Annual Comprehensive Financial Report

For The Fiscal Year Ended

September 30, 2022

Fort Pierce Utilities Authority
A Component Unit of the City of Fort Pierce
206 S. 6th Street Fort Pierce. FL 34950
www.fpua.com

Fort Pierce Utilities Authority

A Component Unit of the City of Fort Pierce, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended September 30, 2022

Prepared by
Department of Finance

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Director of Financial Administration
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FORT PIERCE UTILITIES AUTHORITY
Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2022

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50
Years
of Excellence
1972 - 2022
FPUA
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TEAMUA IS COMMUNITY PROUD WITH OVER 2,800

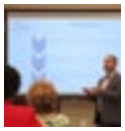
ARTHUR AIELLO ♦ CHARLES ALFORD ♦ KATHARINE ALFORD ♦ WILLIAM ANDERSON ♦ ANDREW AVERS ♦ CHRISTOPHER BACK ♦ MAURICE BACON ♦ JEFFREY BAKER ♦ JEFFREY BAKER II ♦ EDMUND BARRANT ♦ RAUL BARRERA ♦ JAMES BARRY ♦ RYAN BASTINE ♦ SAMUEL BECKETT ♦ MEREDITH BENNETT ♦ KARYL BERTRAM ♦ LORI BIANCO ♦ JOHN BIGGS ♦ DONALD BLACK ♦ ROBERT BOULANGER ♦ S LANCE BRICK ♦ DANIEL BROLMANN ♦ ROGER BROWN ♦ MELISSA BRUNO ♦ VICTOR BURRIS ♦ TRAVIS BUTLER ♦ ANDREW BYRD ♦ JOSHUA CALANDRO ♦ DWAYNE CALLENDER ♦ WENDY CALVO ZAYAS ♦ BEVERLY CAMPBELL ♦ JULIE CANTAVE ♦ DADE CAPPAR ♦ BRANDON CASS ♦ JUAN CASTILLO ♦ LUIS CASTILLO ♦ ELBA CENDEJAS ♦ MICHAEL CHIDGEY ♦ MONIQUE CHRISTIE ♦ JAVIER CISNEROS ♦ LINDA CLARK ♦ ANDRE CLEVELAND ♦ RICKY CLEVINGER ♦ ANTHONY CLINCO ♦ BRIAN COLLIER ♦ JAMES COMBS ♦ MEGAN COOK ♦ BRETT CORBETT ♦ CRAIG CRAWFORD ♦ WILBURN CRAWFORD ♦ BRANDY CRAWFORD ♦ STEVEN CRITES ♦ JONATHAN CRUMBLEY ♦ MICHAEL CURRID ♦ THOMAS DAROZA ♦ TYRUS DARVILLE ♦ ALDONIO DASILVA ♦ ROBERT DAVIS ♦ JOEL DAVIS ♦ FELICIA DAVIS ♦ LUGEY DAWSON ♦ ALICE DELANNOY ♦ BRETT DENATALIE ♦ JAMES DENMAN ♦ ANDREW DIGIACOMO ♦ THOMAS DRISKELL ♦ JASON DROST ♦ PETER DUNCAN ♦ WILLIAM DUPRE ♦ SCOTT DYKEMA ♦ JASON ERWIN ♦ ROBERT ESCHMANN ♦ TRENT EURY ♦ FRANK FEE ♦ GERALD FELICIANO ♦ STEVEN FERGUSON ♦ OMAR FOOTE ♦ SHARI FRANCO ♦ THOMAS FRYAR ♦ NORIEL FUMERO ♦ FREDERICK GADDIS ♦ CHRISHAUN GAMBLE ♦ STEVEN GATINS ♦ KORY GATLEY ♦ KRISTINA GIBBONS ♦ BARBARA GIBSON ♦ PATRICK GILLESPIE ♦ KEVIN GILLETTE ♦ PATRICIA GILSINAN ♦ MONIQUE GILSINAN ♦ JOSEPH GILSON ♦ MICHAEL GOLDSMITH ♦ SONIA GOMEZ ♦ ANTONIO GONZALEZ ♦ CROSBY GORE ♦ AARON GRAVES ♦ WILLIAM GRAY ♦ MARIA GUERRERO ♦ RONALD HAGWOOD ♦ GEORGE HALL ♦ MICHELE HARRIS ♦ JAMES HARRIS ♦ MATTHEW HARWARD ♦ COLBY HARWARD ♦ SENATOR HAYES ♦ STEVE HERDEMAN ♦ CLINTON HINER ♦ ADAM HOFFER ♦ ESTELA HOLMAN ♦ KYLE HOLMAN ♦ BRANDON HOULE ♦ LINDA HUDSON ♦ CHRISTOPHER HUGHART ♦ TIMOTHY HUGHES ♦ BOWDOIN HUTCHINSON ♦ CHARLES IVORY ♦ MARCUS JACKSON ♦ MALIA JACKSON ♦ SIDNEY JERGER ♦ CHONTAE JOHNSON ♦ CHRISTOPHER JOHNSON ♦ TERRY JOHNSON ♦ JODELL JOHNSON ♦ KATRINA JONES ♦ JOSHUA JORDAN ♦ KERVANS JOSEPH ♦ JESSICA KADIE BARCLAY ♦ WILLIAM KAEFF ♦ ADAM KEE ♦ MARK KOBBE ♦ RUPERT KOBLEGARD III ♦ MICHAEL KOENIG

