



FINANCE COMMITTEE AGENDA PACKAGE

December 11, 2024

3:30 p.m.

Dial-in Info: 1-321-299-0575

Meeting ID: 260 700 190 008 #

Committee Members

Jim Williams, Leesburg – Chair
Howard McKinnon, Havana-Vice Chair
Javier Cisneros, Fort Pierce
Barbara Quiñones, Homestead
Karen Nelson, Jacksonville Beach
Jesse Perloff, Key West
Kevin Crawford, Kissimmee
Steve Langley, Mount Dora
Dallas Lee, Newberry
Efren Chavez, New Smyrna Beach
Marie Brooks, Ocala
James Braddock, Wauchula

Meeting Location

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



Rich Popp
Chief Financial Officer

MEMORANDUM

TO: FMPA Finance Committee
FROM: Rich Popp
DATE: December 04, 2024
SUBJECT: FMPA Finance Committee Meeting
December 11, 2024 at 3:30pm
PLACE: Florida Municipal Power Agency
8553 Commodity Circle,
Orlando, FL 32819

DIAL-IN INFORMATION: 321-299-0575, Meeting # 260 700 190 008

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Chairperson Jim Williams, Presiding

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RP/lj

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
December 11, 2024**

**AGENDA ITEM 2 – RECOGNITION OF
GUESTS**

**Finance Committee Meeting
December 11, 2024**

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

**Finance Committee Meeting
December 11, 2024**

**AGENDA ITEM 4 – SET AGENDA (By
Vote)**

**Finance Committee Meeting
December 11, 2024**

**AGENDA ITEM 5 – CONSENT
AGENDA**

**a. Approval of Minutes – Finance
Committee Meeting Held September
18, 2024**

**Finance Committee Meeting
December 11, 2024**

CLERKS DULY NOTIFIED SEPTEMBER 11, 2024
AGENDA PACKAGE SENT TO MEMBERS..... SEPTEMBER 11, 2024

**MINUTES
FINANCE COMMITTEE MEETING
WEDNESDAY, SEPTEMBER 18, 2024
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL**

**PARTICIPANTS
PRESENT**

Javier Cisneros, Fort Pierce
Howard McKinnon, Havana
Karen Nelson, Jacksonville Beach (Virtual)
Jesse Perloff, Key West (Virtual)
Kevin Crawford, Kissimmee
Jim Williams, Leesburg
Marie Brooks, Ocala (Virtual)

**PARTICIPANTS
ABSENT**

Barbara Quinones, Homestead
Steve Langely, Mount Dora
Dallas Lee, Newberry
Efren Chavez, New Smyrna Beach
James Braddock, Wauchula

**OTHERS
PRESENT
VIRTUALLY**

Michelle Harris, Fort Pierce
Michael Mace, PFM
Jason Terry, Kissimmee

STAFF PRESENT

Rich Popp, Chief Financial Officer
Jody Finklea, General Counsel and Chief Legal Officer
Sharon Adams, Chief People and Member Services Officer
Ken Rutter, Chief Operating Officer
Denise Fuentes, Budget and Financial Analyst II
Jason Wolfe, Financial Planning, Rates and Budget Director
Danyel Sullivan-Marrero, Controller
Lindsay Jack, Senior Administrative & Member Services Assistant
Sena Mitchell, Treasurer Manager
Liyuan Woerner, Audit Manager
Wayne Koback, IT Manager
Mary Kathryn Patterson, Senior Public Relations Specialist
Louis DeSimone, Financial Planning and Rates Analyst II
MacKayla Cross, Administrative Assistant

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

Board Chair Jim Williams, Leesburg, called the FMPA Finance Committee Meeting to order at 2:00 p.m. on Wednesday, September 18, 2024. A video and audio connection for public

attendance and participation was broadcast in the Frederick M. Bryant Board Room, FMPA, 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared, with 7 of 12 members present.

ITEM 2 – RECOGNITION OF GUESTS

Michell Harris, Fort Pierce Utilities
Michael Mace, 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 to set the agenda as presented. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 7-0.

ITEM 5 – CONSENT AGENDA

- a. Approval of Meeting Minutes, Meeting held August 21, 2024

MOTION: Howard McKinnon, Havana, moved approval of the Consent Agenda. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 7-0.

ITEM 6 – CHAIRPERSONS REMARKS

None

ITEM 7 – CFO REPORT

Rich Popp thanked his team for their efforts as the agenda is substantial with multiple actions items going before the Board of Directors. After serving a full year in his role, the chemistry among the team is very good and hopes they can live up to the expectations of the committee by being accountable and bringing forward items that are transparent.

ITEM 8 – ACTION ITEMS

- a. Approval of Truist as Credit Provider for Pooled Loan Program

Sena Mitchell presented Truist as a credit provider for the Pooled Loan Program.

Howard McKinnon, Havana, expressed his confidence in the FMPA staff. Still wanted to mention the minimum loan amount of 2 million. Havana would not be able to take advantage of this opportunity due to the minimum loan amount. Asked for FMPA staff to see if there is a better option available.

Rich Popp said that while Truist's preference is 2 million dollars and that is what they committed to, they may be open to other smaller loan amounts. Asked for those who may have a need for a smaller loan amount to bring it forward for FMPA to negotiate with Truist.

Jody Finklea explained that if we presented Truist with the request for a loan less than 2 million, they would most likely change the rate. Our current goal is to build a banking relationship with Truist so we have a lending facility in place for all members' projects.

Javier Cisneros, Fort Pierce, asked if FMPA would be named in the loan.

Jody Finklea explained that in the Interlocal Act adopted by the legislature, we specifically included the ability for the agency to make loans to participants. FMPA would only be backing the administration of the loan. FMPA would not be responsible.

MOTION: Howard McKinnon, Havana, moved to approval of Loan Agreement and Participant Loan Agreement documents adding Truist as the Credit Provider for the Initial Pooled Loan Project. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 7-0.

- b. Approval of the revised procurement and spending authority limits as presented and recommended to the Board of Directors and Executive Committee.

Danyel Marrero presented the Approval of Procurement and Spending Authority Modifications for FY 2025.

Howard McKinnon, Havana, asked why the procurement threshold amount needs to be higher.

Danyel Sullivan-Marrero explained that in general the expenses are quite a bit higher in the field than at the agency.

Javier Cisneros, Fort Pierce, asked if all amounts are previously approved in projects.

Danyel Sullivan-Marrero explained the amounts are just for the approval process. While the amounts have already been approved in the budget, it's the authority level and how many people have to approve an invoice.

Howard McKinnon, Havana, asked if the amount is above the budget, what is the process?

Jacob Williams confirmed anything over the approved budget has to be brought back to the committee for approval.

MOTION: Javier Cisneros, Fort Pierce, moved approval of the revised Procurement and Spending Authority Limits as presented and recommended to the Board of Directors and Executive Committee. Howard McKinnon, Havana, seconded the motion. Motion carried 7-0.

- c. Recommended Approval of Resolution 2024-EC4 for Budget Amendment for All-Requirements Power Supply Project.

Denise Fuentes presented the Approval of Resolution 2024-EC4.

Howard McKinnon, Havana, asked the reason for this requested increase and asked if gas sales will cover this increase.

Jacob Williams confirmed sales will cover the requested increase.

Rich Popp explained Louis DeSimone's report indicates an excess of \$300K made in sales.

Jacob Williams explained gas was only needed for ARP and remaining amount sold to 3rd party priced at market. There is no prepaid discount for 3rd party sales.

MOTION: Kevin Crawford, Kissimmee, moved approval of recommendation of Resolution 2024-EC4 to the Executive Committee for approval to increase the Fiscal Year 2024 All-Requirements Project budget spending authority by \$10,000,000. Howard McKinnon, Havana, seconded the motion. Motion carried 7-0.

d. Recommended Approval of Allowing Certain Previously Budgeted ARP Capital Project Dollars to be Spent During FY 2025.

Jason Wolfe presented the Approval of Allowing Previously Budgeted ARP Capital Project Dollars to be Spent During FY 2025.

Jason Wolfe confirmed the cost of the projects have already been funded, therefore, there is no rate impact.

Howard McKinnon, Havana, requested to be provided with any updates but did not see any issues with approving the rollover FY24 funds to be spent in FY25.

Jason Terry, Kissimmee, wanted clarification on if the \$4.3 million was specific to these projects or if it is put into a bucket.

Jason Wolfe confirmed the \$4.3 million is specific to certain projects and is a separate bucket from the \$36 million capital.

Howard McKinnon, Havana, asked what the plan would be if the projects exceeded the \$4.3 million.

Ken Rutter explained that while each project needs to get done as some point, some projects have more flexibility based on priority level.

Jacob Williams confirmed if the projects exceed the \$4.3 million, we either manage the projects so they are not an issue, or we come back to the committee for approval on the next steps.

MOTION: Javier Cisneros, Fort Pierce, moved approval of allowing \$4.3 million of specified FY 2024 capital projects to be completed during FY 2025 without counting towards the FY 2025 capital budget for spending purposes, pursuant to the Asset Management & Operations

Policy. Howard McKinnon, Havana, seconded the motion. Motion carried 7-0.

e. Recommended Approval of Moving Stanton II Project Funds

Louis DeSimone presented Approval of Moving Stanton II Project Funds.

Howard McKinnon, Havana, asked how rates would be affected by this transfer of funds.

Jason Wolfe explained there would be no rate impact because we bill based on actual. The money being spent upfront is going towards inventory. OUC did not expect to hit 520,000 tons of coal. They have a minimum take with CSX and more coal was coming in than burning due to the gas prices being much less. This reason resulted in a cash burden on the project.

Jacob Williams further explained that our rates are based on what we actually burn, not based on the inventory.

MOTION: Kevin Crawford, Kissimmee, moved approval of recommending to the Board of Directors that \$3 million be transferred from the Stanton II Project General Reserve Fund to the Project's Operation and Maintenance Fund, with repayment of the funds planned to be included as part of the proposed FY 2026 Stanton II Project Budget. Howard McKinnon, Havana, seconded the motion. Motion carried 7-0.

f. Recommended Approval of the 2022-2023 OUC Audit Report

Liyuan Woerner presented the 2022-2023 OUC Audit Report

Liyuan Woerner stated OUC was supposed to pay owed amount from agreed audit findings by September 2, 2024. Since payment has not been received as of September 16th, 2024, interest will need to be recalculated.

Howard McKinnon asked how much a consultant would cost to conduct a review of FMPA's audit to determine if additional findings are valid and if FMPA should continue to audit OUC as they have in previous years.

Rich Popp estimated a consultant to cost approximately \$20K. Stated an outside consultant would provide insight into if FMPA's findings are valid.

Javier Cisneros, Fort Pierce, asked if the consultant finds FMPA to be correct, would that be enough to resolve with OUC.

Jody Finklea explained that both FMPA and OUC would have to agree. The consultant would not resolve the disagreement. OUC could still opt to not pay based on FMPA's findings.

MOTION: Javier Cisneros, Fort Pierce, moved approval of the 2022-2023 OUC Audit Report and recommend to the Board of Directors. Howard McKinnon, Havana, seconded the motion. Motion carried 7-0.

ITEM 9 – INFORMATION ITEMS

a. Operational Audit Report – Procurement Audit

Liyuan Woerner presented the Operational Audit Report

b. All-Requirements Debt Financing Plan

Rich Popp presented the All-Requirements Debt Financing Plan.

ITEM 10 – REPORTS

a. Risk Compliance Review Report

No findings.

ITEM 11 – COMMENTS

Javier Cisneros, Fort Pierce,

ITEM 12 – ADJOURNMENT

There being no further business, the meeting was adjourned at 3:36 p.m.

Approved Date _____

RP/lj

**AGENDA ITEM 6 – CHAIRPERSON'S
REMARKS**

**Finance Committee Meeting
December 11, 2024**

AGENDA ITEM 7 – CFO REPORT

**Finance Committee Meeting
December 11, 2024**

AGENDA ITEM 8 – ACTION ITEMS

- a. Approval of CY 2025 Meeting Dates**

**Finance Committee Meeting
December 11, 2024**



FC 8a – Approval of Proposed Meeting Dates for 2025

Finance Committee

December 11, 2024

Proposed Meeting Dates for 2025

Finance Committee

Meeting Dates

January 15 (3:30-4:30)

April 16 (Agency Budget) (3:30-4:30)

May 14 (2:00-3:00)

June 12 (ARP Budget Approval) (2:00-3:00)

June 25 (2:00-3:00)

August 20 (2:00-3:00)

Meeting Dates

September 17 (2:00-3:00)

December 10 (2:00-3:00)

Recommended Motion

- Move approval of the recommended meeting schedule for calendar year 2025.

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**a. Unaudited Annual Debt Report as
of September 30, 2024**

**Finance Committee Meeting
December 11, 2024**



9a – Unaudited Annual Debt Report As of Sept. 30, 2024

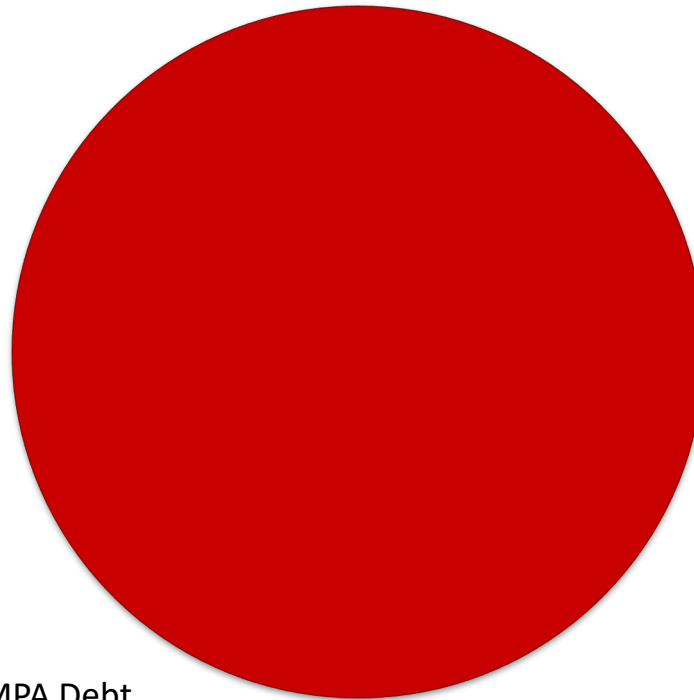
Finance Committee

December 11, 2024

100% of Project Debt is Fixed

The \$15 million Variable Rate ARP Pooled Loan paid in full 9/3/24

Total Fixed Rate Debt:
\$845,648,500
100%



Includes All of FMPA Debt

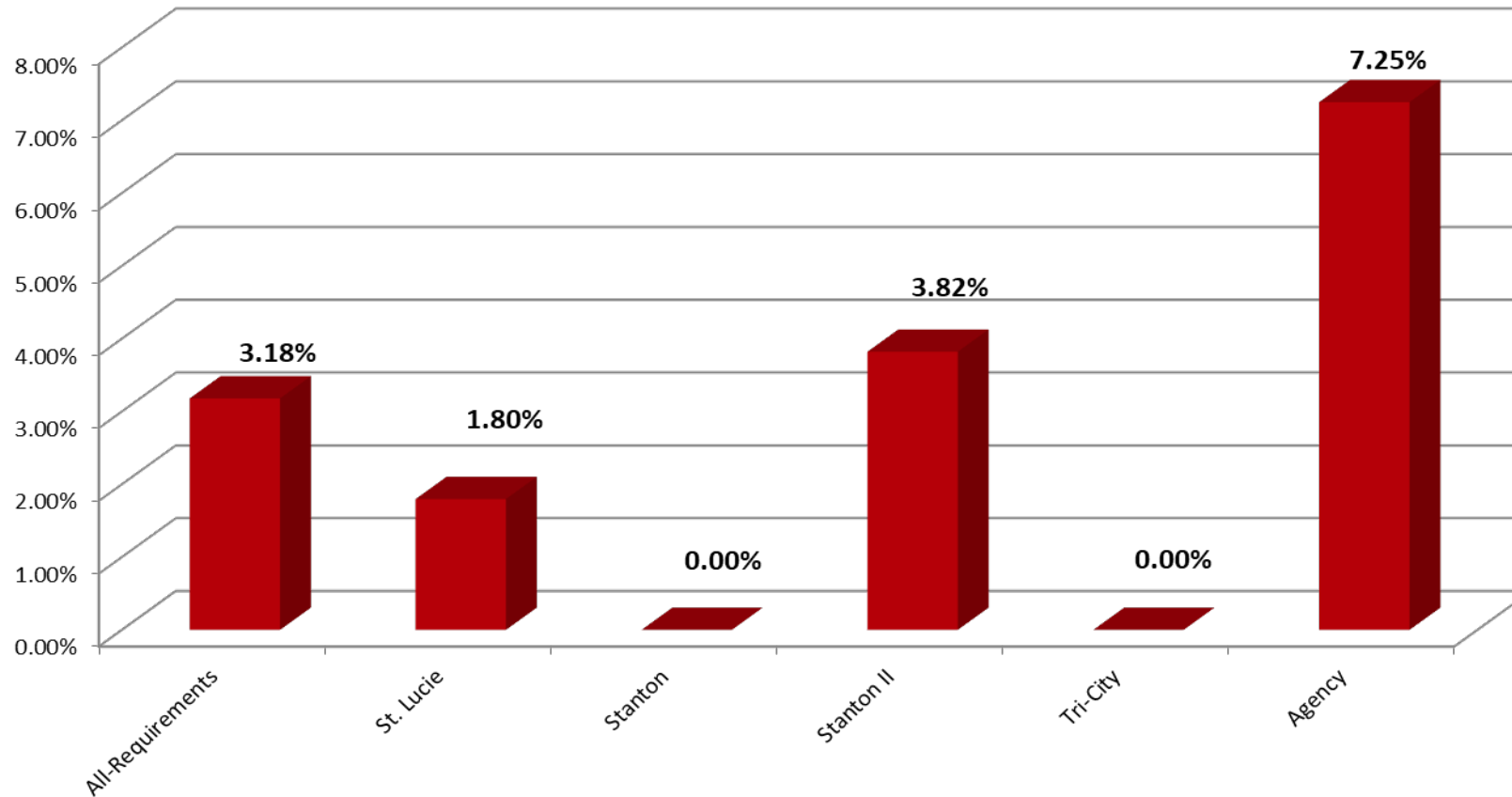
FMPA's Total Debt Decreased By \$72.5M in 2024

\$ 1 million Agency Pooled Loan added 10/30/23

Project	9/30/24 \$'s in 000's	9/30/23 \$'s in 000's	Debt Reduction \$'s in 000's
All-Requirements	732,410	791,395	(58,985)
St. Lucie	50,600	53,285	(2,685)
Stanton	0	0	0
Stanton II	61,639	73,464	(11,825)
Tri-City	0	0	0
Agency	1,000	0	0
Total	\$845,649	\$918,144	(\$72,495)

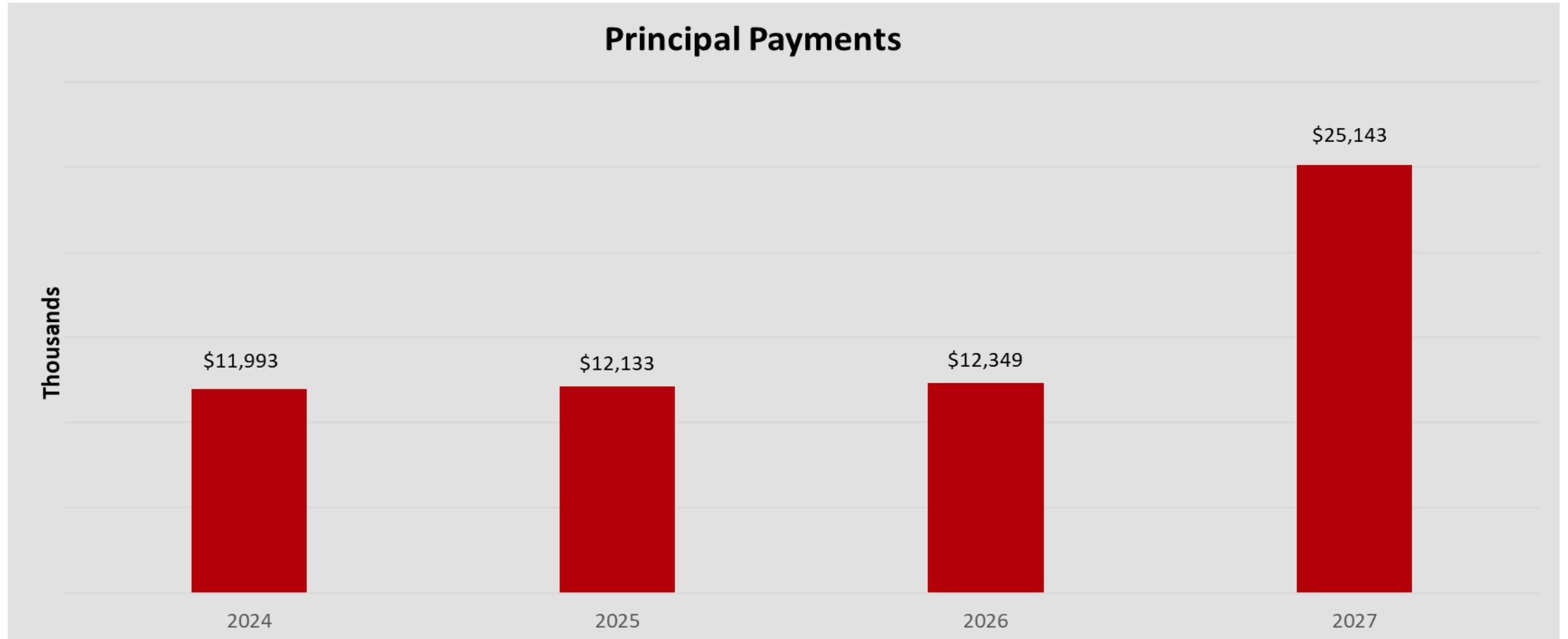
True Interest Cost of Debt by Project

The Agency Pooled Loan issued at prevailing interest rate of 7.25%



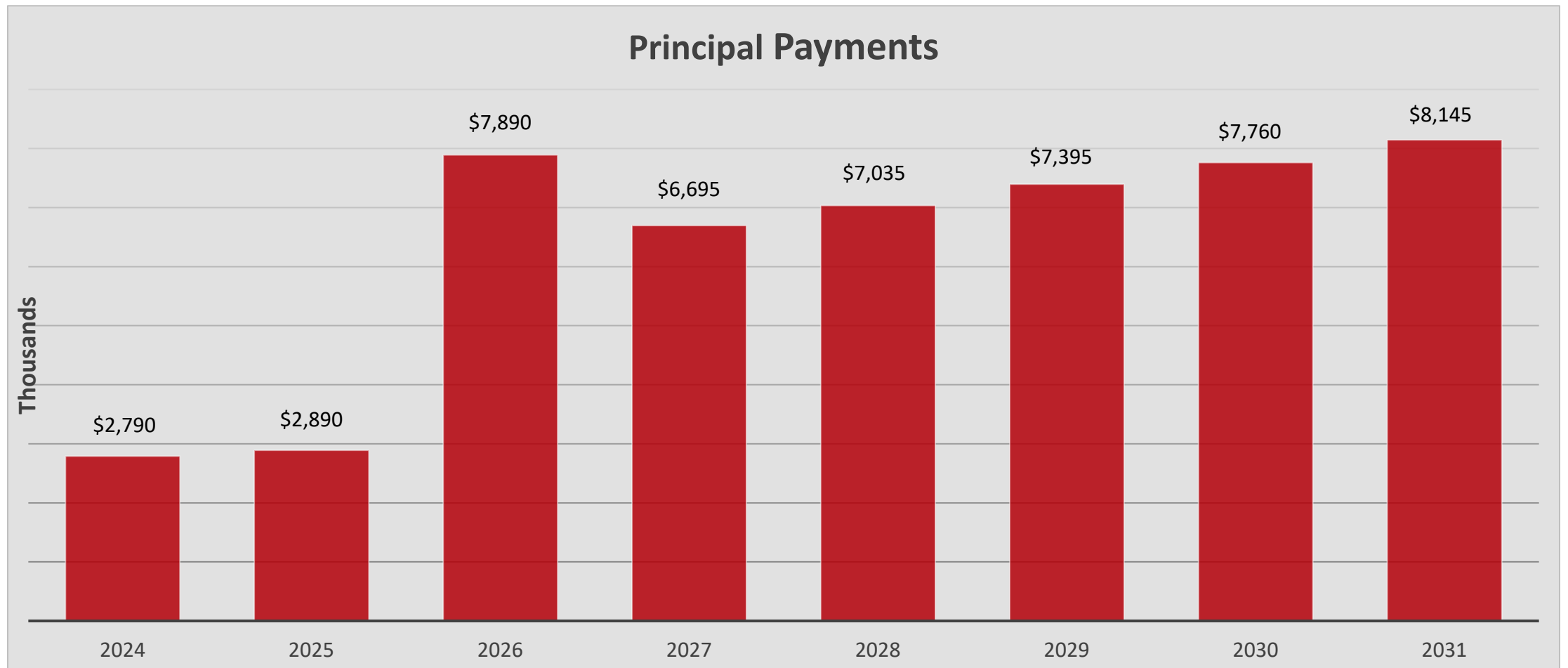
Stanton II General Reserve Will Fund Final Payment

No Additional Rate Impact In 2027 For Balloon Payment



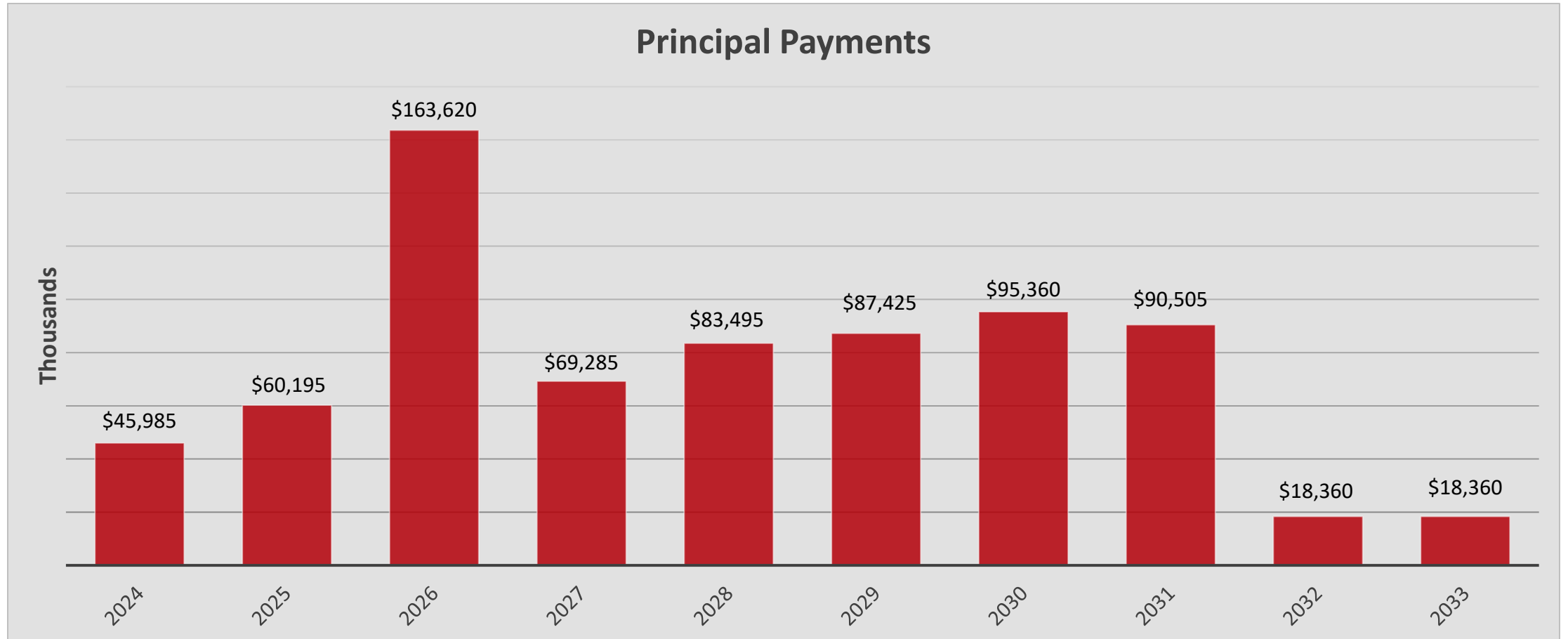
St. Lucie's 2021B Transaction Amortizes Balloon Payment

2021B Closed in July 2022, Principal Payments 2026 to 2031



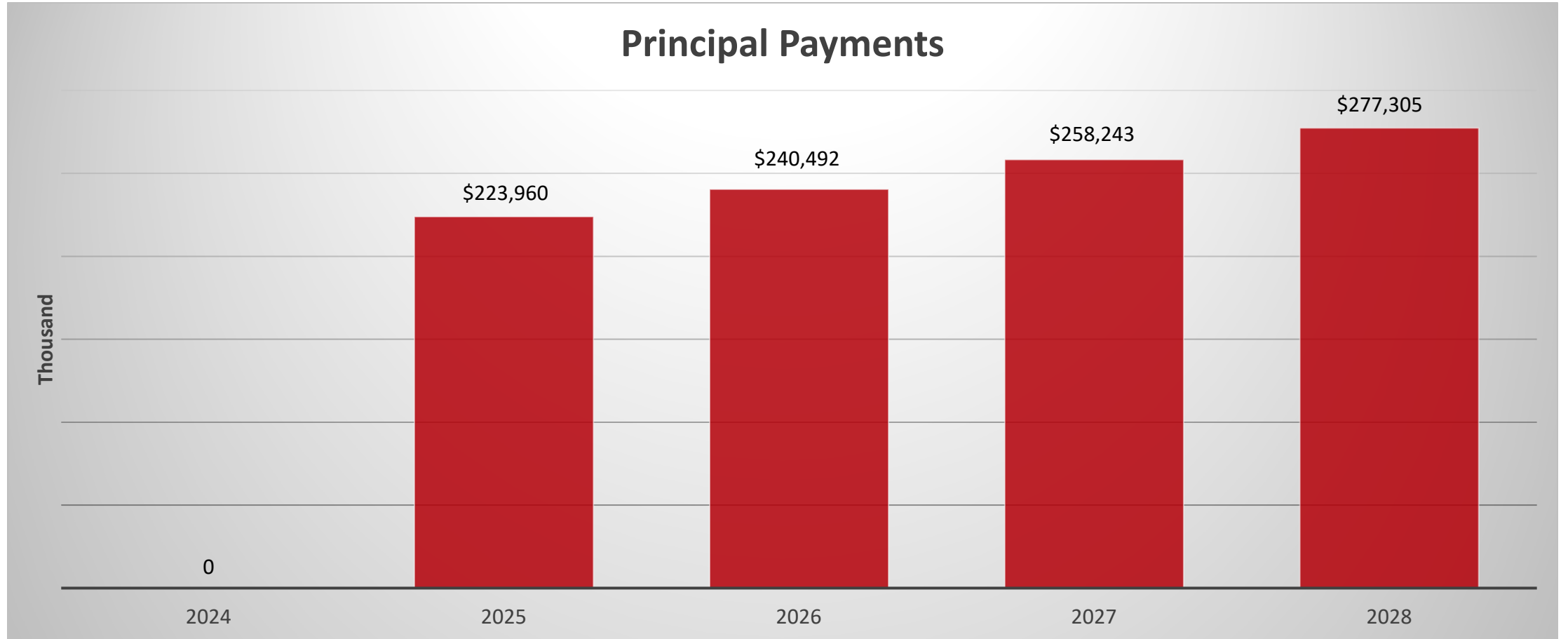
ARP Principal Structure Trends with MWh Sales

\$100M Liquidity Funds Due in 2026



Agency Pooled Loan

5 years term with 4-year amortization





QUESTIONS



ARP Bonds Purpose of Bonds Summary

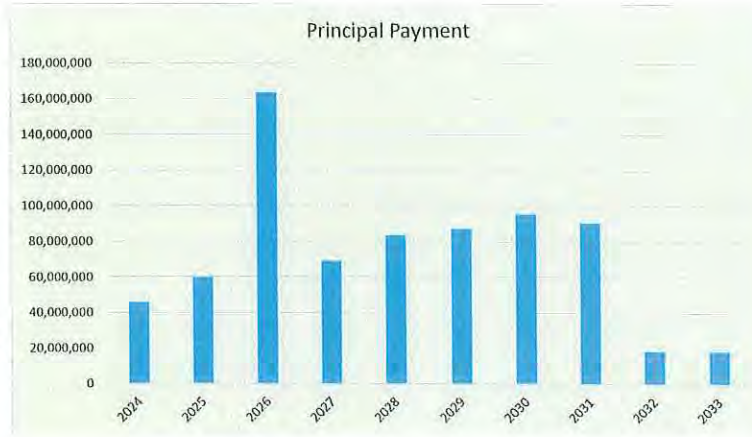
	Total Amount Issued (millions)	Purpose	Amount Outstanding as of 9/30/2024
ARP 2015B	\$115,770,000	Pay off 100% of the Taylor Swap termination fees and draws under the credit agreement	\$71,950,000
ARP 2016A	\$424,120,000	Refunded portion of 2008A and 2009A bonds	\$290,680,000
ARP 2017A	\$69,625,000	Refund 2011A-1, 2011B and interest rate swaps associated with the bonds	\$69,625,000
ARP 2017B	\$52,925,000	Refund 2011A-2 and interest rate swap associated with the bond	\$29,930,000
ARP 2018A	\$57,790,000	Refund all outstanding 2008A Bonds maturing on and after October 1, 2020	\$57,790,000
ARP 2019A	\$75,220,000	Refund 2008C and interest rate swaps associated with the bonds	\$75,220,000
ARP 2021A	\$36,720,000	To fund a portion of the ARP Project capital program for the next 3 years	\$36,720,000
ARP 2021B	<u>\$100,495,000</u>	To provide liquidity to FMPA to replace the liquidity provided from existing lines of credit	<u>\$100,495,000</u>
Total	<u>\$932,665,000</u>		<u>\$732,410,000</u>

Non-ARP Bonds Purpose of Bonds Summary

Series	Total Amount Issued (millions)	Purpose	Amount Outstanding as of 9/30/2024
St Lucie 2013A	\$24,305,000	Finance capital improvements	\$4,400,000
St Lucie 2021A	\$14,775,000	Refund 2011B bonds	\$12,280,000
St Lucie 2021B	<u>\$33,920,000</u>	Refund 2012A bonds	<u>\$33,920,000</u>
Total	<u>\$73,000,000</u>		<u>\$50,600,000</u>
Stanton II 2017A	\$21,888,000	Refund 2000 auction rate securities and interest rate swaps	\$19,566,000
Stanton II 2017B	\$50,019,000	Refund 2004 auction rate securities and interest rate swaps	\$20,469,000
Stanton II 2020-1	\$3,921,350	Pooled Loan refunded 2009A bonds	\$1,933,500
Stanton II 2022A	<u>\$25,510,000</u>	Refund 2012A bonds	<u>\$19,670,000</u>
Total	<u>\$101,338,350</u>		<u>\$61,638,500</u>
Agency 2023-1	<u>\$1,000,000</u>	Software subscription	<u>\$1,000,000</u>
	<u>\$1,000,000</u>		<u>\$1,000,000</u>

ARP - CALCULATION BASED ON AVERAGE FY25 BILLING DEMAND

	Average Monthly Billing Demand (MW) FY 2025	% of Total	Bonds, Notes and Loans Outstanding as of 9/30/2024 ¹
Bushnell	12.289	1.0%	7,073
Clewiston	18.925	1.5%	10,893
Fort Meade	9.320	0.7%	5,365
Fort Pierce	101.856	8.0%	58,628
Green Cove Springs	21.902	1.7%	12,607
Havana	4.935	0.4%	2,841
Jacksonville Beach	153.484	12.1%	88,345
KUA	373.385	29.3%	214,919
Key West	139.693	11.0%	80,407
Lake Worth	0.000	0.0%	0
Leesburg	113.024	8.9%	65,056
Newberry	9.976	0.8%	5,742
Ocala	301.169	23.7%	173,352
Starke	12.480	1.0%	7,183
Total	1,272.438	100.0%	732,410

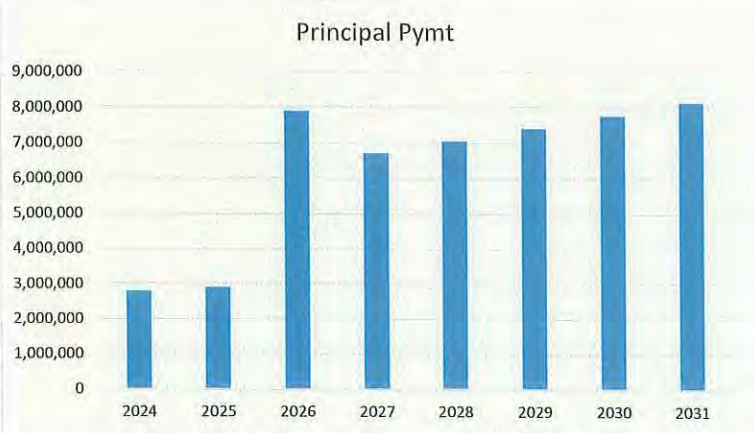


Payment October 1	Principal Payment
2024	45,985,000
2025	60,195,000
2026	163,620,000
2027	69,285,000
2028	83,495,000
2029	87,245,000
2030	95,360,000
2031	90,505,000
2032	18,360,000
2033	18,360,000
	<u>732,410,000</u>

Footnote: ARP Participants' percent of share of ARP debt payments are not fixed and will vary according to the process set forth in the then-current Rate Schedule B-1. Under the current rate mechanism approved by the Executive Committee, annual debt service payments are recovered as part of the ARP demand charge and are allocated to Participants based on the average of their respective monthly peak demands (less Excluded Resource capacity, if any) during the hour of the ARP system peak for the months of June through September over the previous three fiscal years. This allocation methodology is designed to stabilize the ARP demand charge during the year and limit the impact of isolated weather events, varying levels of load growth, and other factors. Amounts shown are for illustrative purposes only and are based on each Participants' average monthly ARP billing demand during Fiscal Year 2024. It is important to note that this calculation is not the same as the calculation of outstanding ARP debt that each Participant would be required to pay in the event it exercised its right to withdraw from the ARP pursuant to Section 29 of the ARP Contract.

