34	Computer Supplies	$ 1,754	$ 1,643	$ 21,050	$ 34,787	$ 13,737	65.3%	$ 21,050	165.3%
35	Postage	$ 748	$ 366	$ 8,973	$ 4,506	$ (4,467)	-49.8%	$ 8,973	50.2%
36	Printing	$ 1,250	$ -	$ 15,000	$ 7,261	$ (7,739)	-51.6%	$ 15,000	48.4%
37	Telephone & Fax	$ 2,983	$ 4,057	$ 35,800	$ 42,504	$ 6,704	18.7%	$ 35,800	118.7%
38	Internet Charges	$ 17,548	$ 14,264	$ 210,570	$ 180,596	$ (29,974)	-14.2%	$ 210,570	85.8%
39	GM's Contingency	$ 50,000	$ -	$ 200,000	$ -	$ (200,000)	-100.0%	$ 200,000	0.0%
40	Business Travel	$ 24,788	$ 39,573	$ 354,705	$ 323,531	$ (31,174)	-8.8%	$ 354,705	91.2%
41	Training	$ 16,247	$ 18,167	$ 203,930	$ 99,220	$ (104,710)	-51.3%	$ 203,930	48.7%
42	Management Staff Training	$ 1,667	$ -	$ 20,000	$ 24,359	$ 4,359	21.8%	$ 20,000	121.8%
43	Meetings	$ 4,075	$ (2,948)	$ 50,700	$ 40,529	$ (10,171)	-20.1%	$ 50,700	79.9%
44	FMPA Board of Directors	$ -	$ -	$ 38,000	$ 46,650	$ 8,650	22.8%	$ 38,000	122.8%
45	Readiness to Use Auto Allow. (7 Cars)	$ 4,216	$ 5,154	$ 50,592	$ 46,323	$ (4,270)	-8.4%	$ 50,592	91.6%
46	Phone Stipend	$ 2,654	$ 3,900	$ 31,850	$ 31,414	$ (436)	-1.4%	$ 31,850	98.6%
47	All Other Operating Costs	$ 1,223	$ 6,118	$ 19,505	$ 13,804	$ (5,701)	-29.2%	$ 19,505	70.8%
48	Total Operating Expenses	223,446	301,267	2,408,525	2,323,567	(84,958)	-4%	2,408,525	96%
	Outside Services & Consultants								
49	Consultants	$ 55,521	$ 109,617	$ 781,830	$ 580,575	$ (201,255)	-25.7%	$ 781,830	74.3%
50	Lobbying	$ 12,958	$ 4,041	$ 155,501	$ 115,057	$ (40,444)	-26.0%	$ 155,501	74.0%
51	Sponsorships	$ 1,083	$ 4,250	$ 23,000	$ 13,250	$ (9,750)	-42.4%	$ 23,000	57.6%
52	Advertising	$ 1,819	$ 107	$ 21,825	$ 21,180	$ (645)	-3.0%	$ 21,825	97.0%
53	Communciations Projects & Special Events	$ 389	$ 95	$ 19,670	$ 18,991	$ (679)	-3.5%	$ 19,670	96.5%
54	Total Outside Services & Consultants	71,771	118,111	1,001,826	749,052	(252,774)	-25%	1,001,826	75%

FLORIDA MUNICIPAL POWER AGENCY
Agency Budget vs. Actual Income Statement (Budget-Based)
FY 2022 - Year to Date through September