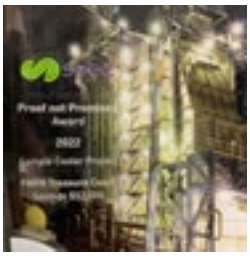
TEAM UA

COMBINED YEARS OF DEDICATED HOMETOWN SERVICE

♦ JENNIFER KRIP ♦ KUPER KRUEGER ♦ PAUL LAGUERRE ♦ JOSEPH LAMMERS ♦ TERRY LARREMORE ♦ MICHAEL LEDOUX ♦ EDWARD LEONGOMEZ ♦ GLEN LEPESKA ♦ ASHLEY LEVIN ♦ KARINA LIVINGSTON ♦ KAREN LLANAS ♦ DOROTHY LONG ♦ SCOTT LOVEN ♦ ALAN LUNA ♦ WANDA MAGNUSON ♦ WILLIAM MAIN ♦ TAMMY MALIN ♦ GLEN MANCHESTER ♦ FRED MANN ♦ BARBARA MARSHALL BENNETT ♦ LAURIE MARTIN ♦ MICHAEL MARTIN ♦ MELISSA MARTIN ♦ STEPHEN MASTELLER ♦ KENNETH MAXWELL ♦ TOMMIE MC CARTHY ♦ DANIEL MCKINLEY ♦ GEORGE MCMILLAN ♦ JOHN MC-MILLIAN ♦ TERRANCE MCMILLON ♦ STONEY MCPEEK ♦ FRANCISCO MERCADO ♦ ERIC MEYER ♦ ROSALINE MICHEL ♦ BARBARA MIKA ♦ JOSHUA MILLER ♦ JASON MITTLER ♦ REGINA MORRIS ♦ KENNETH MORRIS ♦ LARRY MORRISON ♦ STEVEN MOSELY ♦ STEVEN MURTO ♦ JOHN MUSSELWHITE ♦ KYLE MYERS ♦ CHRISTELLE MYRICK ♦ CHRISTOPHER NASSO ♦ MICHAEL NEILL ♦ THOMAS NEIMAN ♦ MELODY NELSON ♦ DINO NESSELRODE ♦ DAVID NOEL ♦ KIMBERLY OKUBO ♦ SHANNON ONDERLINDE ♦ JOHNNY ORTIZ ♦ SHANE OSTRANDER ♦ NANCY PALKA ♦ SHELIA PARNELL ♦ KEVIN PARRISH ♦ ED-WARD PATRICK ♦ DARIN PATTERSON ♦ ERIC PEAR-SON OLIVO ♦ LAURIE PEPPLE ♦ ERIC PETERS ♦ RICHARD PETERSEN ♦ BARBARA PLASENCIA ♦ TONY PRICE ♦ CHARLES PUTNAM ♦ FRANCISCO RAMOS ♦ STEPHANIE RAULERSON ♦ SERITTA REEVES ♦ DANIEL RETHER-FORD ♦ J RHO-DEN ♦ TIMOTHY RICHARDS ♦ BRANDON RICHARDSON ♦ EDWIN RICHBERG ♦ HEATHER RICUCCI ♦ ROB-ERTO RIGUAL ♦ WILLIAM ROLLE ♦ SAMANTHA ROWLAND ♦ SCOTT RUBY ♦ DERRICK SANDERS ♦ EVAN SAPIA ♦ DEBO-RAH SAVRDA ♦ JAMES SCHMITT ♦ SAL SCIMECA CARMELO SIGNORELLI ♦ JOSHUA SHOLANDER ♦ ♦ STERLING SIMMONS ♦ SIZEMORE ♦ SHAWN SMITH DWAYNE SIMPSON ♦ VALENTIME SIRMONS ♦ JULIE ♦ JOEL SPADES ♦ RYAN SPENCE ♦ CHARLES STANG ♦ KENNETH STEPHAN ♦ ANGELA STEPHENS ♦ BRIAN STEPHENS ♦ KURTIS STRAND ♦ WILLIAM STRUBLE ♦ CHARLES SWINDLE ♦ THIERRY SYDNE ♦ SANDRA T FIELDS ♦ TONYA TARDIF ♦ WILLIAM TAYLOR ♦ RACHEL TENNANT ♦ DEBRA THERIAULT ♦ JOSEPH TIETZ ♦ DANIEL TILLMAN ♦ NICOLE TIPTON ♦ ROBERT TIPTON ♦ WENDY TOMLINSON ♦ JENNIF-ER TOOMS ♦ GERMAN TORRES ♦ CUONG TRAN ♦ ANDREA TRASFERINI-SLOWN ♦ ELIZABETH UNDERWOOD ♦ OSVALDO VALDES ♦ DAVID VANAUKEN ♦ ROBERT VAUGHN ♦ CHRISTOPHER VELARDO ♦ ARIELLE WALSH ♦ ANDREW WARE ♦ KA-RISSA WARE-CURRY ♦ SIDNEY WETHERALL ♦ CANDACE WICKHAM ♦ EDMOND WILLIAMS ♦ STACEY WILLIAMS ♦ CAROL WILSON ♦ MITCHELL WILSON ♦ OLIVER WINT ♦ ERIC WINTERSTEIN ♦ LOIS WOLFE ♦.

2022 BEST places to work ST. LUCIE COUNTY





FORT PIERCE UTILITIES AUTHORITY

"TO PROVIDE OUR CUSTOMERS WITH ECONOMICAL, RELIABLE AND FRIENDLY SERVICE

FORT PIERCE UTILITIES AUTHORITY AND EMPLOYEES ENHANCE THE QUALITY OF LIFE

It is our pleasure to provide economical, reliable, and friendly service to our Fort Pierce Community.

- FPUA provided utility bill relief for **over 330 customers** most impacted by high utility costs caused by the increase in natural gas prices in Summer 2022.
- FPUA employees reached an estimated **712 children** by donating over $300 plus school supplies at the United Way Pack the Backback program. In addition to donations and supplies, 14 FPUA volunteers helped distribute the backpacks to local families.
- FPUA hosted at the St. Lucie County Havert L. Fenn Center, over **750 community members, linemen from around Florida, and their families** for the Florida Municipal Power Association Regional Lineman Competition. During this competition, public power line workers from all over the region compete to earn professional recognitions and show their skill and knowledge. FPUA linemen and apprentices also participated in the event of exciting and challenging competitions.
- FPUA **marshalled the Annual Sights and Sounds Holiday Parade** in celebration of our 50th Anniversary, provided the Santa float, and a Manatee Center float in this annual holiday downtown parade. Also, FPUA employees donated 56 volunteer hours for this event.
- FPUA sponsors community organizations and events that enhance the quality of life in our community. In FY22, FPUA provided nearly **$32,400 in sponsorships for 27 different community programs**.
- FPUA employees participated in the Treasure Coast Food Bank's annual Pack the House event again this year. This is a 24-hour-long event where staff **helped create over 200,000 meals** for the food insecure on the Treasure Cost.
- Each year, FPUA employees donate new toys and other holiday gifts for underserved children and families. In FY22, FPUA employees reached an estimated **100 local families**.

MISSION STATEMENT

IN A CONTINUOUS EFFORT TO ENHANCE THE QUALITY OF LIFE IN OUR COMMUNITY"

IN OUR COMMUNITY BY CONTRIBUTING TIME AND SERVICE YEAR-ROUND.

In Fiscal Year 2022, FPUA employees made an impact in more ways than one:

Engaged
25,558
community members
at festivals and events

Restored
one acre
of native seagrass
in Moore's Creek

Donated
1,023 lbs
of nonperishable food
thru department giving

Volunteered
622 hours
of their personal time
throughout the community

Collected
1,400 lbs
of litter and trash
during clean-up events

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50
Years
of Excellence
1972 - 2022
FPUA
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Fort Pierce Utilities Authority
Director of Finance
500 Boston Avenue (PO Box 3191)
Fort Pierce, FL 34950 (34948)

March 15, 2023

Board Members
Fort Pierce Utilities Authority

The Annual Comprehensive Financial Report (ACFR) of Fort Pierce Utilities Authority (FPUA) for the fiscal year ended September 30, 2022, is submitted herewith pursuant to the City of Fort Pierce Charter, Article XII, Section 176 (12) and the bond covenants of FPUA's outstanding revenue bonds.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

DiBartolomeo, McBee, Hartley & Barnes, P.A., Certified Public Accountants, have issued an unmodified ("clean") opinion on FPUA's financial statements for the fiscal year ended September 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

FPUA PROFILE

FPUA was established in accordance with provisions of the City Charter, confirmed by an election held on May 30, 1972. This fiscal year 2022 represents the 50th Anniversary for the utility authority. The City Charter, Article XII, Section 169, states that FPUA shall be responsible for the development, production, purchase, distribution, and collection of all electricity, water, wastewater, natural gas, and such other utility services as may be designated by resolution by the City Commission. Accordingly, FPUA manages and operates the Manatee Observation and Education Center (MOEC) as a community enrichment program, and operates the Treasure Coast Energy Center (TCEC) for the Florida Municipal Power Agency (FMPA) on a contract basis, utilizing FPUA employees. FPUA is a component unit of the City of Fort Pierce, Florida and this report includes all systems of FPUA. This report does not include information on the financial activities of the City of Fort Pierce, which is instead contained in the City's ACFR, published separately.

The FPUA Board consists of five members, one of whom is the Mayor-Commissioner of the City, who serves on the Board as long as he or she holds such office. The other four members are appointed by the City Commission for four-year overlapping terms, limited to two consecutive terms of office.

The **Electric System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 35 square miles, with an average of 29,017 services billed during the fiscal year ended September 30, 2022. FPUA currently has 16 circuit miles of 69 kilovolts (kV) and 7.5 circuit miles of 138kV transmission lines. The 69kV lines interconnect six sub-transmission substations and the 138kV lines connect two transmission substations to Florida Power & Light Company (FPL). FPUA primary distribution has approximately 261 circuit miles of overhead and 158 circuit miles of underground primary cable, which operates at 13.2kV. FPUA and FPL have a territorial agreement approved by the Florida Public Service Commission.