ST. LUCIE - Entitlement share by participant

Entitlement Share %	Bonds, Notes and Loans Outstanding as of 9/30/2024 ¹ (\$000)	FY2024 Debt Service Related Budget ^{2,3,4} (\$000)	
ALACHUA	0.431%	218	22
CLEWISTON	2.202%	1,114	115
FORT MEADE	0.336%	170	18
FORT PIERCE	15.206%	7,694	794
GREEN COVE SPRINGS	1.757%	889	92
HOMESTEAD	8.269%	4,184	432
JAX BEACH	7.329%	3,708	383
KISSIMMEE	9.405%	4,759	491
LEESBURG	2.326%	1,177	121
LAKE WORTH	24.870%	12,584	1,298
MOORE HAVEN	0.384%	194	20
NEWBERRY	0.184%	93	10
NEW SMYRNA BEACH	9.884%	5,001	516
STARKE	2.215%	1,121	116
ARP	15.202%	7,692	794
Total	100.000%	50,600	5,220



Payment October 1	Principal Pymt
2024	2,790,000
2025	2,890,000
2026	7,890,000
2027	6,695,000
2028	7,035,000
2029	7,395,000
2030	7,760,000
2031	8,145,000
Total	50,600,000

¹ Makes no assumption about any new debt needs.
² Annual debt-service-related budget amounts may vary by year.
³ Use of monies on hand may reduce total debt service budget amounts collected from rates. As of 9/30/2024, \$39,368,053 (par amt) of investments in the General Reserve, and Contingency related accounts.
⁴ Final debt service payment is October 1, 2031. Plant licensed by NRC to operate until 2043.

Indicates the partial assignment taken from the City of Vero Beach

STANTON II - Entitlement share by participant

	Entitlement Share %	Bonds, Notes and Loans Outstanding as of 9/30/2024 ¹ (\$000)	FY2024 Debt Service Related Budget ^{2,3,4} (\$000)
ARP	16.489%	10,160	2,100
FORT PIERCE	16.489%	10,160	2,100
HOMESTEAD ^A	8.244%	5,080	1,050
KUA ^A	32.977%	20,320	4,199
ST. CLOUD	14.671%	9,040	1,868
KEY WEST	9.893%	6,096	1,260
STARKE	1.237%	762	158
	<u>100.000%</u>	<u>61,618</u>	<u>12,734</u>

^A Reflects impact of 100% and 50% Entitlement Share assignments respectively from Lake Worth and Homestead to KUA.

¹ Makes no assumption about any new debt needs.

² Annual debt-service-related budget amounts may vary by year.

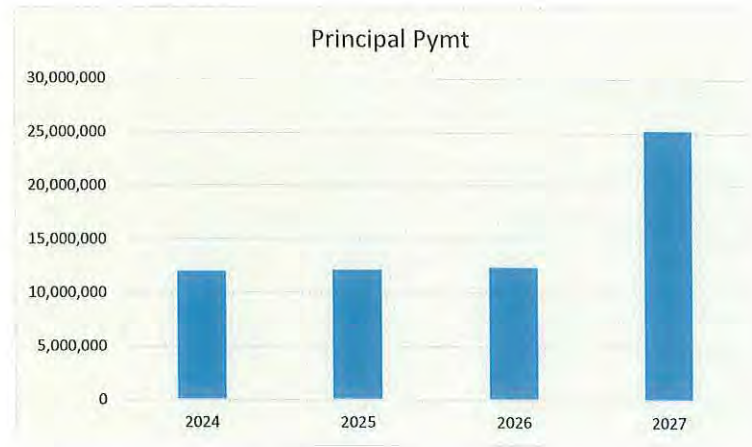
³ Use of monies on hand may reduce total debt service budget amounts collected from rates. As of 9/30/2024, \$30,798,027 (par amt) of investments in the General Reserve, and Contingency related accounts.

⁴ Final debt service payment is October 1, 2027.

⁵ Funds on hand in 2027 will be used to reduce payment amount to typical amount level.

See note ³ above.

Indicates amounts paid by ARP due to Participant being in the ARP
 Indicates the partial assignment taken from the City of Vero Beach



Payment October 1	Principal Pymt
2024	11,993,314
2025	12,132,920
2026	12,348,697
2027	25,143,000
	<u>61,617,931</u> ⁵

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**b. Preliminary Financial Results
for Fiscal Year 2024**

**Finance Committee Meeting
December 11, 2024**



9b - Preliminary Financial Results for Fiscal Year 2024

Finance Committee

December 11, 2024

Purvis Gray & Company

Verbal Presentation to Follow



Financial Statements

For The Fiscal Year Ended September 30, 2024



Member Cities

- Alachua
- Bartow
- Blountstown
- Bushnell
- Chattahoochee
- Clewiston
- Fort Meade
- Fort Pierce
- Gainesville
- Green Cove Springs
- Havana
- Homestead
- Jacksonville
- 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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MANAGEMENT'S DISCUSSION & ANALYSIS

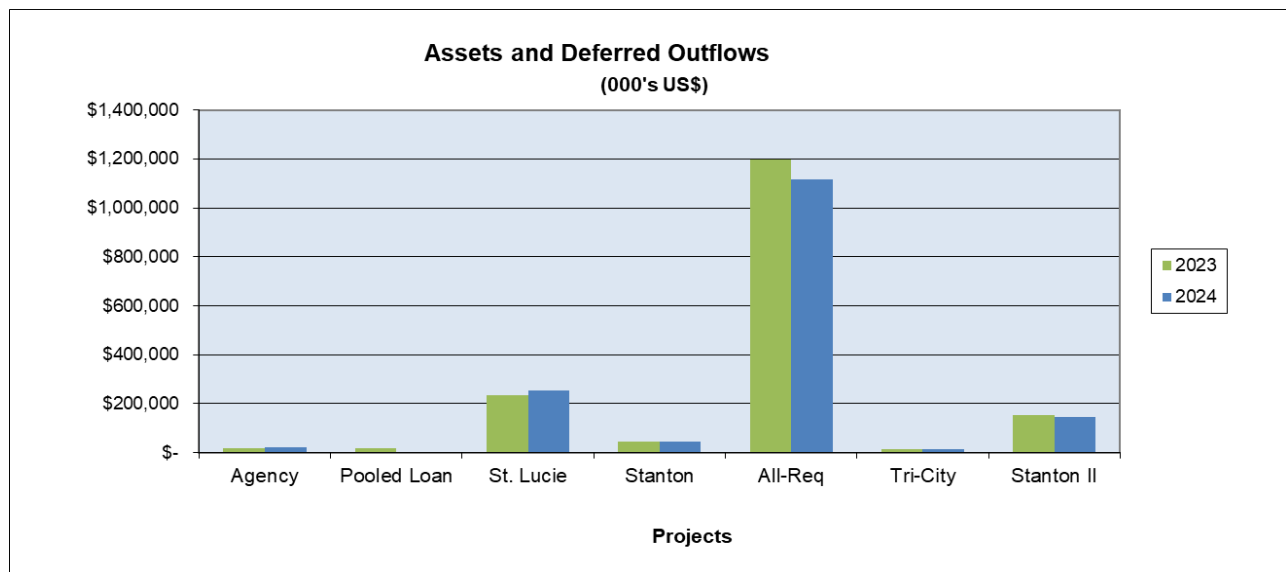
For Fiscal Year Ended September 30, 2024

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, 2024, of FMPA's Agency Fund and other projects decreased \$84.2 million from the prior year



Year	Agency	Pooled Loan	St. Lucie	Stanton	All-Req	Tri-City	Stanton II	Total
2023	\$ 18,418	\$ 17,969	\$ 234,727	\$ 46,727	\$ 1,197,745	\$ 15,630	\$ 151,387	\$ 1,682,603
2024	\$ 20,737	\$ 3,764	\$ 254,392	\$ 43,805	\$ 1,117,988	\$ 13,739	\$ 144,030	\$ 1,598,455
Variance	\$ 2,319	\$ (14,205)	\$ 19,665	\$ (2,922)	\$ (79,757)	\$ (1,891)	\$ (7,357)	\$ (84,148)

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

FINANCIAL HIGHLIGHTS (CONTINUED)

Total Liabilities and Deferred Inflows at September 30, 2024, for FMPA's Agency Fund and other projects decreased by \$85.1 million during the current fiscal year.

Long-Term Liability balance outstanding at September 30, 2024, for FMPA's Agency Fund and Projects was \$1.1 billion, which is about the same as last fiscal year.

Long-Term Bonds balance, less current portion, was \$0.94 billion, including All-Requirements balance of \$842 million.

Total Revenue for Agency and all projects decreased by \$141 million for the current fiscal year, primarily due to decreased billings related to 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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MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

FINANCIAL HIGHLIGHTS (CONTINUED)

Statement of Net Position
Proprietary funds
September 30, 2024
(000's US\$)

2024	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
Assets:								
Capital Assets, Net	\$ 3,351	\$ -	\$ 53,249	\$ 13,434	\$ 595,254	\$ 5,088	\$ 73,905	\$ 744,281
Current Unrestricted Assets	17,001	718	60,603	22,230	273,313	5,427	57,458	436,750
Non-Current Restricted Assets	-	3,046	140,080	7,139	120,340	2,865	9,379	282,849
Other Non Current Assets	385	-	-	-	103,860	-	-	104,245
Deferred Outflows of Resources	-	-	460	1,002	25,221	359	3,288	30,330
Total Assets & Deferred Outflows	\$ 20,737	\$ 3,764	\$ 254,392	\$ 43,805	\$ 1,117,988	\$ 13,739	\$ 144,030	\$ 1,598,455
Liabilities:								
Long-Term Liabilities	\$ 5,841	\$ 2,274	\$ 171,715	\$ 5,059	\$ 871,987	\$ 1,811	\$ 57,314	\$ 1,116,001
Current Liabilities	2,838	1,490	5,417	1,894	196,970	735	15,554	224,898
Deferred Inflows of Resources	-	-	77,260	36,852	49,031	11,193	71,162	245,498
Total Liabilities & Deferred Inflows	\$ 8,679	\$ 3,764	\$ 254,392	\$ 43,805	\$ 1,117,988	\$ 13,739	\$ 144,030	\$ 1,586,397
Net Position:								
Investment in capital assets	\$ 3,351	\$ -	\$ (3,103)	\$ 13,434	\$ (216,752)	\$ 5,088	\$ 13,992	\$ (183,990)
Restricted	100	-	25,177	7,139	102,963	2,865	21,624	159,868
Unrestricted	8,607	-	(22,074)	(20,573)	113,789	(7,953)	(35,616)	36,180
Total Net Position	\$ 12,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,058

Statement of Net Position
Proprietary funds
September 30, 2023
(000's US\$)

2023	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
Assets:								
Capital Assets, Net	\$ 2,577	\$ -	\$ 50,072	\$ 16,916	\$ 591,939	\$ 6,433	\$ 78,446	\$ 746,383
Current Unrestricted Assets	15,793	569	57,321	21,526	390,010	6,350	59,849	551,418
Non-Current Restricted Assets	-	17,400	126,718	7,283	57,909	2,488	9,049	220,847
Other Non Current Assets	48	-	-	-	130,685	-	-	130,733
Deferred Outflows of Resources	-	-	616	1,002	27,202	359	4,048	33,227
Total Assets & Deferred Outflows	\$ 18,418	\$ 17,969	\$ 234,727	\$ 46,727	\$ 1,197,745	\$ 15,630	\$ 151,392	\$ 1,682,608
Liabilities:								
Long-Term Liabilities	\$ 4,619	\$ 16,933	\$ 170,823	\$ 4,823	\$ 951,823	\$ 1,727	\$ 68,936	\$ 1,219,684
Current Liabilities	2,649	1,036	4,418	2,672	185,301	972	17,161	214,209
Deferred Inflows of Resources	-	-	59,486	39,232	60,621	12,931	65,295	237,565
Total Liabilities & Deferred Inflows	\$ 7,268	\$ 17,969	\$ 234,727	\$ 46,727	\$ 1,197,745	\$ 15,630	\$ 151,392	\$ 1,671,458
Net Position:								
Investment in capital assets	\$ 2,508	\$ -	\$ (10,503)	\$ 16,916	\$ (256,843)	\$ 6,433	\$ 7,745	\$ (233,744)
Restricted	-	-	17,086	7,283	96,304	2,489	20,875	144,037
Unrestricted	8,642	-	(6,583)	(24,199)	160,539	(8,922)	(28,620)	100,857
Total Net Position	\$ 11,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,150

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

FINANCIAL HIGHLIGHTS (CONTINUED)

Statements of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For Fiscal Year Ended September 30, 2024

2024	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	\$ 17,627	\$ 42	\$ 36,319	\$ 18,608	\$ 464,065	\$ 6,349	\$ 45,518	\$ 588,528
Sales to others	-	-	2,089	449	101,824	161	704	105,227
Amounts to be recovered from (refunded to) participants	-	(1)	(1,230)	(942)	(25,825)	(371)	(1,121)	(29,490)
Investment Income (loss)	732	1,093	11,524	1,416	14,272	392	3,163	32,592
Total Revenue	\$ 18,359	\$ 1,134	\$ 48,702	\$ 19,531	\$ 554,336	\$ 6,531	\$ 48,264	\$ 696,857
Expenses:								
Operation & Maintenance	-	-	10,618	4,968	76,968	1,777	8,091	102,422
Nuclear Fuel Amortization	-	-	4,283	-	-	-	-	4,283
Purchased power, Transmission & Fuel Costs	-	-	3,752	10,551	349,415	3,805	22,790	390,313
Administrative & General	16,453	44	3,968	1,850	28,784	965	2,653	54,717
Depreciation & Decommissioning	968	-	7,416	4,542	43,542	1,723	6,770	64,961
Interest & Amortization	30	1,090	892	-	31,869	-	2,092	35,973
Environmental remediation costs - net of Insurance	-	-	-	-	-	-	-	-
Total Expense	\$ 17,451	\$ 1,134	\$ 30,929	\$ 21,911	\$ 530,578	\$ 8,270	\$ 42,396	\$ 652,669
Change in net position before regulatory asset adjustment	\$ 908	\$ -	\$ 17,773	\$ (2,380)	\$ 23,758	\$ (1,739)	\$ 5,868	\$ 44,188
Net cost recoverable (refundable)/future Participant billings	-	-	(17,773)	2,380	(23,758)	1,739	(5,868)	(43,280)
Change in Net Position After Regulatory Adj	\$ 908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 908
Net position at beginning of year	11,150	-	-	-	-	-	-	11,150
Net position at end of year	\$ 12,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,058

Statements of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For Fiscal Year Ended September 30, 2023 (000's US\$)

2023	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	\$ 16,925	\$ 97	\$ 39,270	\$ 26,819	\$ 558,208	\$ 11,442	\$ 55,198	\$ 707,959
Sales to others	74	-	3,806	432	113,787	155	678	118,932
Amounts to be recovered from (refunded to) participants	-	(71)	(356)	(1,471)	(6,537)	(519)	(2,445)	(11,399)
Investment Income (loss)	514	920	8,648	766	9,333	204	1,718	22,103
Total Revenue	\$ 17,513	\$ 946	\$ 51,368	\$ 26,546	\$ 674,791	\$ 11,282	\$ 55,149	\$ 837,595
Expenses:								
Operation & Maintenance	-	-	11,249	8,383	87,715	2,999	11,685	122,031
Nuclear Fuel Amortization	-	-	4,391	-	-	-	-	4,391
Purchased power, Transmission & Fuel Costs	-	-	3,733	16,024	420,701	5,753	27,903	474,114
Administrative & General	16,007	31	3,351	1,460	26,133	808	2,075	49,865
Depreciation & Decommissioning	869	-	7,909	4,349	39,723	1,654	6,628	61,132
Interest & Amortization	-	915	946	-	30,193	-	2,383	34,437
Environmental Remediation Costs	-	-	-	-	(1,032)	-	-	(1,032)
Total Expense	\$ 16,876	\$ 946	\$ 31,579	\$ 30,216	\$ 603,433	\$ 11,214	\$ 50,674	\$ 622,907
Change in net position before regulatory asset adjustment	\$ 637	\$ -	\$ 19,789	\$ (3,670)	\$ 71,358	\$ 68	\$ 4,475	\$ 92,657
Net cost recoverable (refundable)/future Participant billings	-	-	(19,789)	3,670	(71,358)	(68)	(4,475)	(92,020)
Change in Net Position After Regulatory Adj	\$ 637	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 637
Net position at beginning of year	10,513	-	-	-	-	-	-	10,513
Net position at end of year	\$ 11,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,150

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

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, 2024. 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 14 through 18 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 2024 and 2023 is shown on pages 8 and 9. A more detailed version of the major fund proprietary financial statements can be found on pages 14 through 16 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 17 and 18 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 19 through 65 of this report.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

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 decreased \$141 million primarily due to decreased natural gas prices.

FINANCIAL ANALYSIS OF FMPA'S FUNDS AND PROJECTS

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

The **Agency Fund** accounts for the administrative activities of FMPA. The expenses incurred while operating the projects and administrative activities are allocated to the power projects, net of any miscellaneous receipts. Total General and Administrative expenses increased \$0.4 million from fiscal year 2023 to fiscal year 2024.

The **Pooled Loan Fund** was re-established during the 2019 fiscal year and has made loans to three 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 three loans to FMPA Projects; the Stanton II Project, the All-Requirements Project, and the Agency Fund, which are included on the Statement of Net Position. The All-Requirements Project loan was paid off during the current fiscal year.

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 658,607 Megawatt-hours (MWh) in fiscal year 2024. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, increased 2.0% to \$55.15 in fiscal year 2024.

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 167,002 MWh in fiscal year 2024. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses increased 6% to \$111.42 per MWh in fiscal year 2024 due to higher coal and natural gas prices utilized by the plant and reduced MWhs sold.

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 decreased 17.9% to \$75.83 per MWh in fiscal year 2024, which is all-inclusive of Energy, Demand and Transmission expenses. The billed Megawatt hours for fiscal year 2024 were 6,119,617.

The All-Requirements participant net cost of power decreased to \$71.61 per MWh in fiscal year 2024, a 21.6% decrease from fiscal year 2023. This decrease was primarily due to lower natural gas fuel expenses. The fuel supply mix was 84.8% for natural gas, 8.4% for coal, .1% for oil 3.9% for purchases 1.2% nuclear and 1.7% for renewables.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

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 2024. 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 61,829 MWh in fiscal year 2024. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, increased (20.0)% to \$102.69 per MWh during fiscal year 2024 primarily due to due to higher coal and natural gas prices utilized by the plant and reduced MWhs sold.

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 398,871 MWh in fiscal year 2024. The average all-inclusive billing rate, which includes budgeted Demand, Energy, and Transmission expenses, increased by 5.6% to \$114.12 per MWh in fiscal year 2024 primarily due to higher coal and natural gas prices utilized by the plant and reduced MWhs sold.

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 budgeted sales to others, a budget amendment for the All Requirements project for an increase of \$10 million was approved in September 2024.

CAPITAL ASSETS AND LONG-TERM DEBT

FMPA's investment in Capital Assets, as of September 30, 2024, was \$744 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 2024 decreased by 0.013% or \$2.1 million, primarily due to asset depreciation outpacing capital investments.

At September 30, 2024, FMPA had Long-term debt of \$0.9 billion in notes, loans, and bonds payable. The remaining principal payments on Long-term debt less current portion, net of unamortized premium and discount, and deferred outflows are as follows:

Project	Amount (000's US \$)
Agency	\$ 890
Pooled Loan Fund	2,274
St. Lucie Project	54,022
All-Requirements Project	841,628
Stanton II Project	49,357
Total	\$ 948,171

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

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Multi-year operational and financial modeling was conducted to arrive at the fiscal year 2024 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.

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, 2024
(000's US\$)

	Business-Type Activities							Totals
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	
ASSETS & DEFERRED OUTFLOWS								
Current Assets:								
Cash and cash equivalents	\$ 4,632	\$ 6	\$ 8,817	\$ 7,851	\$ 58,257	\$ 2,306	\$ 8,104	\$ 89,973
Investments	8,933	-	45,182	9,957	38,926	1,693	28,339	133,030
Participant accounts receivable	1,483	-	2,187	2,056	43,510	591	4,602	54,429
Fuel stock and material inventory	-	-	-	2,329	53,755	833	3,545	60,462
Other current assets	1,853	-	412	37	17,664	4	225	20,195
Restricted assets available for current liabilities	100	712	4,005	-	61,201	-	12,643	78,661
Total Current Assets	17,001	718	60,603	22,230	273,313	5,427	57,458	436,750
Non-Current Assets:								
Restricted Assets:								
Cash and cash equivalents	100	1,093	18,232	1,951	98,941	651	14,981	135,949
Investments	-	-	124,510	5,134	82,186	2,196	6,991	221,017
Accrued interest	-	-	1,343	54	414	18	50	1,879
Loans to Project	-	2,665	-	-	-	-	-	2,665
Less: Portion Classified as Current	(100)	(712)	(4,005)	-	(61,201)	-	(12,643)	(78,661)
Total Restricted Assets	-	3,046	140,080	7,139	120,340	2,865	9,379	282,849
Utility Plant:								
Electric plant	-	-	335,588	98,485	1,463,850	39,010	215,971	2,152,904
General plant	12,762	-	46,547	21	12,005	36	91	71,462
Less accumulated depreciation and amortization	(9,411)	-	(331,585)	(85,072)	(880,612)	(33,958)	(142,157)	(1,482,795)
Net utility plant	3,351	-	50,550	13,434	595,243	5,088	73,905	741,571
Construction work in progress	-	-	2,699	-	11	-	-	2,710
Total Utility Plant, net	3,351	-	53,249	13,434	595,254	5,088	73,905	744,281
Other Assets:								
Net costs recoverable/future participant billings	-	-	-	-	103,313	-	-	103,313
Other	385	-	-	-	547	-	-	932
Total Other Assets	385	-	-	-	103,860	-	-	104,245
Total Assets	20,737	3,764	253,932	42,803	1,092,767	13,380	140,742	1,568,125
Deferred Outflows of Resources								
Deferred Outflows from Asset Retirement Obligations	-	-	-	1,002	1,116	359	1,572	4,049
Deferred Outflows Natural Gas Hedges	-	-	-	-	6,039	-	-	6,039
Unamortized Loss on Advanced Refunding	-	-	460	-	18,066	-	1,716	20,242
Total Deferred Outflows	-	-	460	1,002	25,221	359	3,288	30,330
Total Assets & Deferred Outflows	20,737	3,764	254,392	43,805	1,117,988	13,739	144,030	1,598,455
LIABILITIES, DEFERRED INFLOWS & NET POSITION								
Current Liabilities:								
Payable from unrestricted assets:								
Accounts payable & Accrued Liabilities	2,728	752	182	953	44,281	364	1,790	51,050
Due to Participants	-	26	1,230	941	77,009	371	1,121	80,698
Current Portion of Lease	-	-	-	-	14,479	-	-	14,479
Total Current Liabilities Payable from Unrestricted Assets	2,728	778	1,412	1,894	135,769	735	2,911	146,227
Payable from Restricted Assets:								
Current portion of long-term debt	110	660	2,790	-	45,985	-	12,003	61,548
Accrued interest on long-term debt	-	52	1,215	-	15,216	-	640	17,123
Total Liabilities Payable from Restricted Assets	110	712	4,005	-	61,201	-	12,643	78,671
Total Current Liabilities	2,838	1,490	5,417	1,894	196,970	735	15,554	224,898
Long-Term Liabilities Payable from Restricted Assets:								
Accrued Decommissioning Liability	-	-	117,693	-	-	-	-	117,693
Total Liabilities Payable from Restricted Assets	-	-	117,693	-	-	-	-	117,693
Long-Term Liabilities Less Current Portion:								
Long-term debt	-	-	54,022	-	841,628	-	47,702	943,352
Pooled Loan Fund Non-Conduit Debt	890	2,274	-	-	-	-	1,655	4,819
Other Post-employment Benefits	4,951	-	-	-	-	-	-	4,951
Landfill Closure & Asset Retirement Obligations	-	-	-	5,059	5,632	1,811	7,957	20,459
FMV Derivative Instruments	-	-	-	-	6,039	-	-	6,039
Advances from Participants	-	-	-	-	18,688	-	-	18,688
Total Long-Term Liabilities	5,841	2,274	54,022	5,059	871,987	1,811	57,314	998,308
Deferred Inflows of Resources								
Net cost refundable/future participant billings	-	-	77,260	36,852	-	11,193	71,162	196,467
Acquisition Adjustment - Vero Beach Entitlements	-	-	-	-	49,031	-	-	49,031
Total Deferred Inflows of Resources	-	-	77,260	36,852	49,031	11,193	71,162	245,498
Total Long-Term Liabilities & Deferred Inflows	5,841	2,274	248,975	41,911	921,018	13,004	128,476	1,361,499
Total Liabilities and Deferred Inflows	8,679	3,764	254,392	43,805	1,117,988	13,739	144,030	1,586,397
Net Position:								
Net Investment in Capital Assets	3,351	-	(3,103)	13,434	(216,752)	5,088	13,992	(183,990)
Restricted	100	-	25,177	7,139	102,963	2,865	21,624	159,868
Unrestricted	8,607	-	(22,074)	(20,573)	113,789	(7,953)	(35,616)	36,180
Total Net Position	12,058	-	-	-	-	-	-	12,058
Total Liabilities and Net Position	\$ 20,737	\$ 3,764	\$ 254,392	\$ 43,805	\$ 1,117,988	\$ 13,739	\$ 144,030	\$ 1,598,455

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
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2024
(000's US\$)

	Business-Type Activities							Totals
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	
Operating Revenue:								
Billings to participants	\$ 17,627	\$ 42	\$ 36,319	\$ 18,608	\$ 464,065	\$ 6,349	\$ 45,518	\$ 588,528
Interchange Sales	-	-	-	-	32,423	-	-	32,423
Sales to others	-	-	2,089	449	57,812	161	704	61,215
Amortization of Vero Beach Acquisition Adj. Amounts to be recovered from (refunded to) participants	-	-	-	-	11,589	-	-	11,589
Total Operating Revenue	<u>17,627</u>	<u>41</u>	<u>37,178</u>	<u>18,115</u>	<u>540,064</u>	<u>6,139</u>	<u>45,101</u>	<u>664,265</u>
Operating Expenses:								
Operation and maintenance	-	-	10,618	4,968	76,968	1,777	8,091	102,422
Fuel expense	-	-	-	8,977	272,264	3,241	20,229	304,711
Nuclear fuel amortization	-	-	4,283	-	-	-	-	4,283
Purchased power	-	-	3,261	-	28,796	-	-	32,057
Transmission services	-	-	491	1,574	48,355	564	2,561	53,545
General and administrative	16,453	44	3,968	1,850	28,784	965	2,653	54,717
Depreciation and amortization	968	-	2,040	4,542	43,542	1,723	6,770	59,585
Decommissioning	-	-	5,376	-	-	-	-	5,376
Total Operating Expense	<u>17,421</u>	<u>44</u>	<u>30,037</u>	<u>21,911</u>	<u>498,709</u>	<u>8,270</u>	<u>40,304</u>	<u>616,696</u>
Total Operating Income	<u>206</u>	<u>(3)</u>	<u>7,141</u>	<u>(3,796)</u>	<u>41,355</u>	<u>(2,131)</u>	<u>4,797</u>	<u>47,569</u>
Non-Operating Income (Expense):								
Interest expense	(30)	(1,090)	(736)	-	(27,229)	-	(1,331)	(30,416)
Investment earnings (losses)	732	1,093	11,524	1,416	14,272	392	3,163	32,592
Amortization of Loss on Advanced Refunding	-	-	(156)	-	(4,640)	-	(761)	(5,557)
Total Non-Operating Income (Expenses)	<u>702</u>	<u>3</u>	<u>10,632</u>	<u>1,416</u>	<u>(17,597)</u>	<u>392</u>	<u>1,071</u>	<u>(3,381)</u>
Change in net assets before regulatory asset adjustment	908	-	17,773	(2,380)	23,758	(1,739)	5,868	44,188
Net cost recoverable (refundable)/future participant billings	-	-	(17,773)	2,380	(23,758)	1,739	(5,868)	(43,280)
Change in Net Position After Regulatory Adj	908	-	-	-	-	-	-	908
Net Position at beginning of year	11,150	-	-	-	-	-	-	11,150
Net Position at end of year	<u>\$ 12,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,058</u>

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, 2024
(000's US\$)

	Business-Type Activities- Proprietary Funds							Totals
	Agency Fund	Pooled Loan	St. Lucie Project	Stanton Project	All Requirements Project	Tri-City Project	Stanton II Project	
Cash Flows From Operating Activities:								
Cash Received From Customers	\$ 18,274	\$ 41	\$ 38,981	\$ 17,860	\$ 540,596	\$ 6,383	\$ 43,916	\$ 666,051
Cash Paid to Suppliers	(8,140)	250	(18,111)	(18,069)	(438,038)	(6,782)	(34,584)	(523,474)
Cash Paid to Employees	(8,855)	-	-	-	(3,161)	-	-	(12,016)
Net Cash Provided by (Used in) Operating Activities	\$ 1,279	\$ 291	\$ 20,870	\$ (209)	\$ 99,397	\$ (399)	\$ 9,332	\$ 130,561
Cash Flows From Investing Activities:								
Proceeds From Sales and Maturities Of Investments	\$ 8,893	\$ 14,535	\$ 98,435	\$ 33,900	\$ 213,360	\$ 6,615	\$ 41,311	\$ 417,049
Purchases of Investments	(9,307)	-	(108,537)	(37,190)	(184,190)	(6,231)	(43,359)	(388,814)
Income received on Investments - Less Losses	632	1,094	8,103	1,221	10,273	340	2,339	24,002
Net Cash Provided by (Used in) Investment Activities	\$ 218	\$ 15,629	\$ (1,999)	\$ (2,069)	\$ 39,443	\$ 724	\$ 291	\$ 52,237
Cash Flows From Capital & Related Financing Activities:								
Proceeds from Issuance of Bonds, Loans & Leases	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ 4,153	\$ -	\$ -	\$ 6,153
Debt Issuance Costs	-	-	-	-	-	-	-	-
Capital Expenditures - Utility Plant	(1,742)	-	(9,500)	(1,060)	(46,857)	(378)	(2,229)	(61,766)
Long Term Gas Pre Pay - PGP	-	-	-	-	(774)	-	-	(774)
Principal Payments - Long Term Debt	-	(15,530)	(2,686)	-	(72,464)	-	(11,831)	(102,511)
Interest paid on Debt	(30)	(1,060)	(2,480)	-	(39,347)	-	(1,427)	(44,344)
Development Project (Charges) Refunds	(337)	-	-	-	226	-	-	(111)
Net Cash Provided (Used in) Capital & Related Financing Activities	\$ (1,109)	\$ (15,590)	\$ (14,666)	\$ (1,060)	\$ (155,063)	\$ (378)	\$ (15,487)	\$ (203,353)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 388	\$ 330	\$ 4,205	\$ (3,338)	\$ (16,223)	\$ (53)	\$ (5,864)	\$ (20,555)
Cash and Cash Equivalents - Beginning	4,344	769	22,844	13,140	173,421	3,010	28,949	246,477
Cash and Cash Equivalents - Ending	\$ 4,732	\$ 1,099	\$ 27,049	\$ 9,802	\$ 157,198	\$ 2,957	\$ 23,085	\$ 225,922
Consisting of:								
Unrestricted	\$ 4,632	\$ 6	\$ 8,817	\$ 7,851	\$ 58,257	\$ 2,306	\$ 8,104	\$ 89,973
Restricted	100	1,093	18,232	1,951	98,941	651	14,981	135,949
Total	\$ 4,732	\$ 1,099	\$ 27,049	\$ 9,802	\$ 157,198	\$ 2,957	\$ 23,085	\$ 225,922
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:								
Operating Income (Loss)	\$ 206	\$ (3)	\$ 7,141	\$ (3,796)	\$ 41,355	\$ (2,131)	\$ 4,797	\$ 47,569
Adjustment to Reconcile Net Operating Income to Net Cash Provided by (Used In) Operating Activities:								
Depreciation	968	-	2,040	4,542	43,542	1,723	6,770	59,585
Decommissioning	-	-	5,376	-	-	-	-	5,376
Amortization of Nuclear Fuel	-	-	4,283	-	-	-	-	4,283
Amortization of Pre Paid Gas - PGP	-	-	-	-	774	-	-	774
Amortization of Vero Exit Payment	-	-	-	-	(11,589)	-	-	(11,589)
Changes in Assets and Liabilities Which Provided (Used) Cash:								
Inventory	-	-	-	(670)	(10,435)	(240)	(1,319)	(12,664)
Receivables From (Payable to) Participants	647	-	1,803	(255)	12,121	244	(1,185)	13,375
Prepays	(953)	-	156	(18)	24,441	10	(57)	23,579
Accounts Payable and Accrued Expense	411	294	71	(12)	(812)	(5)	326	273
Other Deferred Costs	-	-	-	-	-	-	-	-
Net Cash Provided By (Used In) Operating Activities	\$ 1,279	\$ 291	\$ 20,870	\$ (209)	\$ 99,397	\$ (399)	\$ 9,332	\$ 130,561
Noncash Investing, capital and financing activities:								
Increase (Decrease) in mark to market values Investments	\$ 100	\$ -	\$ 3,363	\$ 186	\$ 3,872	\$ 49	\$ 804	\$ 8,374

The accompanying notes are an integral part of these financial statements

FLORIDA MUNICIPAL POWER AGENCY
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2024
(000's US\$)

	Custodial Funds
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 20,727
Investments	11,622
Accrued Interest	83
Due from participants	44
Total Assets	<u>32,476</u>
LIABILITIES	
Accrued Arbitrage Rebate Liability	176
Total liabilities	<u>176</u>
Net Position	
Restricted for other governments	<u>\$ 32,300</u>

FLORIDA MUNICIPAL POWER AGENCY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2024
(000's US\$)

Additions

Contributions		
Received from other governments - Investment	\$	-
Received from other governments - Loan Proceeds and issue costs		-
Received from other governments - Rate Stabilization		21,980
Investment Income		2,692
Total additions	\$	<u>24,672</u>

Deductions

Paid to other governments - Loan Proceeds	\$	1,567
Paid to other governments - Investment Returned		19,000
Paid to other governments - Rate Stabilization		22,065
Bank Charges		3
Total deductions	\$	<u>42,635</u>

Change in net position	\$	(17,963)
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Net position, beginning of year		<u>50,263</u>
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Net position, end of year	\$	<u><u>32,300</u></u>
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The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, FMPA has 33 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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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. In FY2024, FMPA purchased the Orlando Co-Gen power plant in Orlando, renamed the Sand Lake Energy Center and the Polk Power Partners power plant in Bartow, renamed the Mulberry Energy Center. 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 15 years to 40 years.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

I. Summary of Significant Accounting Policies (continued)

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

2. Capital Assets

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, 2024, the Agency Fund had a liability for unused vacation of \$1,044,660 and a liability of \$687,602 for unused sick/personal leave. The All-Requirements Project had a liability for unused vacation of \$343,754 and a liability of \$108,802 for sick/personal leave.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, derivative financial instruments, and pollution remediation obligations. Actual results could differ from those estimates.