Line No.	Description	Current Month Budget	Current Month Actual	Year-to-Date Budget	Year-to-Date Actual	Variance (Actual - Budget)	Variance (%)	Total Annual Budget	% of Budget Spent
	Building, Maintenance, Equipment, & Insurance								
55	Property Insurance	$ 8,292	$ 15,811	$ 99,500	$ 129,974	$ 30,474	30.6%	$ 99,500	130.6%
56	Excess Liability Insurance	$ 25,667	$ 29,155	$ 308,000	$ 342,762	$ 34,762	11.3%	$ 308,000	111.3%
57	Auto Insurance	$ 1,083	$ 1,008	$ 13,000	$ 12,498	$ (502)	-3.9%	$ 13,000	96.1%
58	Officers Liability Insurance	$ 13,750	$ 15,289	$ 165,000	$ 168,290	$ 3,290	2.0%	$ 165,000	102.0%
59	Interest Expense Admin Building	$ -	$ -	$ -	$ -	$ -		$ -	
60	Utilities (Electric/Garbage/Water)	$ 7,619	$ 13,495	$ 91,425	$ 102,563	$ 11,138	12.2%	$ 91,425	112.2%
61	Office Furniture	$ 1,692	$ 1,472	$ 20,300	$ 25,620	$ 5,320	26.2%	$ 20,300	126.2%
62	Building Services	$ 5,182	$ 4,850	$ 71,785	$ 67,022	$ (4,763)	-6.6%	$ 71,785	93.4%
63	Building & Equipment Repairs	$ 9,321	$ 10,885	$ 114,855	$ 122,034	$ 7,179	6.3%	$ 114,855	106.3%
64	Alarm Systems	$ 722	$ -	$ 8,660	$ 5,895	$ (2,765)	-31.9%	$ 8,660	68.1%
65	Property Dues	$ 156	$ 38	$ 4,870	$ 4,403	$ (467)	-9.6%	$ 4,870	90.4%
66	Total Build, Maint., Equip., & Insur.	73,483	92,003	897,395	981,060	83,665	9%	897,395	109%
67	***Total Operating Expenses and A&G***	***368,699***	***511,381***	***4,307,746***	***4,053,679***	***(254,067)***	***-5.9%***	***4,307,746***	***94.1%***
	Balance Sheet Items								
	Capital								
68	Capital Expenditures	$ 57,500	$ 13,047	$ 690,000	$ 311,989	$ (378,011)	-54.8%	$ 690,000	45.2%
69	Principal Payment on Building	$ -	$ -	$ -	$ -	$ -		$ -	
70	Total Capital	57,500	13,047	690,000	311,989	(378,011)	-55%	690,000	45%
	Working Capital								
71	Agency Budget Working Capital Fund	$ 25,000	$ 26,335	$ 300,000	$ 301,335	$ 1,335	0.4%	$ 300,000	100.4%
72	Total Working Capital	25,000	26,335	300,000	301,335	1,335	0%	300,000	100%
	Building Maintenance Fund								
73	Agency Building Maintenance Fund	$ 6,667	$ 6,670	$ 80,000	$ 80,040	$ 40	0.0%	$ 80,000	100.0%
74	Total Building Maintenance Fund	6,667	6,670	80,000	80,040	40	0%	80,000	100%
75	***Total Balance Sheet Items***	***89,167***	***46,052***	***1,070,000***	***693,364***	***(376,636)***	***-35.2%***	***1,070,000***	***64.8%***
68	**Total Expenses**	**$ 1,440,503**	**$ 2,110,360**	**$ 17,169,390**	**$ 16,942,206**	**$ (227,184)**	**-1%**	**$ 17,169,390**	**99%**
	Net Income	**$ -**	**$ (6,242)**	**$ -**	**$ (54,475)**	**$ (54,475)**		**$ -**	

FLORIDA MUNICIPAL POWER AGENCY

Agency Budget vs. Actual Income Statement (Budget-Based)

FY 2022 - Year to Date through September

Line No.	Description	Current Month Budget	Current Month Actual	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance (Actual - Budget)	Year-to-Date Variance (%)	Total Annual Budget	% of Budget Spent

Symbols Key:

= YTD actuals greater than 5% unfavorable compared to YTD budget
= YTD actuals less than 5% unfavorable compared to YTD budget
= YTD actuals at or favorable compared to YTD budget

= YTD spending < 15% of total budget
= YTD spending between 15% and 37.5% of total budget
= YTD spending between 37.5% and 67.5% of total budget
= YTD spending between 67.5% and 85% of total budget
= YTD spending >85% of total budget