On December 12, 1997, FPUA agreed to participate in the FMPA All-Requirements Power Supply Project (ARP). In doing so, FPUA became one of 13 municipally owned utilities in the ARP. The principal benefits of ARP are:

1. Lower operating costs through utilization of the most efficient generation available.
2. Future generation will be planned for the collective systems, as needed, by FMPA.
3. Economies of scale in operating, planning, and financing.
4. Lower risk with more units and more cities working together.

As of January 1, 1998, FPUA assigned its resources to the ARP and agreed to purchase its total power requirements from the ARP. FPUA's resources, which have been assigned, include the contracts with FMPA related to Stanton Unit No. 1 (Stanton and Tri-City Projects) and Stanton Unit No. 2. The contracts related to the St. Lucie Nuclear Project have not been assigned.

On February 2, 2018 FPUA signed on as a participant in the FMPA Solar Project I at an amount equal to 3 Megawatts (MW). On November 19, 2019 FPUA added an additional 12MW of solar from the FMPA Solar Project II. In June of 2020, 2MW of the FPUA solar allocation from the Solar Project I came online. FPUA’s participation in FMPA’s solar projects are currently being evaluated.

The **Water System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 32 square miles, with an average of 21,857 services billed during the fiscal year ended September 30, 2022. Water supply is obtained from 37 active surficial aquifer wells , 7 of which are active but not currently in use, and 11 Floridan aquifer wells (deep). FPUA currently has a Water Use Permit from the South Florida Water Management District to withdraw an annual daily average not to exceed 21.1 million gallons of ground water. Treatment of the raw ground water is presently accomplished through a 20 million gallons per day (MGD) conventional Lime Softening Water Treatment Plant and a 10.3 MGD Reverse Osmosis Water Treatment Plant. FPUA owns and operates a 13.3 MGD air stripping system, which services the lime-softening portion of FPUA's Water Treatment Facility. FPUA meets all federal and state

drinking water standards and has 9 million gallons of storage capacity. The water distribution system is composed of 403 miles of water mains, remote pumping facilities, ground storage tanks, hydrants, and valves.

The **Wastewater System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 30 square miles, with an average of 16,125 services billed during the fiscal year ended September 30, 2022. The wastewater collection system consists of 121 lift stations, 179 miles of gravity sewer lines ranging from 4 to 48 inches in diameter, and approximately 101 miles of force mains ranging in size from 1.25 to 30 inches in diameter. The Island Water Reclamation Facility (IWRF) currently has a permitted capacity of 10 MGD for Annual Average Daily Flow and 11.5 MGD for 3-Month Annual Average Daily Flow. The Florida Department of Environmental Protection has issued an operating permit, which will be adequate through December 10, 2027.

FPUA has one domestic deep injection well at the IWRF plant site. A pumping station injects treated effluent into the 3,300-foot deep injection well for disposal. The permit for the IWRF IW-1 well, a twenty-four inch domestic well, has been renewed and will be adequate through 2022. There are two deep injection wells located on the site of the future Mainland Water Reclamation Facility (MWRF), in the southwest corner of the service area. Injection Well (IW)-1 is an 18-inch industrial deep injection well and IW-2 is a 24-inch domestic deep injection well. IW-1 accommodates the TCEC's industrial wastewater stream and St. Lucie County landfill leachate, and is permitted through August 3, 2027. The IW-2 well is currently not in operation, and therefore is not permitted. Both wells can be utilized for disposal of MWRF effluent when the facility is constructed.

The **Gas System** serves the City of Fort Pierce and the immediate surrounding area, encompassing approximately 31 square miles, with an average of 4,098 services billed during the fiscal year ended September 30, 2022. The system consists of 178 miles of gas main and 83 miles of service lines. The Gas System purchases firm gas for resale through Florida Gas Utility (FGU). FGU has a contract with Florida Gas Transmission for the transportation of gas to FPUA's system. Gas purchases are supplied by FGU under an all requirements agreement. The Gas Operations Department is responsible for the installation and maintenance of all gas mains and service lines. The department also employs a staff of qualified gas service technicians to maintain and repair customers' natural gas appliances.

FPUAnet Communications Services (FPUAnet) is an all fiber SMART City Internet Service Provider. It provides SMART City Services, SMART Grid Solutions, and Broadband Services to homes and businesses throughout the City of Fort Pierce. FPUAnet has continued to expand its optical fiber network to over 128 miles of cable.

FPUA manages the **Manatee Observation & Education Center (MOEC)**, which is located on Moore's Creek east of Indian River Drive. The Manatee Center represents FPUA's longtime commitment to community engagement and environmental stewardship. The Manatee Center's mission is to promote understanding and responsible actions for the protection of the Treasure Coast's fragile ecosystems and their inhabitants. The Manatee Center provides environmental

education and community involvement through an active education outreach program and a group of over 100 volunteers who staff the Exhibit Hall, Vanishing Mermaid Gift Shop, and community events. The Manatee Center Exhibit Hall, a museum of aquatic tanks and environmental information, provides a clean and safe facility for viewing manatees in the wild and other inhabitants of the Indian River Lagoon. During fiscal year 2022, Manatee Center staff counted 215 manatee sightings in Moore's Creek while hosting 61,636 visitors and students from all over the world. Volunteers provided critical and active support to the Center with a total of 8,736 hours of service.

In accordance with the City charter, FPUA is required to prepare, adopt, and furnish a copy of a budget to the City Commission of the City of Fort Pierce at least 45 days prior to the beginning of the next fiscal year. The budget and any amendments thereto shall be in effect when approved by FPUA and when any line item expense has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission. The budget is prepared on the accrual basis. The budget and amendments for the year ended September 30, 2022, have been approved in accordance with the above procedures.

LOCAL ECONOMY

Fort Pierce is located on Florida's east coast, 120 miles north of Miami and 220 miles south of Jacksonville. The estimated 2022 populations of the City of Fort Pierce and St. Lucie County were 49,488 and 348,742 respectively. Fort Pierce is the county seat, with approximately 24.5 square miles in land area. It's metropolitan area includes a transportation network comprised of Interstate 95, Florida's Turnpike, U.S. Highway 1, State Roads 68 and 70, Florida East Coast Railway, Treasure Coast International Airport, and the Port of Fort Pierce. In January 2022 Brightline train made their inaugural test run through Fort Pierce. This line will eventually connect cities from Miami to Orlando.

FPUA's service area includes both the area within the corporate limits of the City of Fort Pierce and the Town of St. Lucie Village, and portions of unincorporated St. Lucie County. Approximately 79% of the system revenues are derived from services provided within the City, and 21% from services provided in the Town of St. Lucie Village and unincorporated St. Lucie County.

The economy of Fort Pierce and surrounding St. Lucie County has a very diverse business base. Industries large and small such as government, agriculture, construction, retail and wholesale trade, light manufacturing, tourism, biotechnology, and sport and commercial fishing operate in the service territory. There are several telemarketing service centers, commercial centers, research institutions, and a Walmart Distribution Center located in the area. Areas of growth include an Amazon Distribution Center and WaveGarden Florida, a family wave and surf resort.

Florida State University has a Regional Medical School Campus located at Indian River State College (IRSC) where medical students are directed under the leadership of local doctors in eight different areas of study. IRSC also, offers numerous Bachelor's Degree Programs and is developing an Advanced Workforce Training Complex at their Fort Pierce campus providing advanced technology and leading-edge industry training.