12. Derivative Financial Instruments

FMPA used commodity futures contracts to hedge the effects of fluctuations in the price of natural gas storage. 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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 (\$119 million) and Accrued Decommissioning Liability (\$118 million) at September 30, 2024. 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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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 \$16.41 million as of September 30, 2024, 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 \$7.77 million over the remaining useful life of the landfill. As of September 30, 2023, and 2024, 80.9% and 85.9%, respective of the total landfill capacity has been used. As of 2024, it is estimated that three years remain on the landfill life base on annual usage of the landfill. An update for 2023 was received which recognized more stringent requirements for the landfill which caused the estimated closure and post closure costs to increase significantly, approximately \$18 million, across the FMPA Projects in fiscal year 2023 which also included increased requirements on previously closed landfill cells. The landfill operator has put aside the necessary funds to meet the requirements of the State of Florida

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, 2024 is:

	Stanton Project	All-Req Project	Tri-City Project	Stanton II Project	Total
Landfill Closure Costs					
Total Exposure	\$ 4,723	\$ 5,258	\$ 1,690	\$ 7,433	\$ 19,104
Remaining Liability	(666)	(741)	(238)	(1,048)	(2,693)
Total Liability at September 30	\$ 4,057	\$ 4,517	\$ 1,452	\$ 6,385	\$ 16,411
Closure Liability	\$ 1,921	\$ 2,137	\$ 688	\$ 3,023	\$ 7,769
Post Closure Liability	2,136	2,379	764	3,362	8,641
Asset Retirement Obligation	1,002	1,116	359	1,572	4,049
Total Landfill Closure and Asset Retirement Obligation	<u>\$ 5,059</u>	<u>\$ 5,632</u>	<u>\$ 1,811</u>	<u>\$ 7,957</u>	<u>\$ 20,459</u>

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IV. Capital Assets

A description and summary as of September 30, 2024, 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, 2024 was as follows:

	Beginning Balance	September 30, 2024		Ending Balance
		Increases*	Decreases*	
(000's US\$)				
Land	\$ 653	\$ -	\$ -	\$ 653
General Plant	9,878	1,672	-	11,550
Subscription Based IT Agreements	489	70	-	559
General Plant in Service	<u>\$ 11,020</u>	<u>\$ 1,742</u>	<u>\$ -</u>	<u>\$ 12,762</u>
Less Accumulated Depreciation	(8,106)	(845)	-	(8,951)
Less Accumulated Amortization on SBITA	<u>\$ (337)</u>	<u>\$ (123)</u>	<u>\$ -</u>	<u>\$ (460)</u>
Total Accumulated Deprn and Amort	<u>\$ (8,443)</u>	<u>\$ (968)</u>	<u>\$ -</u>	<u>\$ (9,411)</u>
General Plant in Service, Net	<u>\$ 2,577</u>	<u>\$ (662)</u>	<u>\$ -</u>	<u>\$ 3,351</u>

* Includes Retirements Less Salvage

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, was as follows:

	Beginning Balance	September 30, 2024		Ending Balance
		Increases	Decreases*	
		(000's US\$)		
Land	\$ 75	\$ -	\$ -	\$ 75
Electric Plant	332,046	3,467	-	335,513
General Plant	1,208	-	-	1,208
Nuclear Fuel	41,622	3,717	-	45,339
Construction work in process	654	2,045	-	2,699
Electric Utility Plant in Service	\$ 375,605	\$ 9,229	\$ -	\$ 384,834
Less Accumulated Depreciation	(325,533)	(6,323)	271	(331,585)
Utility Plant in Service, Net	<u>\$ 50,072</u>	<u>\$ 2,906</u>	<u>\$ 271</u>	<u>\$ 53,249</u>

* Includes Retirements Less Salvage

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

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, 2024, was as follows:

	Beginning Balance	September 30, 2024		Ending Balance
		Increases	Decreases*	
		(000's US\$)		
Land	\$ 125	\$ -	\$ -	\$ 125
Electric Plant	97,300	1,060	-	98,360
General Plant	21	-	-	21
Electric Utility Plant in Service	\$ 97,446	\$ 1,060	\$ -	\$ 98,506
Less Accumulated Depreciation	(80,530)	(4,542)	-	(85,072)
Utility Plant in Service, Net	<u>\$ 16,916</u>	<u>\$ (3,482)</u>	<u>\$ -</u>	<u>\$ 13,434</u>

* Includes Retirements Less Salvage

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, Mulberry Energy Center, Sand Lake 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 KUA – TARP Lease Obligation. See footnote IX.A.5 for more detail on the KUA – TARP Lease Obligation.

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

Depreciation of plant assets and amortization of 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 *
• Mulberry Energy Center	15 years
• Sand Lake Energy Center	15 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, 2024, was as follows:

	September 30, 2024			Ending Balance
	Beginning Balance	Increases	Decreases*	
	(000's US\$)			
Land	\$ 13,405	\$ 2,084	\$ -	\$ 15,489
Electric Plant	1,405,335	43,026		1,448,361
General Plant	6,178	5,770		11,948
Subscription Based IT Agreements	57			57
CWIP	4,058	(4,047)		11
Electric Utility Plant in Service	<u>\$ 1,429,033</u>	<u>\$ 46,833</u>	<u>\$ -</u>	<u>\$ 1,475,866</u>
Less Accumulated Depreciation	\$ (837,043)	\$ (43,536)	\$ 24	\$ (880,555)
Less Accumulated Amortization SBITA	\$ (51)	(6)		(57)
Total Accumulated Deprn and Amort	<u>\$ (837,094)</u>	<u>\$ (43,542)</u>	<u>\$ 24</u>	<u>\$ (880,612)</u>
Utility Plant in Service, Net	<u>\$ 591,939</u>	<u>\$ 3,291</u>	<u>\$ 24</u>	<u>\$ 595,254</u>

*Includes Retirements Less Salvage

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IV. Capital Assets (continued)

A. 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, 2024, was as follows:

	Beginning Balance	September 30, 2024		Ending Balance
		Increases	Decreases*	
		(000's US\$)		
Land	\$ 48	\$ -	\$ -	\$ 48
Electric Plant	38,584	378	-	38,962
General Plant	36		-	36
Electric Utility Plant in Service	\$ 38,668	\$ 378	\$ -	\$ 39,046
Less Accumulated Depreciation	(32,235)	(1,723)	-	(33,958)
Utility Plant in Service, Net	<u>\$ 6,433</u>	<u>\$ (1,345)</u>	<u>\$ -</u>	<u>\$ 5,088</u>

B. 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, 2024, was as follows:

	Beginning Balance	September 30, 2024		Ending Balance
		Increases	Decreases*	
		(000's US\$)		
Land	\$ 217	\$ -	\$ -	\$ 217
Electric Plant	213,525	2,229	-	215,754
General Plant	91	-	-	91
Electric Utility Plant in Service	\$ 213,833	\$ 2,229	\$ -	\$ 216,062
Less Accumulated Depreciation	(135,387)	(6,770)	-	(142,157)
Utility Plant in Service, Net	<u>\$ 78,446</u>	<u>\$ (4,541)</u>	<u>\$ -</u>	<u>\$ 73,905</u>

* Includes Retirements Less Salvage

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

V. Cash, Cash Equivalents, and Investment

A. Cash and Cash Equivalents

At September 30, 2024, 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 four financial institutions. All of FMPA's demand deposits at September 30, 2024, were insured by Federal Depository Insurance Corporation (FDIC) or collateralized pursuant to the Public Depository Security Act of the State of Florida. Current unrestricted cash and cash equivalents are used in FMPA's funds' and projects' day-to-day operations.

B. Investments

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

Investments at September 30, 2024 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.

Credit Risk

FMPA's investment policy sets minimum credit rating standards for rated fixed income securities. Corporate notes must have minimum credit rating of A, irrespective of any gradation within that rating. Municipal bonds and commercial paper must be rated within the two highest rating categories, while money market funds are required to be rated in the highest rating category. US Treasuries and Agency investments, recognized as some of the safest fixed income securities, presently carry Aaa ratings from Moody's and AA+ ratings from Standard & Poor's. Additionally, US Treasuries are rated AA+ by Fitch. Moreover, FMPA imposes diversification limits to mitigate the risk of excessive credit exposure in any singular investment or asset category.

Custodial Credit Risk

All investment security transactions, including collateral for repurchase agreements, entered into by FMPA are settled on a delivery versus payment (DVP) basis. Securities are held by a third party Custodian or Trustee and evidenced by trade confirmations and bank statements. All securities purchased by FMPA are properly designated as an asset of the Agency or its Projects and held by a third party Custodial or Trustee institution.

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 assess credit and interest rate risks. FMPA's investment policy imposes specific limits on the types and concentrations of investments. Commercial paper and municipal bonds cannot exceed 50% of any project's investments. Investments in corporate notes, money markets and other investment funds are also restricted to 30% of a project's assets. Exposure to any single issuer is limited to 25% for money markets and agencies, 20% for municipal bonds, and 10% for commercial paper, corporate notes, and CDs. As of September 30, 2024, no project exceeded these concentration limits by investment type or issuer.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024 <i>(000's US\$)</i>	Weighted Average Maturity (Days)	Credit Rating *
Restricted			
Cash and Cash Equivalents	\$ 100		
Unrestricted			
Cash and Cash Equivalents	\$ 4,632		
US Gov't/Agency Securities*	4,004	315	Aaa/AA+/AA+
Commercial Paper	2,458	195	P-1/A-1+ to A-1/F1
Corporate Notes	2,471	210	Aa3 to A1/AA+ to A-/AA+ to A+
Total Unrestricted	<u>\$ 13,565</u>		
Total	<u>\$ 13,665</u>		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the Agency at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
	Agency Obligations	\$ -	\$ 1,505
US Treasury Obligations	2,499		
Corporate Notes		2,471	
Brokered CDs			
Total By Level	<u>\$ 2,499</u>	<u>\$ 3,976</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 4,732		
Commercial Paper	2,458		
Accrued Interest	46		
Total Money Market and Mutual Fund Instruments	<u>\$ 7,236</u>		
Total Market Value of Assets	\$ 13,711		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(46)	
Market value (less) Accrued Interest	<u>\$ 13,665</u>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024	Weighted Average Maturity (Days)	Credit Rating
	(000's US\$)		
Restricted			
Cash and Cash Equivalents	\$ 1,093		
Total Restricted	<u>\$ 1,093</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 6		
Total Unrestricted	<u>\$ 6</u>		
Total	<u><u>\$ 1,099</u></u>		

Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure

Cash Equivalents	\$ 1,099
Total Money Market and Mutual Fund Instruments	<u>\$ 1,099</u>
Total Market Value of Assets	\$ 1,099
Accrued Interest (including portion within other current assets of Unrestricted Assets)	
Market value (less) Accrued Interest	<u><u>\$ 1,099</u></u>

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024 <i>(000's US\$)</i>	Weighted Average Maturity (Days)	Credit Rating *
Restricted			
Cash and Cash Equivalents	\$ 18,232		
US Gov't/Agency Securities	42,120	663	Aaa/AA+/AA+
Municipal Bonds	9,348	1199	Aa2 to Aa3/AA+ to AA/AA+ to AA
Commercial Paper	11,484	17	P-1/A-1+ to A-1/F1
Corporate Notes	61,558	814	Aaa to A3/AA+ to A-/AAA to A
Brokered CD's	-		
Total Restricted	\$ 142,742		
Unrestricted			
Cash and Cash Equivalents	\$ 8,817		
US Gov't/Agency Securities*	21,065	559	Aaa/AA+/AA+
Municipal Bonds	1,995	32	Aa1 to Aa3/AA+ to AA/AA+ to AA
Commercial Paper	2,721	155	P-1/A-1+ to A-1/F1+ to F1
Corporate Notes	19,401	664	Aaa to A3/AA+ to A-/AAA to A-
Total Unrestricted	\$ 53,999		
Total	\$ 196,741		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the St. Lucie Project at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
Agency Obligations	\$ -	\$ 48,508	\$ -
US Treasury Obligations	14,677		
Municipal Bonds		11,343	
Corporate Notes		80,959	
Brokered CDs		-	
Total By Level	\$ 14,677	\$ 140,810	\$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 27,049		
Commercial Paper	14,205		
Accrued Interest	1,694		
Total Money Market and Mutual Fund Instruments	\$ 42,948		
Total Market Value of Assets	\$ 198,435		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(1,694)	
Market value (less) Accrued Interest	\$ 196,741		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024 <i>(000's US\$)</i>	Weighted Average Maturity (Days)	Credit Rating *
Restricted			
Cash and Cash Equivalents	\$ 1,951		
US Gov't/Agency Securities	2,643	41	Aaa/AA+/AA+
Corporate Notes	1,507	257	Aa2 to A1/AA- to A+/AA- to A
Commercial Paper	984	1	P1/A-1/F1+ to F1
Total Restricted	<u>\$ 7,085</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 7,851		
US Gov't/Agency Securities*	5,517	145	Aaa/AA+/AA+
Commercial Paper	2,482	86	P-1/A-1
Corporate Notes	1,958	255	A-1/A/AA-
Total Unrestricted	<u>\$ 17,808</u>		
Total	<u>\$ 24,893</u>		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the Stanton Project at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
Agency Obligations	\$ -	\$ 4,389	\$ -
US Treasury Obligations	3,771		
Municipal Bonds		-	
Corporate Notes		3,465	
Total By Level	<u>\$ 3,771</u>	<u>\$ 7,854</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 9,802		
Commercial Paper	3,466		
Accrued Interest	91		
Total Money Market and Mutual Fund Instruments	<u>\$ 13,359</u>		
Total Market Value of Assets	\$ 24,984		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(91)	
Market value (less) Accrued Interest	<u>\$ 24,893</u>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024 <i>(000's US\$)</i>	Weighted Average Maturity (Days)	Credit Rating *
Restricted			
Cash and Cash Equivalents	\$ 98,941		
US Gov't/Agency Securities	24,341	347	Aaa/AA+/AA+
Municipal Bonds	29,226	373	Aaa to Aa1/AAA to AA+/ AAA to AA+
Commercial Paper	5,122	178	P-1/A-1/F1
Corporate Notes	23,497	285	Aaa to A3/AA+ to A-/AA- to A
Brokered CD's			
Total Restricted	<u>\$ 181,127</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 58,257		
US Gov't/Agency Securities*	23,790	171	Aaa/AA+/AA+
Municipal Bonds	992	213	Aa2/AA/AA
Commercial Paper	7,913	170	P-1/A-1+ to A-1/F1+ to F1
Corporate Notes	6,001	182	A1 to A2/A+ to A-/A+ to A
Brokered CD's	\$ 230	1240	
Total Unrestricted	<u>\$ 97,183</u>		
Total	<u>\$ 278,310</u>		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the All-Requirements Project at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
	Agency Obligations	\$ -	\$ 20,332
US Treasury Obligations	27,799		
Municipal Bonds		30,218	
Brokered CD's		230	
Corporate Notes		29,498	
Total By Level	<u>\$ 27,799</u>	<u>\$ 80,278</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 157,198		
Commercial Paper	13,035		
Accrued Interest	565		
Total Money Market and Mutual Fund Instruments	<u>\$ 170,798</u>		
Total Market Value of Assets	\$ 278,875		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(565)	
Market value (less) Accrued Interest	<u>\$ 278,310</u>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024	Weighted Average Maturity (Days)	Credit Rating *
	(000's US\$)		
Restricted			
Cash and Cash Equivalents	\$ 651		
US Gov't/Agency Securities	1,250	243	Aaa/AA+/AA+
Municipal Bonds	-		
Commercial Paper	295	172	P-1/A-1/F1
Corporate Notes	651	208	A1/A to A-/A+
Brokered CD's	-		
Total Restricted	<u>\$ 2,847</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 2,306		
US Gov't/Agency Securities	902	235	Aaa/AA+/AA+
Commercial Paper	791	137	P-1/A-1+ to A-1/F1+ to F1
Total	<u>\$ 3,999</u>		
Total	<u>\$ 6,846</u>		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the Tri-City Project at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs
	(Level 1) (000's US\$)	(Level 2) (000's US\$)	(Level 3) (000's US\$)
Agency Obligations	\$ -	\$ 1,404	\$ -
US Treasury Obligations	748		
Municipal Bonds		-	
Corporate Notes		651	
Brokered CD's			
Total By Level	<u>\$ 748</u>	<u>\$ 2,055</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 2,957		
Commercial Paper	1,086		
Accrued Interest	22		
Total Money Market and Mutual Fund Instruments	<u>\$ 4,065</u>		
Total Market Value of Assets	\$ 6,868		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(22)	
Market value (less) Accrued Interest	<u>\$ 6,846</u>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024 <i>(000's US\$)</i>	Weighted Average Maturity (Days)	Credit Rating *
Restricted			
Cash and Cash Equivalents	\$ 14,981		
US Gov't/Agency Securities	2,991	55	Aaa/AA+/AA+
Commercial Paper	1,970	175	P-1/A-1/F1+ to F1
Corporate Notes	2,030	215	Aa3 to A1/AA- to A-/AA- to A
Total Restricted	<u>\$ 21,972</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 8,104		
US Gov't/Agency Securities	19,147	117	Aaa/AA+/AA+
Municipal Bonds	2,864	62	Aa2/AA/ AA
Commercial Paper	2,466	155	P-A/A-1/F1+ to F1
Corporate Notes	3,862	302	Aa3 to A3/AA- to A-/AA- to A
Total Unrestricted	<u>\$ 36,443</u>		
Total	<u>\$ 58,415</u>		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the Stanton II Project at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
Agency Obligations	\$ -	\$ 6,705	\$ -
US Treasury Obligations	15,433		
Municipal Bonds		2,864	
Corporate Notes		5,892	
Total By Level	<u>\$ 15,433</u>	<u>\$ 15,461</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 23,085		
Commercial Paper	4,436		
Accrued Interest	270		
Total Money Market and Mutual Fund Instruments	<u>\$ 27,791</u>		
Total Market Value of Assets	\$ 58,685		
Accrued Interest (including portion within other current assets of Unrestricted Assets)	(270)		
Market value (less) Accrued Interest	<u>\$ 58,415</u>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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

B. Investments (continued)

8. Fiduciary Activities

Cash, cash equivalents and investments for Fiduciary Activities at September 30, 2024, are as follows:

	September 30, 2024	Weighted Average Maturity (Days)	Credit Rating *
	(000's US\$)		
Restricted			
Cash and Cash Equivalents	\$ 20,727		
US Gov't/Agency Securities	7,324	91	Aaa/AA+/AA+
Commercial Paper	-		
Corporate Notes	4,298	41	A2/A-/A
Total Restricted	<u>\$ 32,349</u>		

* Moody's/S&P/Fitch

Investments measured at Fair Value for Fiduciary Activities at September 30, 2024, are as follows:

	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs
	(Level 1) (000's US\$)	(Level 2) (000's US\$)	(Level 3) (000's US\$)
Investment Assets by Fair Value Level			
Agency Obligations	\$ -	\$ 2,478	\$ -
US Treasury Obligations	4,846		
Corporate Notes		4,298	
Total By Level	<u>\$ 4,846</u>	<u>\$ 6,776</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 20,727		
Commercial Paper	-		
Accrued Interest	83		
Total Money Market and Mutual Fund Instruments	<u>\$ 20,810</u>		
Total Market Value of Assets	\$ 32,432		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(83)	
Market value (less) Accrued Interest	<u>\$ 32,349</u>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

VI. Derivative Financial Instruments

Natural Gas Futures Contracts

FMPA's approach to long-term natural gas procurement is to balance the need for price stability with the flexibility to capitalize on market opportunities. Through a structured, tiered strategy that sets out specific hedging ranges for each year, allowing for adjustments based on market conditions and the FMPA's rate expectations.

In FYE 2024 the Executive Committee established pricing thresholds for natural gas, instructing staff to secure future contracts based on market conditions. For the next twelve months, the direction is to secure a substantial portion of the anticipated All Requirements Project natural gas consumption if thresholds are met. In months thirteen through twenty four, the target range decreases to a moderate portion, and in months twenty five through thirty six, contracts may cover only a small fraction of expected usage. This phased strategy ensures a balanced approach.

FMPA also used a single fixed-price firm physical purchases of natural gas as a tool to establish the cost of natural gas at Zone 3 delivered. At September 30, 2024 the Project holds a single fixed price contract for future purchases of natural gas. The contract is for 15,000 MMBtu's of gas per day through April 30, 2025, at a price of \$6.30 per MMBtu. The volume for fiscal year 2025 is 3.18 million MMBtu.

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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

VI. Derivative Financial Instruments (continued)

Natural Gas Futures Contracts(continued)

All transactions are entered into as hedges against the volatility of natural gas prices. The All-Requirements Project as of September 30, 2024, had futures contracts outstanding in the following amounts, covering the fiscal years 2025 through 2028. 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, 2024, unrealized losses are approximately \$6.0 million. Realized gains and losses on these transactions are recognized as the instruments are settled.

Fiscal Year Ending	Thousands of MMBtu's	Fair Market Value \$(000's) at 9/30/2024
2025	16,648	\$ (5,680)
2026	8,243	(543)
2027	1,613	144
2028	162	40
Total	26,666	\$ (6,039)

In order to move the futures contracts into an account controlled by FMPA, in FYE 2023 a prepayment of \$70 million was made to close out the positions in the Florida Gas Utility hedging account and FMPA immediately repurchased the positions at the current market price preserving the hedging effect of the positions. \$3.7 million remains to be amortized to expense over the next 7 months.

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 an asset 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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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, all FMPA projects were in compliance with requirements of the bond resolution.

Segregated restricted net position at September 30, 2024, are as follows:

	(000's US\$)							Total
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Req Project	Tri-City Project	Stanton II Project	
Debt Service Funds	\$ 100	\$ -	\$ 4,033	\$ -	\$ 61,901	\$ -	\$ 12,377	\$ 78,411
Reserve & Contingency Funds	-	-	21,100	7,139	45,558	2,865	9,887	86,549
Posted for Margin - Hedging					10,720			10,720
Decommissioning Fund	-	-	118,952	-	-	-	-	118,952
Accrued Interest on								
Long-Term Debt	-		(1,215)	-	(15,216)	-	(640)	(17,071)
Accrued Decommissioning Expenses			(117,693)					(117,693)
Total Restricted Net Assets	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 25,177</u>	<u>\$ 7,139</u>	<u>\$ 102,963</u>	<u>\$ 2,865</u>	<u>\$ 21,624</u>	<u>\$ 159,868</u>

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 acquisitions and construction, as specified by the participants.
- Revenue Funds are restricted under the terms of outstanding resolutions.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, is as follows:

1. Agency Fund

Business-Type Activities	2024 (000's US\$)				Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance		
Direct Placement Debt						
Pooled Loan	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 110	

The Agency Fund borrowed \$1.0 Million from the Pooled Loan Fund to fund Information Technology upgrades in the current year. The loan is at 7.25% for 5 years.

2. Pooled Loan Fund

Business-Type Activities	2024 (000's US\$)				Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance		
Direct Placement Debt						
Total Loan	\$ 39,860	\$ 1,000	\$ (16,608)	\$ 24,252	\$ 2,072	
Less Conduit Loan - Bushnell	(6,610)		345	(6,265)	(353)	
Less Conduit Loan - Homestead	(8,055)	-	355	(7,700)	(361)	
Less Conduit Loan - Homestead #2	(6,500)		297	(6,203)	(615)	
Less Conduit Loan - Clewiston	(1,231)	-	81	(1,150)	(83)	
Non-Conduit Pooled Loans	<u>\$ 17,464</u>	<u>\$ 1,000</u>	<u>\$ (15,530)</u>	<u>\$ 2,934</u>	<u>\$ 660</u>	

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. In November 2022, Homestead drew \$6.5 million at a fixed rate of 4.6% 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. This loan was paid off during the current fiscal year. In October 2024 the Agency Fund drew \$1.0 million at 7.25%.

In September 2024, The Board of Directors approved Truist Bank as a new credit provider for the Pooled Loan Program. Truist Bank offers an uncommitted line of credit up to \$50 million, with terms extending up to 20 years, available for FMPA members or projects. As of the date of this report, no pooled loans have been requested from Truist Bank.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IX. Long-Term Debt (continued)

A. Debt (continued)

3. St. Lucie Project

Business-Type Activities	2024 (000's US\$)				Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance		
Revenue Bonds						
Bonds 2021A	\$ 13,575	\$ -	\$ (1,295)	\$ 12,280	\$ 1,360	
Direct Placement Debt						
Bonds 2013A	5,790		(1,390)	4,400	1,430	
Bonds 2021B	33,920			33,920	\$ -	
Total Principal	<u>\$ 53,285</u>	<u>\$ -</u>	<u>\$ (2,685)</u>	<u>\$ 50,600</u>	<u>\$ 2,790</u>	
Deferred Premiums And Discounts	7,906	-	(1,694)	6,212	-	
Total Revenue Bonds	<u>\$ 61,191</u>	<u>\$ -</u>	<u>\$ (4,379)</u>	<u>\$ 56,812</u>	<u>\$ 2,790</u>	
Unamortized loss on advanced refunding	<u>\$ (616)</u>	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ (460)</u>	<u>\$ -</u>	

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 FMFA, 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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IX. Long-Term Debt (continued)

A. Debt (continued)

5. All-Requirements Project

Business-Type Activities	2024 (000's US\$)			Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases		
Revenue Bonds					
Bonds 2015B	\$ 79,155	\$ -	\$ (7,205)	\$ 71,950	\$ 7,565
Bonds 2016A	318,655	-	(27,975)	290,680	29,355
Bonds 2017A	69,625	-	-	69,625	-
Bonds 2017B	37,015	-	(7,085)	29,930	9,065
Bonds 2018A	57,790	-	-	57,790	-
Bonds 2019A	75,220	-	-	75,220	-
Bonds 2019B	1,720	-	(1,720)	-	-
Bonds 2021A	36,720	-	-	36,720	-
Bonds 2021B	100,495	-	-	100,495	-
Direct Placement Debt					
Pooled Loan	15,000	-	(15,000)	-	-
Total Principal	<u>\$ 791,395</u>	<u>\$ -</u>	<u>\$ (58,985)</u>	<u>\$ 732,410</u>	<u>\$ 45,985</u>
Leases and Other Debt					
KUA - TARP	\$ 135,165	\$ -	\$ (13,025)	\$ 122,140	\$ 13,752
Gas Storage Lease	-	4,153	(321)	3,832	656
St. Lucie County	203	-	(132)	71	71
Total Other Liabilities	<u>\$ 135,368</u>	<u>\$ 4,153</u>	<u>\$ (13,478)</u>	<u>\$ 126,043</u>	<u>\$ 14,479</u>
Total Bonds, Leases and Other Debt	<u>\$ 926,763</u>	<u>\$ 4,153</u>	<u>\$ (72,463)</u>	<u>\$ 858,453</u>	<u>\$ 60,464</u>
Deferred Premiums And Discounts					
Total Revenue Bonds & Leases and other debt	<u>\$ 54,764</u>	<u>\$ -</u>	<u>\$ (11,125)</u>	<u>\$ 43,639</u>	<u>\$ -</u>
Total Revenue Bonds & Leases and other debt	<u>\$ 981,527</u>	<u>\$ 4,153</u>	<u>\$ (83,588)</u>	<u>\$ 902,092</u>	<u>\$ 60,464</u>
Unamortized loss on advanced refunding					
	\$ 22,706	\$ -	\$ (4,640)	\$ 18,066	\$ -

The 2015B bonds were used to pay the Taylor Swap termination fees. They were issued with interest rates varying from 3% to 5% and, at the election of FMPA, on or after October 1, 2025, bonds may be redeemed at a call rate of 100%.

The 2016A bonds refunded 2008A and 2009A bonds. They were issued with interest rates varying from 3% to 5% and, at the election of FMPA, on or after October 1, 2026, bonds may be redeemed at a call rate of 100%.

The 2017A Bonds were used to refund the 2011A-1 and 2011B bonds and associated swaps. They were issued with an interest rate of 5% and, are not subject to redemption prior to maturity.

The 2017B Bonds were used to refund the 2011A-2 bonds and associated swaps. They were issued with interest rates varying from 2.197% to 3.059% and, at the election of FMPA, the bonds may be redeemed at the greater of a call rate of 100% or the present value of the bonds using a discount rate of the Treasury Rate plus 15 basis points.

The 2018A Bonds were used to refund all outstanding 2008A bonds maturing on and after October 1, 2020. They were issued with interest rates varying from 3% to 4% and, at the election of FMPA, on or after October 1, 2027, bonds may be redeemed at a call rate of 100%.

The 2019A Bonds were used to refund the 2008C bonds and associated swaps. They were issued with an interest rate of 5% and, are not subject to redemption prior to maturity.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IX. Long-Term Debt (continued)

A. Debt (continued)

5. All-Requirements Project

The 2019B Bonds were used to refund the 2013A bonds. They were issued with interest rates varying from 1.966% to 2.178% and, are not subject to redemption prior to maturity.

The 2021A Bonds were issued to provide for 3 years of capital projects. They were issued with an interest rate of 3% and, at the election of FMPA, on or after October 1, 2028, bonds may be redeemed at a call rate of 100%.

The 2021B Bonds were issued to provide liquidity previously provided by lines of credit. They were issued with an interest rate of 1.425%. At the election of FMPA, the bonds may be redeemed at the present value of the bonds using a discount rate of the Treasury Rate plus 10 basis points if called before October 1 2025, or 100% of the principal amount after October 1, 2025.

The 2022-1 Pooled loan was obtained to provide additional liquidity for fuel hedging activities. The loan was issued with a variable interest rate equal to one month SOFR + 1.18% and may be paid off at any time. The loan was paid off during the current fiscal year.

KUA – TARP Financed purchase 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. During fiscal year ended September 30, 2023 the Contract was again amended to provide additional payments with a present value of \$73.2 million. Under the revised and amended contract, KUA receives agreed upon-fixed payments over preset periods.

Payments remaining under the agreement at September 30, 2024, amount to \$151.5 million and the present value of these payments is \$122.1 million.

SG Resources Lease Obligation

Effective April 1, 2024, the project entered into a contract with SG Resources Mississippi L.L.C., for 250,000 MMBtu of natural gas storage capacity. Payments remaining under the agreement at September 30, 2024 amount to \$4.1 million and the present value of these payments is \$3.8 million. The capital asset at September 30, 2024 is a storage asset of \$4.2 million less Accumulated Amortization of \$.35 million resulting in a net book value of \$3.8 million.

St. Lucie County

As a condition of obtaining its conditional use permit for the construction and operation of the Treasure Coast Energy Center, the All-Requirements project agreed to pay St. Lucie County, Florida \$75,000 a year for a period of 20 years. Upon commercial operation of the plant, the unpaid amounts were discounted at a rate of 5.3% and capitalized to plant. At September 30, 2024, one payment remains under this obligation with the final payment to be made September 30, 2025.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IX. Long-Term Debt (continued)

A. Debt (continued)

6. Tri-City Project

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

7. Stanton II Project

Business-Type Activities	2024				Amounts Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance	
(000's US\$)					
Direct Placement Debt					
Refunding 2017A	\$ 19,953	\$ -	\$ (387)	\$ 19,566	\$ 387
Refunding 2017B	25,537		(5,068)	20,469	5,151
Refunding 2022A	25,510		(5,840)	19,670	5,915
Pooled Loan	2,201		(537)	1,664	550
Total Principal	<u>\$ 73,201</u>	<u>\$ -</u>	<u>\$ (11,832)</u>	<u>\$ 61,369</u>	<u>\$ 12,003</u>
Deferred Premiums And Discounts	(24)	-	15	(9)	-
Total Bonds and Loans	<u>\$ 73,177</u>	<u>\$ -</u>	<u>\$ (11,817)</u>	<u>\$ 61,360</u>	<u>\$ 12,003</u>
Unamortized loss on advanced refunding	<u>\$ (2,476)</u>	<u>\$ -</u>	<u>\$ 760</u>	<u>\$ (1,716)</u>	<u>\$ -</u>

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 2022A bonds were issued at par in July 2022 with a fixed rate of 1.58%. The bonds are callable on or after October 1, 2024 with final maturity of October 2027.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IX. Long-Term Debt (continued)

B. Major Debt Provisions (All Projects)

Principal and accrued interest payments on bonds may be accelerated on certain events of default. Events of default include failure to pay scheduled principal or interest payments and certain events of bankruptcy or insolvency of FMPA. Bond holders must give written notice of default and FMPA has 90 days to cure the default. The acceleration requires approval of holders of at least 25% of the principal amount of the outstanding bonds.

Bonds, which are special obligations of FMPA, are payable solely from (1) revenues less operating expenses (both as defined by the respective bond resolutions) and (2) other monies and securities pledged for payment thereof by the respective bond resolutions. The respective resolutions require FMPA to deposit into special funds all proceeds of bonds issued and all revenues generated as a result of the projects' respective Power Sales and Power Support Contracts or the Power Supply Contract. The purpose of the individual funds is also specifically defined in the respective bond resolutions.

Investments are generally restricted to those types described in Note I. Additional restrictions that apply to maturity dates are defined in the respective bond resolutions and FMPA's investment policy.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

Fiscal Year Ending September	Agency Fund		St. Lucie Project		All-Req Project		Stanton II Project		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
Revenue Bonds									
2025			\$ 1,360	\$ 2,276	\$ 45,985	\$ 29,373			\$ 78,994
2026			1,425	2,206	60,195	27,027			90,853
2027			6,385	2,011	163,620	23,466			195,482
2028			6,695	1,684	69,285	19,478			97,142
2029			7,035	1,340	83,495	15,766			107,636
2030 - 2034			23,300	1,785	309,830	23,561			358,476
Total Revenue Bonds	\$ -	\$ -	\$ 46,200	\$ 11,302	\$ 732,410	\$ 138,671	\$ -	\$ -	\$ 928,583
Direct Placement Debt									
2025	\$ 110	\$ 73	\$ 1,430	\$ 101			\$ 11,993	\$ 1,201	\$ 14,908
2026	232	60	1,465	61			12,133	968	14,919
2027	249	42	1,505	20			12,349	730	14,895
2028	268	25					24,894	304	25,491
2029	141	5							-
Total Direct Placement Debt	\$ 1,000	\$ 205	\$ 4,400	\$ 182	\$ -	\$ -	\$ 61,369	\$ 3,203	\$ 70,213
Total Principal & Interest	\$ 1,000	\$ 205	\$ 50,600	\$ 11,484	\$ 732,410	\$ 138,671	\$ 61,369	\$ 3,203	\$ 998,796
Less:									
Interest		(205)		(11,484)		(138,671)		(3,203)	(153,358)
Unamortized loss on refunding			(460)		(18,066)		(1,716)		(20,242)
Add:									
Unamortized Premium (Discount), net			6,212		43,639		(9)		49,842
Total Net Debt Service Requirement at September 30, 2024	\$ 1,000	\$ -	\$ 56,352	\$ -	\$ 757,983	\$ -	\$ 59,644	\$ -	\$ 875,038

The annual cash flow debt service requirements to amortize **all** long-term debt and leases outstanding as of September 30, 2024, are as follows:

Fiscal Year Ending September	Agency Fund		St. Lucie Project		All-Req Project		Stanton II Project		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 110	\$ 73	\$ 2,790	\$ 2,377	\$ 60,463	\$ 35,614	\$ 11,993	\$ 1,201	\$ 114,621
2026	232	60	2,890	2,267	75,367	32,500	12,133	968	126,417
2027	249	43	7,890	2,031	179,597	28,133	12,349	730	231,022
2028	268	25	6,695	1,684	82,496	23,393	24,894	304	139,759
2029	141	5	7,035	1,341	96,085	19,005			123,612
2030 - 2034			23,300	1,785	364,445	29,638			419,168
									-
Total Principal & Interest	\$ 1,000	\$ 206	\$ 50,600	\$ 11,485	\$ 858,453	\$ 168,283	\$ 61,369	\$ 3,203	\$ 1,154,599

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

X. Commitments and Contingencies

A. Participation Agreements

FMPA has entered into participation agreements, and acquired through 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, 2028. Through participation with OUC, FMPA's estimated cost share of the existing purchases by project for the next five fiscal years is summarized below.

Project	<i>000's US\$</i>				
	2025	2026	2027	2028	2029
Stanton Project	\$ 9,900	\$ 6,132	\$ 5,039	\$ 1,260	0
All-Requirements Project	7,566	4,687	3,851	963	0
Tri-City Project	3,541	2,194	1,802	451	0
Stanton II Project	7,762	4,808	3,950	1,728	0

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 \$105 million for PGP Pool #1, and \$29 million for PGP Pool #2 as of September 30, 2024. 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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

X. Commitments and Contingencies (continued)

C. Contractual Service Agreements

The All-Requirements Project has signed, or accepted assignment of, Contractual Service Agreements (CSAs) with GE Vernova International, LLC 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	131,329	115,753	155,678	101,997
Estimated Hours at Performance End Date	207,000		236,000	175,000
Current Termination Amount (000's USD)	\$ 2,610		\$ 2,806	\$ 2,546
Specified Contract End Date	11/21/2037		11/21/2037	11/21/2037
Estimated Performance End Date	FYE 2034		FYE 2036	FYE 2034

In November 2017, FMPA and General Electric negotiated a revised CSA to combine Cane Island Units 3 & 4 and Treasure Coast under one service agreement.