FLORIDA MUNICIPAL POWER AGENCY

All-Requirements Power Supply Project Summary Budget vs. Actual Report

FY 2022 - Year to Date through September

Line No.	Description	Current Month Budget	Current Month Actual	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance (Actual - Budget)	Year-to-Date Variance (%)	Total Annual Budget	% of Budget Spent
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Revenues								
	Demand Revenues								
	Participant Demand Revenues								
1	Demand Rate Revenues	$ 19,797,146	$ 17,013,367	$ 237,610,852	$ 229,455,723	$ (8,155,129)	-3%	$ 237,610,852	100%
2	Customer Charge Revenues	27,000	27,000	324,000	324,000	-	0%	324,000	100%
3	Total Participant Demand Revenues	19,824,146	17,040,367	237,934,852	229,779,723	(8,155,129)	-3%	237,934,852	100%
	Non-Participant Demand Revenues								
4	Sales of Capacity to Others	612,669	898,715	6,511,811	7,175,832	664,020	10%	6,511,811	100%
5	Withdrawals from Rate Protection Account - Demand	1,121,689	-	12,744,397	-	(12,744,397)	-100%	12,744,397	100%
6	Investment Income/(Loss)	71,040	(655,322)	829,023	(1,316,768)	(2,145,791)	-259%	829,023	100%
7	Total Non-Participant Demand Revenues	1,805,398	243,393	20,085,231	5,859,064	(14,226,167)	-71%	20,085,231	100%
8	*Total Demand Revenues*	***21,629,544***	***17,283,760***	***258,020,083***	***235,638,787***	***(22,381,296)***	***-8.7%***	***258,020,083***	***100.0%***
	Energy Revenues								
	Participant Energy Revenues								
9	Energy Rate Revenues	32,233,001	47,643,520	379,095,768	363,013,073	(16,082,695)	-4%	379,095,768	100%
10	Solar Energy Surcharge	96,970	(377,473)	948,522	(2,521,399)	(3,469,921)	-366%	948,522	100%
11	Total Participant Energy Revenues	32,329,971	47,266,047	380,044,290	360,491,674	(19,552,616)	-5.1%	380,044,290	100.0%
	Non-Participant Energy Revenues								
12	Sale of Physical Natural Gas	500,000	10,312,945	6,000,000	34,101,836	28,101,836	468%	6,000,000	100%
13	Interchange Energy Sales	1,049,530	2,289,491	10,766,450	29,829,182	19,062,732	177%	10,766,450	100%
14	Sales of Energy to Others	2,249,140	8,312,920	23,799,496	55,077,903	31,278,407	131%	23,799,496	100%
15	Coal Plant Revenue and Other	55,000	220,846	660,000	2,142,781	1,482,781	225%	660,000	100%
16	Withdrawals from Rate Protection Account - Energy	-	-	-	-	-		-	
17	Total Non-Participant Energy Revenues	3,853,671	21,136,202	41,225,946	121,151,701	79,925,756	193.9%	41,225,946	100.0%
18	*Total Energy Revenues*	***36,183,642***	***68,402,249***	***421,270,236***	***481,643,376***	***60,373,140***	***14.3%***	***421,270,236***	***100.0%***
	Transmission Revenues								
	Participant Transmission Revenues								
19	Participant Transmission Revenues - Non-KUA	3,739,971	4,008,414	37,764,704	35,824,649	(1,940,055)	-5%	37,764,704	100%
20	Participant Transmission Revenues - KUA	279,809	290,669	3,357,714	3,498,759	141,046	4%	3,357,714	100%
21	Participant Low Voltage Delivery Revenues	30,656	15,562	348,364	163,844	(184,520)	-53%	348,364	100%
22	Total Participant Transmission Revenues	4,050,436	4,314,645	41,470,782	39,487,253	(1,983,529)	-4.8%	41,470,782	100.0%
	Non-Participant Transmission Revenues								
23	Seminole Transmission Agreement	41,667	41,667	500,004	500,000	(4)	0%	500,004	100%
24	Standby Transmission Revenues	-	-	26,667	27,485	818	3%	26,667	100%
25	Withdrawals from Rate Protection Account - Trans	74,709	-	890,602	-	(890,602)	-100%	890,602	100%
26	Total Non-Participant Transmission Revenues	116,376	41,667	1,417,273	527,485	(889,788)	-62.8%	1,417,273	100.0%
27	*Total Transmission Revenues*	***4,166,812***	***4,356,312***	***42,888,055***	***40,014,738***	***(2,873,317)***	***-6.7%***	***42,888,055***	***100.0%***
28	**Total Revenues**	**$ 61,979,997**	**$ 90,042,320**	**$ 722,178,374**	**$ 757,296,901**	**$ 35,118,527**	**4.9%**	**$ 722,178,374**	**100.0%**