FPUA's service area has become an educational and research center with the following facilities:

- Indian River State College (IRSC)
- Florida Atlantic University (FAU)/Harbor Branch Oceanographic Institution
- Smithsonian Fort Pierce Marine Station
- Smithsonian Marine Ecosystem Exhibit
- U.S. Department of Agriculture/Horticultural Research Laboratory
- University of Florida/Institute of Food and Agricultural Sciences (UF/IFAS) Research and Education Center
- Manatee Observation and Education Center

The 2022 real estate market continued to grow with construction of both residential and commercial properties, fueled by lower interest rates. The demand for housing, for the time being, has exceeded supply. FPUA continues to be optimistic about growth in the long term. Construction and expansion projects have boosted sales activity. Improvements such as major roadwork, continued beautification of the downtown area, development of the Smart City initiative and private investment make the area attractive to new residents.

These past few years have brought on difficult times for many. FPUA has remained committed to assisting our customers through Mustard Seed Ministries, the Agriculture and Labor Program, Inc., and OurFlorida.com. All of these programs have been made available to aid our customers with their utility bills and rent. The City of Fort Pierce partnered with St. Lucie County in FY 2022 to provide voucher assistance to Fort Pierce Utility Authority customers.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Rate Planning

Rate sufficiency has been projected for the upcoming five years. Rate adjustments will be made to ensure FPUA's electric, water, wastewater, and natural gas utilities each generate sufficient revenue to cover their respective expenses, while maintaining the required 45 days of operating cash, as defined by FPUA bond covenants. Changes to the power cost adjustment (PCA) and purchased gas adjustment (PGA) are approved as needed by the FPUA Board to ensure FPUA is recovering the cost of energy, and to stabilize the amounts billed to customers. The issuance of the Series 2022A Refunding and Revenue Bonds called for system rate increases for fiscal years 2022 and 2023 followed by Public Service Commission Index increases for the next three years. The Series 2022B Revenue Bonds will provide for the infrastructure to expand and promote further into commercial and residential markets with rates that are competitively set.

FPUA's plan for expansion of services where our territorial lines can be moved is under way. The Water and Wastewater systems' infrastructure and Natural Gas system's territorial boundaries have flexibility. Recent debt issuance will permit this construction, opening up new revenue streams to pay for that debt. Economic conditions and supply chain issues are escalating material and delivery costs, making rate increases a necessity as we move forward.

Capital Planning

FPUA's renewals and replacements, expansion projects, and system improvements continue to be a major portion of our Capital Improvement Plan (CIP). The City of Fort Pierce and FPUA's service territory have an aged infrastructure. Many replacements are costly and provide no additional revenue, but are expected to have a positive impact through savings on operations and maintenance expenses.

The construction of the Mainland Water Reclamation Facility will relocate the wastewater processing off of the Indian River Lagoon. This environmentally necessary project will be funded in large part by the issuance of the Series 2022A Revenue and Refunding Bonds. While the conveyance system will require additional funding, FPUA is pursuing Grants to fund as much as possible minimizing the amount of debt required. On February 6, 2023, FPUA was awarded a Resilient Florida Grant for $15 million, the majority of which will be directed toward the conveyance system.

The planning and implementation of new low-pressure sewer grinder pump stations will allow for customer base expansion for our wastewater system. We have been approved for grant funding for wastewater to aid in the cost to our customer for these replacements. Grant funding has also been received for the lining of our sewer force mains that, due to age, are experiencing infiltration and exfiltration. This lining process will preserve the mains for an additional 40 years of useful life at a fraction of the cost for replacement.

The multi-year project to implement an Advanced Metering Infrastructure (AMI) system for Electric, Gas and Water will improve the efficiency and reliability of our operating systems. AMI will provide real-time notifications on system interruptions, remote turn-ons and turn-offs, give customers the ability to interact with their account, and allow FPUA to be more pro-active in correcting system concerns. To the extent possible the AMI project will be funded by the Series 2022A revenue bonds.

Capital contributions also continue to help fund the infrastructure needed to support future growth. Department heads and engineers meet periodically with other governmental agencies to discuss, update, and coordinate implementation of capital plans.

Strategic Management Planning

FPUA's Strategic Plan continues to promote interdepartmental communication and cooperation, as well as encouraging increased employee involvement in achieving company goals that support FPUA's Mission Statement. FPUA participated in the Strategic Planning Workshop held with the City of Fort Pierce on January 13th and 24th of 2022 which focused on the City's top priorities and action plan. A discussion regarding annexation strategies and procedures is one key result area. Other key result areas of focus that remain steadfast are:

Building the Utility/Building the City – FPUA's top goal over the next three years is to complete implementation of AMI system for the Electric, Water and Gas systems. The majority of the remaining cost for AMI is expected to be financed through new 2022 debt issuance. Expansion opportunities are being pursued for all systems. Natural Gas system expansion will bring services

to developed and new areas, all of which will add services and increase revenues. These projects offer the potential for customer growth for the utility and annexations for the city.

The project for relocating the Water Reclamation Facility, currently residing along the Indian River Lagoon on Hutchinson Island, is enormous . FPUA has financed the relocation of the Island Water Reclamation Facility (IWRF) through the Series 2022A revenue bonds. The investment in the infrastructure to redirect the flow of wastewater toward a future Mainland Water Reclamation Facility (MWRF) is being pursued through Grant funding. Additional debt will be secured only as may become necessary.

A strategic expansion of the communication infrastructure will provide high-speed communication to businesses and the local community. As a result, the City will then be able to attract technical businesses, such as industrial and manufacturing, that require reliable communication. This is expected to be a catalyst for higher paying jobs and residents in our community.

Reliability – Wastewater pipe lining reduces inflow, infiltration and exfiltration, and therefore reduces washouts, street repairs, and costs associated with treating storm water. Grant applications with Florida DEO for continued work on this ongoing project have been approved and will fund this effort through fiscal year 2024. Natural Gas reliability will be improved through the replacement or installation of valves, replacing corroded steel mains with polyethylene, looping dead-end mains, and implementation of a SCADA monitoring system, which will detect pressure fluctuations and avoid service interruptions. Electric reliability will be improved with more aggressive tree trimming, increased animal deterrent measures, and the implementation of AMI, which will reduce the frequency and length of service interruptions. AMI is scheduled to be completed in FY 2024.

Competitive Rates – FPUA continues to work on electric cost reduction with our wholesale power supplier (FMPA). FMPA's efforts to pre-purchase natural gas will help control costs through April of 2024 and beyond. We have worked to stabilize rates to the extent possible by reviewing costs for all systems. The Series 2022 Revenue Refunding Bond issuance required staged rate increases for July and October 2022. For the years beyond Fiscal 2023 the allowable increases for all systems by the annual index, published by the Public Service Commission, must also be implemented in order to keep pace with the new debt. FPUA continually monitors the comparison of rates among all municipal utilities in the state of Florida. While raising rates is not the first choice to preserve our net position, we make every effort to lower costs.

Employee Development and Satisfaction - FPUA provides opportunities for advancement within the organization. This past fiscal year brought challenges in retaining talented and skill trained employees. The early part of Fiscal 2023 has shown some relief with the number of open positions declining. The apprenticeship and internship programs have helped develop potential employees with the specialized skills needed for technical engineering positions and Electric Line Specialists. Training is made available for all employees. Management/supervisory training, Education reimbursement and technical program training have proven to be successful. Nearly 2% of employees' time in 2022 was spent in training.

FPUA Image – FPUA continuously works to enhance our image in the community through our involvement in community events, social media and improving the appearance of our physical facilities. FPUA takes part in many community events through our local Treasure Coast Food Bank, City sponsored events, and the Boys and Girls Club to name a few. We participate with the Economic Development Council, in addition to many charitable organizations that help in the community. FPUA also administers the Weatherization Education Outreach Program (WEOP) implementing efficiencies for customers to reduce their bills through home improvements.