D. Other Agreements

FMPA has entered into certain long-term contracts for transmission services for its projects. These amounts are recoverable from participants in the projects (except the All-Requirements Project) through the Power Sales and Project Support Contracts. FMPA has entered into Power Sales and Project Support Contracts with each of the project participants for entitlement shares aggregating 100% of FMPA's joint ownership interest. In the case of the All-Requirements Project, a Power Supply Contract was entered into providing for the participant's total power requirements (except for certain excluded resources). Revenues received under these individual project contracts are expected to be sufficient to pay all of the related project costs.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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\$)	
Oleander Power Project LP, LLC - Unit 5 PPA	12/16/2027	\$	27,999
Power Holding LLC - Oleander Unit 1 PPA 1/1/2024	12/31/2029		10,851
Total Minimum Liability		\$	<u>38,850</u>

- In October 2003, FMPA executed contracts for a \$10 million investment in a brine water processing plant and other water facilities at the Stanton Energy Center in Orlando, Florida.
- The Stanton Unit A combined cycle generator receives cooling water treatment services from the brine plant and associated facilities. The owners of Stanton Unit A (Stanton Clean Energy LLC (formerly Southern Company Florida), FMPA, KUA and Orlando Utilities Commission) pay the owners of Stanton Energy Center Units 1 and 2 (including FMPA's Stanton, Stanton II, Tri-City and All-Requirements Projects) a fixed and a variable operation and maintenance charge for services received from this facility.
- The All-Requirements Project has several commitments/entitlements for natural gas transportation services to supply fuel to its owned and leased generation facilities. Below were the current commitments/entitlements during the past year.

Pipeline	Ave Daily Volume (mmBtu/day)	Annual Cost (000's US\$)	Expiration	Primary Delivery Receiving Point
FI Gas Transmission FTS-1	21,984	\$ 4,304	Various	Cane Island Treasure Coast
FI Gas Transmission FTS-2	61,488	15,104	Various	Cane Island Treasure Coast
FI 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
		<u>\$ 26,142</u>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 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.
- In 2024, FGU entered into three 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 MGAG/Citibank is a contract for an average of 6,917 MMBTU per month with a discount of \$.63 per MMBtu. An agreement with BBE/Goldman Sachs for 11,000 MMBtu per month with discount of \$.55 per MMBtu. An agreement with MGAG/Citibank for 5,000 MMBtu per month with a discount of \$.57 per MMBtu. Each of these agreements are for thirty years.
- 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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All Requirements (continued)

- 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 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 Supplemental Agreement is set to expire on September 30, 2027 with automatic five-year renewals until the termination of their All-Requirements contract in 2041.
- 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 the Power Supply Contract, to a CROD. Beginning January 1, 2020 and continuing for the term of the Power Supply Contract, the All-Requirements Power Supply Project will serve Green Cove Springs with a maximum hourly obligation which was calculated in December 2019 as 23.608 MW. Green Cove Springs has also given FMPA notice pursuant to Section 2 of the Power Supply Contract that the term of its contract will not automatically renew each year and the term of Green Cove Springs' contract is now fixed and will terminate on October 1, 2037. In 2019, Green Cove

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All Requirements (continued)

Springs approved a supplemental power sales agreement with the All-Requirements Power Supply Project, effective January 1, 2020, 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 2023. The city's contract ended December 31, 2003.
 - City of Alachua, partial requirements of approximately 10 MW from April 2022 through December 2027
 - 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 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. The agreement was again amended in FYE 2023 extending the payments over a longer estimated life of the units.
- 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 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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

X. Commitments and Contingencies (continued)

E. Solar Projects

The ARP has authorized the creation of three ARP Solar Project Advisory Committees, which include one representative from each participating member. These committees serve in an advisory capacity to the Executive Committee and address matters involving ARP participants who have committed to pay for the costs of the ARP solar power purchases in each of the three project phases:

- ARP Solar Project Advisory Committee (Project authorized March 2019)
- ARP Solar II Project Advisory Committee (Project authorized December 2019)
- ARP Solar III Project Advisory Committee (Project authorized May 2023)

The Solar project, that was approved by the FMPA Board of Directors in March of 2019, to provide 57 MW-AC of solar energy on behalf of its participants, was terminated in FY2023 due to unfavorable site conditions and development cost pressures.

In December 2019, the FMPA Board of Directors approved the establishment of the Solar II Project as an additional power supply project. Solar II was originally contracted as a 20-year power purchase agreement for a total of 53.55 MW-AC of solar energy divided equally between two larger 74.9 MW-AC facilities. These sites, Rice Creek and Whistling Duck, were previously expected to be operational by the end of 2023, however the projects are experiencing interconnection delays. Currently, Rice Creek is expected to be operational in December of 2024 and Whistling Duck in December of 2025.

In September of 2024, the FMPA Board of Directors approved Amendment Number Two to the Solar II Power Purchase Agreement for the Whistling Duck facility. This amendment increased the Solar II Project's Whistling Duck allocation from 26.78 MW-AC to 47.9 MW-AC. The Solar II Project, as amended, is contracted as a 20-year power purchase agreement for a total of 74.675 MW-AC, distributed between Rice Creek (26.78 MW-AC) and Whistling Duck (47.9 MW-AC).

In May of 2023, the FMPA Board of Directors approved the Solar III Project, which originally consisted of 203.15 MW-AC solar energy from three sites, with four FMPA members as participants. The Solar III Project is a 20-year power purchase agreement with operation expected in December 2025 & 2026, depending on the facility. In September 2024, due to cost pressures and delays, the FMPA Board of Directors approved several amendments which resulted in the Solar III Project ultimately decreasing from 203.15 MW-AC at four sites to 181.025 MW-AC at three sites. The Project is distributed among the following facilities: Leyland (31.225 MW-AC), Hampton (74.9 MW-AC) and New River (74.9 MW-AC).

F. Commitment to Purchase Power Plants

FMPA continuously evaluates opportunities for low-cost resources to ensure reliable sources of long-term power supply for the All-Requirements project. With the anticipated retirement of Stanton I, FMPA entered into purchase agreements for three resources connected to the Duke Energy Florida transmission system. FMPA acquired two sites in fiscal year 2024 and the remaining site is anticipated to be acquired in fiscal year 2026. The natural gas units are located in Orlando and Bartow, Florida, with estimated total capacity of 340 net MWs.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 its participation.

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, was \$12 million, which approximates covered payroll. The 401(a) defined contribution plan has 106 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; the Plan Administrator and Trustee.

Agency contributions to the Defined Contribution Plan resulted in expenses for the fiscal year 2024 of \$1.2 million. 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, 2024, the plan membership consisted of the following participants:

	9/30/2024
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	19
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	10
	<u>29</u>

The Agency pays 100% of the cost of employee-only coverage for employees hired prior to October 1, 2004 who retire upon meeting the retirement eligibility requirement, which is that age combined with service must exceed 900 months. This subsidy applies to the healthcare plan premiums for Pre-65 retirees as well as any Medicare supplement plan purchased by Post-65 retirees.

The Agency also provides up to \$3,000 in HRA funds to all eligible members for life. If those members elect to cover their spouse or have handicapped dependents, the HRA benefit limit is increased to \$6,000. These funds are made available to cover retirees' out-of-pocket medical expenses, and therefore are included in the Agency's Pay-As-You-Go plan costs. No assets are accumulated in a trust to cover these benefits.

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, 2024. The measurement period for the OPEB expense was October 1, 2023 to September 30, 2024. The reporting period is October 1, 2023 through September 30, 2024. The Sponsor's Total OPEB Liability was measured as of September 30, 2024 using a discount rate of 4.06%.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024 using a discount rate of 4.06%.

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2024 (measurement date) using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.06%
Initial Trend Rate	6.75%
Ultimate Trend Rate	4.00%
Years to Ultimate	50

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 4.06%. 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, 2024, the Agency will recognize OPEB Expense of \$388,486.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2023	\$ 4,833
Service Cost	22
Interest	230
Differences between Expected and Actual Experience	(285)
Changes in Assumptions	418
Benefits Payments	(267)
Reporting Period Ending September 30, 2024	<u>\$ 4,951</u>

Changes of assumptions reflect a change in the discount rate from 4.87% for the reporting period ended September 30, 2023 to 4.06% for the reporting period ended September 30, 2024. 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
Total OPEB Liability (000's US\$)	\$ 5,582	\$ 4,951	\$ 4,424

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
Total OPEB Liability (000's US\$)	\$ 4,595	\$ 4,951	\$ 5,371

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, 2024, the most recent valuation date, the Total OPEB Plan Liability was \$4.95 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 \$1.8 million, and the ratio of the Total OPEB Plan Liability to the covered payroll was 279 percent.

The OPEB Plan contribution requirements of Florida Municipal Power Agency are established and may be amended through action of its Board of Directors.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

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) composed of representatives from FMPA's Board of Directors and Executive Committee. Corporate risk management is assigned to the Chief Financial Officer (CFO), who oversees the Risk Management area and reports directly to the Chief Executive Officer (CEO). The primary objective of the Agency's Enterprise Risk Management (ERM) program is to identify, measure, monitor, and report risks to mitigate 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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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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. Total membership of the Agency is 33. 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 FMPA Board of Directors, except for the All-Requirements Project, in which all decisions are made by the Executive Committee.

The Executive Committee has authorized the creation of Phase I, II, and III ARP Solar Participant Advisory Committees, which are Executive Committee subcommittees that will address related 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 All-Requirements member cities have representatives on the FGU Board of Directors: Ft. Pierce, KUA, Leesburg Jacksonville Beach and Starke.

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2022

XV. Subsequent Events

A. No known subsequent events

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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\$)**

Reporting Period Ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability							
Service Cost	\$ 23	\$ 22	\$ 59	\$ 63	\$ 56	\$ 47	\$ 53
Interest	230	228	145	133	201	215	201
Differences Between Expected and Actual Experience	(285)		221	-	-	-	-
Changes in Assumptions	418	(56)	(1,305)	(235)	674	410	(374)
Benefit Payments	(268)	(249)	(241)	(225)	(326)	(233)	(214)
Net Change in Total OPEB Liability	\$ 118	\$ (55)	\$ (1,121)	\$ (264)	\$ 605	\$ 439	\$ (334)
Total OPEB Liability - Beginning of Year	4,833	4,888	6,009	6,273	5,668	5,229	5,563
Total OPEB Liability - End of Year	\$ 4,951	\$ 4,833	\$ 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%	0%	0%
Covered Employee Payroll	1,772	1,665	1,734	2,190	2,126	2,321	2,167
Agency's Net OPEB Liability as a % of Covered Employee Payroll	279%	290%	282%	274%	295%	244%	241%

* GASB Statement 75 was implemented as of September 30, 2018. Information from 2015 - 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, 2024:	4.06%
Fiscal Year Ending September 30, 2023:	4.87%
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, 2024
(000's US\$)**

	Amended Budget	Actual	Variance Over / (Under) Budget
Agency Fund			
Received from projects	\$ 18,012	\$ 17,570	(442)
Received from member assessments	65	72	7
Interest income	508	633	125
Other income	-	(15)	(15)
	<u>\$ 18,585</u>	<u>\$ 18,260</u>	<u>(325)</u>
General and administrative	\$ 17,659	\$ 16,576	(1,083)
Invested in Capital Assets	546	1,630	1,084
Pooled Loan Principal (Advance) Payment	-	(1,000)	(1,000)
Pooled Loan Interest	-	30	30
Other Adjustments	380	380	-
	<u>\$ 18,585</u>	<u>\$ 17,616</u>	<u>(969)</u>
Net Revenue	<u>\$ -</u>	<u>\$ 644</u>	<u>644</u>
St. Lucie Project			
Participant billing	\$ 34,137	\$ 34,137	-
Reliability exchange contract sales	4,239	4,271	32
Interest income	454	685	231
	<u>\$ 38,830</u>	<u>\$ 39,093</u>	<u>263</u>
Operation and maintenance	\$ 11,862	\$ 10,881	(981)
Purchased power	3,533	3,261	(272)
Transmission service	538	492	(46)
General and administrative	3,224	3,705	481
Deposit to renewal and replacement fund	10,000	10,000	-
Deposit to general reserve fund & FSA	3,500	3,500	-
Deposit to Nuclear Fuel Fund	5,000	5,000	-
Deposit to debt service fund	5,220	5,071	(149)
	<u>\$ 42,877</u>	<u>\$ 41,910</u>	<u>(967)</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ (4,047)</u>	<u>\$ (2,817)</u>	<u>1,230</u>

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

**SCHEDULE OF
AMOUNTS DUE TO (FROM) PARTICIPANTS
RESULTING FROM BUDGET/ACTUAL VARIANCES
YEAR ENDED SEPTEMBER 30, 2024
(000's US\$)**

	Amended Budget	Actual	Variance Over/ (Under) Budget
Stanton Project			
Participant billing & sales to others	\$ 23,878	\$ 19,057	\$ (4,821)
Interest income	17	698	681
Other income	-	-	-
	<u>\$ 23,895</u>	<u>\$ 19,755</u>	<u>\$ (4,140)</u>
Operation and maintenance, fuel	\$ 18,493	\$ 13,708	\$ (4,785)
Transmission service	1,629	1,574	(55)
General and administrative	2,076	1,824	(252)
Deposits to debt service and other funds	1,017	1,027	10
	<u>\$ 23,215</u>	<u>\$ 18,133</u>	<u>\$ (5,082)</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ 680</u>	<u>\$ 1,622</u>	<u>\$ 942</u>
All-Requirements Project			
Participant billing & sales to others	\$ 530,228	\$ 554,300	\$ 24,072
Transfer from Rate Protection	-	-	-
Interest Income	889	10,400	9,511
	<u>\$ 531,117</u>	<u>\$ 564,700</u>	<u>\$ 33,583</u>
Member Capacity	\$ 35,799	\$ 29,275	\$ (6,524)
Contract Capacity	16,820	18,946	2,126
ARP Owned Capacity	49,141	51,641	2,500
Debt & Leases	112,163	112,561	398
Direct Charges & Other	27,176	26,466	(710)
Gas Transportation	26,275	26,720	445
Fuels	208,539	215,576	7,037
Purchased Power	10,977	9,078	(1,899)
Transmission	44,227	48,612	4,385
	<u>\$ 531,117</u>	<u>\$ 538,875</u>	<u>\$ 7,758</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ -</u>	<u>\$ 25,825</u>	<u>\$ 25,825</u>

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

**SCHEDULE OF
AMOUNTS DUE TO (FROM) PARTICIPANTS
RESULTING FROM BUDGET/ACTUAL VARIANCES
YEAR ENDED SEPTEMBER 30, 2024
(000's US\$)**

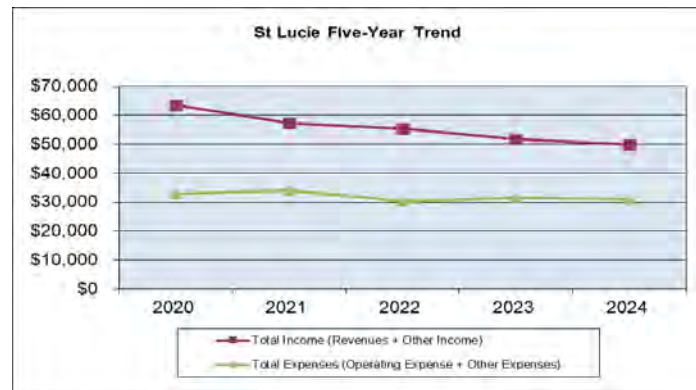
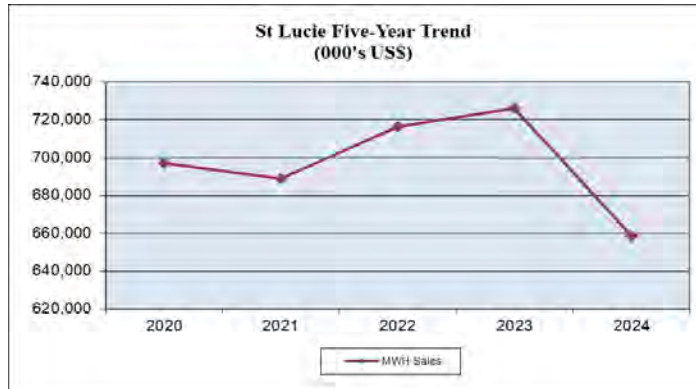
	Amended Budget	Actual	Variance Over/ (Under) Budget
Tri-City Project			
Participant billing & sales to others	\$ 8,204	\$ 6,509	\$ (1,695)
Interest income	12	281	269
	<u>\$ 8,216</u>	<u>\$ 6,790</u>	<u>\$ (1,426)</u>
Operation and maintenance, fuel	\$ 6,615	\$ 4,933	\$ (1,682)
Transmission service	584	564	(20)
General and administrative	1,041	951	(90)
Deposits to debt service and other funds	919	914	(5)
	<u>\$ 9,159</u>	<u>\$ 7,362</u>	<u>\$ (1,797)</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ (943)</u>	<u>\$ (572)</u>	<u>\$ 371</u>
Stanton II Project			
Participant billing & sales to others	\$ 52,096	\$ 46,222	\$ (5,874)
Interest Income	46	1,143	1,097
Other Income	-	-	-
	<u>\$ 52,142</u>	<u>\$ 47,365</u>	<u>\$ (4,777)</u>
Operation and maintenance, fuel	\$ 33,045	\$ 27,949	\$ (5,096)
Transmission service	2,651	2,561	(90)
General and administrative	3,000	2,605	(395)
Deposits to debt service and other funds	16,391	16,074	(317)
	<u>\$ 55,087</u>	<u>\$ 49,189</u>	<u>\$ (5,898)</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ (2,945)</u>	<u>\$ (1,824)</u>	<u>\$ 1,121</u>

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

FIVE-YEAR TREND ANALYSIS

	2020	2021	2022	2023	2024
(000's US\$ except for MWH Sales and Average \$/MWH)					
St. Lucie Project					
Capital Assets	\$ 26,455	\$ 34,977	\$ 41,172	\$ 50,072	\$ 53,249
Total Assets & Deferred Outflows	\$ 220,606	\$ 216,817	\$ 215,870	\$ 234,727	\$ 254,392
Long-Term Liabilities	\$ 98,029	\$ 87,714	\$ 58,941	\$ 54,022	\$ 54,022
Total Liabilities & Deferred Inflows	\$ 220,606	\$ 216,817	\$ 177,611	\$ 254,392	\$ 254,392
Billings to Participants	\$ 52,151	\$ 46,920	\$ 44,663	\$ 39,270	\$ 36,319
Sales to Others	3,820	3,860	2,077	3,806	2,089
Total Operating Revenues	\$ 55,971	\$ 50,780	\$ 46,740	\$ 43,076	\$ 38,408
Purchased Power	\$ 2,894	\$ 3,435	\$ 3,242	\$ 3,267	\$ 3,261
Production-Nuclear O&M	10,026	11,131	8,523	11,249	10,618
Nuclear Fuel Amortization	3,209	4,046	4,225	4,391	4,283
Transmission	408	429	490	466	491
General & Administrative	2,700	3,501	2,872	3,351	3,968
Depreciation & Decommissioning	8,216	6,839	7,937	7,909	7,416
Total Operating Expenses	\$ 27,453	\$ 29,381	\$ 27,289	\$ 30,633	\$ 30,037
Net Operating Revenues	\$ 28,518	\$ 21,399	\$ 19,451	\$ 12,443	\$ 8,371
Investment Income	\$ 7,662	\$ 6,463	\$ 4,472	\$ 8,648	\$ 11,524
Total Other Income	\$ 7,662	\$ 6,463	\$ 4,472	\$ 8,648	\$ 11,524
Interest Expense	\$ 4,259	\$ 3,507	\$ 2,091	\$ 791	\$ 736
Amortization & Other Expense	1,300	1,150	885	155	156
Total Other Expenses	\$ 5,559	\$ 4,657	\$ 2,976	\$ 946	\$ 892
Net Income (Loss)	\$ 30,621	\$ 23,205	\$ 20,947	\$ 20,145	\$ 19,003
Net Cost Recovered (Credited) in the Future	(27,505)	(23,277)	(17,212)	(19,789)	(17,773)
Due from (to) Participants	(3,116)	72	(3,735)	(356)	(1,230)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	697,116	688,960	716,436	726,227	658,607
Average \$/MWH Billed	\$ 74.81	\$ 68.10	\$ 62.34	\$ 54.07	\$ 55.15
Cost \$/MWH	\$ 72.54	\$ 68.21	\$ 57.13	\$ 53.58	\$ 53.28

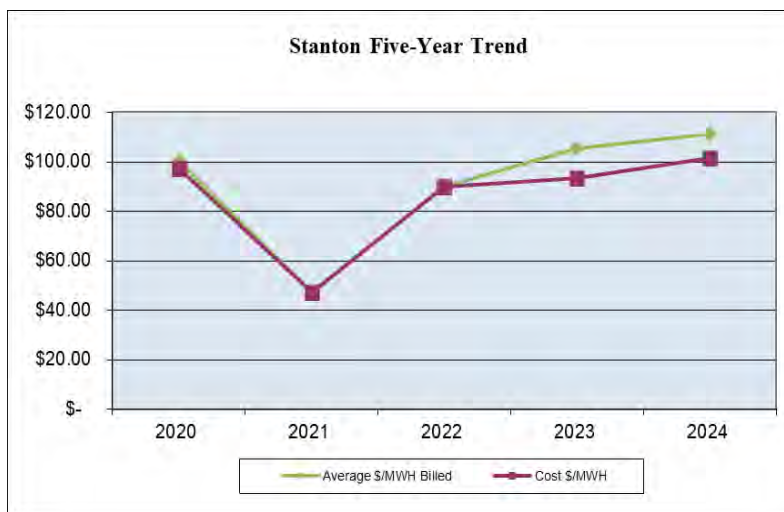
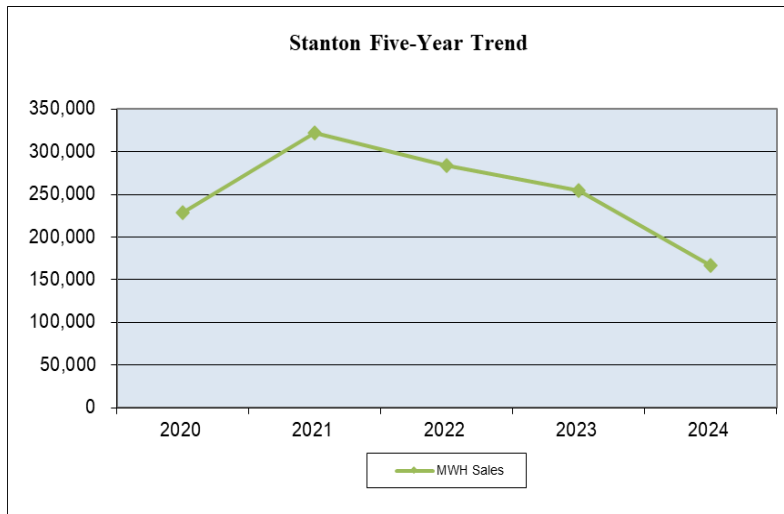
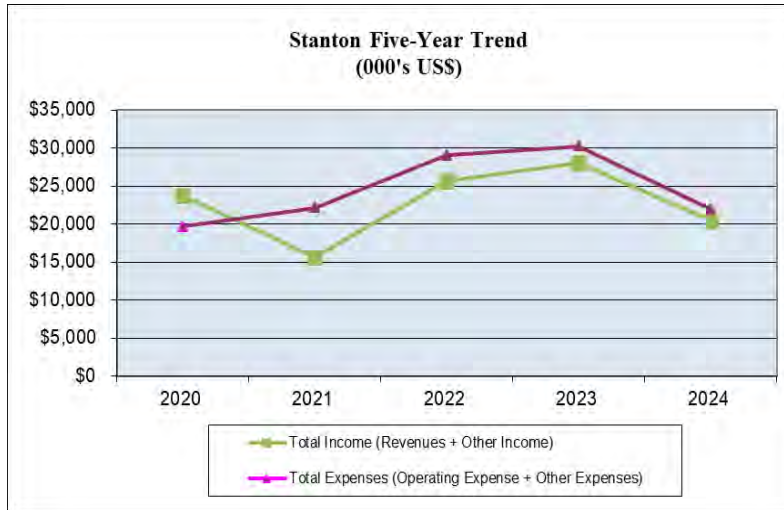
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2020	2021	2022	2023	2024
(000's US\$ except for MWH Sales and Average \$/MWH)					
Stanton Project					
Capital Assets	\$ 27,044	\$ 24,138	\$ 20,855	\$ 16,916	\$ 13,434
Total Assets & Deferred Outflows	\$ 55,644	\$ 49,790	\$ 47,139	\$ 46,727	\$ 43,805
Long-Term Debt	\$ 1,159	\$ 1,203	\$ 1,371	\$ 4,823	\$ 5,059
Total Liabilities & Deferred Inflows	\$ 55,644	\$ 49,790	\$ 47,139	\$ 46,727	\$ 43,805
Billings to Participants	\$ 22,955	\$ 15,237	\$ 25,577	\$ 26,819	\$ 18,608
Sales to Others	378	384	369	432	449
Total Operating Revenues	\$ 23,333	\$ 15,621	\$ 25,946	\$ 27,251	\$ 19,057
Production-Steam O&M	\$ 5,384	\$ 3,933	\$ 4,800	\$ 8,383	\$ 4,968
Fuel Expense	7,934	11,366	16,534	14,450	8,977
Transmission	1,289	1,417	1,518	1,574	1,574
General & Administrative	1,342	1,344	1,945	1,460	1,850
Depreciation & Decommissioning	3,685	4,052	4,234	4,349	4,542
Total Operating Expenses	\$ 19,634	\$ 22,112	\$ 29,031	\$ 30,216	\$ 21,911
Net Operating Revenues	\$ 3,699	\$ (6,491)	\$ (3,085)	\$ (2,965)	\$ (2,854)
Investment Income	\$ 401	\$ 70	\$ (309)	\$ 766	\$ 1,416
Total Other Income	\$ 401	\$ 70	\$ (309)	\$ 766	\$ 1,416
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization & Other Expense	-	-	-	-	-
Total Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ 4,100	\$ (6,421)	\$ (3,394)	\$ (2,199)	\$ (1,438)
Net Cost Recovered (Credited) in the Future	(3,392)	6,504	3,424	3,670	2,380
Due from (to) Participants	(708)	(83)	(30)	(1,471)	(942)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	228,947	321,529	284,082	254,654	167,002
Average \$/MWH Billed	\$ 100.26	\$ 47.39	\$ 90.03	\$ 105.32	\$ 111.42
Cost \$/MWH	\$ 97.17	\$ 47.13	\$ 89.93	\$ 99.54	\$ 105.78

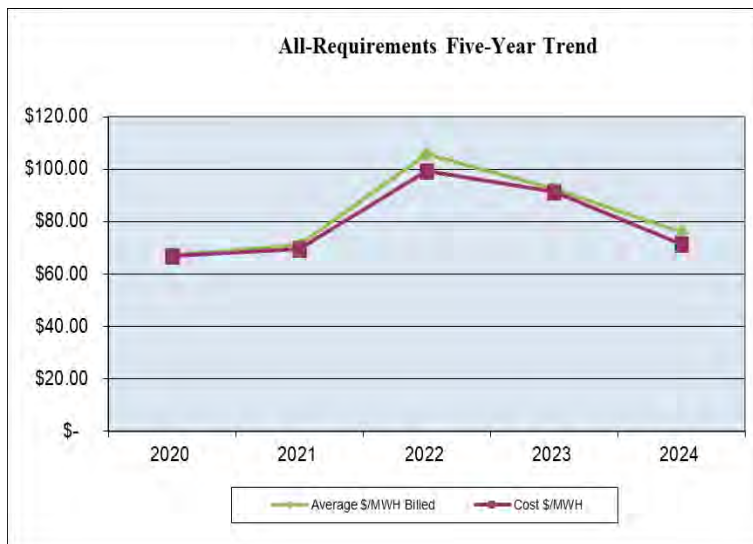
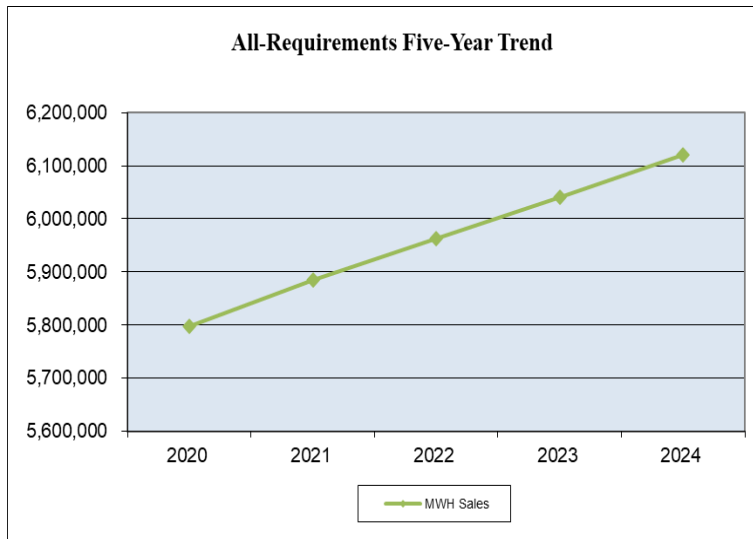
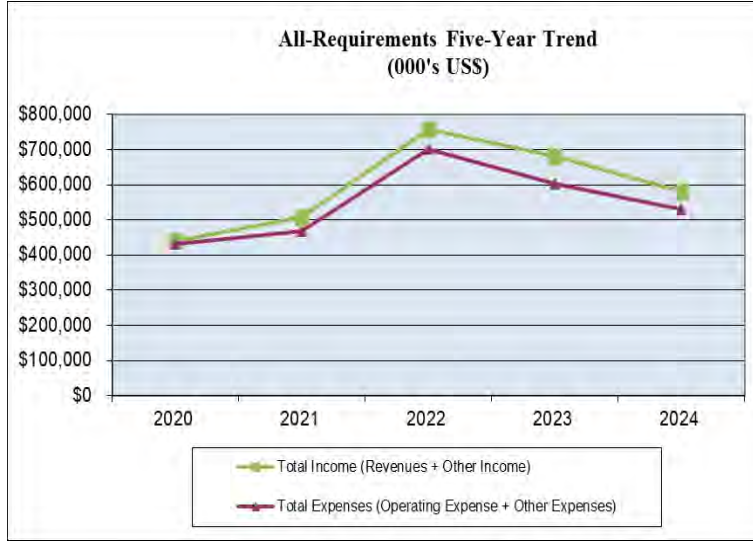
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2020	2021	2022	2023	2024
(000's US\$ except for MWH Sales and Average \$/MWH)					
All-Requirements Project					
Capital Assets	\$ 588,537	\$ 558,414	\$ 532,828	\$ 591,939	\$ 595,254
Total Assets & Deferred Outflows	\$ 1,163,954	\$ 1,242,104	\$ 1,242,647	\$ 1,197,745	\$ 1,117,988
Long-Term Liabilities	\$ 933,813	\$ 993,268	\$ 960,361	\$ 951,823	\$ 871,987
Total Liabilities & Deferred Inflows	\$ 1,163,954	\$ 1,242,104	\$ 1,242,647	\$ 1,197,745	\$ 1,117,988
Billings to Participants **	\$ 390,242	\$ 419,512	\$ 629,759	\$ 558,208	\$ 464,065
Sales to Others	46,427	85,989	137,442	113,787	101,824
Total Operating Revenues	\$ 436,669	\$ 505,501	\$ 767,201	\$ 671,995	\$ 565,889
Purchased Power	\$ 29,509	\$ 37,314	\$ 49,849	\$ 37,987	\$ 28,796
O&M Production-Steam	82,078	64,733	75,310	87,715	76,968
Fuel Expense	159,716	229,393	426,331	337,413	272,264
Transmission	35,492	35,394	43,434	45,301	48,355
General & Administrative	23,510	23,837	26,019	26,133	28,784
Depreciation & Decommissioning	58,395	38,808	46,867	39,723	43,542
Total Operating Expenses	\$ 388,700	\$ 429,479	\$ 667,810	\$ 574,272	\$ 498,709
Net Operating Revenues	\$ 47,969	\$ 76,022	\$ 99,391	\$ 97,723	\$ 67,180
Investment Income	\$ 3,364	\$ 2,671	\$ (9,781)	\$ 9,333	\$ 14,272
Total Other Income	\$ 3,364	\$ 2,671	\$ (9,781)	\$ 9,333	\$ 14,272
Interest Expense	\$ 29,070	\$ 27,425	\$ 26,362	\$ 25,162	\$ 27,229
Amortization & Other Expense	12,780	10,258	7,570	3,999	4,640
Total Other Expenses	\$ 41,850	\$ 37,683	\$ 33,932	\$ 29,161	\$ 31,869
Net Income (Loss)	\$ 9,483	\$ 41,010	\$ 55,678	\$ 77,895	\$ 49,583
Net Cost Recovered (Credited) in the Future	(6,708)	(31,320)	(19,125)	(71,358)	(23,758)
Due from (to) Participants	(2,775)	(9,690)	(36,553)	(6,537)	(25,825)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	5,797,666	5,885,763	5,963,224	6,040,569	6,119,617
Average \$/MWH Billed	\$ 67.31	\$ 71.28	\$ 105.61	\$ 92.41	\$ 75.83
Cost \$/MWH	\$ 66.83	\$ 69.63	\$ 99.48	\$ 91.33	\$ 71.61

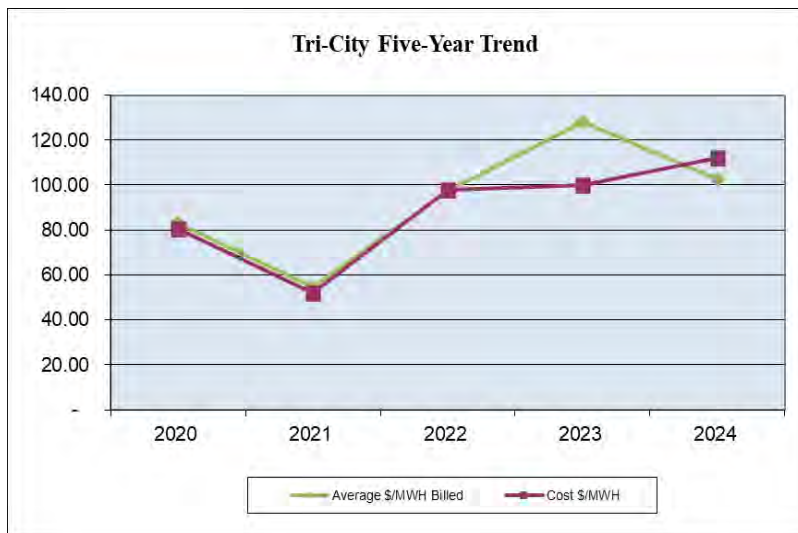
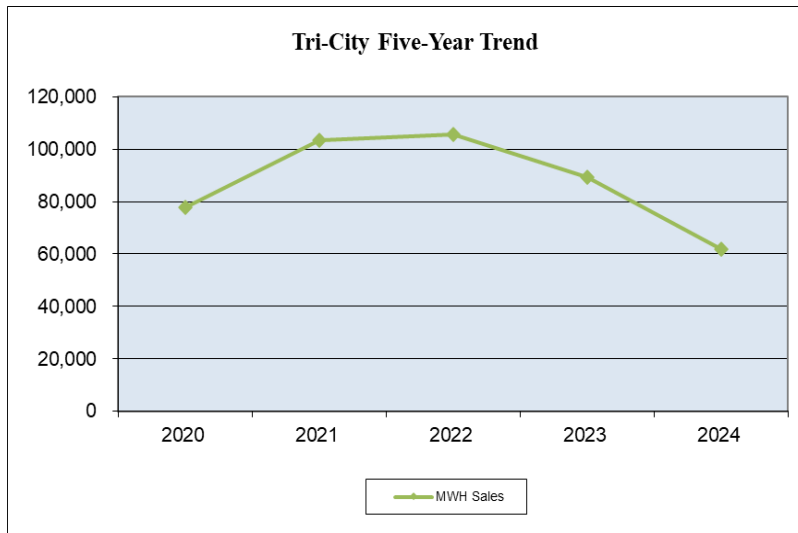
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2020	2021	2022	2023	2024
(000's US\$ except for MWH Sales and Average \$/MWH)					
Tri-City Project					
Capital Assets	\$ 10,350	\$ 9,212	\$ 7,939	\$ 6,433	\$ 5,088
Total Assets & Deferred Outflows	\$ 16,635	\$ 14,767	\$ 14,392	\$ 15,630	\$ 13,739
Long-Term Debt	\$ 415	\$ 432	\$ 492	\$ 1,727	\$ 1,811
Total Liabilities & Deferred Inflows	\$ 16,635	\$ 14,767	\$ 14,392	\$ 15,630	\$ 13,739
Billings to Participants	\$ 6,480	\$ 5,657	\$ 10,255	\$ 11,442	\$ 6,349
Sales to Others	135	137	131	155	161
Total Operating Revenues	\$ 6,615	\$ 5,794	\$ 10,386	\$ 11,597	\$ 6,510
Production-Steam O&M	\$ 1,938	\$ 1,396	\$ 1,717	\$ 2,999	\$ 1,777
Fuel Expense	2,875	3,751	5,904	5,189	3,241
Transmission	456	505	544	564	564
General & Administrative	766	738	976	808	965
Depreciation & Decommissioning	1,416	1,548	1,613	1,654	1,723
Total Operating Expenses	\$ 7,451	\$ 7,938	\$ 10,754	\$ 11,214	\$ 8,270
Net Operating Revenues	\$ (836)	\$ (2,144)	\$ (368)	\$ 383	\$ (1,760)
Investment Income	\$ 97	\$ 28	\$ (53)	\$ 204	\$ 392
Total Other Income	\$ 97	\$ 28	\$ (53)	\$ 204	\$ 392
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization & Other Expense	-	-	-	-	-
Total Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ (739)	\$ (2,116)	\$ (421)	\$ 587	\$ (1,368)
Net Cost Recovered (Credited) in the Future	946	2,410	378	(68)	1,739
Due from (to) Participants	(207)	(294)	43	(519)	(371)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	77,805	103,371	105,451	89,186	61,829
Average \$/MWH Billed	\$ 83.29	\$ 54.73	\$ 97.25	\$ 128.29	\$ 102.69
Cost \$/MWH	\$ 80.62	\$ 51.88	\$ 97.66	\$ 122.47	\$ 96.69