FLORIDA MUNICIPAL POWER AGENCY
All-Requirements Power Supply Project Summary Budget vs. Actual Report
FY 2022 - Year to Date through September

Line No.	Description	Current Month Budget	Current Month Actual	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance (Actual - Budget)	Variance (%)	Total Annual Budget	% of Budget Spent
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Expenses								
	Demand Expenses								
29	Capacity Purchased from Participants	$ 3,496,538	$ 2,978,073	$ 41,675,485	$ 37,711,763	$ (3,963,722)	-10%	$ 41,675,485	100%
30	Capacity Purchased from Others	1,478,990	2,236,271	18,047,881	18,058,843	10,962	0%	18,047,881	100%
31	ARP Plant Fixed O&M	1,989,261	1,336,719	23,914,704	23,314,053	(600,652)	-3%	23,914,704	100%
32	Debt, Capital Leases, and Fund Deposits	8,479,438	8,125,122	100,929,156	100,529,778	(399,378)	0%	100,929,156	100%
33	Direct Charges & Other	2,071,900	2,924,297	24,862,840	23,163,376	(1,699,464)	-7%	24,862,840	100%
34	Gas Transportation	2,661,818	418,043	30,975,273	29,208,504	(1,766,770)	-6%	30,975,273	100%
35	Deposits to Rate Protection Account - Demand	1,599,298	-	17,990,029	-	(17,990,029)	-100%	17,990,029	100%
36	Total Demand Expenses	21,777,242	18,018,525	258,395,369	231,986,317	(26,409,052)	-10%	258,395,369	100%
	Energy Expenses								
37	Energy Purchased from Participants	-	-	-	-	-		-	
38	Firm Energy Purchased from Others	506,660	1,037,423	5,134,371	9,059,761	3,925,390	76%	5,134,371	100%
39	Non-Firm Energy Purchased from Others	289,868	5,172,090	7,353,990	21,730,919	14,376,930	195%	7,353,990	100%
40	Variable Direct Charges & Other	62,500	62,500	750,000	750,000	-	0%	750,000	100%
41	Fuels	33,844,015	51,449,524	384,858,196	395,415,708	10,557,513	3%	*384,858,196*	100%
42	Non-Fuel Variable O&M	1,615,648	1,505,828	19,387,752	18,111,570	(1,276,182)	-7%	19,387,752	100%
43	Deposits to Rate Protection Account - Energy	192,440	-	3,736,794	-	(3,736,794)	-100%	3,736,794	100%
44	Total Energy Expenses	36,511,130	59,227,365	421,221,102	445,067,958	23,846,856	6%	421,221,102	100%
	Transmission Expenses								
45	Transmission Expenses - Non-KUA	3,621,170	3,789,410	39,356,059	40,201,509	845,450	2%	39,356,059	100%
46	Transmission Expenses - KUA	279,809	290,669	3,357,714	3,488,024	130,310	4%	3,357,714	100%
47	Total Transmission Expenses	3,900,980	4,080,079	42,713,772	43,689,532	975,760	2%	42,713,772	100%
48	**Total Expenses**	**$ 62,189,352**	**$ 81,325,969**	**$ 722,330,243**	**$ 720,743,807**	**$ (1,586,436)**	**-0.2%**	**$ 722,330,243**	**100.0%**
49	**Net Income Before FAS 71**	**$ (209,355)**	**$ 8,716,352**	**$ (151,869)**	**$ 36,553,094**	**$ 36,704,963**		**$ (151,869)**	
30	**Sales (MWh)**	**575,495**	**551,109**	**5,940,051**	**5,963,224**	**23,174**	**0.4%**	**5,940,051**	**100%**
31	**Average Power Cost - Billed ($/MWh)**	**$ 97.49**	**$ 125.20**	**$ 110.86**	**$ 106.03**	**$ (4.83)**	**-4.4%**	**$ 110.86**	
32	**Average Power Cost - Incurred ($/MWh)**	**$ 97.86**	**$ 109.38**	**$ 110.88**	**$ 99.90**	**$ (10.98)**	**-9.9%**	**$ 110.88**	

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FLORIDA MUNICIPAL POWER AGENCY
Stanton Project Summary Budget vs. Actual Report
FY 2022 - Year to Date through Sept