FPUA Business Development – FPUA offers a comprehensive and functional series of services, both virtual and in person, to serve any and all incoming development needs-related utilities. FPUA is committed to working closely with businesses to navigate through a detailed development process. Our business development supports new builds, in-fill development, site expansion, and improvement projects. We provide functional portfolios that support a clear overview of responsibilities for all parties involved, ensuring successful endeavors.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to FPUA for its ACFR for the fiscal year ended September 30, 2021. This was the 28th consecutive year FPUA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

FPUA also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 27, 2021. In order to qualify for the Distinguished Budget Presentation Award, a budget document must be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report could not have been accomplished without the skill, effort, and dedication of the entire staff of FPUA's Department of Finance. I would also like to express my thanks to the Board, the Director of Utilities, and the entire FPUA staff for their interest and support in planning and conducting the financial operations in a responsible and progressive manner.

Respectfully submitted,

Barbara A. Mika

Barbara A Mika, CGFO
Director of Financial Administration

50
Years
of Excellence
1972 - 2022
FPUA
COMMUNITY PROUD

LEADERSHIP FY 2022

Leadership Team

Javier Cisneros, P.E.

Director of Utilities

Craig Crawford

Director of Electric and Gas Systems

Bo Hutchinson, P.E.

Director of Water/Wastewater Systems

Daniel Retherford, P.E.

Director of Utility Support Services

Barbara A. Mika, CGFO

Director of Financial Administration

Board of Directors

From Left to Right:

Linda Hudson

Mayor-Member

Kristina Gibbons

Vice Chairman

Frank H. Fee, IV

Chairman

Barbara M. Bennett

Secretary

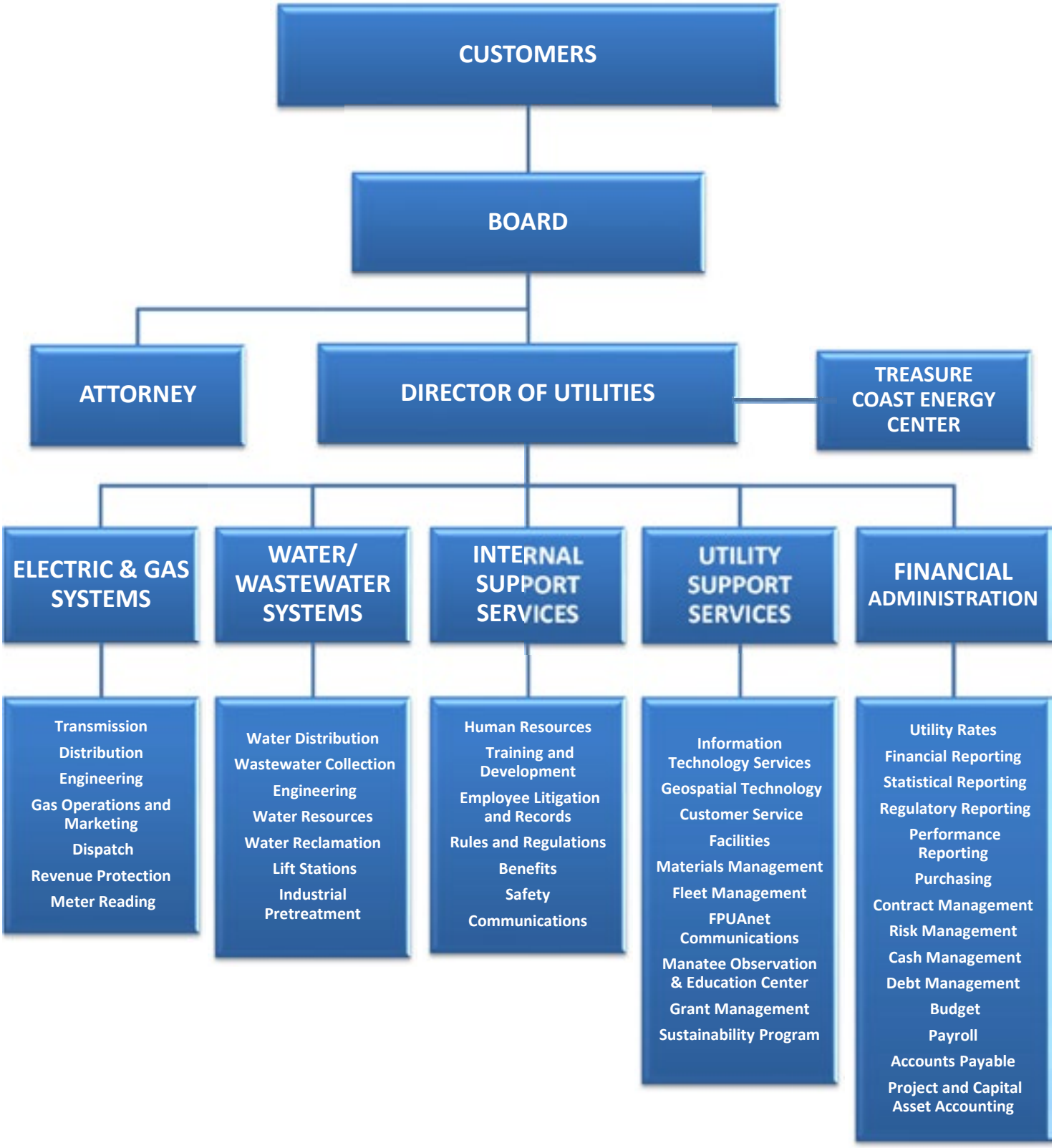
Larry Lammers

Deputy Secretary

Rupert N. Koblegard III

Attorney

FPUA Organizational Structure



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fort Pierce Utilities Authority
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

DMHB DiBARTOLOMEO, McBEE, HARTLEY & BARNES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board Members
Fort Pierce Utilities Authority
Fort Pierce, Florida

Opinions

We have audited the accompanying financial statements of Fort Pierce Utilities Authority ("FPUA"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise FPUA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of FPUA as of September 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FPUA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FPUA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FPUA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise FPUA's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State and Local Financial Assistance, as required by the audit requirements of Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State and Local Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements as whole.

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

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

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2023, on our consideration of FPUA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of FPUA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FPUA's internal control over financial reporting and compliance.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
March 9, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fort Pierce Utilities Authority (FPUA), we offer readers of FPUA's financial statements this narrative overview and analysis of the financial activities of FPUA for the fiscal year ended September 30, 2022 (FY 2022). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-8 of this report.

FINANCIAL HIGHLIGHTS

- Operating revenues increased $23,706,000 compared to last year, and operating expenses increased $29,858,000. Operating income of $6,128,000 was down $6,152,000 from $12,280,000, which was reported for the previous year.
- The ability to adjust rates in order to ensure that FPUA's electric, water, wastewater and natural gas utilities each generate sufficient revenue to cover their respective expenses is critical to FPUA's financial health. In FY 2022 rates were adjusted for all systems effective November 2021 by the Public Service Commission (PSC) Index, as permitted by resolution without additional consent from The City Commission. The Financial Feasibility report, produced in conjunction with the issuance of debt in FY 2022, required staged increases for all systems for July and October 2022. Additional rate adjustments are planned in accordance with that feasibility report through FY 2026. Rates continue to be reviewed on an annual basis to ensure that FPUA's rate structure properly reflects the recovery of the cost of operating and maintaining each utility system.
- Natural gas prices began to rise in the second quarter of FY 2022. This had a direct impact on the cost of purchases for resale. The cost of power purchased from FMPA increased $17,680,000 or 42.8% and the cost of natural gas purchased for resale rose $1,542,000 or 78.3% in FY 2022.
- Operating revenues were up across the board for all five systems reporting. Electric and Natural Gas systems showed the greatest increases with 30.5% and 31.8% respectively. Water and Wastewater Operating revenues increased 5.6% and 5.5% respectively while FPUAnet had an increase of $217,000 or 56.7%. The systems' increases were a combined result of rate adjustments and the impact of power cost and purchased gas adjustments.
- Consumption billed in FY 2022 was on par for all systems over the prior fiscal year. Natural Gas System's ccf's sold increased 1.4% with Contract Sales up by 10.0% the Residential and General Sales fell by 3.2%. Water System gallons sold increased .1% while Wastewater gallons billed fell 1.2% from FY 2021. The Electric System sale of megawatt hours increased 0.2%.
- FPUA, in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) has recorded the actuarially determined adjustment to the pension liability. Net Position for FY 2022 has decreased by $4,231,000 to reflect this accrued cost. See Note E for details.
- The Distribution to the City of Fort Pierce paid in April of 2022 increased $182,000 from the amount paid in April of 2021. This was primarily due to an increase in revenue being subject to the 6% distribution calculation multiplier.