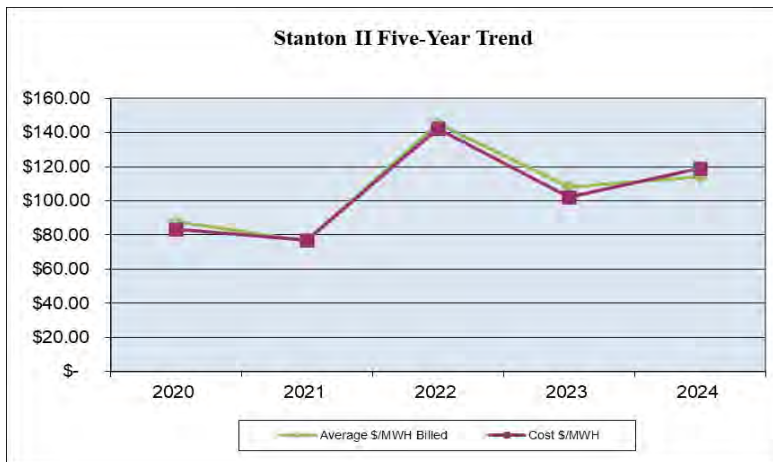
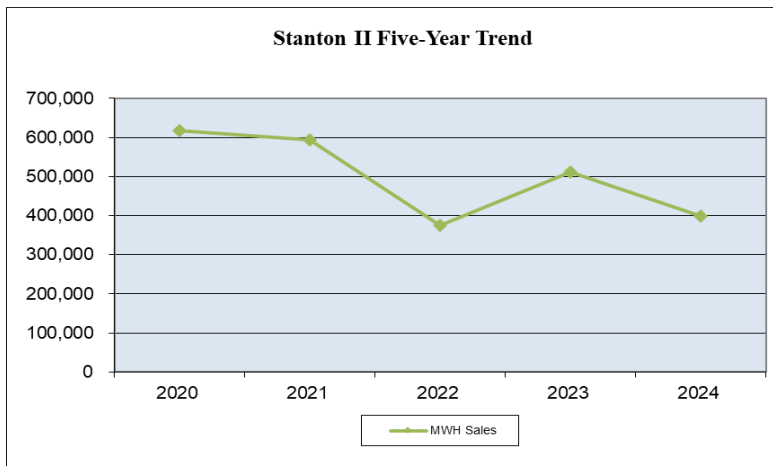
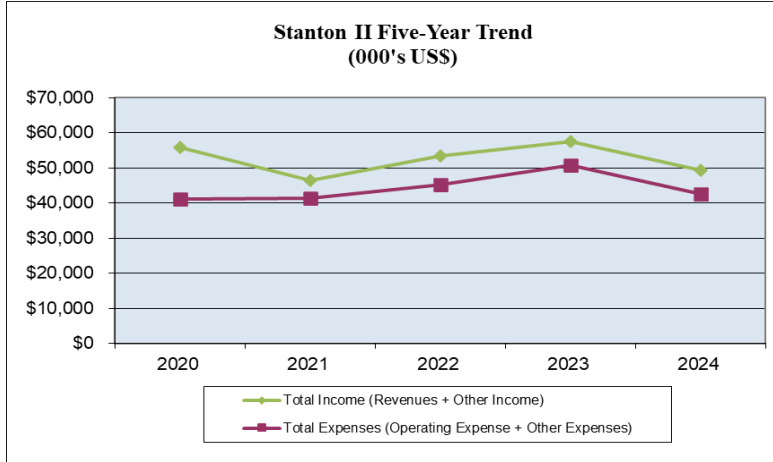
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2020	2021	2022	2023	2024
(000's US\$ except for MWH Sales and Average \$/MWH)					
Stanton II Project					
Capital Assets	\$ 91,952	\$ 88,917	\$ 84,226	\$ 78,446	\$ 73,905
Total Assets & Deferred Outflows	\$ 171,548	\$ 163,836	\$ 149,239	\$ 151,392	\$ 144,030
Long-Term Debt	\$ 105,633	\$ 91,564	\$ 73,422	\$ 59,151	\$ 57,314
Total Liabilities & Deferred Inflows	\$ 171,548	\$ 163,836	\$ 149,239	\$ 151,392	\$ 144,030
Billings to Participants	\$ 54,223	\$ 45,316	\$ 54,597	\$ 55,198	\$ 45,518
Sales to Others	592	602	580	678	704
Total Operating Revenues	\$ 54,815	\$ 45,918	\$ 55,177	\$ 55,876	\$ 46,222
Production-Steam O&M	\$ 7,834	\$ 6,671	\$ 7,000	\$ 11,685	\$ 8,091
Fuel Expense	18,317	19,524	22,660	25,342	20,229
Transmission	2,082	2,297	2,469	2,561	2,561
General & Administrative	1,885	2,057	3,012	2,075	2,653
Depreciation & Decommissioning	5,738	6,369	6,507	6,628	6,770
Total Operating Expenses	\$ 35,856	\$ 36,918	\$ 41,648	\$ 48,291	\$ 40,304
Net Operating Revenues	\$ 18,959	\$ 9,000	\$ 13,529	\$ 7,585	\$ 5,918
Investment Income	\$ 1,050	\$ 379	\$ (1,841)	\$ 1,718	\$ 3,163
Total Other Income	\$ 1,050	\$ 379	\$ (1,841)	\$ 1,718	\$ 3,163
Interest Expense	\$ 3,469	\$ 2,600	\$ 2,143	\$ 1,566	\$ 1,331
Amortization & Other Expense	1,816	1,737	1,341	817	761
Total Other Expenses	\$ 5,285	\$ 4,337	\$ 3,566	\$ 2,383	\$ 2,092
Net Income (Loss)	\$ 14,724	\$ 5,042	\$ 8,122	\$ 6,920	\$ 6,989
Net Cost Recovered (Credited) in the Future	(11,932)	(5,321)	(6,938)	(4,475)	(5,868)
Due from (to) Participants	(2,792)	279	(1,184)	(2,445)	(1,121)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	616,808	593,865	375,451	510,563	398,871
Average \$/MWH Billed	\$ 87.91	\$ 76.31	\$ 145.42	\$ 108.11	\$ 114.12
Cost \$/MWH	\$ 83.38	\$ 76.78	\$ 142.26	\$ 103.32	\$ 111.31

FIVE-YEAR TREND ANALYSIS





Compliance Report



**AGENDA ITEM 9 – INFORMATION
ITEMS**

**c. Preliminary Final Fiscal Year
2024 Budget Status**

**Finance Committee Meeting
December 11, 2024**



9c – Preliminary Final Fiscal Year 2024 Budget Status

Finance Committee

December 11, 2024

Summary of Preliminary Final FY 2024 Budget Status

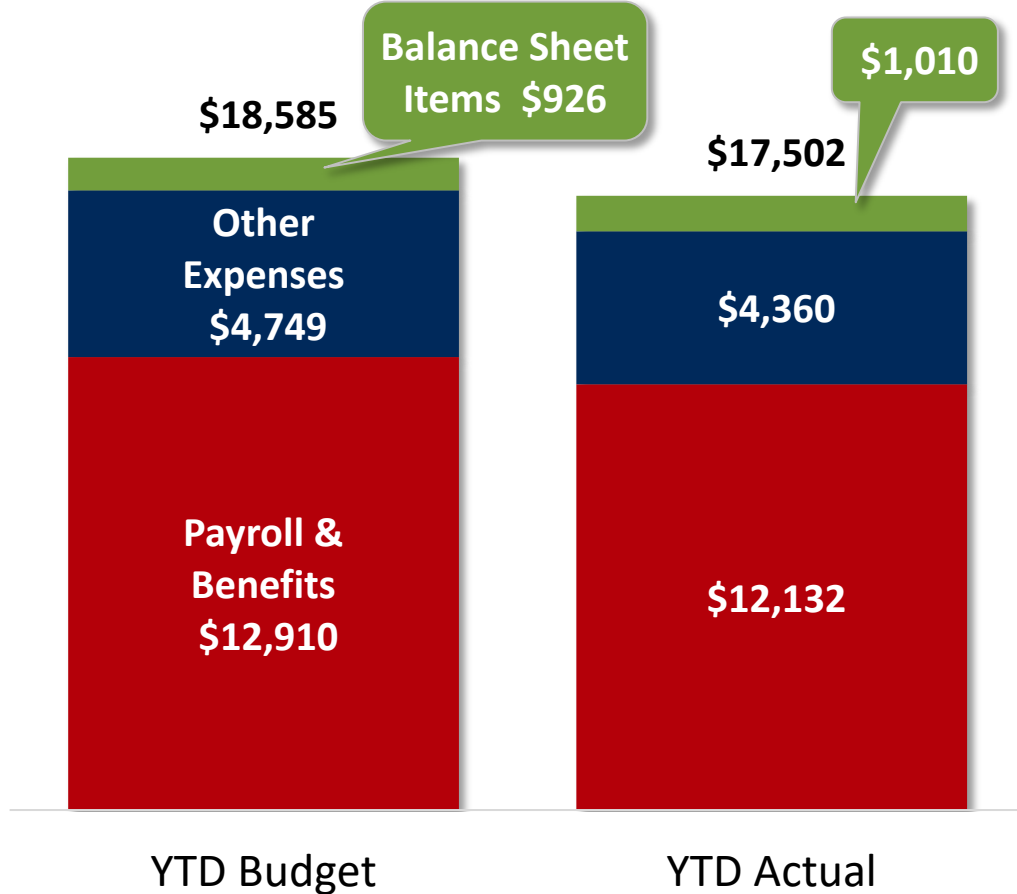
All Projects Within Spending Authority; Only ARP Needed Budget Amendment

- Payroll and benefits expenses ~\$780k < budget help drive total Agency expenses ~\$1.1M (6%) < budget
- Despite expenses exceeding original budget, ARP Participant costs \$10/MWh below budget
- Stanton, Tri-City & Stanton II projects all see expenses < budget but \$/MWh costs > budget due to lower utilization
- St. Lucie \$/MWh costs ~ target, with expenses \$1M (2%) < budget offset by generation 4% < budget

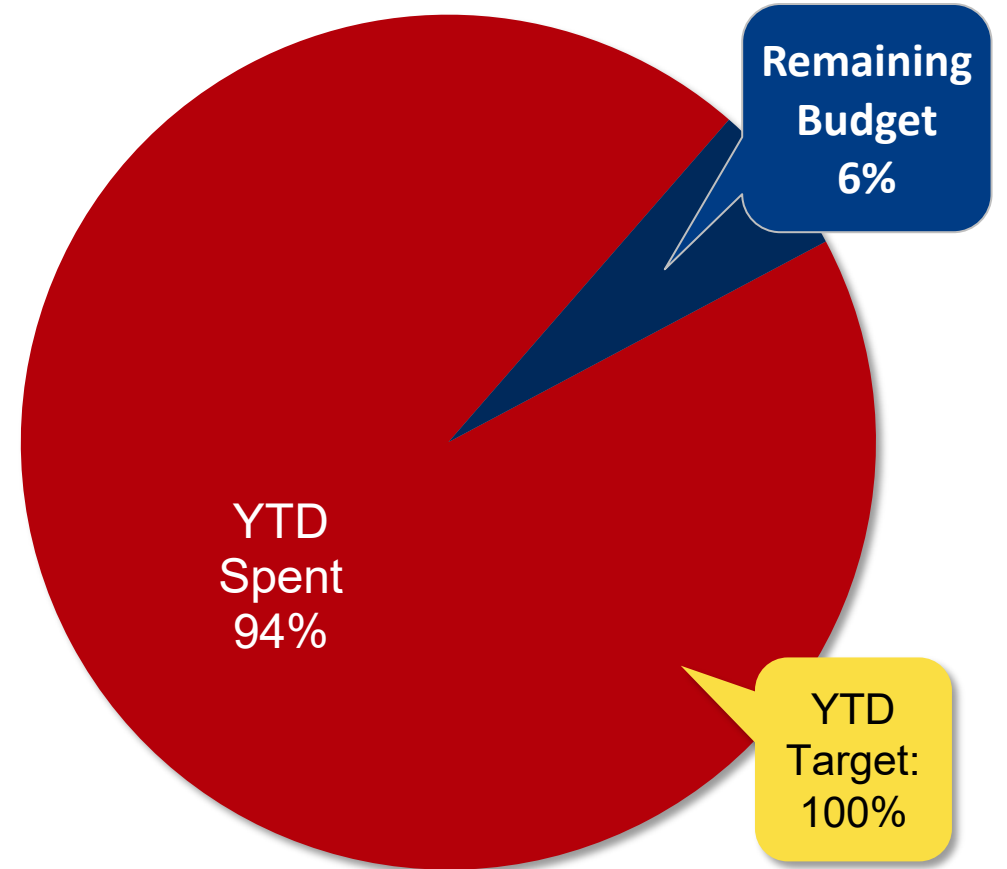
FY24 Agency Costs Finish ~\$1.1M (6%) < Budget

Payroll & Benefits Largest Category Below Budget (\$780k)

YTD Expenses (\$Thousands)



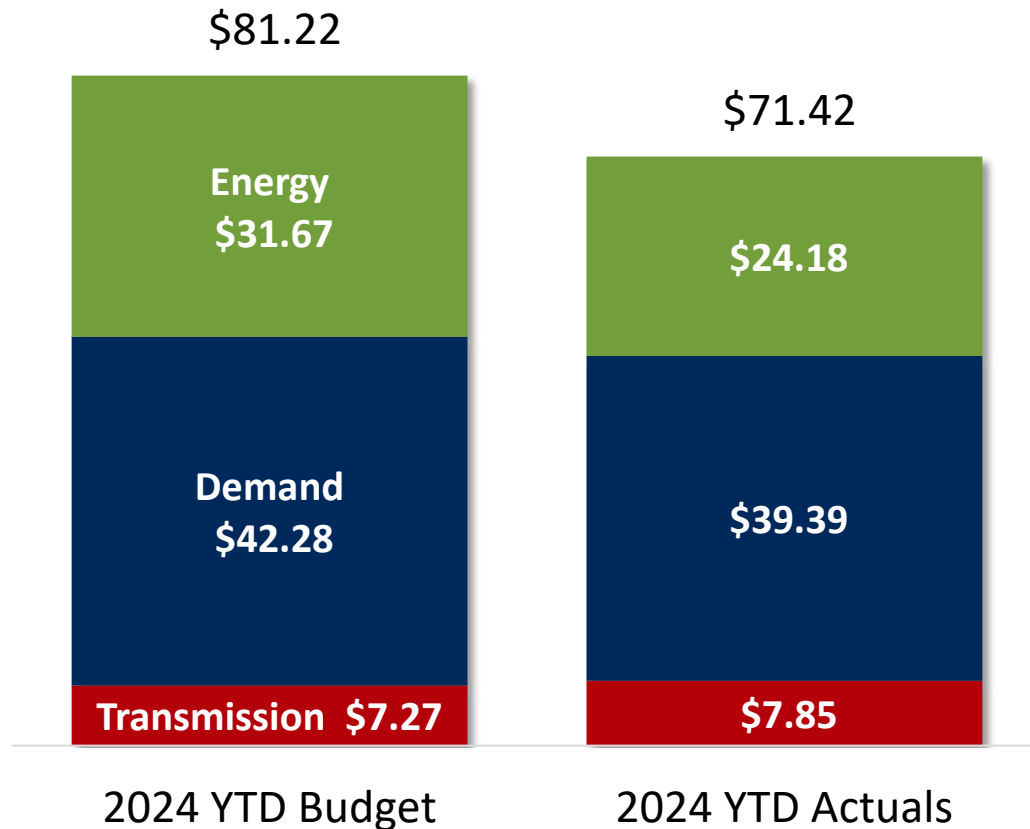
FY 2024 Spending vs. Budget *



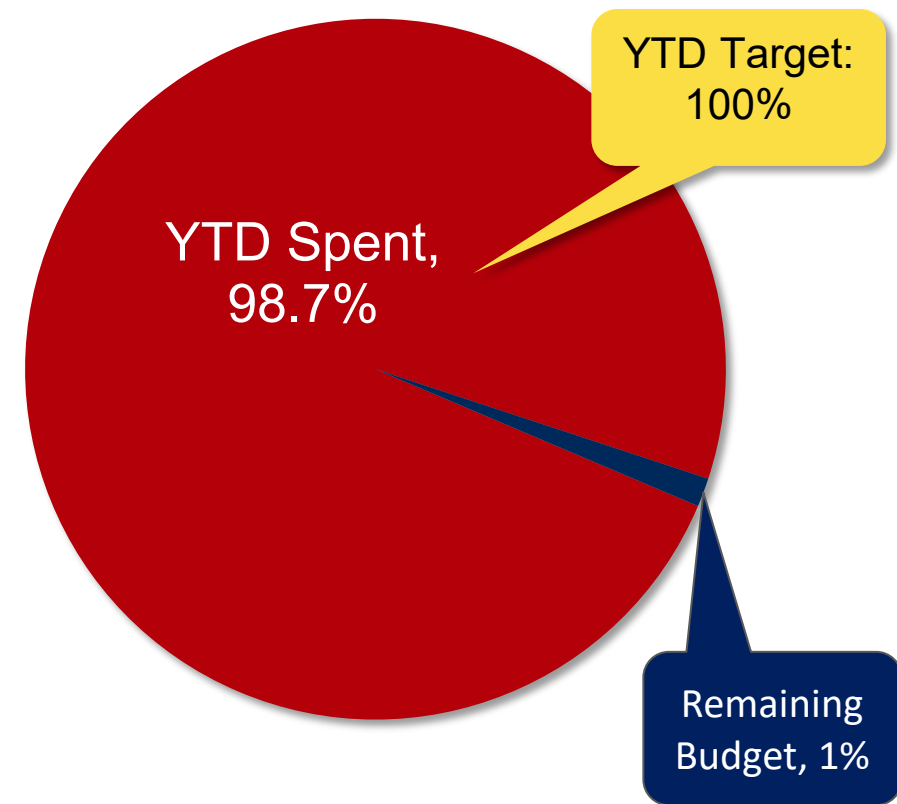
ARP Participant Costs ~\$10/MWh (12%) < Budget

Despite Spending > Original Budget, Lower Gas Prices + Higher Energy & Physical Gas Sales Brought Overall \$/MWh Savings to Participants

YTD Participant Costs (\$/MWh)



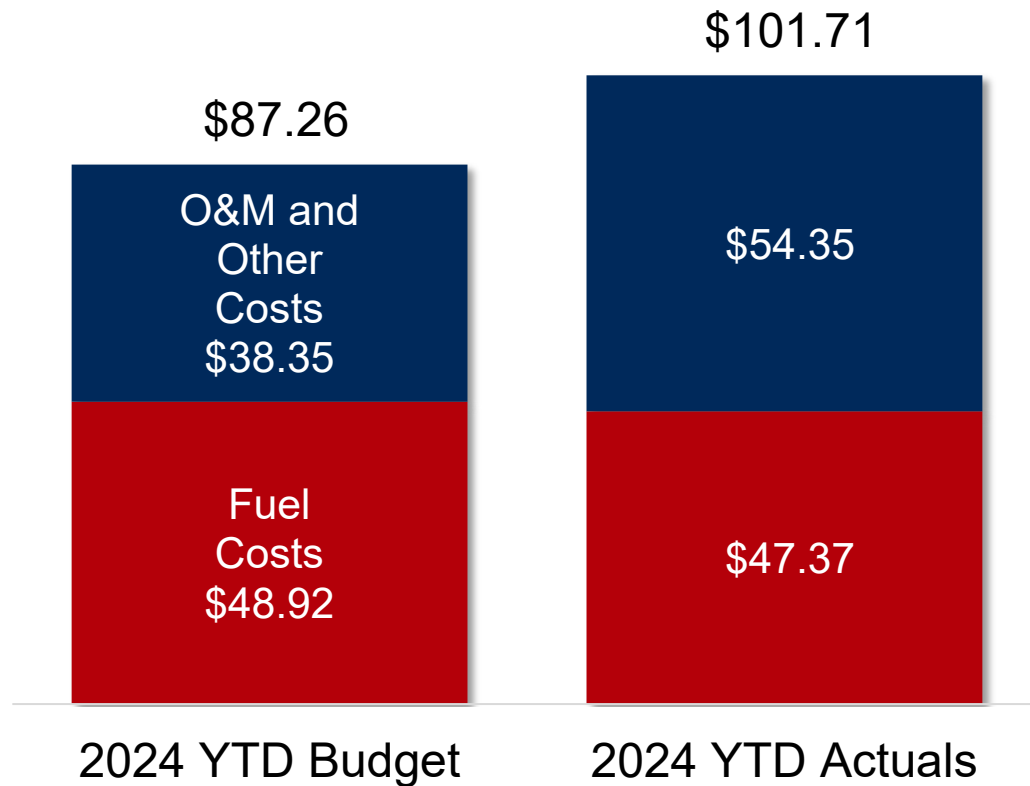
FY 2024 Spending vs. Budget *



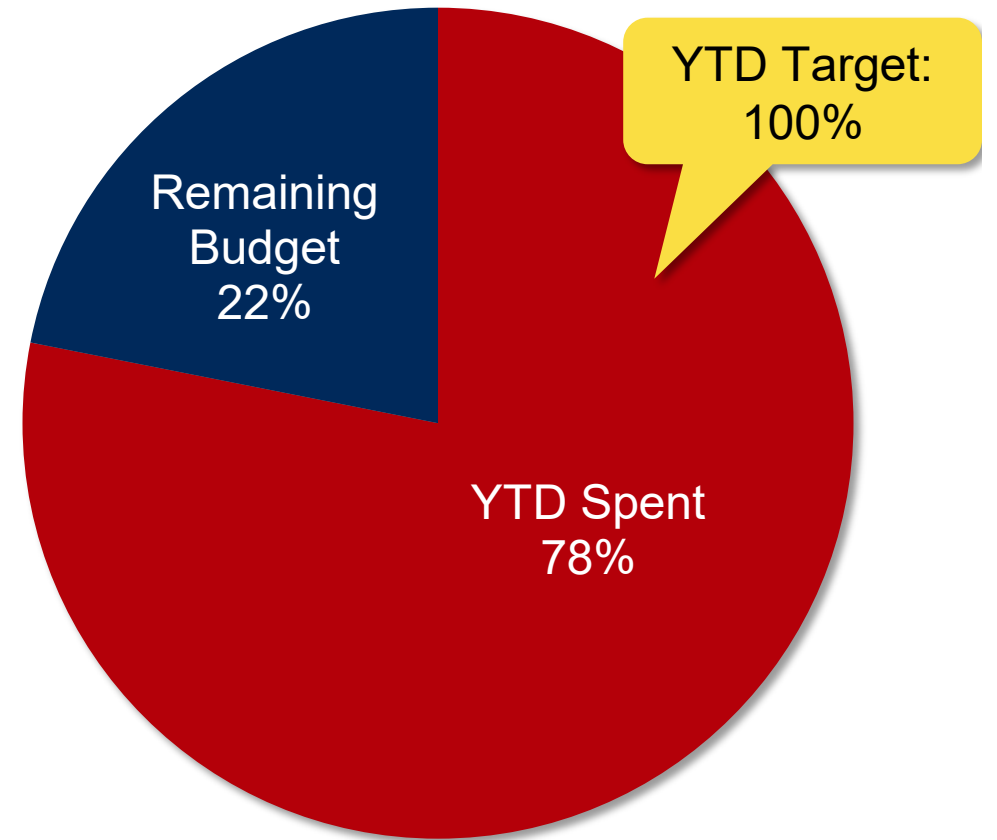
Stanton Participant Costs ~\$14/MWh (17%) > Budget

Spending Well Below Budget Due to Lower Generation, but High Fixed Costs Spread Among Fewer MWhs

YTD Participant Costs (\$/MWh)



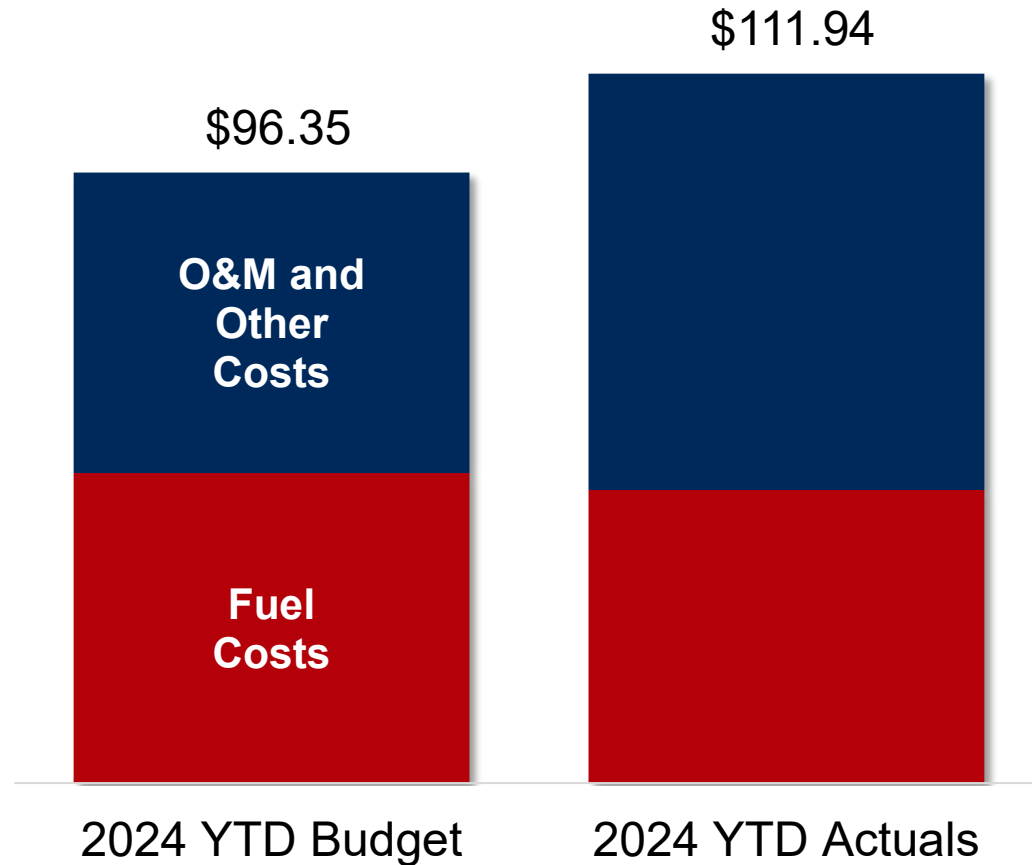
FY 2024 Spending vs. Budget *



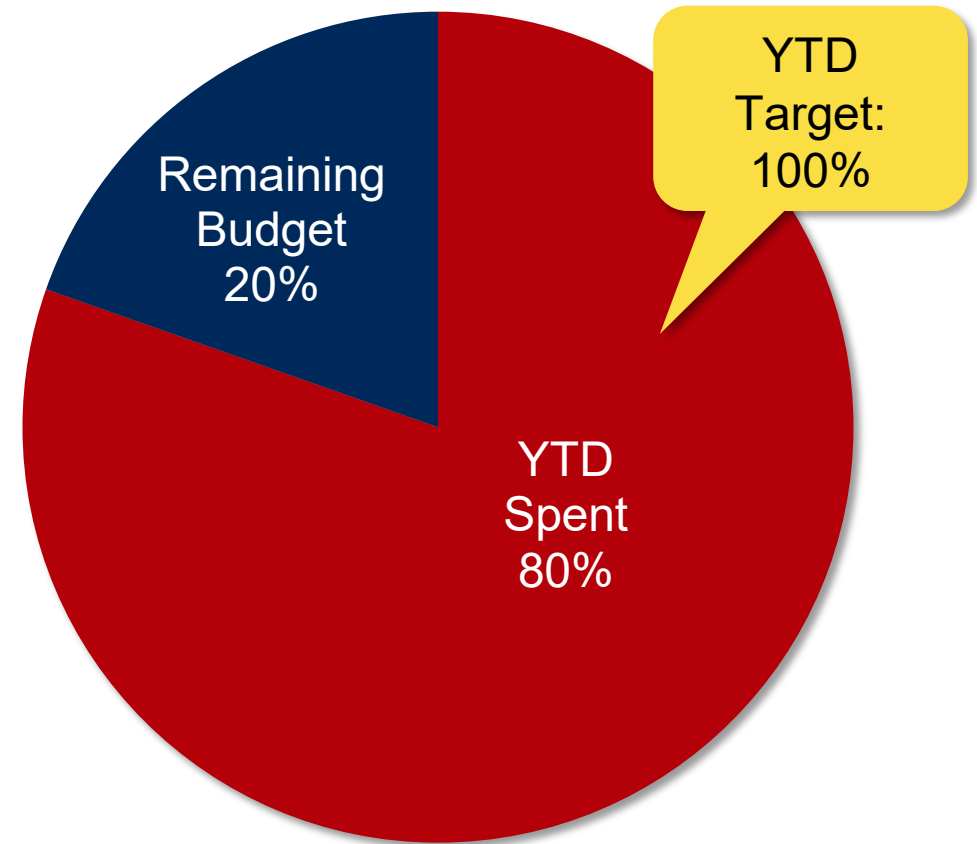
Tri-City Participant Costs ~\$16/MWh (16%) > Budget

Spending Well Below Budget Due to Lower Generation, but High Fixed Costs Spread Among Fewer MWhs

YTD Participant Costs (\$/MWh)



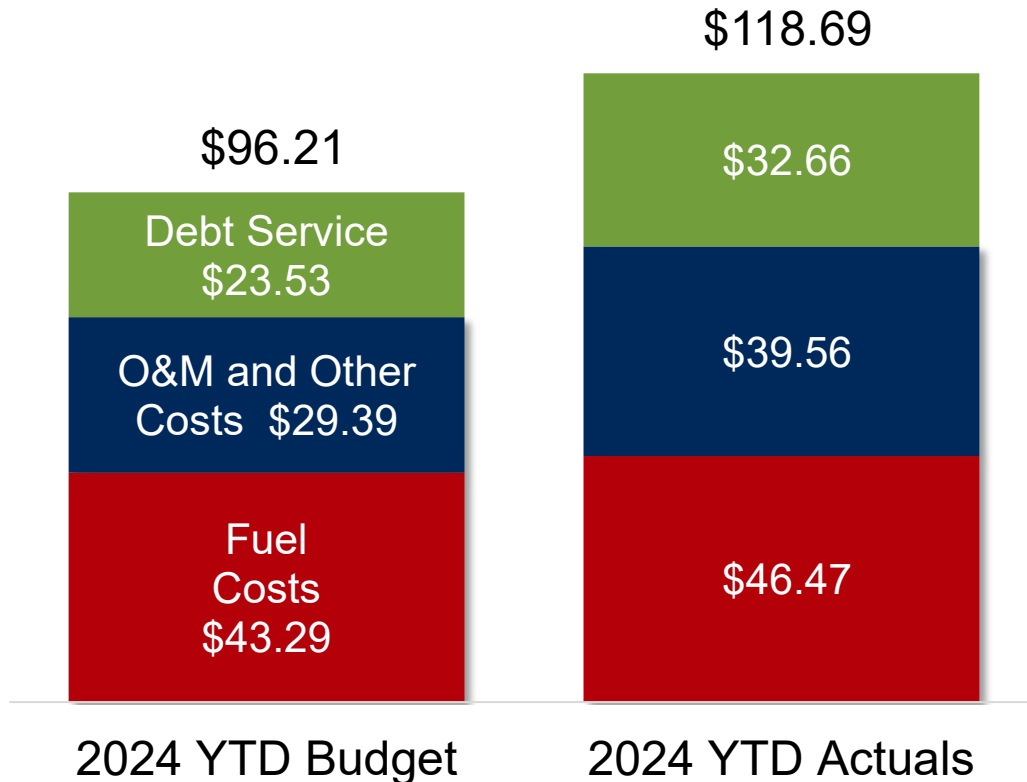
FY 2024 Spending vs. Budget *



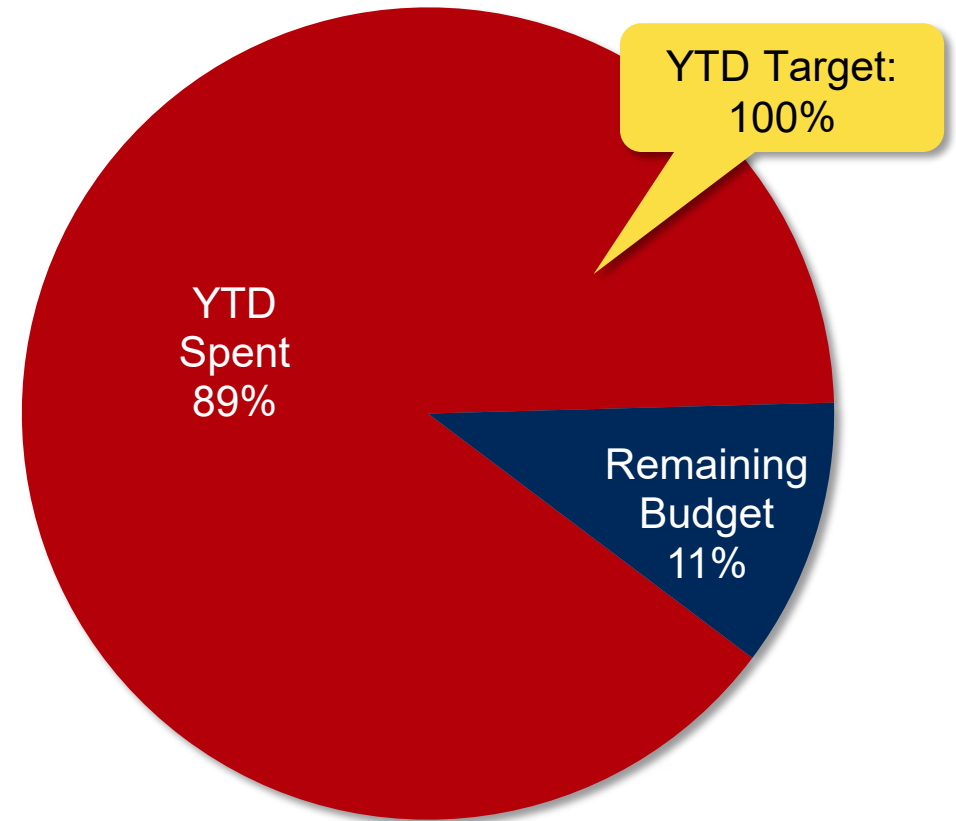
Stanton II Participant Costs ~\$22/MWh (23%) > Budget

Expenses 11% < Budget, But Fixed Costs Spread Across 30% Fewer MWhs Than Budgeted

YTD Participant Costs (\$/MWh)