Description	Current Month Budget	Current Month Actual	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance (Actual - Budget)	Year-to-Date Variance (%)	Total Annual Budget	% of Budget Spent
(a)	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(g)*	*(h)*	*(i)*
Revenues								
Participant Revenues								
Demand Billings	$ 706,000	$ 713,910	$ 8,472,000	$ 8,566,920	$ 94,920	1%	$ 8,472,000	101%
Energy Billings	$ 1,958,436	1,340,223	$ 22,427,288	15,499,574	(6,927,714)	-31%	$ 22,427,288	69%
Transmission Revenues	125,917	125,917	1,511,000	1,511,004	4	0%	1,511,000	100%
Total Participant Revenues	2,790,353	2,180,050	32,410,288	25,577,498	(6,832,790)	-21%	32,410,288	79%
Non-Participant Revenues								
Brine Plant Income	32,083	31,141	385,000	367,056	(17,944)	-5%	385,000	95%
Interest Income	3,583	21,976	43,000	51,459	8,459	20%	43,000	120%
Misc Revenue	-	-	-	1,561	1,561		-	
Total Non-Participant Revenues	35,667	53,118	428,000	420,077	(7,923)	-2%	428,000	98%
Total Revenues	**$ 2,826,019**	**$ 2,233,168**	**$ 32,838,288**	**$ 25,997,575**	**$ (6,840,713)**	**-21%**	**$ 32,838,288**	**79%**
Expenses								
Operating Expenses								
Fuel Burned	$ 1,950,519	$ 1,340,232	$ 22,332,288	$ 15,499,583	$ (6,832,705)	-31%	*$ 22,332,288*	69%
Fixed Operation and Maintenance	499,083	323,599	6,009,080	5,504,003	(505,077)	-8%	6,009,080	92%
User Fee	14,583	12,378	175,000	162,733	(12,267)	-7%	175,000	93%
Admin & General - OUC	83,667	101,056	1,004,000	1,493,832	489,832	49%	1,004,000	149%
Admin & General - FMPA	39,583	35,770	475,000	429,235	(45,765)	-10%	475,000	90%
Debt Management Costs	1,167	392	14,000	22,407	8,407	60%	14,000	160%
Transmission - OUC	125,917	126,463	1,511,000	1,517,558	6,558	0%	1,511,000	100%
Total Operating Expenses	2,714,519	1,939,890	31,520,368	24,629,350	(6,891,017)	-22%	31,520,368	78%
Deposits to/(Withdrawals from) Funds								
Debt Service Deposits	-	-	-	-	-		-	
Renewal & Replacement Deposits	166,667	166,667	2,000,000	2,000,000	0	0%	2,000,000	100%
General Reserve Deposits	41,667	41,667	500,000	500,000	0	0%	500,000	100%
Total Deposits to/(Withdrawals from) Funds	208,333	208,333	2,500,000	2,500,000	0	0%	2,500,000	100%
Total Expenses	**$ 2,922,853**	**$ 2,148,223**	**$ 34,020,368**	**$ 27,129,350**	**$ (6,891,017)**	**-20%**	**$ 34,020,368**	**80%**
Net Income Before FAS 71	**$ (96,833)**	**$ 84,945**	**$ (1,182,080)**	**$ (1,131,776)**	**$ 50,304**		**$ (1,182,080)**	
Sales (MWh)	**28,361**	**20,250**	**283,629**	**289,952**	**6,322**	**2%**	**283,629**	**102%**
Average Power Cost - Billed ($/MWh)	**$ 98.39**	**$ 107.66**	**$ 114.27**	**$ 88.21**	**$ (26.06)**	**-23%**	**$ 114.27**	
Average Power Cost - Incurred ($/MWh)	**$ 101.80**	**$ 103.46**	**$ 118.44**	**$ 92.12**	**$ (26.32)**	**-22%**	**$ 118.44**	

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FLORIDA MUNICIPAL POWER AGENCY
Tri-City Project Summary Budget vs. Actual Report
FY 2022 - Year to Date through Sept