- On June 21, 2022 FPUA issued Series 2022A and 2022B Revenue Refunding Bonds in the aggregate amount of $146,050,000. The proceeds are intended for the expansion in all systems with relocating the wastewater reclamation facility from Hutchinson Island to the mainland leading the pack. The completion of AMI and other electric infrastructure, natural gas expansion to the north service territory, and the growth of our communications, water, and wastewater services customer base will also be funded with bond proceeds. Information on FPUA's revenue bonds payable can be found in Note L .

OVERVIEW OF THE FINANCIAL STATEMENTS

FPUA is a single enterprise fund even though it provides various utility services. FPUA's basic financial statements consist of fund financial statements and the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

The financial statements are designed to provide readers with a broad overview of FPUA's finances, in a manner similar to a private-sector business. The ***Statement of Net Position*** presents financial information on all of FPUA's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of FPUA is improving or deteriorating.

The ***Statement of Revenues, Expenses and Changes in Net Position*** presents information showing how FPUA's net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected utility billings and earned but unused vacation leave).

The enterprise fund activities of FPUA are intended to recover all or a significant portion of its costs through user fees and charges, and include providing electric, water, wastewater, natural gas, and communication services. FPUA also operates the Treasure Coast Energy Center (TCEC) for the Florida Municipal Power Agency (FMPA), as well as the Manatee Observation and Education Center (MOEC) as a community enrichment program. FPUA's financial information is presented in the ACFR prepared by the City of Fort Pierce, as a component unit.

The ***Notes to the Financial Statements*** provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The notes can be found on pages 30-62 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents ***Required Supplementary Information*** concerning FPUA's pension and OPEB liabilities and pension contributions. Required supplementary information can be found on pages 64-66 of this report.

FINANCIAL ANALYSIS OF FPUA

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. FPUA's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $209,428,000 at the close of the most recent fiscal year.

Table 1
Net Position
(Dollars in Thousands)

	9/30/2022	9/30/2021	Increase (Decrease) $	Increase (Decrease) %
Current Assets	$ 72,529	$ 63,288	$ 9,241	14.6%
Capital Assets	224,743	220,458	4,285	1.9%
Other Noncurrent Assets	126,752	8,838	117,914	1334.2%
Total Assets	424,024	292,584	131,440	44.9%
Total Deferred Outflows of Resources	18,712	1,789	16,923	945.9%
Current Liabilities	30,341	27,353	2,988	10.9%
Noncurrent Liabilities	202,261	50,982	151,279	296.7%
Total Liabilities	232,602	78,335	154,267	196.9%
Total Deferred Inflows of Resources	706	10,986	(10,280)	(93.6%)
Net Position:				
Net Investment in Capital Assets	171,439	173,685	(2,246)	(1.3%)
Restricted	15,172	12,732	2,440	19.2%
Unrestricted	22,817	18,634	4,183	22.4%
Total Net Position	$ 209,428	$ 205,051	$ 4,377	2.1%

The largest portion of FPUA's net position (81.9%) reflects its investment in capital assets, the calculation of which is presented in Note C on page 37. FPUA uses capital assets to provide a variety of services to its customers. Accordingly, these assets are not available for future spending. Although FPUA's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of FPUA's net position (7.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $22,817,000 is unrestricted and is the residual amount of net position that is not included in net investment in capital assets or restricted net position.

Table 2
Changes in Net Position
(Dollars in Thousands)

			Increase (Decrease)	
	FY 2022	**FY 2021**	**$**	**%**
Operating Revenues				
Electric	$ 84,606	$ 64,828	$ 19,778	30.5%
Water	20,933	19,822	1,111	5.6%
Wastewater	15,042	14,255	787	5.5%
Natural Gas	6,936	5,261	1,675	31.8%
FPUAnet Communications	601	383	218	56.9%
MOEC	503	366	137	37.4%
Nonoperating Revenues				
Investment and Other Income	2,401	2,488	(87)	(3.5%)
Grant Revenue	1,907	97	1,810	1866.0%
Total Revenues	132,929	107,500	25,429	23.7%
Operating Expenses				
Purchases for Resale	62,593	43,369	19,224	44.3%
Plant Operations	7,374	6,411	963	15.0%
Field Operations	11,384	10,837	547	5.0%
General and Administrative	26,411	17,755	8,656	48.8%
Depreciation	14,731	14,263	468	3.3%
Nonoperating Expenses				
Distribution to the City of Fort Pierce	6,524	6,342	182	2.9%
Interest Expense	3,580	2,585	995	38.5%
TCEC Expenses	2,069	1,968	101	5.1%
Storm Expenses	130	83	47	56.6%
Total Expenses	134,796	103,613	31,183	30.1%
Income (Loss) before Capital Contributions and Extraordinary Expense	(1,867)	3,887	(5,754)	(148.0%)
Capital Contributions	6,244	6,111	133	2.2%
Increase (Decrease) in Net Position	4,377	9,998	(5,621)	(56.2%)
Net Position - Beginning of Year	205,051	195,053	9,998	5.1%
Net Position - End of Year	$ 209,428	$ 205,051	$ 4,377	2.1%

The increase in Net Position of $4,377,000 is a combined result of increases in general service sales, grant revenue and a continued growth in capital contributions for FY 2022 over the prior year.

The distribution to the City of Fort Pierce, based on FY 2022 revenue, computes to $6,758,000 and will be paid after approval and acceptance of the FY 2022 audited financial statements by the City Commission, see Note N for details. Last year's distribution, based on FY 2021 revenue, totaled $6,524,000, and was paid in April 2022. This increase is a result of increased revenues that were subject to the 6% distribution.

CAPITAL ASSETS

Major projects, and the costs associated with each during FY 2022, include:

• Advanced Metering Infrastructure	$1,712,000
• South 5th St. Improvements	425,000
• Electric System:	
◦ Distribution Pole Replacement	678,000
◦ Substation Transformer Replacement	367,000
◦ Transmission and Distribution System Improvements	251,000
◦ LED - Rental Light Replacement	201,000
• Water System:	
◦ Kings Highway - Okeechobee Rd to Orange Ave	452,000
◦ Ave B Utility Replacement – N. 8th to N. 13th	396,000
◦ MURA MBSU	389,000
◦ Mains, Services and Valve Replacements	289,000
◦ Edwards Road Water & Wastewater	227,000
• Wastewater System:	
◦ IWRF Relocation Phase I	2,828,000
◦ Sewer Lining Projects - Grant	891,000
◦ North Causeway Bridge	559,000
◦ Mains and Laterals R&R	368,000
◦ Low Pressure Pumping System	118,000
• Gas System:	
◦ Wave Garden Gas Extension	438,000
◦ Gas System New Revenue	152,000
◦ Maverick 1 Main extension	75,000
• FPUAnet System:	
◦ Lincoln Park	295,000
◦ System Expansion	103,000
• Administration Improvements	
◦ Energy Services Center Fuel Tanks	300,000
◦ MOEC Roof	125,000

The Advanced Metering Infrastructure continues to progress. Many of the projects rehabilitate deteriorating lines in the older sections of the service territory, the impact on operating and maintenance expenses is expected to be favorable for years to come. Old water and wastewater lines remain in the system with replacement of these lines being phased over a multi-year period to soften the impact on rates. Grant funding has been received for portions of this project, in addition to linking these system improvements to the Conveyance Project associated with the relocation of the Mainland Water Reclamation Facility. This will help to expedite this process while lessening the impact on rates.