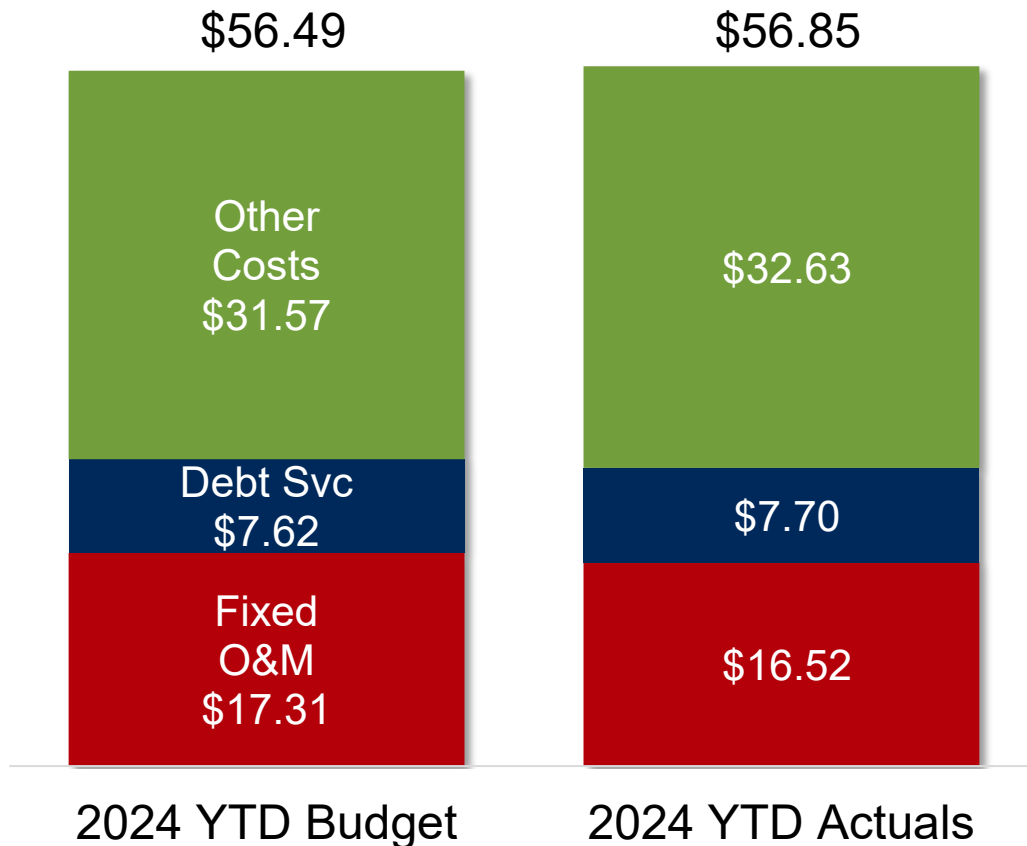
FY 2024 Spending vs. Budget *



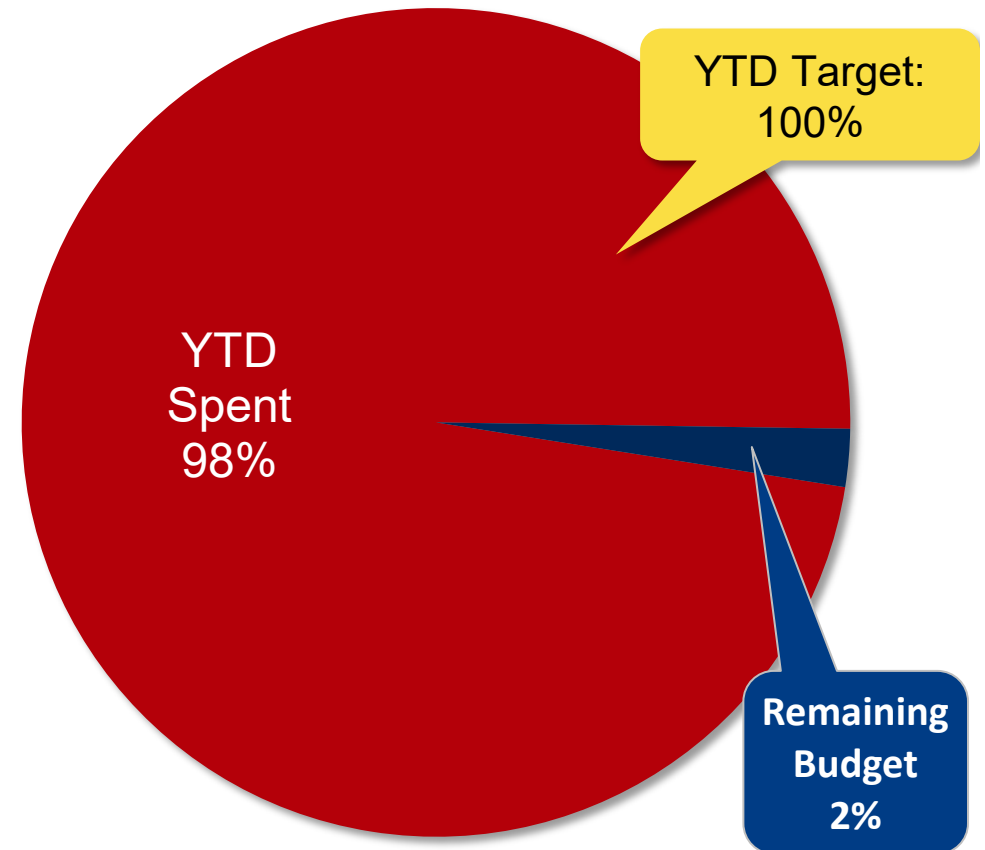
St. Lucie Participant Costs \$/MWh Costs ~ Budget

Total Expenses \$1M < Budget, but Generation 4% < Budget Due to Multiple Forced Outages

YTD Participant Costs (\$/MWh)



FY 2024 Spending vs. Budget *



Recommended Motion

- For information only. No action requested.

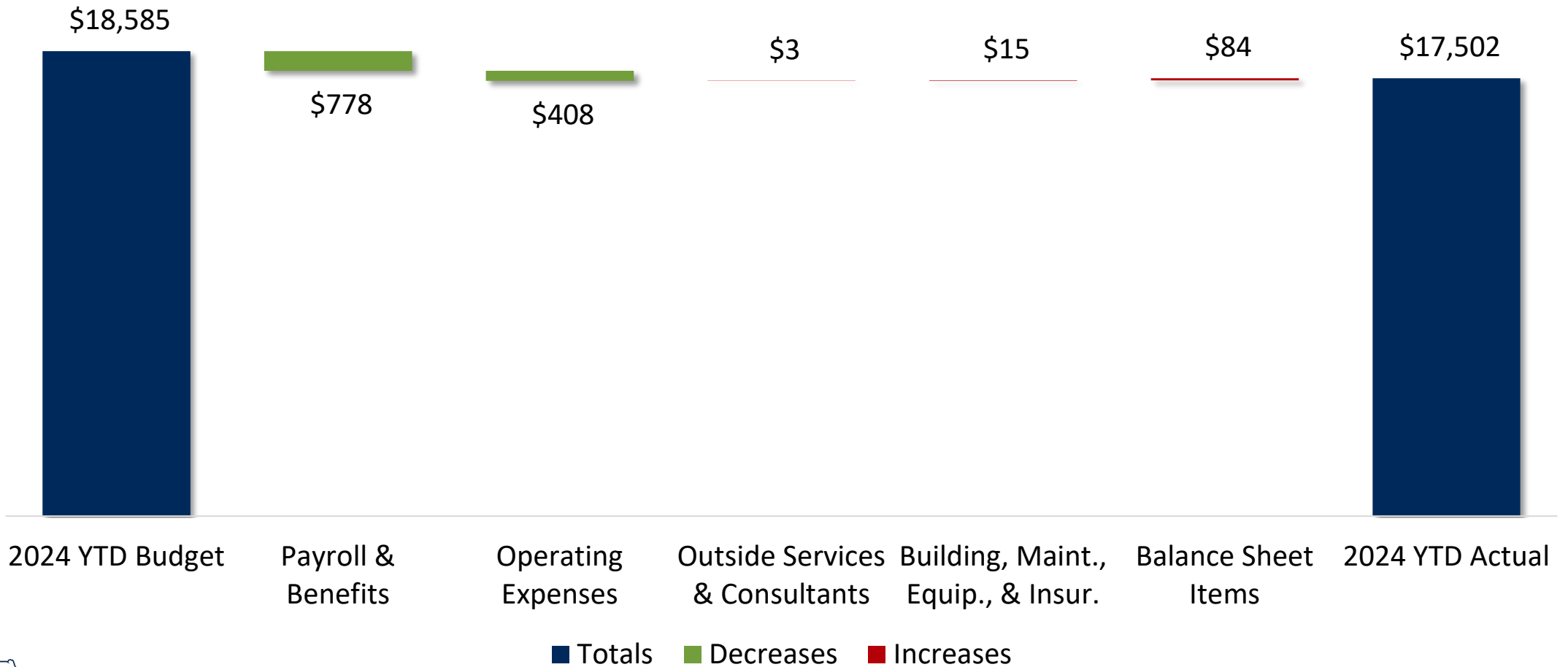


Supplemental Slides

Agency Expenses ~\$1.1M Below Budget

Payroll & Benefits Expenses Largest Variance

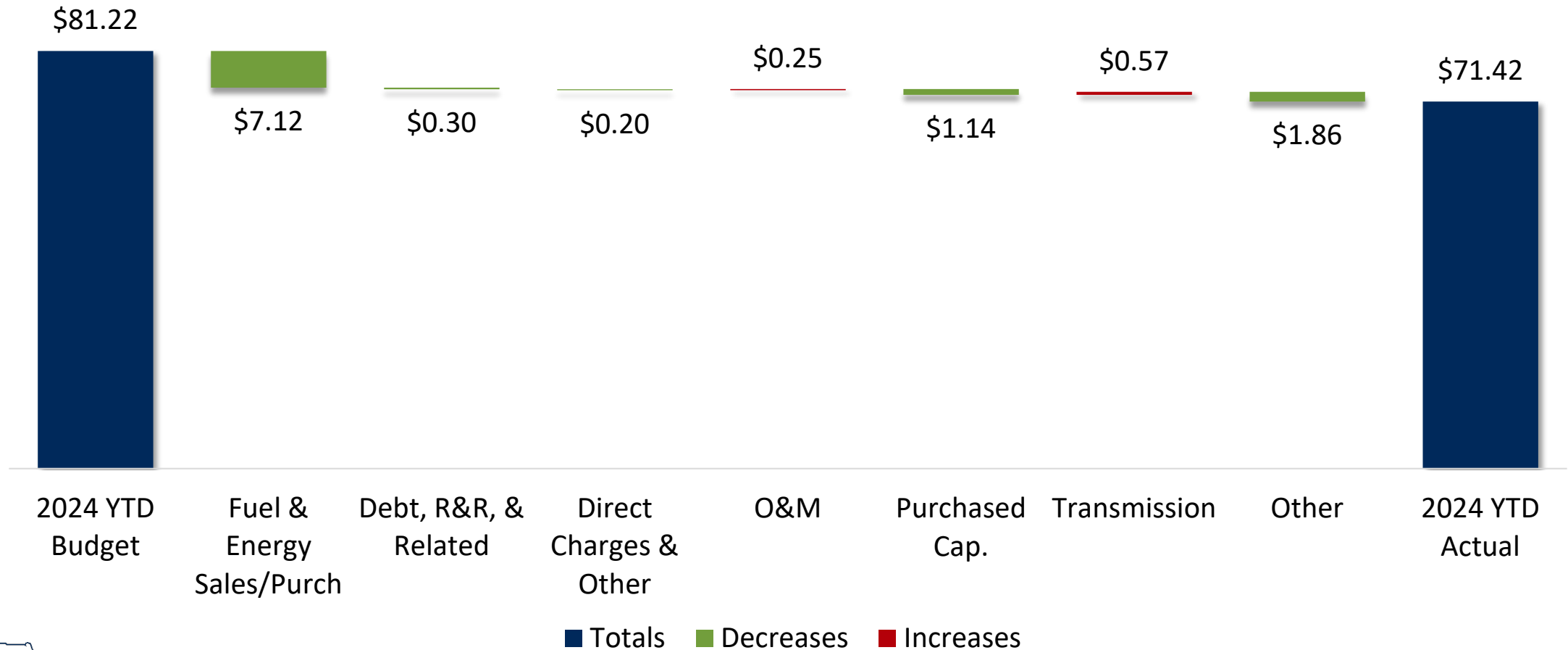
Agency FY 2024 YTD Budget vs. Actual Expenses through Sep. (\$Thousands)



ARP \$/MWh Costs \$10/MWh (12%) < Budget

Driven by Combination of Lower Gas Prices Plus Higher Participant and 3rd Party Energy Sales

ARP FY 2024 YTD Budget vs. Actual Participant Costs through Sep. (\$/MWh)



ARP Expenses Finish \$7.2M (1%) < Budget

Driven by Lower Fuel & Purchased Power Costs

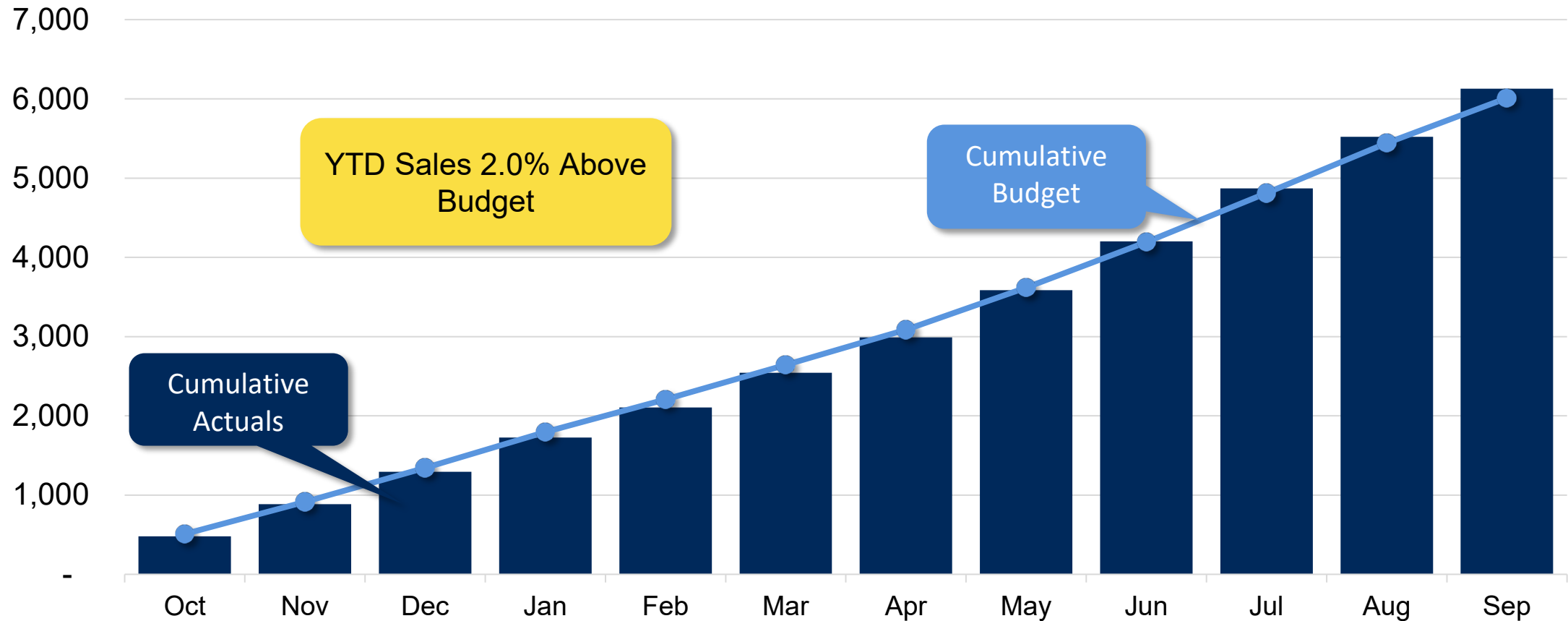
ARP FY 2024 YTD Budget vs. Actual Expenses through Sep. (\$Millions)



FY 2024 ARP Sales Finish 2% > Budget

Driven by High Summer Temperatures

ARP FY 2024 Cumulative Sales through Sep. (GWh)



Stanton \$/MWh Costs Finish 17% > Budget

Driven by Lower Fixed Cost & Lower than Budgeted Generation

Stanton Project YTD Budget vs. Actual Participant Costs through Sep. (\$/MWh)



Stanton Project Expenses \$5M (22%) < Budget

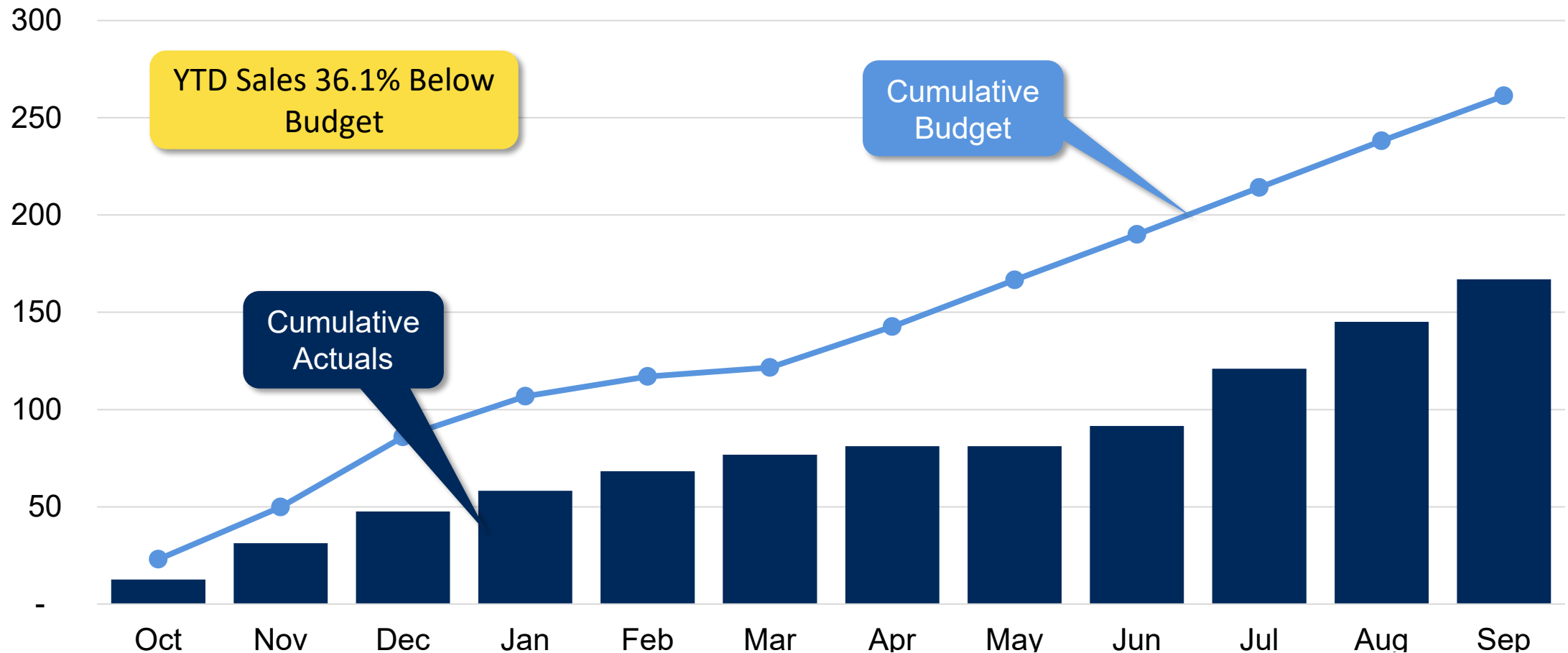
Driven by Lower Fuel Costs Due to 36% Lower Utilization

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



Stanton Project Generation 36% < Budget

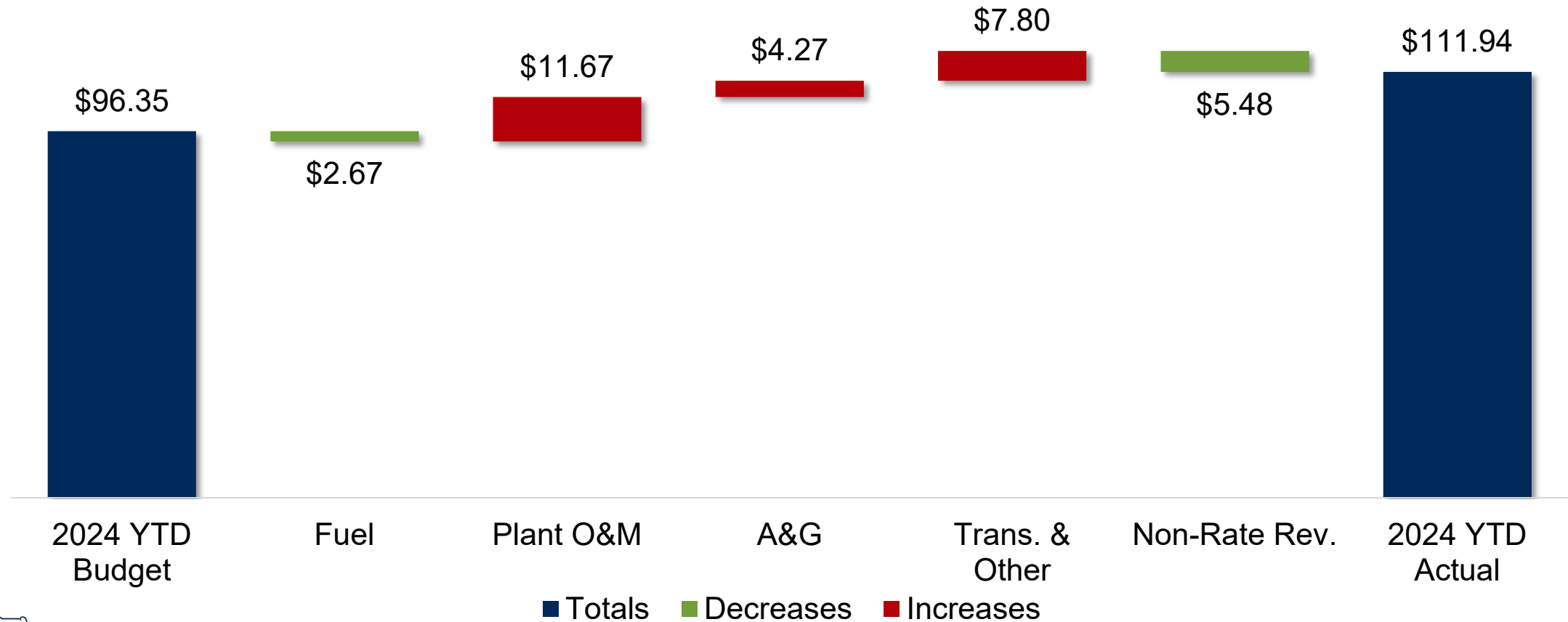
Stanton Project FY 2024 Cumulative Sales through Sep. (GWh)



Tri-City Participant \$/MWh Costs 16% > Budget

Driven by Generation 34% < Budget

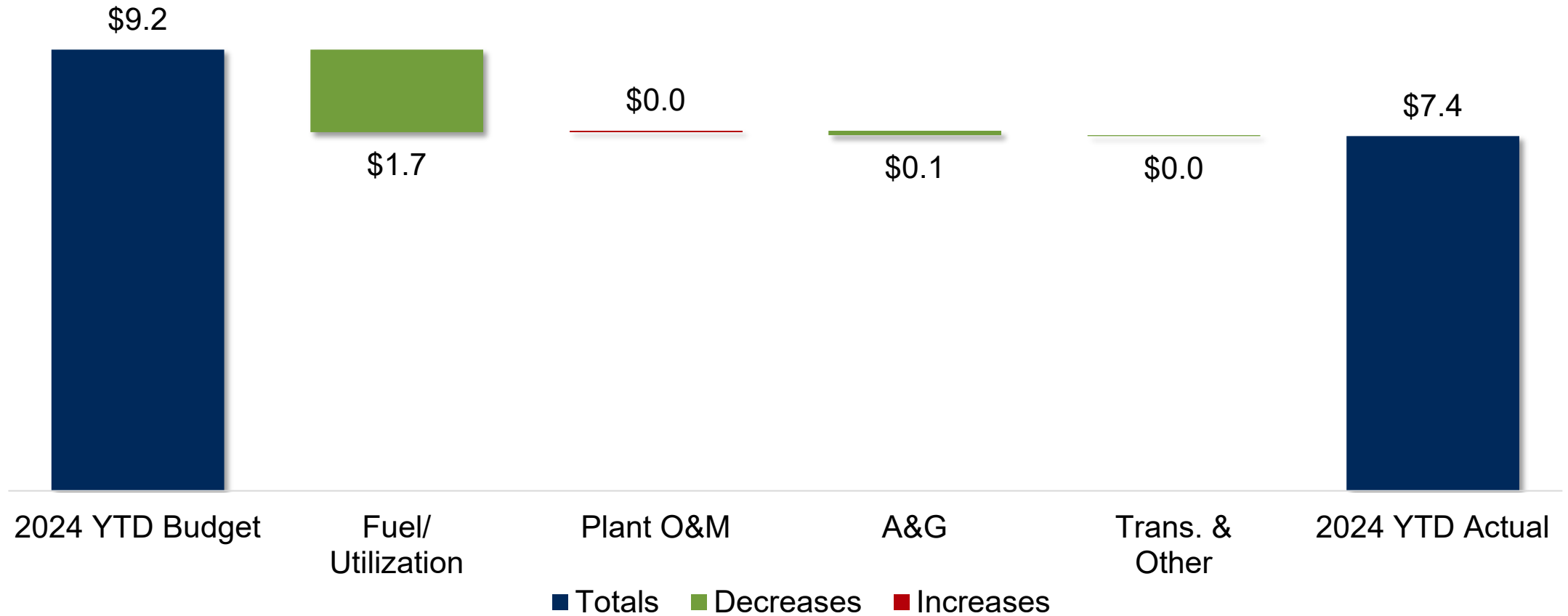
Tri-City Project Budget vs. Actual Participant Costs through Sep. (\$/MWh)



Tri-City Project Expenses \$1.8M (20%) < Budget

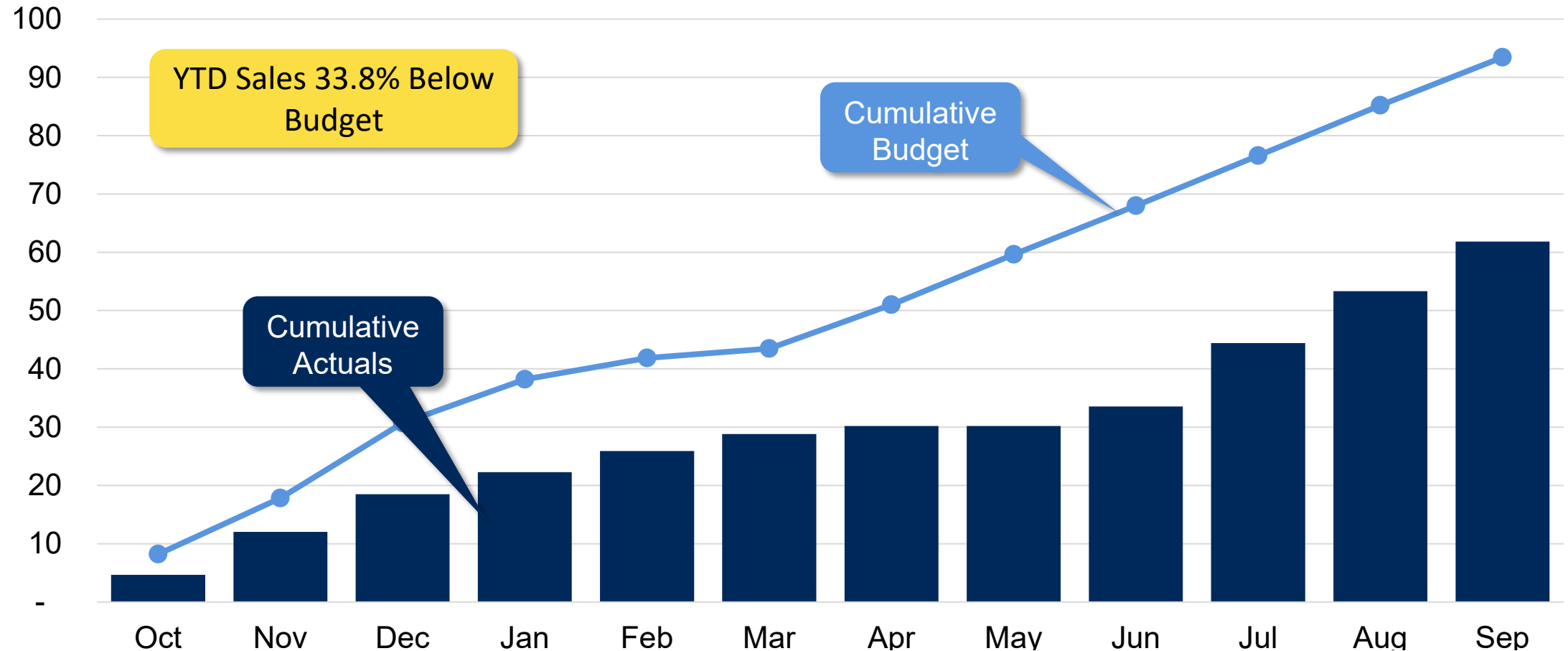
Driven by Lower Fuel Costs Due to 34% Lower Utilization

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



Tri-City Project Sales (Generation) 34% < Budget

Tri-City Project FY 2024 Cumulative Sales vs. Budget through Sep. (GWh)



Stanton II Participant \$/MWh Costs 23% > Budget

Generation 30% < Budget Offsets Lower Overall Expenses

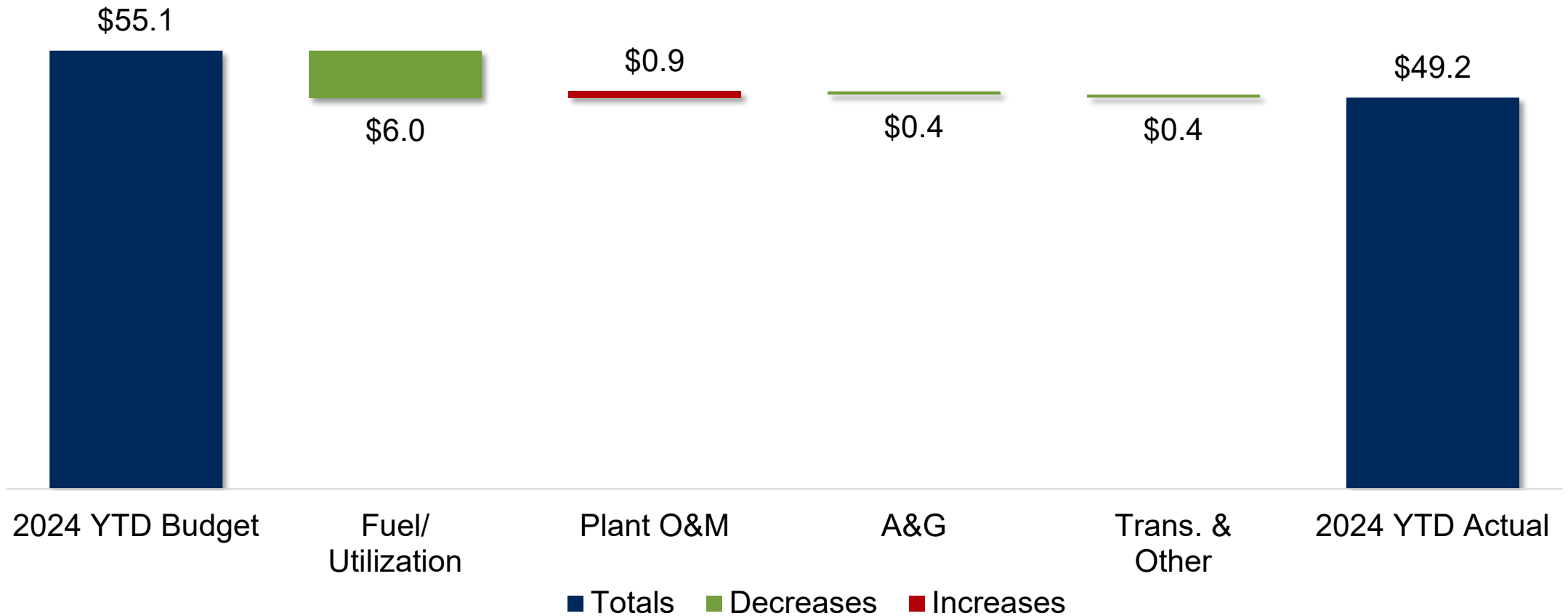
Stanton II Project YTD Budget vs. Actual Participant Costs through Sep. (\$/MWh)



Stanton II Expenses \$6M (11%) < Budget

Fixed Costs ~ Budget, but Fuel Expense \$6M < Budget Due to 30% Lower Generation

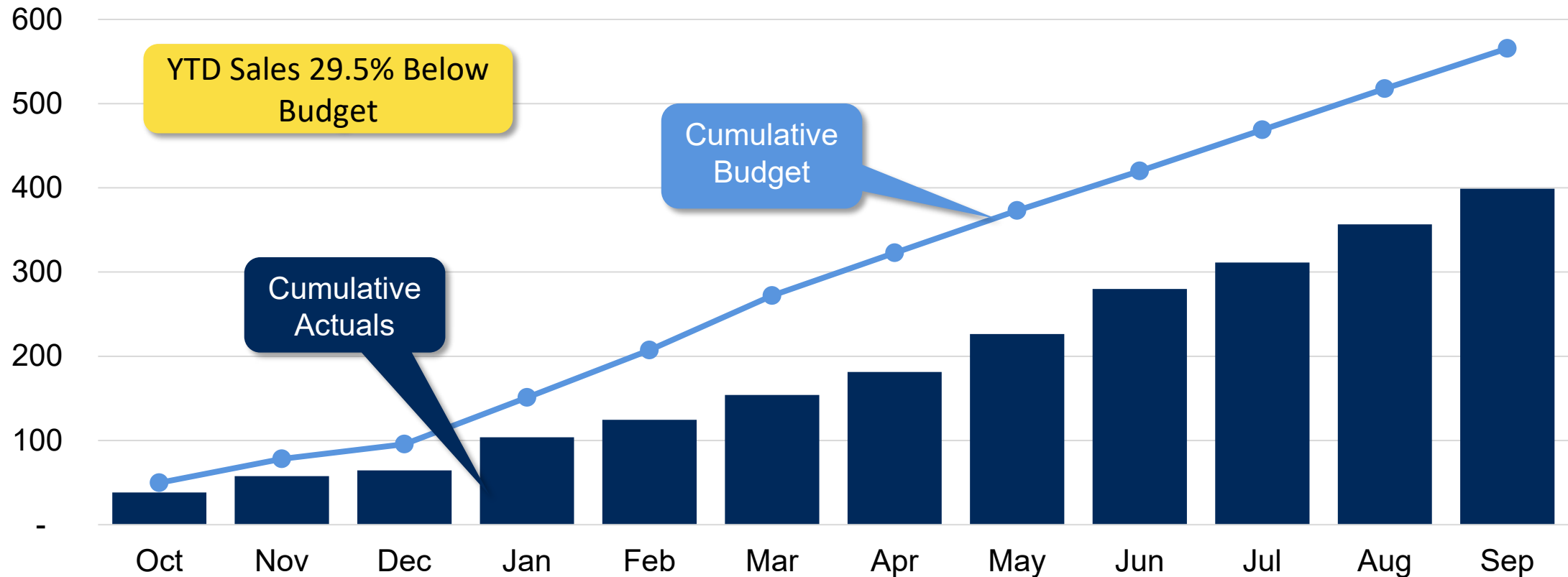
Stanton II Project YTD Budget vs. Actual Expenses through Sep. (\$Millions)



Stanton II Project Sales 30% < Budget

Gas Prices Low During FY 2024, Use of RO Units for Site Water Management Reduced Need for Coal to Run Out of Economics