Line No.	Description	Current Month Budget	Current Month Actual	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance (Actual - Budget)	Year-to-Date Variance (%)	Total Annual Budget	% of Budget Spent
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Revenues								
	Participant Revenues								
1	Demand Billings	$ 350,287	$ 350,247	$ 4,203,000	$ 4,202,964	$ (36)	0%	$ 4,203,000	100%
2	Energy Billings	705,050	501,235	8,076,410	5,533,446	(2,542,964)	-31%	8,076,410	69%
3	Transmission Revenues	43,250	43,249	519,000	518,988	(12)	0%	519,000	100%
4	Total Participant Revenues	1,098,587	894,731	12,798,410	10,255,398	(2,543,012)	-20%	12,798,410	80%
	Non-Participant Revenues								
5	Brine Plant Income	11,370	11,140	136,000	131,304	(4,696)	-3%	136,000	97%
6	Interest Income	1,667	5,326	20,000	3,956	(16,044)	-80%	20,000	20%
7	Misc Revenue	-	-	-	-	-		-	
8	Total Non-Participant Revenues	13,037	16,466	156,000	135,260	(20,740)	-13%	156,000	87%
9	***Total Revenues***	**$ 1,111,623**	**$ 911,197**	**$ 12,954,410**	**$ 10,390,658**	**$ (2,563,752)**	**-20%**	**$ 12,954,410**	**80%**
	Expenses								
	Operating Expenses								
10	Fuel Burned	$ 705,050	$ 501,235	$ 8,076,410	$ 5,533,446	$ (2,542,964)	-31%	*$ 8,076,410*	69%
11	Fixed Operation and Maintenance	178,490	115,759	2,141,000	1,968,906	(172,094)	-8%	2,141,000	92%
12	User Fee	5,130	4,428	62,000	58,213	(3,787)	-6%	62,000	94%
13	Admin & General - OUC	30,000	36,150	360,000	534,379	174,379	48%	360,000	148%
14	Admin & General - FMPA	35,750	35,770	429,000	429,235	235	0%	429,000	100%
15	Debt Management Costs	1,120	140	13,000	12,020	(980)	-8%	13,000	92%
16	Transmission - OUC	43,250	45,300	519,000	543,603	24,603	5%	519,000	105%
17	Total Operating Expenses	998,790	738,781	11,600,410	9,079,803	(2,520,607)	-22%	11,600,410	78%
	Deposits to/(Withdrawals from) Funds								
18	Debt Service Deposits	-	-	-	-	-		-	
19	Renewal & Replacement Deposits	62,500	62,500	750,000	750,000	-	0%	750,000	100%
20	General Reserve Deposits	12,500	12,500	150,000	150,000	-	0%	150,000	100%
21	Total Deposits to/(Withdrawals from) Funds	75,000	75,000	900,000	900,000	-	0%	900,000	100%
22	***Total Expenses***	**$ 1,073,790**	**$ 813,781**	**$ 12,500,410**	**$ 9,979,803**	**$ (2,520,607)**	**-20%**	**$ 12,500,410**	**80%**
23	**Net Income Before FAS 71**	**$ 37,833**	**$ 97,415**	**$ 454,000**	**$ 410,856**	**$ (43,144)**		**$ 454,000**	
24	**Sales (MWh)**	**10,145**	**7,092**	**101,460**	**105,475**	**4,015**	**4%**	**101,460**	**104%**
25	**Average Power Cost - Billed ($/MWh)**	**$ 108.29**	**$ 126.15**	**$ 126.14**	**$ 97.23**	**$ (28.91)**	**-23%**	**$ 126.14**	
26	**Average Power Cost - Incurred ($/MWh)**	**$ 104.56**	**$ 112.42**	**$ 121.67**	**$ 93.34**	**$ (28.33)**	**-23%**	**$ 121.67**	

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FLORIDA MUNICIPAL POWER AGENCY
Stanton II Project Summary Budget vs. Actual Report
FY 2022 - Year to Date through Sept