At the end of FY 2022, FPUA had $224,743,000 invested in a broad range of net utility capital assets, including its electric and natural gas transmission and distribution systems, water treatment plant, water distribution mains, water storage facilities, pump stations, water reclamation facility, MWRF deep injection wells, and related wastewater collection plant facilities. The following tables summarize FPUA's capital assets, net of accumulated depreciation, and changes therein, for the year ended September 30, 2022.

Table 3
Capital Assets, Net of Accumulated Depreciation
Categorized by System
(Dollars in Thousands)

			Increase (Decrease)	
	9/30/2022	**9/30/2021**	**$**	**%**
Electric	$ 59,715	$ 58,794	$ 921	1.6%
Water	78,825	80,357	(1,532)	(1.9%)
Wastewater	66,340	63,517	2,823	4.4%
Shared Services	8,175	8,096	79	1.0%
Gas	8,937	8,153	784	9.6%
FPUAnet	2,671	1,471	1,200	81.6%
MOEC	80	70	10	14.3%
Total	$ 224,743	$ 220,458	$ 4,285	1.9%

Table 4
Capital Assets, Net of Accumulated Depreciation
Categorized by Asset Class
(Dollars in Thousands)

	9/30/2022	9/30/2021	Increase (Decrease) $	Increase (Decrease) %
Land	$ 9,526	$ 9,557	$ (31)	(0.3%)
Transmission, distribution, and collection systems	156,046	155,450	596	0.4%
Equipment	17,749	18,882	(1,133)	(6.0%)
Structures and improvements	17,691	18,502	(811)	(4.4%)
Construction work in progress	23,731	18,067	5,664	31.3%
Total	$ 224,743	$220,458	$ 4,285	1.9%

Additional information on FPUA's capital assets can be found in Note C on pages 37-38 of this report.

DEBT ADMINISTRATION

At September 30, 2022, FPUA had outstanding revenue bonds and direct placements totaling $166,171,000. Debt service schedules extend to October 1, 2052. Interest rates range from 2.14% to 5.00% on these issuances. Principal payments are due October 1 of each year. Principal on the bonds of $4,668,000 was due and paid on October 1, 2022. The principal balance for the Series 2009 Revenue Refunding Bonds were repaid on June 21, 2022 with the closing of the Series 2022A Revenue Refunding Bonds.

On May 19, 2022, the bond rating firm, Fitch Ratings Inc., assigned an 'A' rating to the FPUA utilities refunding revenue bonds Series 2022A and 2022B. The Capital Appreciation Bonds Series 1999B were, on that same date, downgraded from "A+" to "A". The bond rating firm, Standard & Poor's, assigned its 'A' long-term rating on FPUA's Series 2022 Utilities Refunding Revenue Bonds and affirmed an 'A' long-term rating and underlying rating on FPUA's utility bond obligations. Both firms have performed routine surveillance of our metrics in 2022 providing a stable outlook for all FPUA bond holders.

FPUA has no general bonded debt. Neither the City of Fort Pierce Charter or Code of Ordinances, nor the Florida Statutes limit the amount of debt FPUA can issue. FPUA's debt service coverage ratio was 2.47 times for the twelve months ended September 30, 2022, compared to 3.54 times on September 30, 2021. This coverage ratio remains well above the 1.25 minimum requirement.

Additional information on FPUA's revenue bonds payable can be found in Note L on pages 55-58 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The economy grew stronger during FY 2022 with increased activity for construction both commercial and residential in the local area. Lower interest rates aided this development factor, however supply chain issues posed problems for developers as well as for FPUA in obtaining the materials needed to make the growth and development of our service territory happen.

Late in the fiscal year, the utility industry experienced a very sudden and unexpected jump in the price of Natural Gas which had a direct impact on the cost of providing Electric and Gas services to our customers. The hike in gas prices was fueled by the world economic conditions resulting from the war in Ukraine and the exportation of the US supply of natural gas to other countries. FPUA along with 12 other participants in the All-Requirements Project (ARP) through Florida Municipal Power Agency (FMPA) had a very big task to perform in order to keep the cost of power to our customers affordable. FMPA utilized reserves and began looking at purchasing of futures in natural gas prices to buffer through this difficult time. Further details along with other local economic factors are discussed at length on pages 4 and 5.

Current rate schedules and charges are available on FPUA's website, www.fpua.com. Rates are reviewed on an annual basis to ensure FPUA's rate structure properly reflects the recovery of the cost of operating and maintaining its electric, water, wastewater, and natural gas systems. There were two systems' rates adjustments implemented during FY 2022. The first adjustment for Water, Wastewater and Natural Gas, permitted by resolution, at 1.17% was implemented in November 2021 and was intended to keep pace with inflation. The second adjustment impacted all systems' rates and was mandated for the issuance of FPUA debt for Series 2022A and 2022B Utility Revenue and Refunding bonds and was intended, along with other staged increases adjustments, to fund the debt associated with the financing of the growth and development of FPUA's utility infrastructure.

CONTACTING FPUA'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of FPUA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to FPUA's Director of Financial Administration at Fort Pierce Utilities Authority, PO Box 3191, Fort Pierce, FL 34948-3191, or e-mail bmika@fpua.com.

This report and bond disclosure information is available on FPUA's website – www.fpua.com.

FORT PIERCE UTILITIES AUTHORITY
Statement of Net Position
September 30, 2022
(With comparative totals for September 30, 2021)
(Dollars in Thousands)

	2022	2021
ASSETS AND DEFERRED OUTFLOWS		
ASSETS		
Current Assets:		
Equity in Pooled Cash and Investments	$ 21,646	$ 20,786
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $878 in 2022 and 2021	11,246	6,621
Unbilled Receivables	7,848	6,428
Due from Other Governments	720	914
Inventories and Other Current Assets	7,172	6,932
Restricted Equity in Pooled Cash and Investments	17,716	15,147
Restricted Cash with Fiscal Agent	6,181	6,460
Total Current Assets	72,529	63,288
Noncurrent Assets:		
Capital Assets:		
Utility Plant in Service	505,540	492,754
Construction Work in Progress	23,731	18,067
Less Accumulated Depreciation	(304,528)	(290,363)
Total Capital Assets (net of Accumulated Depreciation)	224,743	220,458
Other Noncurrent Assets:		
Restricted Equity in Pooled Cash and Investments	124,764	6,857
FMPA Working Capital Receivable	1,919	1,919
Preliminary Surveys	69	62
Total Other Noncurrent Assets	126,752	8,838
Total Noncurrent Assets	351,495	229,296
Total Assets	424,024	292,584
DEFERRED OUTFLOWS OF RESOURCES		
Net Deferred Pension Outflow	17,920	1,443
Net Deferred OPEB Outflow	352	282
Deferred Amount on Debt Refunding	440	64
Total Deferred Outflows of Resources	18,712	1,789
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 442,736	$ 294,373

The accompanying notes are an integral part of this financial statement.