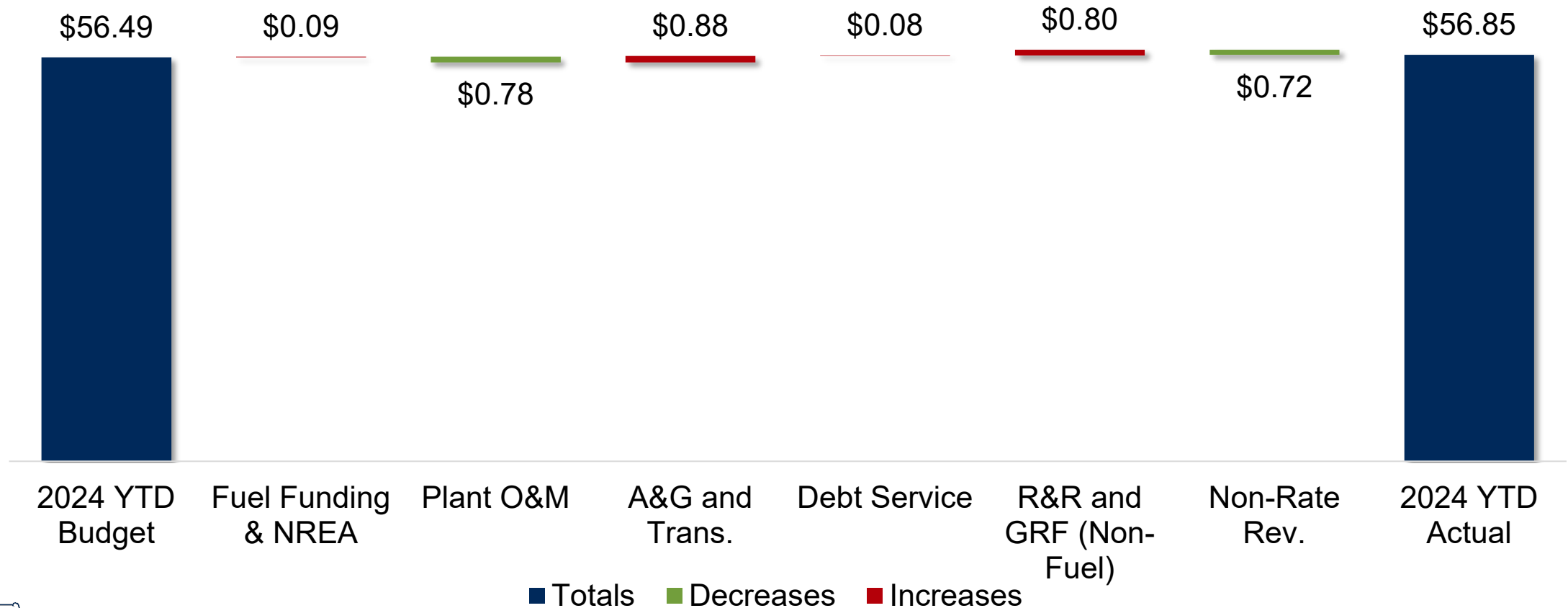
Stanton II Project FY 2024 Cumulative Sales vs. Budget through Sep. (GWh)



St. Lucie Project \$/MWh Participant Costs ~ Budget

Total Expenses 2% < Budget Offset by Generation 4% < Budget

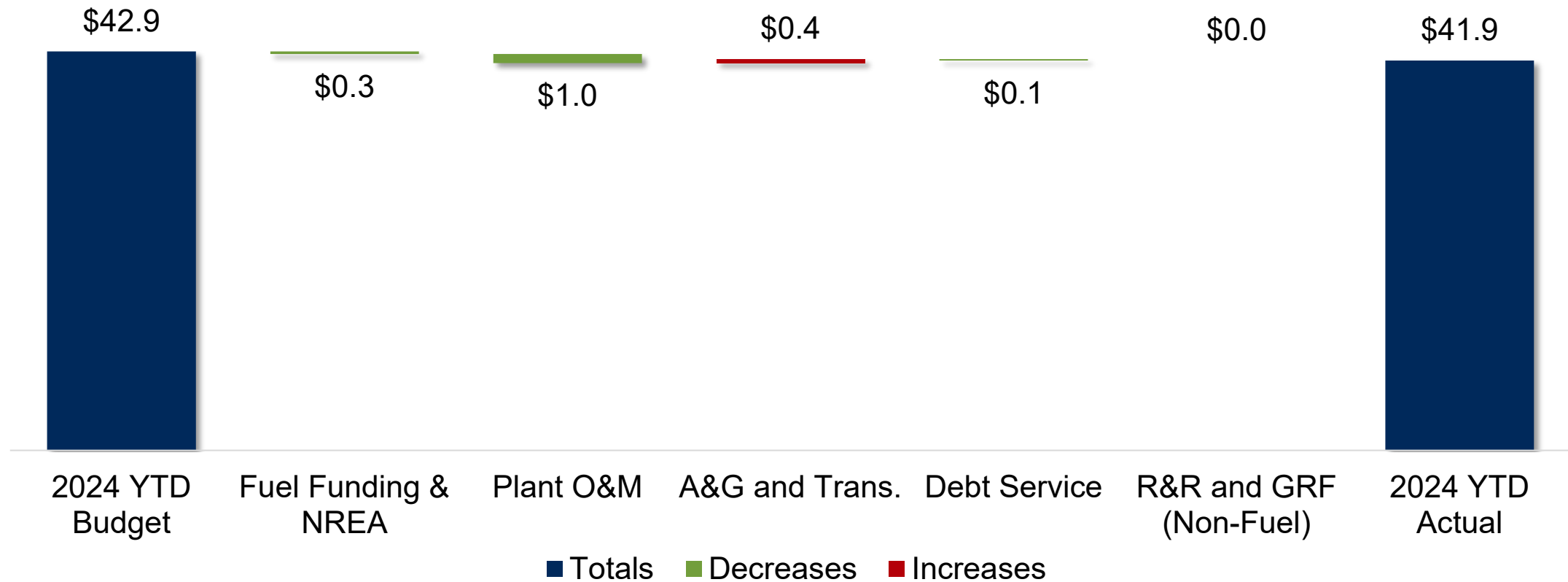
St. Lucie Project YTD Budget vs. Actual Participant Costs through Sep. (\$/MWh)



St. Lucie Project Expenses \$1M < Budget

Driven by Lower than Budgeted O&M Costs

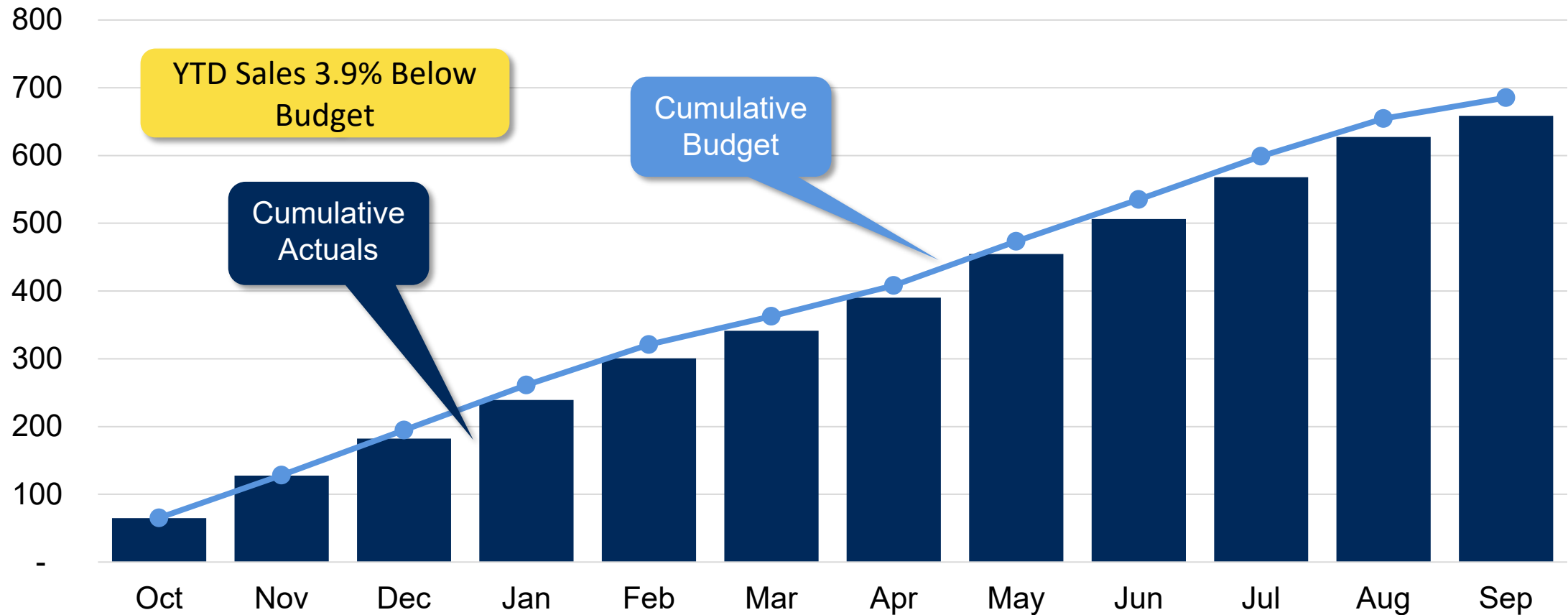
St. Lucie Project YTD Budget vs. Actual Participant Costs through Sep. (\$Millions)



St. Lucie Project FY 2024 Sales 4% < Budget

Driven by 5 Forced Outages During FY 2024

St. Lucie Project FY 2024 Cumulative Sales vs. Budget through Sep. (GWh)



**AGENDA ITEM 9 – INFORMATION
ITEMS**

**d. Update on ARP Price
Mitigation Strategy**

**Finance Committee Meeting
December 11, 2024**



9d - Update on ARP Price Mitigation Strategy

Finance Committee

December 11th, 2024

Review of Power Price Management Efforts

- **Quarterly Review and Alignment:**
 - Provided comprehensive reviews of current positions and market dynamics
 - Actively ensured alignment with the EC's strategic rate goals
 - Defined monthly percentages to manage risk by period, ensuring we avoided overexposure
- **Review Position Taken:**
 - We initiated actions when minimum thresholds were met
 - We allowed for discretion in our actions after minimum thresholds were met until the maximum level was reached

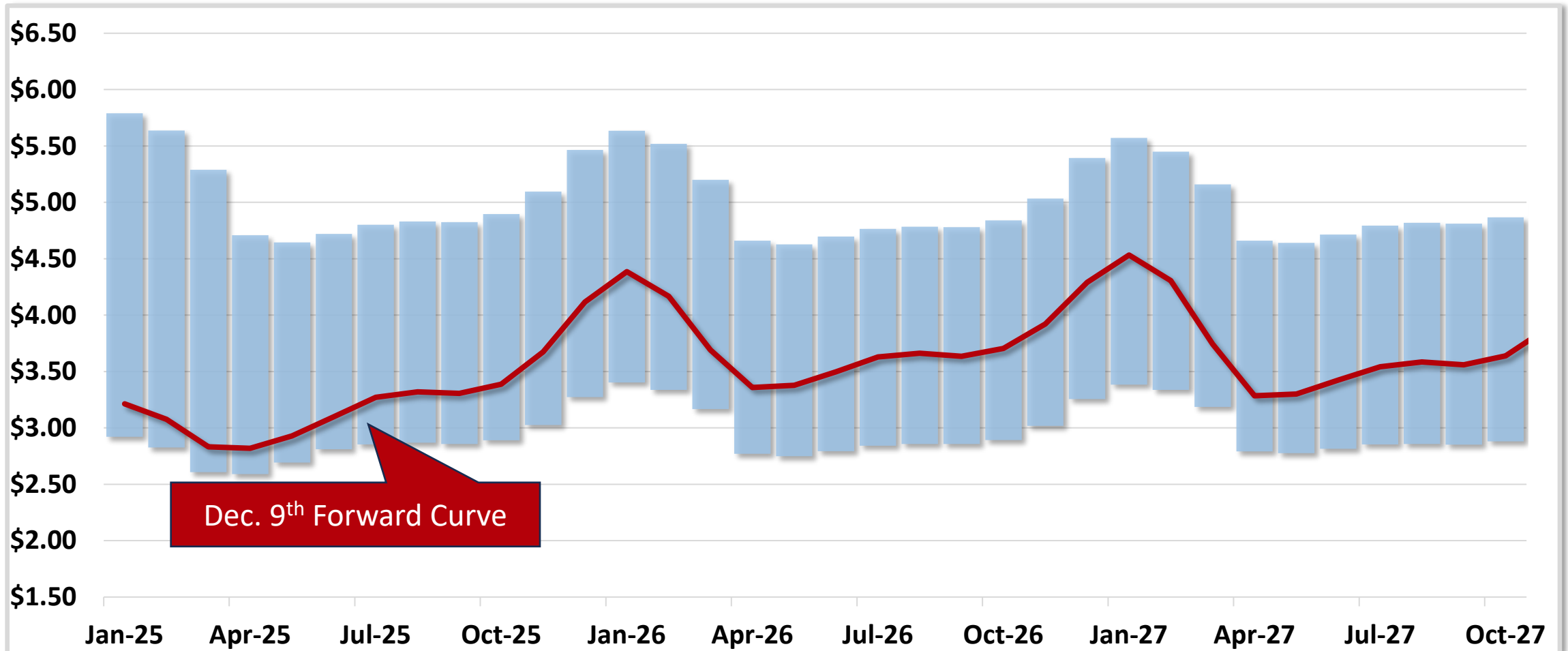


Market Update



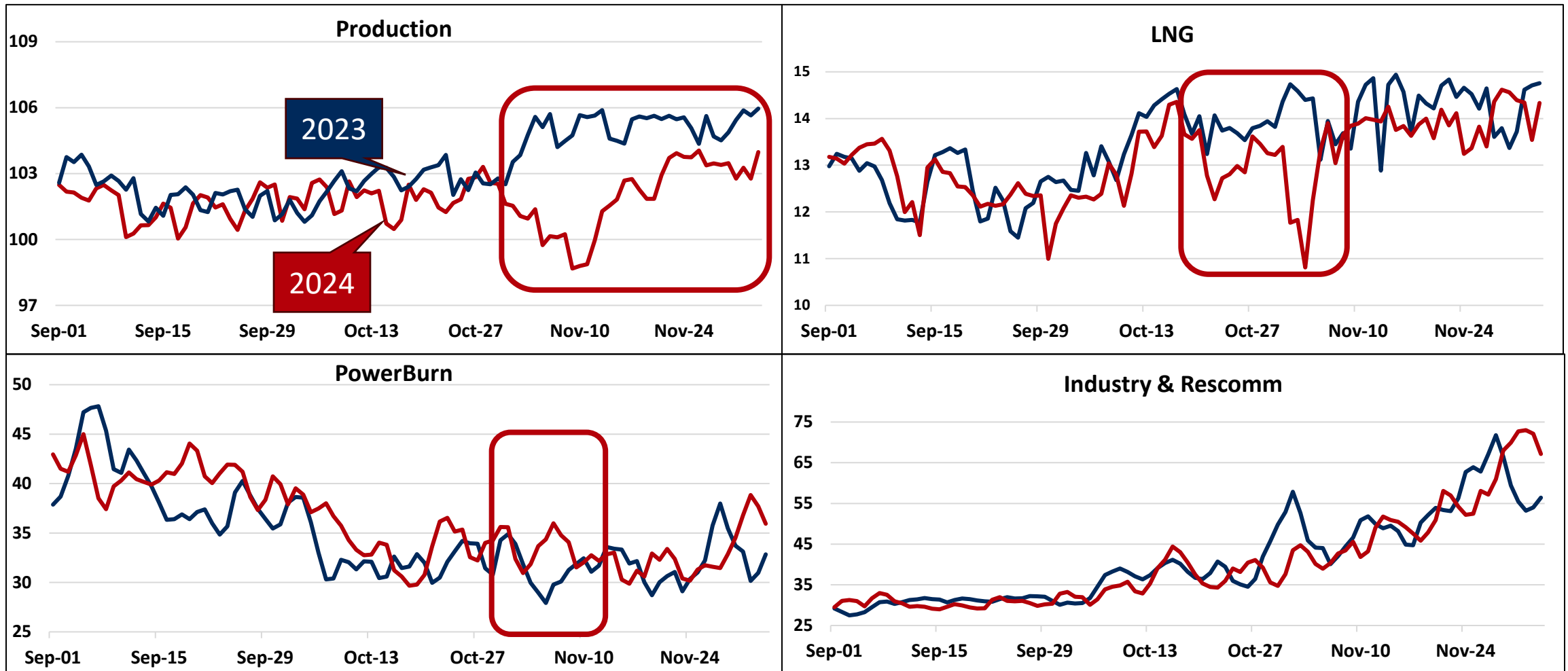
3-Year Forward Curve Range Over Time

Cold Start to Winter, Jan. up 10% in last 30 days



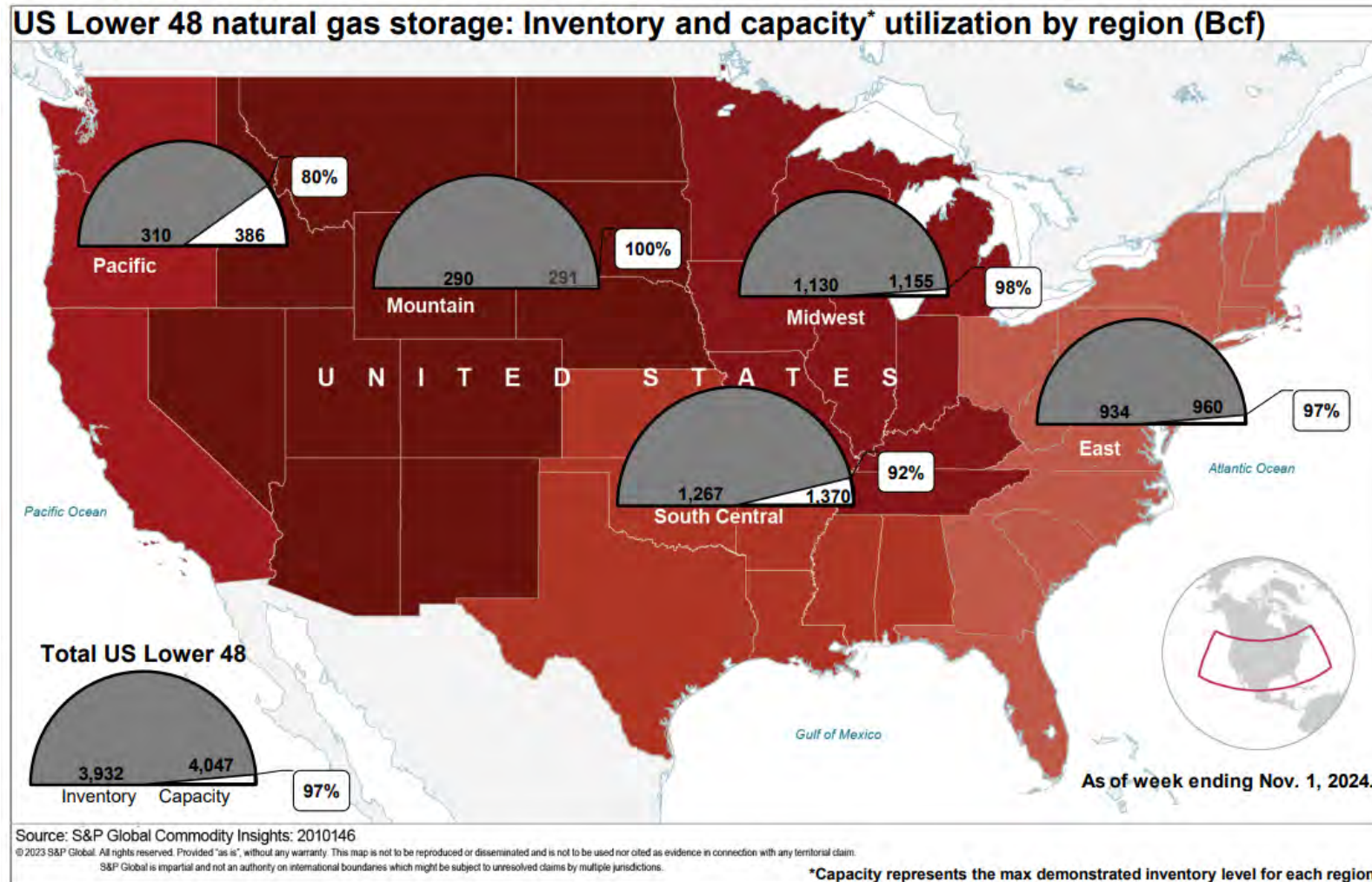
Production Down 3.5 Bcf/d Year Over Year

Power Burn up 1 Bcf/d, Rescomm Down .5 Bcf/d



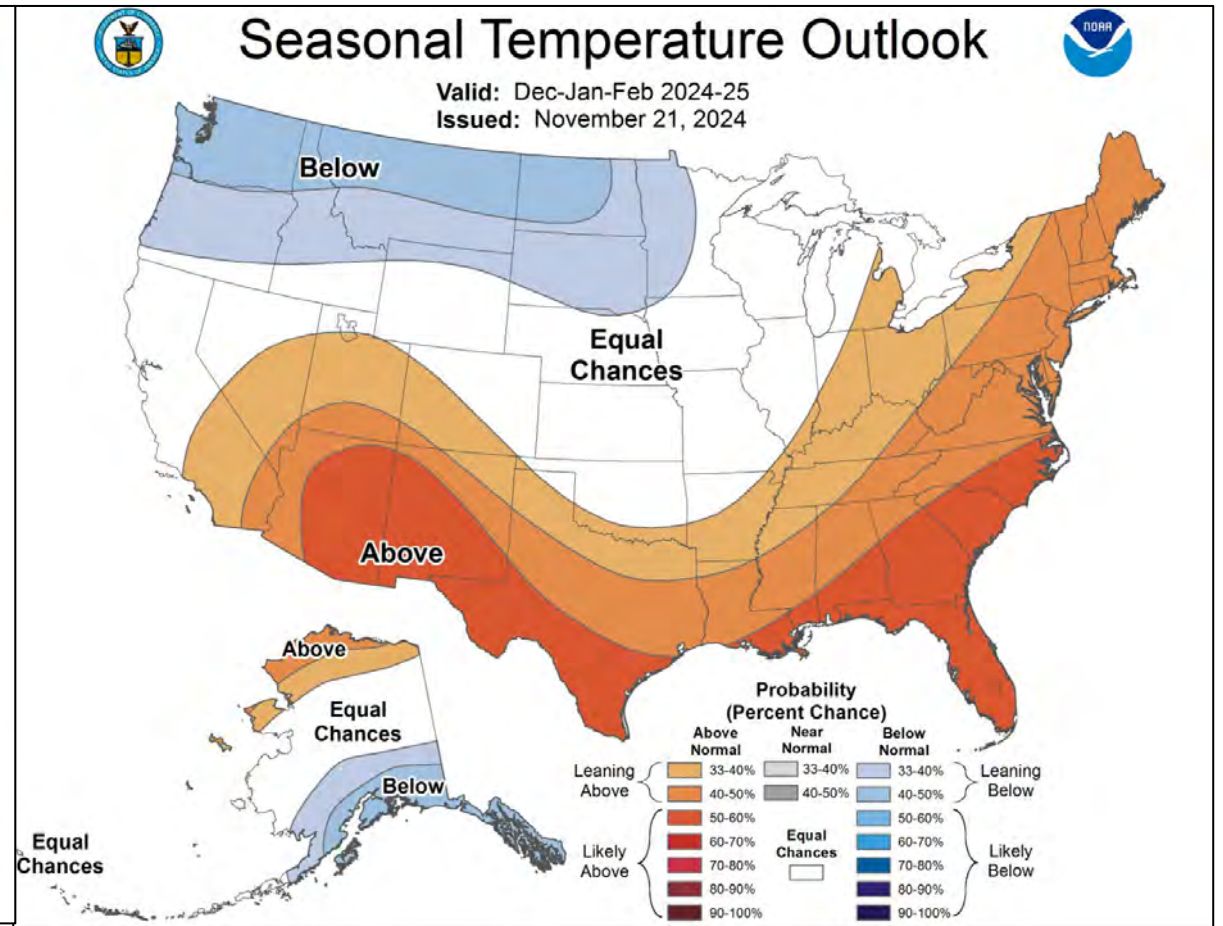
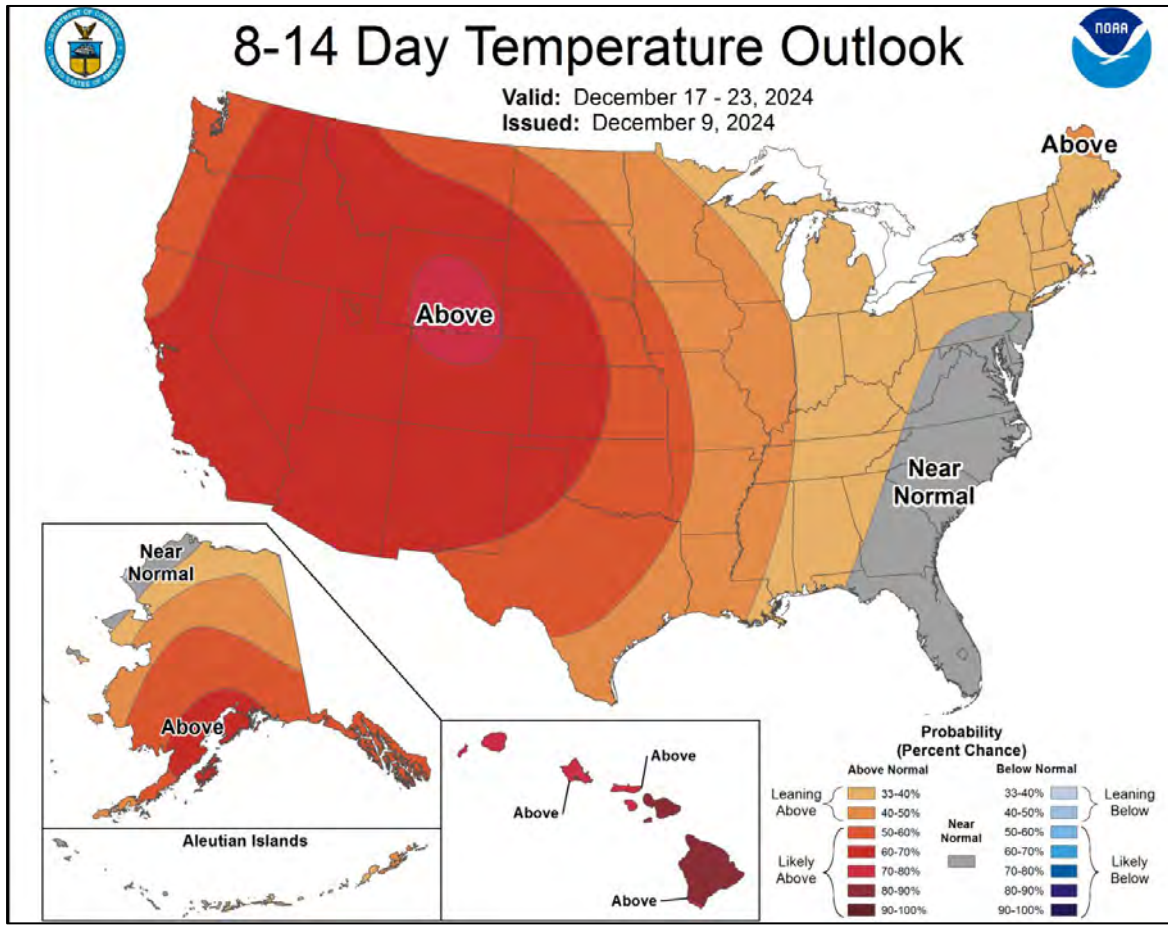
Regional Storage Inventories

4 out of 5 Regions are at 5-year Highs



Winter 2024-2025 Seasonal Outlook

Dry with Above-Average Temp Expected Across Much of the U.S.



Latest News Impacting Gas Prices

Domestic Policy:

- ↓ Regulatory rollbacks for projects could accelerate infrastructure development
- ↓ Other rollbacks may lower production costs, potentially increasing supply
- ↑ Changes to IRA could slow investments for renewable technologies

Foreign Policy:

- ↓ Ukraine ceasefire may reduce demand for U.S. LNG exports to Europe

Taxes, Trade, & Economic Growth:

- ↓ Any tariffs could slow economic growth, reducing overall energy demand

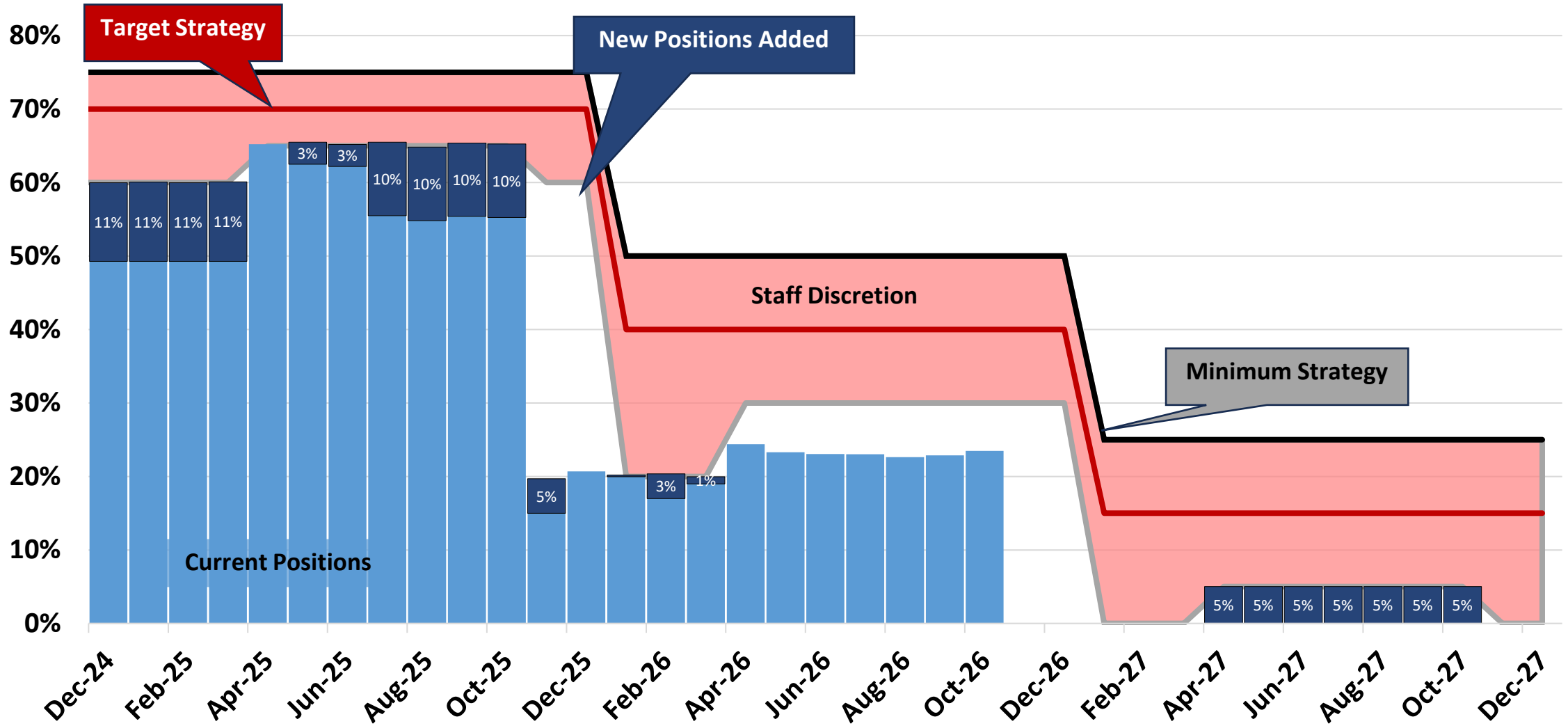


Program Updates



Positions as of December

Filling in Positions as the Market Continued to Fall



Rate Projections Targets Approved June 20th

Projected Rates based on 2023-2024 Budget Model

Winter Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Nov 24 - Mar 25	\$2.87	\$82.90
Nov 25 - Mar 26	\$3.75	\$89.05
Nov 26 - Mar 27	\$3.85	\$89.95

Summer Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Apr 25 – Oct 25	\$3.33	\$73.30
April 26 - Oct 26	\$3.60	\$76.91
April 27 - Oct 27	\$3.33	\$78.20

Fiscal Year	Target Rate (\$/MWh)
2024	\$80.26
2025	\$81.18
2026	\$83.43

New Rate Projections Targets

Projected Rate Changes Due to New Budget Model – Nov.2024

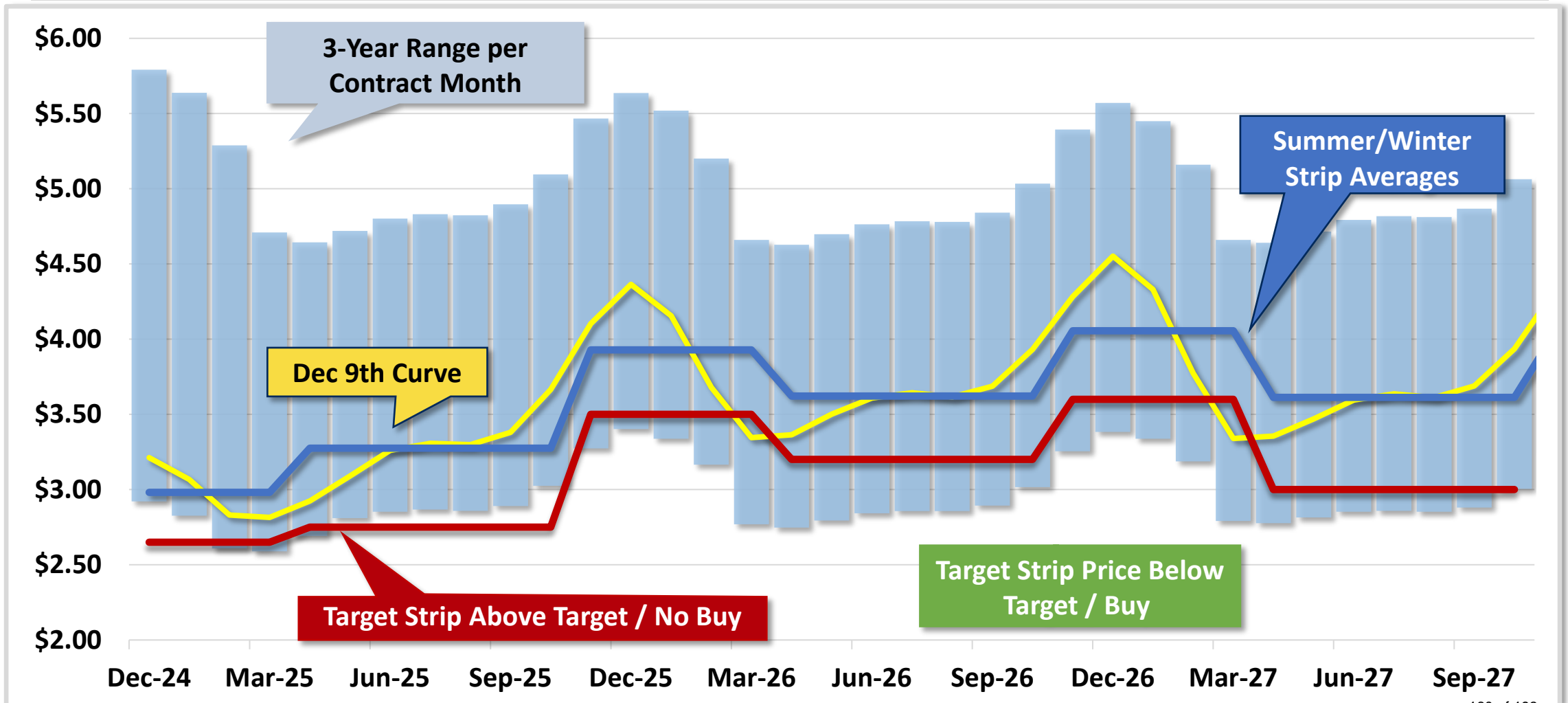
Winter Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Nov 24 - Mar 25	\$2.65 (0.22)	\$84.69
Nov 25 - Mar 26	\$3.50 (0.25)	\$91.75
Nov 26 - Mar 27	3.60	\$89.22

Summer Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Apr 25 – Oct 25	\$2.75 (0.58)	\$69.78
April 26 - Oct 26	\$3.20 (0.40)	\$77.12
April 27 - Oct 27	3.25 (0.08)	\$83.93

Fiscal Year	Target Rate (\$/MWh)	Old Model Rate
2025	\$77.23	\$78.10
2026	\$84.44	\$80.82
2027	\$86.75	