Line No.	Description	Current Month Budget	Current Month Actual	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance (Actual - Budget)	Year-to-Date Variance (%)	Total Annual Budget	% of Budget Spent
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Revenues								
	Participant Revenues								
1	Demand Billings	$ 2,592,667	$ 2,592,668	$ 31,112,000	$ 31,112,016	$ 16	0%	$ 31,112,000	100%
2	Energy Billings	2,081,948	2,208,156	24,488,690	21,026,623	(3,462,067)	-14%	24,488,690	86%
3	Transmission Revenues	204,833	204,834	2,458,000	2,458,008	8	0%	2,458,000	100%
4	Total Participant Revenues	4,879,448	5,005,658	58,058,690	54,596,647	(3,462,043)	-6%	58,058,690	94%
	Non-Participant Revenues								
5	Brine Plant Income	50,417	48,830	605,000	575,545	(29,455)	-5%	605,000	95%
6	Interest Income	11,333	30,093	136,000	124,426	(11,574)	-9%	136,000	91%
7	Misc Revenue	-	-	-	4,652	4,652		-	
8	Total Non-Participant Revenues	61,750	78,923	741,000	704,622	(36,378)	-5%	741,000	95%
9	***Total Revenues***	**$ 4,941,198**	**$ 5,084,581**	**$ 58,799,690**	**$ 55,301,270**	**$ (3,498,420)**	**-6%**	**$ 58,799,690**	**94%**
	Expenses								
	Operating Expenses								
10	Fuel Burned	$ 2,081,948	$ 2,208,177	$ 24,488,690	$ 21,026,625	$ (3,462,065)	-14%	$ 24,488,690	86%
11	Fixed Operation and Maintenance	742,583	557,254	8,911,000	8,166,224	(744,776)	-8%	8,911,000	92%
12	User Fee	19,333	16,473	232,000	203,404	(28,596)	-12%	232,000	88%
13	Admin & General - OUC	131,250	158,456	1,575,000	2,342,336	767,336	49%	1,575,000	149%
14	Admin & General - FMPA	43,750	43,725	525,000	524,705	(295)	0%	525,000	100%
15	Debt Management Costs	3,417	6,581	41,000	145,217	104,217	254%	41,000	354%
16	Transmission - OUC	204,833	205,739	2,458,000	2,468,863	10,863	0%	2,458,000	100%
17	Total Operating Expenses	3,227,114	3,196,405	38,230,690	34,877,373	(3,353,317)	-9%	38,230,690	91%
	Deposits to/(Withdrawals from) Funds								
18	Debt Service Deposits	1,230,750	603,864	14,769,000	13,439,635	(1,329,365)	-9%	14,769,000	91%
19	Renewal & Replacement Deposits	416,667	416,667	5,000,000	5,000,000	0	0%	5,000,000	100%
20	General Reserve Deposits	83,333	83,333	1,000,000	1,000,000	(0)	0%	1,000,000	100%
21	Total Deposits to/(Withdrawals from) Funds	1,730,750	1,103,864	20,769,000	19,439,635	(1,329,365)	-6%	20,769,000	94%
22	***Total Expenses***	**$ 4,957,864**	**$ 4,300,268**	**$ 58,999,690**	**$ 54,317,008**	**$ (4,682,682)**	**-8%**	**$ 58,999,690**	**92%**
23	**Net Income Before FAS 71**	**$ (16,667)**	**$ 784,313**	**$ (200,000)**	**$ 984,261**	**$ 1,184,261**		**$ (200,000)**	
24	**Sales (MWh)**	**51,398**	**34,679**	**606,161**	**410,610**	**(195,551)**	**-32%**	**606,161**	**68%**
25	**Average Power Cost - Billed ($/MWh)**	**$ 94.93**	**$ 144.34**	**$ 95.78**	**$ 132.96**	**$ 37.18**	**39%**	**$ 95.78**	
26	**Average Power Cost - Incurred ($/MWh)**	**$ 95.26**	**$ 121.73**	**$ 96.11**	**$ 130.57**	**$ 34.46**	**36%**	**$ 96.11**	

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FLORIDA MUNICIPAL POWER AGENCY
St. Lucie Project Summary Budget vs. Actual Report
FY 2022 - Year to Date through September

Line No.	Description	Current Month Budget	Current Month Actual	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance (Actual - Budget)	Year-to-Date Variance (%)	Total Annual Budget	% of Budget Spent
	(a)	(b)	(c)	(d)	(f)	(f)	(g)	(h)	(i)
	Revenues								
	Participant Revenues								
1	Demand Revenues	$ 1,864,710	$ 1,864,712	$ 42,888,322	$ 42,888,343	$ 21	0%	$ 42,888,322	100%
2	Transmission Revenues	22,522	22,527	518,000	518,000	0	0%	518,000	100%
3	Total Participant Revenues	1,887,231	1,887,239	43,406,321	43,406,343	22	0%	43,406,321	100%
	Non-Participant Revenues								
4	Power Sales - NREA	291,667	381,251	3,500,000	3,327,181	(172,819)	-5%	3,500,000	95%
5	Interest Income	8,167	48,212	98,000	191,218	93,218	95%	98,000	195%
6	Other Revenues	-	-	-	6,439	6,439		-	
7	Total Non-Participant Revenues	299,833	429,464	3,598,000	3,524,838	(73,162)	-2%	3,598,000	98%
8	***Total Revenues***	**$ 2,187,065**	**$ 2,316,703**	**$ 47,004,321**	**$ 46,931,181**	**$ (73,141)**	**0%**	**$ 47,004,321**	**100%**
	Expenses								
	Operating Expenses								
9	Fuel Acquisition	$ -	$ 715	$ -	$ 40,381	$ 40,381		$ -	
10	Fixed Operation & Maintenance	641,003	723,086	8,019,343	8,777,076	757,733	9%	8,019,343	109%
11	Spent Fuel Fees	-	-	-	-	-		-	
12	Purchased Power - NREA	291,667	423,714	3,500,000	3,241,759	(258,241)	-7%	3,500,000	93%
13	A&G - FPL	169,333	155,278	2,032,000	1,675,048	(356,952)	-18%	2,032,000	82%
14	A&G - FMPA	62,917	60,716	755,000	728,597	(26,403)	-3%	755,000	97%
15	Trustee Fees	667	2,500	8,000	5,700	(2,300)	-29%	8,000	71%
16	Bond Remarketing	-	-	-	-	-		-	
17	Dues	6,583	6,466	79,000	77,594	(1,406)	-2%	79,000	98%
18	Other	4,500	3,793	54,000	131,208	77,208	143%	54,000	243%
19	Transmission - FPL	28,167	25,193	338,000	308,994	(29,006)	-9%	338,000	91%
20	Transmission - OUC	15,000	15,100	180,000	181,201	1,201	1%	180,000	101%
21	Total Operating Expenses	1,219,836	1,416,563	14,965,343	15,167,557	202,214	1%	14,965,343	101%
	Deposits to/(Withdrawals from) Funds								
22	Debt Service	840,750	416,637	10,089,000	6,078,807	(4,010,193)	-40%	10,089,000	60%
23	Renewal & Replacement Account	625,000	625,000	7,500,000	7,500,000	-	0%	7,500,000	100%
24	General Reserve Fund & FSA	766,667	766,667	9,200,000	9,200,000	0	0%	9,200,000	100%
25	Nuclear Fuel Account	333,333	333,333	4,000,000	4,000,000	(0)	0%	4,000,000	100%
26	Total Deposits to/(Withdrawals from) Funds	2,565,750	2,141,637	30,789,000	26,778,807	(4,010,193)	-13%	30,789,000	87%
27	***Total Expenses***	**$ 3,785,586**	**$ 3,558,200**	**$ 45,754,343**	**$ 41,946,364**	**$ (3,807,979)**	**-8%**	**$ 45,754,343**	**92%**
28	**Net Income Before FAS 71**	**$ (1,598,521)**	**$ (1,241,498)**	**$ 1,249,978**	**$ 4,984,817**	**$ 3,734,838**		**$ 1,249,978**	
29	**Sales (MWh)**	**31,204**	**33,024**	**717,687**	**714,803**	**(2,884)**	**0%**	**717,687**	**100%**
30	**Average Power Cost - Billed ($/MWh)**	**$ 60.48**	**$ 57.15**	**$ 60.48**	**$ 60.72**	**$ 0.24**	**0%**	**$ 60.48**	
	Average Power Cost - Incurred ($/MWh)	**$ 111.71**	**$ 94.74**	**$ 58.74**	**$ 53.75**	**$ (4.99)**	**-8%**	**$ 58.74**	

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AGENDA ITEM 11 – COMMENTS

Finance Committee Meeting
January 18, 2023

AGENDA ITEM 12 – ADJOURNMENT

Finance Committee Meeting
January 18, 2023