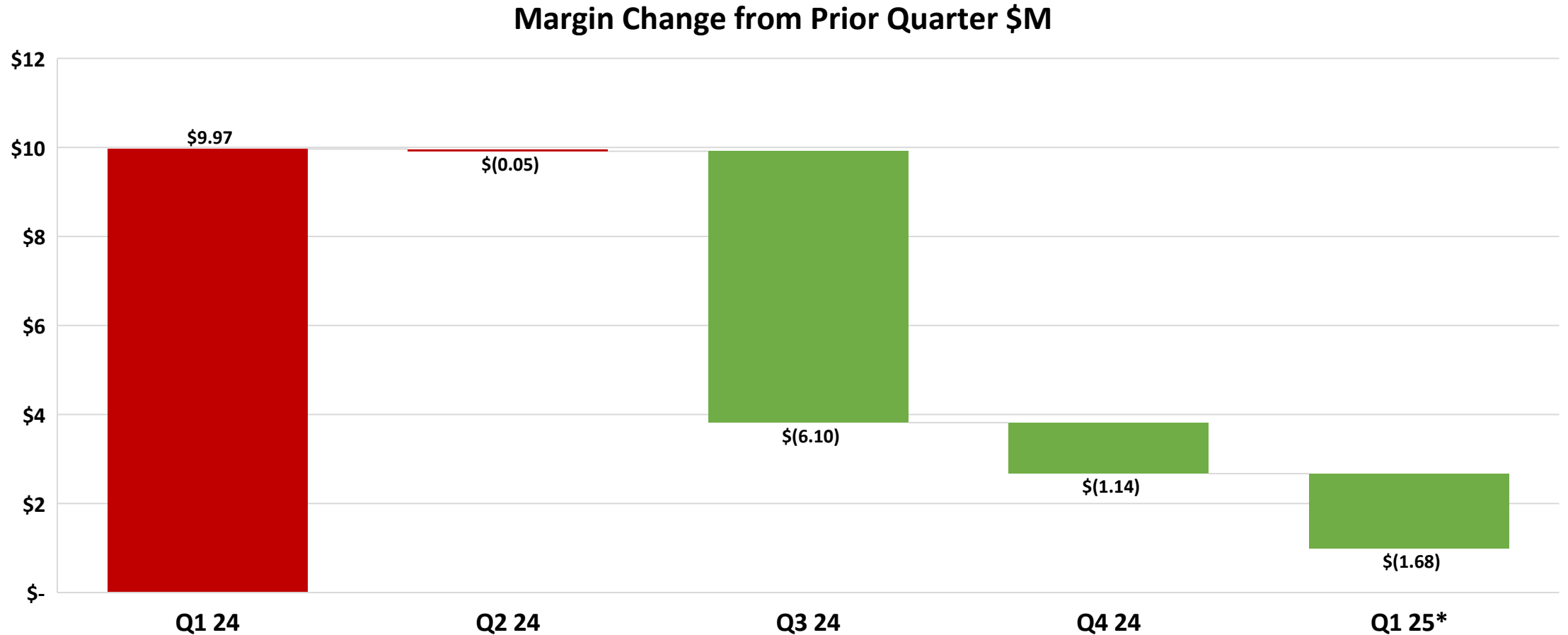
New Targets Below Current Market

New Positions Expected After Initial Winter Uncertainty



As Prices Increase Reduction in Margin Required

Total Margin Change for FY 2024 was \$2.67M



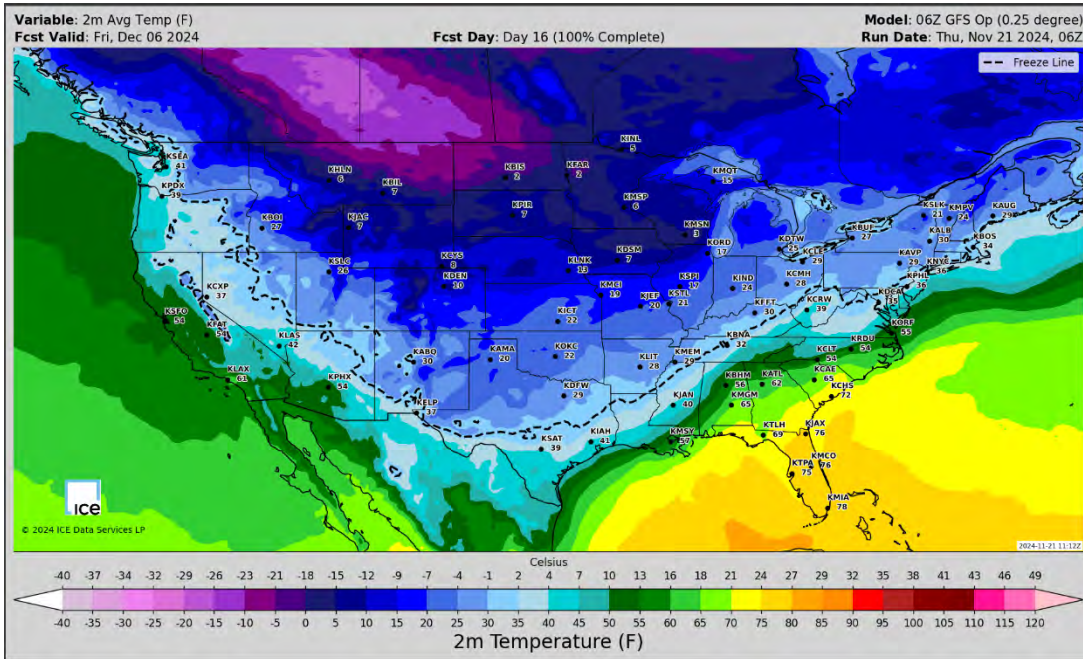
*As of November Close

161 of 193

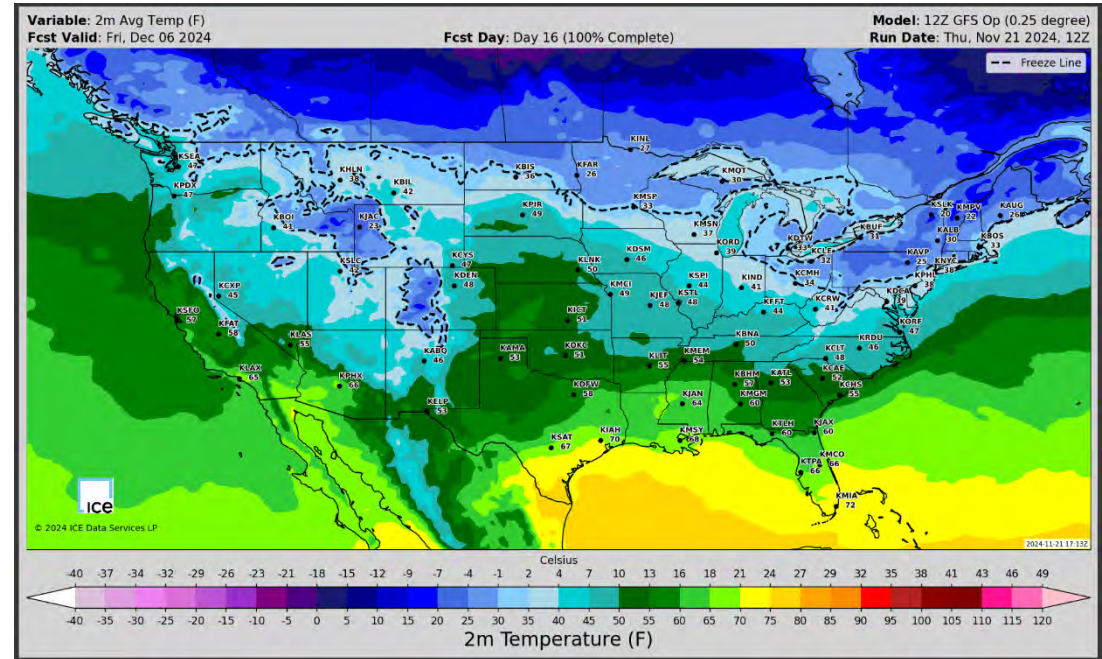
Winter 2024-2025 Early Volatility

Models Intraday Changes Lead to 20% Run in Market

6am GFS Model

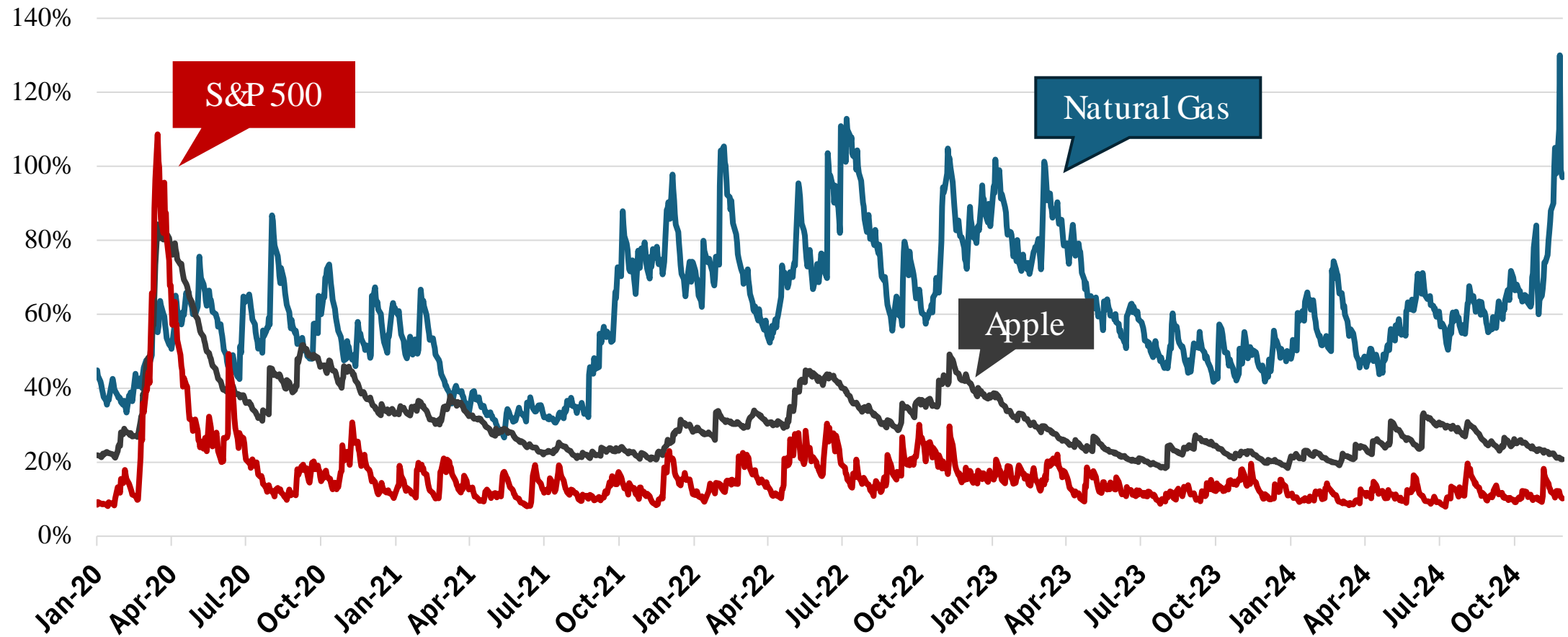


12pm GFS Model



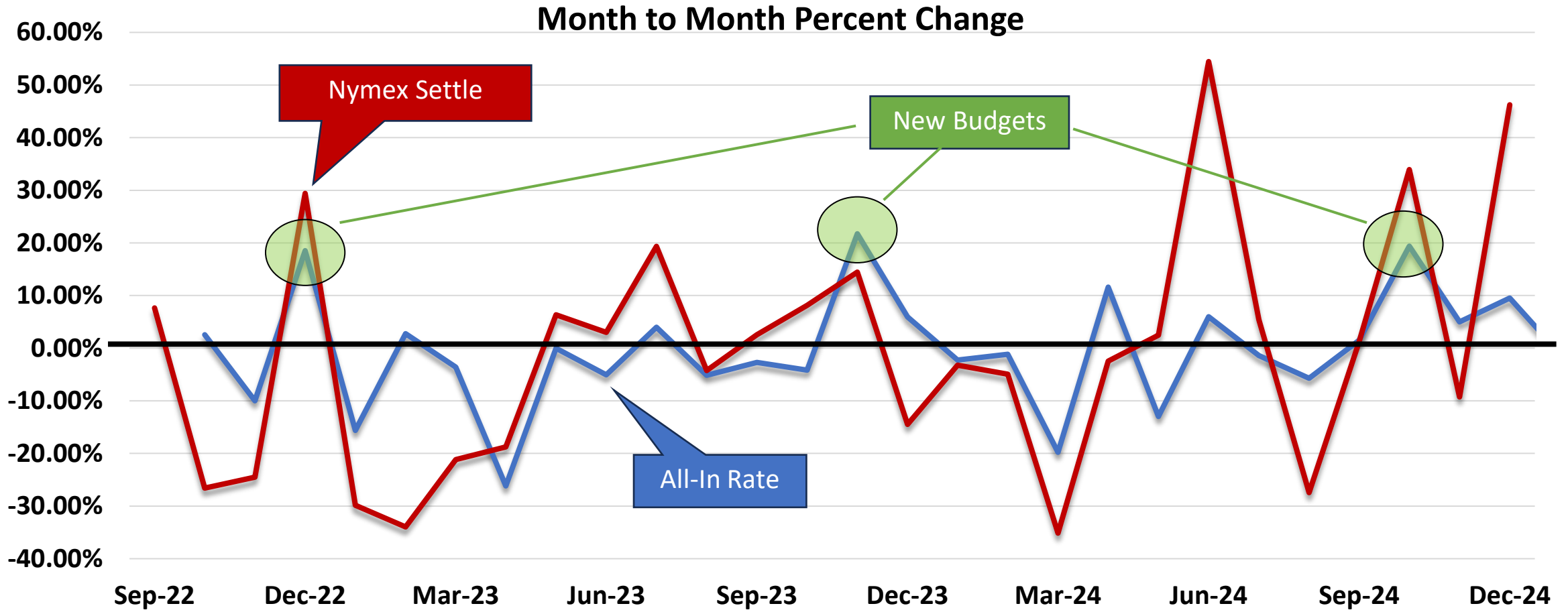
Navigating Market Swings with Volatility

Weather Uncertainty Leads to High Volatility



Program Delivers Smoother Rates

FY '24 Average Market change 71%, Average Rate Change 21%

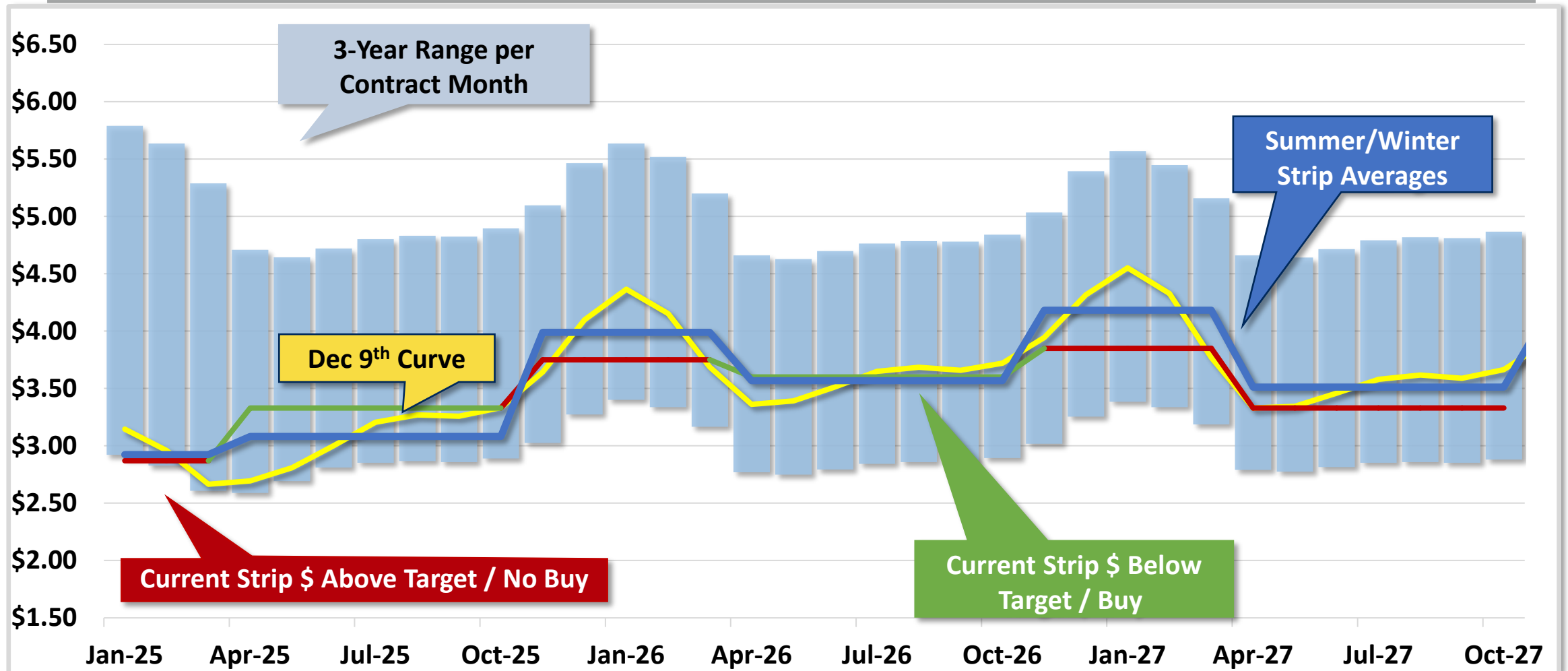


Motion

- Information Item: No action needed

Current Targets Below Current Market

New Positions Expected After Initial Winter Uncertainty



**AGENDA ITEM 9 – INFORMATION
ITEMS**

- e. Managing Margin Calls for ARP
Rate Setting**

**Finance Committee Meeting
December 11, 2024**



FC 9e – Managing Margin Calls for ARP Rate Setting

Finance Committee

December 11, 2024

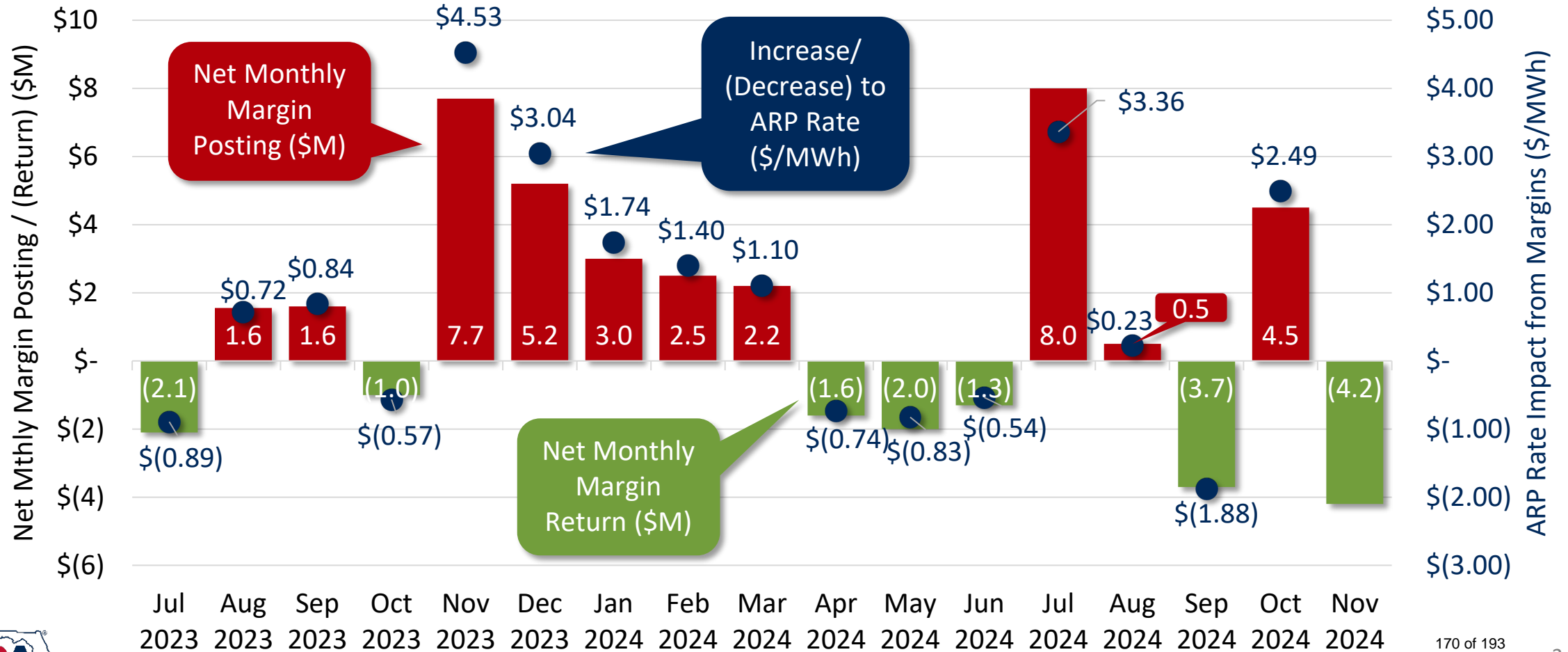
Funding Margins Using O&M Dollars Causes Rate Volatility

- Currently, all margin calls for natural gas price stability program are funded through O&M account, with returned margins also going to O&M account
- Margins are essentially unrealized gains or losses on future positions based on gas curve at a given point in time
- Changes in natural gas curve mean future gas prices impact current rate setting
- Margins posted from O&M account reduce cash balance available for rate setting, so rates set higher to recover that cash
- Extreme example: In July, falling gas prices led to \$8M posted during month, had ~\$3.40/MWh upward impact on July rate

Funding Margins from O&M Impacts ARP Rates

Monthly Margin Swings Have Been Up to +/- \$9M; Funding with Cash Drives Volatility in ARP Rates

Net Monthly Margin Postings (\$M) and Resulting Impact to Current Month ARP Rates (\$/MWh)



Price Stability Requires Different Approach for Margins

- Purpose of price stability program was to “lock in” future month gas costs
- By withdrawing funds from O&M to pay margin calls, members effectively prepay a portion of those future gas costs in current rates
- Unless the positions settle “at the money”, the cost paid by members at settlement is then different than the fixed prices
- To achieve price stability, the appropriate time to withdraw funds from (or return funds to) O&M is when the positions settle
- This would require a different approach to funding margin activity prior to settlement

Proposing Alternative Margin Funding Approach

Two Mechanisms Used to Manage Margins Until Settlement

- A margin funding account established and held by FMMPA, utilized to manage margin calls and returns without impacting current rates
 - Balance would not be included as part of available cash used for rate setting
- **Utilize credit facility (e.g., bond proceeds or line of credit) to fund margin postings above margin funding account balance**
 - Staff would request authority to draw on credit facility for margin postings up to specific dollar threshold without EC chair authorization

Proposed Approach Supports Price Stability

Goal is That Members Only Pay for Fixed Gas Costs at Settlement

- Future margin calls would pull first from margin account and only be funded from credit facility if the account balance reaches \$0
- Any margin returns (excluding initial margin) would first reimburse credit facility borrowings, with any excess deposited to margin funding account
- At settlement, payments to/from O&M match timing of expense
 - Losses paid from O&M to reimburse credit facility and/or margin funding account for any margins posted for those positions
 - Gains would similarly be reimbursed to O&M from margin funding account
- Margin funding account balance and credit facility usage would be reported to EC as part of monthly rate call to maintain transparency

AGENDA ITEM 10 – REPORTS

- a. Investment Policy Review
Form**

**Finance Committee Meeting
December 11, 2024**

FMPA Risk Management Department
Policy Compliance Review
Investment Risk Management Policy (Appendix C)

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 Executive Officer and the CEO prior to being presented to the Finance Committee (FC) as an information item.

Review period: July, 2023 to June, 2024

Responsible Manager(s): Rich Popp, CFO, Sena Mitchell, Treasury Manager

<i>Policy Compliance:</i> Indicate whether the following items required in the Investment Risk Management Policy were completed during the review period.			
REQUIREMENT	YES	NO	EXPLANATION
Investments conformed to all federal, state, and local legal requirements governing the investment of Public Funds, including all bond resolutions and ordinances adopted by the EC or BOD. (Section 2.0)	X		
The CFO/Treasurer caused Investment Procedures to be written. (Section 3.0)	X		
FMPA invested in the types of securities listed in Appendix A for the Agency and its Projects. (Section 5.0)	X		
FMPA did not allow leveraging (the borrowing of funds for the expressed purpose of reinvesting those funds) or investing in securities with a rating below that required in Appendix A at the time of purchase. (Section 5.0)	X		
The Treasury Department reported on a monthly basis any security whose rating had fallen below the rating level identified in Appendix A after purchase and submitted a rationale for maintaining such security if it has not been sold. (Section 5.0)	X		
The Treasury Manager caused a list of qualified and authorized financial institutions and depositories to be maintained and annually reviewed in accordance with the Investment Procedures. (Section 5.1)	X		
Selection of securities were made using either competitive offers, wherein FMPA solicits proposals from at least three firms; or comparison to the current market price as indicated by one of the market pricing resources available, including but not limited to Bloomberg. (Section 5.2)	X		

FMPA Risk Management Department
Policy Compliance Review
Investment Risk Management Policy (Appendix C)

FMPA matched investment maturities with known cash needs and anticipated cash flow requirements, not exceeding maximum maturity requirements. (Section 5.3)	X		
FMPA were diversified to avoid incurring unreasonable risks associated with over-investing in specific investments, individual financial institutions, maturities and by geographic area or by any other reasonably determinable characteristic.. (Section 5.5)	X		
Diversification percentages which were exceeded were approved by the EC / BOD. (Section 5.5.1)	X		Audit verified.

<i>Policy Compliance continued:</i>			
REQUIREMENT	YES	NO	EXPLANATION
All investment security transactions, including collateral for repurchase agreements, entered into by FMPA were settled on a delivery versus payment (DVP) basis. (Section 6.0)	X		
The Custodial or Trustee institution (each fiscal year) provided a copy of their most recent report on internal controls (Statement on Standards for Attestation Engagements No. 16 (SSAE 16) annually. (Section 6.0)	X		
CFO caused appropriate benchmarks for portfolio performance to be established. (Section 7.0)	X		
CFO caused a system of written internal controls to be established. (Section 8.0)	X		
Internal Audit staff ensured compliance with this Policy and the Investment Procedures were monitored on an ongoing basis. (Section 8.1)	X		
All dealers, financial institutions, investment managers, or individuals, collectively referred to as the parties, investing on behalf of FMPA were sent a copy of the Investment Policy by the Treasury Department along with a list of employees who are authorized to transact investment trades on behalf of FMPA. (Section 8.2)	X		Sent in January 2024.
Treasury Manager produced investment reports for no less than each meeting of the Board of Directors and Executive Committee. (Section 9.0)	X		

FMPA Risk Management Department
 Policy Compliance Review
Investment Risk Management Policy (Appendix C)

Investment staff completed 8 hours of CPE. (Section 8.3)	X	CPE completed in June 2024.
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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 investments and the management of financial assets.			X		
Safety of investments is given highest consideration in investment selection decisions.			X		
Investments/purchases limited to authorized staff.			X		
Controls are in place within Treasury software to ensure security of information and separation of duties.			X		
The “prudent person” rule guides investment staff as the standard of prudence for investment decisions.			X		

FMPA Risk Management Department
Policy Compliance Review
Investment Risk Management Policy (Appendix C)

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

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

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Additional comments from responsible Manager(s):

Are there any emerging risks or environmental changes which impact investment 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.

FMPA Risk Management Department
Policy Compliance Review
Investment Risk Management Policy (Appendix C)

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.

<i>Liyuan Woerner</i> 41E87DB4176A11A6637A161E1178F68E Internal Audit Manager Signature	<u>11/14/2024</u> Date
<i>Sena Mitchell</i> 34E2A6TEAB2B0E7A8AF7A55E3ECBATE Responsible Manager Signature	<u>11/14/2024</u> Date
<i>Richard M. Popp</i> 81C28E5CA44E01613D0120B8D5685EB Responsible Executive Officer Signature	<u>11/18/2024</u> Date

AGENDA ITEM 10 – REPORTS

- b. Asset Management and
Operations Policy Review
Form**

**Finance Committee Meeting
December 11, 2024**

Asset Management and Operations Policy (Appendix I)

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 Chief Officer and the CEO prior to being presented to the Finance Committee (FC) as an information item.

Review period: October, 2023 to September, 2024

Responsible Manager(s): David Schumann, Power Generation Fleet Engineering Director

<i>Policy Compliance:</i> Indicate whether the following items required in the Asset Management and Operations Policy were completed during the review period.			
REQUIREMENT	YES	NO	EXPLANATION
The Chief Operating Officer (COO) caused processes to be documented, as deemed appropriate, 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		
Annual heat rate and capacity testing was conducted for each ARP non-peaking generation unit during the summer months to document each unit’s operating efficiency. (Section 4.1.1)	X		Trended and monitored real-time, published monthly
Heat rate and capacity testing was conducted at least once every two years for each ARP peaking generation unit to document each unit’s operating efficiency and generating capabilities. (Section 4.1.2)	X		Dates were verified with Generation Department. – August 2024
All ARP dual fuel capable units were tested to operate on fuel oil at least once per year and were reported to the CFO and System Operations. (Section 4.1.3)	X		Cane Island 1 is complete. TCEC was tested on May 2024.
Original Equipment Manufacturer (OEM) maintenance specifications were followed for all non-peaking ARP units. (Section 4.2)	X		Intermediate/Base units at Cane Island and TCEC follow OEM requirements during scheduled outages.
The COO prudently determined whether OEM specifications were economically justified for non-peaking units nearing the end of their economic life. (Section 4.2)	N/A		None during period.
The Power Generation Fleet Engineering Director coordinated decisions to delay or defer significant maintenance with System Operations and the Financial Planning Rates & Budget Director. (Section 4.2.1)	N/A		None during period.
The Power Generation Fleet Engineering Director notified the CFO of pending maintenance deferrals along with supporting documentation. (Section 4.2.1)	N/A		None during period.

Asset Management and Operations Policy (Appendix I)

<i>Policy Compliance (continued):</i>			
REQUIREMENT	YES	NO	EXPLANATION
COO reviewed and approved any decision to defer and/or not perform staff identified or OEM recommended maintenance. (Section 4.2.1)	N/A		No events during this period.
Reliability Centered Maintenance (“RCM”) established safe minimum levels of maintenance, changes to operating procedures and strategies, and the establishment of capital maintenance regimes and plans based on historic operational data and maintenance history. (Section 4.2.2)	X		
All capital/maintenance items costing in excess of \$1 million that are being considered for inclusion during the annual budgeting process were presented to the Power Generation Fleet Engineering Director, Financial Planning Rates & Budget Director, CFO and Chief Operating Officer, for an economic review prior to submission for EC budget approval. (Section 4.2.3)	X		Some marginal projects below \$1 million has also been reviewed.
Staff budgeted all necessary maintenance to ensure that reliability goals were appropriately established and achieved. (Section 4.2.4)	X		
Each ARP Generation facility provided a quarterly statistical report of all OSHA reportable lost time accidents and incidents of property damage to the Risk Management Department. (Section 4.4.3)	X		Monthly plant reports provided.
The COO ensured that all relevant NERC and CIP guidelines were followed and appropriate documentation exists to ensure compliance with any regulatory audits. (Section 4.5)	X		
The Power Generation Fleet Engineering Director ensured that all filings are complete, accurate and timely, and reported any “Notice of Violation” to the CFO prior to reporting to the FC. “Self-report” submittals were discussed with the Generation Fleet Director and FMPA General Council prior to submittal and reported to the EC. (Section 5.1)	X		
An annual evaluation of expected emission allowance needs were reviewed jointly by the Generation Fleet Engineering Director and CFO. (Section 5.2)	X		
As part of the monthly scorecard to the BOD and EC, the CEO or COO reported the monthly review of the ARP Generation for the prior month (Section 7.1)	X		Reported to Board and EC as part of the scorecard.
The Power Generation Fleet Engineering Director annually reported to the FC on the ARP’s environmental compliance for the prior year. (Section 7.2)	X		Included in BOD Agenda Package in April 2024.

Asset Management and Operations Policy (Appendix I)

<i>Internal Control Assessment:</i> 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 the operation and maintenance of generating assets.			X		CSA agreement with GE, FM Global review.
All applicable laws and regulations concerning the operation and maintenance of generating units are followed.			X		
Generation assets maintain a heat rate inline with industry standard.			X		Heat rates continually monitored and comparisons to Industry generally accepted method.
EAF goal was achieved across the ARP Generation fleet.			X		Policy Target Goals set higher than industry average.
Long-lead critical items for base and intermediate load units are available within a six month time frame.		X			Above average economic supply chain delays.
Goal of zero environmental Notice of Violation issued or related fines is achieved.			X		No NOVs issued before self-report. Annual training sessions held.
Plant site O&M agents utilize the most current APPA Safety Manual and comply with OSHA/City defined rules.			X		Plant operating agents follow their own respective safety procedures.
Goal of zero OSHA reportable lost time accidents and reporting of incidents of property damage is achieved.			X		Zero lost time accidents however, we have one reportable accident.
Appropriate staff maintains current knowledge regarding operation and maintenance of generating units.			X		The diversity of skill set has expanded with respect to electrical, mechanical and thermal specialties.

Are there any concerns related to asset management and operations risk management which should be brought to the attention of the General Manager as part of this review?

Yes No If yes, describe below.

Asset Management and Operations Policy (Appendix I)

Are there internal control concerns related to asset management and operations risk management which require immediate attention?

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

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

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Performing within all policies.

Additional comments from responsible Manager(s):

Are there any emerging risks or environmental changes which impact asset management and operations risk management?

Yes No If yes, describe below including any proposed changes to risk inventory.

Other comments: Not applicable.

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.

FMPA Risk Management Department
Policy Compliance Review
Asset Management and Operations Policy (Appendix I)

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 ready sign
Internal Audit Manager Signature

11/26/2024
Date

David Schumann
D283445921BB43F2570B12BA52040C2B ready sign
Responsible Director Signature

11/26/2024
Date

Ken Rutter
6ADE9A4F7D3E3FAB477DD0D27733F949 ready sign
Responsible Executive Officer Signature

11/26/2024
Date

AGENDA ITEM 10 – REPORTS

**c. Information Technology Policy
Review Form**

**Finance Committee Meeting
December 11, 2024**

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, 2023 to October, 2024

Responsible Manager(s): Wayne Koback, IT Manager and Chris Gowder, Vice President IT/OT and Systems Ops

<i>Policy Compliance:</i> Indicate whether the following items required in the Information Technology Risk Management Policy were completed during the review period.			
REQUIREMENT	YES	NO	EXPLANATION
The Vice President IT/OT and Systems Ops 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 Vice President IT/OT and Systems Ops 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 annually; NUARI and GridEX as well as, hosted FMPA staff IRP plan.
Vice President IT/OT and Systems Ops caused an internal annual self assessment to check for vulnerabilities. (Section 4.1.4)	X		Conducted on a monthly basis by CISA and third party software scanning done monthly by FMPA staff.

<i>Policy Compliance continued:</i>			
REQUIREMENT	YES	NO	EXPLANATION
Vice President IT/OT and Systems Ops shall also seek an external party security assessment review every three years. (Section 4.1.4)	X		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		
Vice President IT/OT and Systems Ops developed an ongoing cybersecurity awareness program to address common security topics. (Section 5.2)	X		Monthly meetings, phishing password, access, etc.

FMPA Risk Management Department
Policy Compliance Review

Information Technology Risk Management Policy (Appendix O)

Vice President IT/OT and Systems Ops and other appropriate IT Department staff completed a minimum of 8 hours of continuing education. (Section 5.3)	X		
Vice President IT/OT and Systems Ops reported on the current risk environment to the CFO as needed and engaged any necessary discussion before recommending action to the appropriate governing body. (Section 6.1)	X		
Vice President IT/OT and Systems Ops presented annual report to the FC or appropriate higher governing body on the activities of the previous year. (Section 6.1)		X	This item was presented in the January 2024 FC agenda.

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		

FMPA Risk Management Department
Policy Compliance Review
Information Technology Risk Management Policy (Appendix O)

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.

FMPA Risk Management Department
 Policy Compliance Review
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
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.

Artificial intelligence is an emerging risk that will be worked on and addressed in this policy in the future.

Other comments:

FMPA Risk Management Department
Policy Compliance Review
Information Technology Risk Management Policy (Appendix O)

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.

<i>Liyuan Woerner</i> 44E87DB4176AB1D6637A46151078F68E Internal Audit Manager Signature	11/26/2024
<i>Wayne Koback</i> 8B5C933F84005C7C6D2BE6CCA26D7633 Responsible Manager Signature	11/26/2024
<i>[Signature]</i> 72A0C2AD8BA3E254E62F2A4EBC81075 Responsible Executive Officer Signature	11/26/2024

AGENDA ITEM 11 – COMMENTS

**Finance Committee Meeting
December 11, 2024**

AGENDA ITEM 12 – ADJOURNMENT

**Finance Committee Meeting
December 11, 2024**