FORT PIERCE UTILITIES AUTHORITY
Statement of Net Position
September 30, 2022
(With comparative totals for September 30, 2021)
(Dollars in Thousands)

	2022	2021
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
LIABILITIES		
Current Liabilites:		
Accounts Payable and Accrued Expenses	$ 13,061	$ 9,855
Due to City of Fort Pierce	941	950
Customer Deposits - restricted assets	8,989	8,864
Revenue Bonds Payable - restriced assets	4,668	6,076
Accrued Interest Payable - restricted assets	1,925	792
Accrued Compensated Absences	335	276
Capital Leases Payable	11	40
Other Current Liabilities	411	501
Total Current Liabilities	30,341	27,354
Noncurrent Liabilities:		
Revenue Bonds Payable, Net of Unamortized Discounts/Premiums Restricted portion $117,907 in 2022	169,607	47,641
Accrued Compensated Absences	1,785	1,921
Other Postemployment Benefit Liability	1,333	1,178
Net Pension Liability	29,536	231
Capital Leases Payable	-	11
Total Noncurrent Liabilities	202,261	50,982
Total Liabilities	232,602	78,336
DEFERRED INFLOWS OF RESOURCES		
Purchased Power and Gas Over-Recovery	311	1,985
Deferred Pension Inflow	377	8,975
Deferred OPEB Inflow	18	26
Total Deferred Inflows of Resources	706	10,986
NET POSITION		
Net Investment in Capital Assets	171,439	173,685
Restricted Capital Improvement Charges	8,315	5,875
Restricted for Debt Service	5,457	5,457
Restricted for Emergencies	900	900
Restricted for Renewals and Replacements	500	500
Unrestricted	22,817	18,634
Total Net Position	209,428	205,051
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 442,736	$ 294,373

The accompanying notes are an integral part of this financial statement.

50
Years
of Excellence
1972 - 2022
FPUA
COMMUNITY PROUD

FORT PIERCE UTILITIES AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position

Year Ended September 30, 2022
(With comparative totals for the year ended September 30, 2021)
(Dollars in Thousands)

	2022	2021
OPERATING REVENUES		
Sales and charges for services	$ 126,195	$ 102,924
Other	2,426	1,991
Total Operating Revenues	128,621	104,915
OPERATING EXPENSES		
Purchases for resale	62,593	43,369
Plant operations	7,374	6,411
Field operations	11,384	10,837
General and administrative	26,411	17,755
Depreciation	14,731	14,263
Total Operating Expenses	122,493	92,635
OPERATING INCOME	6,128	12,280
NONOPERATING REVENUES (EXPENSES)		
Investment and other income	2,383	2,483
Grant revenue	1,907	97
Distribution to General Fund - City of Fort Pierce	(6,524)	(6,342)
Interest expense	(3,579)	(2,585)
TCEC expenses	(2,069)	(1,968)
Gain (Loss) on Disposal of Capital Assets	17	5
Storm expenses	(130)	(83)
Total Nonoperating Revenues (Expenses)	(7,995)	(8,393)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(1,867)	3,887
Capital contributions	6,244	6,111
Total Contributed Capital	6,244	6,111
CHANGE IN NET POSITION	4,377	9,998
Net Position - Beginning of Year	205,051	195,053
Net Position - End of Year	$ 209,428	$ 205,051

The accompanying notes are an integral part of this financial statement.

FORT PIERCE UTILITIES AUTHORITY
Statement of Cash Flows
Year Ended September 30, 2022
(With comparative totals for the year ended September 30, 2021)
(Dollars in Thousands)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 120,486	$ 104,582
Receipts from other sources	2,426	1,991
Payments to suppliers for goods and services	(61,521)	(59,197)
Payments to employees for services	(17,281)	(16,726)
Payments for benefits on behalf of employees	(12,407)	(6,801)
Net cash provided by operating activities	31,703	23,849
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase (decrease) in payable to City of Fort Pierce	(9)	8
Proceeds received for Grants and Storm damages	1,776	14
Payments for other non-operating activities	(2,069)	(1,976)
Distribution to General Fund - City of Fort Pierce	(6,524)	(6,342)
Net cash used by noncapital financing activities	(6,826)	(8,296)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(17,293)	(14,804)
Proceeds from sale of assets	95	5
Capital contributions	4,472	3,465
Proceeds from issuance of debt	146,744	-
Bond principal payments	(34,321)	(5,700)
Bond interest payments	(4,629)	(2,616)
Bond costs	(1,232)	-
Payment on capital lease obligation	(40)	(34)
Net cash used by capital and related financing activities	93,796	(19,684)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments and other non-operating income	2,383	2,483
Net cash provided by investing activities	2,383	2,483
Net Increase (Decrease) in Cash and Cash Equivalents	$ 121,056	$ (1,648)

The accompanying notes are an integral part of this financial statement.

FORT PIERCE UTILITIES AUTHORITY
Statement of Cash Flows
Year Ended September 30, 2022
(With comparative totals for the year ended September 30, 2021)
(Dollars in Thousands)

	2022	2021
Net Increase (Decrease) in Cash and Cash Equivalents	$ 121,056	$ (1,648)
Cash and Cash Equivalents at Beginning of Year	49,250	50,898
Cash and Cash Equivalents at End of Year	$ 170,306	$ 49,250
Current equity in pooled cash and investments	$ 21,646	$ 20,786
Restricted equity in pooled cash and investments	142,479	22,004
Restricted cash with fiscal agent	6,181	6,460
Total Cash and Cash Equivalents	$ 170,306	$ 49,250
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 6,128	$ 12,280
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	14,731	14,263
Inventory adjustment / gain assets / pension expense	149	7,446
(Increase) decrease in accounts receivable	(4,625)	1,274
(Increase) decrease in unbilled revenue	(1,421)	(322)
(Increase) decrease in inventories and other current assets	(54)	(1,144)
Increase (decrease) in liabilities deferred & customer deposits	125	129
Increase (decrease) in accounts payable	3,207	308
Increase (decrease) in compensated absences	(78)	17
Increase (decrease) in pension and other post employment benefits	13,631	(10,306)
Increase (decrease) in other liabilities	(90)	(96)
	$ 31,703	$ 23,849
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Accretion of Capital Appreciation Bonds	$ 694	$ 899
Contributions of capital assets	1,772	2,718
Amortization of deferred loss on refunding and bond discounts	53	21

The accompanying notes are an integral part of this financial statement.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The voters of the City of Fort Pierce, Florida authorized the organization of the Fort Pierce Utilities Authority (FPUA) at a special election held May 30, 1972. FPUA commenced operations as of June 30, 1972, and is currently responsible for management and operation of the combined Electric, Water, Wastewater, and Gas Systems, Treasure Coast Energy Center, FPUAnet Communications, and the Manatee Observation and Education Center. The City Charter, Article XII, defines the powers, duties, and responsibilities of FPUA. The members of FPUA's governing board are appointed and may be removed from office by the Fort Pierce City Commission. FPUA's budget is subject to approval by the City Commission, as are rates for service.

The accounts at September 30, 2022, and for the year then ended, of the various utility systems of FPUA are included as a discretely presented component unit of the City of Fort Pierce, Florida, financial statements. FPUA has no component units.

Basis of Presentation

The accounts of FPUA are an enterprise fund. An enterprise fund is a Proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the "economic resources measurement focus," and the "accrual basis of accounting." Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

Accounting Standards Adopted

During fiscal Year 2021, the following new accounting standards were implemented:

GASB Statement No.98 – The Annual Comprehensive Financial Report. The objective of the Statement is to address references in authoritative literature to the term *comprehensive annual financial report*.

During fiscal Year 2022, the following new accounting standards were implemented:

GASB Statement No.87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Budget Process

FPUA is required to prepare, adopt, and furnish a copy to the City Commission of the City of Fort Pierce an annual budget at least 45 days prior to the beginning of the next fiscal year. The annual budget and any amendments thereto shall be in effect when approved by FPUA and when any line item expense has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission. The budget is prepared on the accrual basis. The budget and amendments thereto, for the year ended September 30, 2022, have been approved according to the above procedures.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Pooled Cash and Investments - FPUA, for accounting and investment purposes, pools its cash and investments. Cash and cash equivalents are considered to be cash on hand, demand deposits, deposits with Insured Cash Sweep and Florida PRIME, a money market account, and certificates of deposit with original maturities of twelve months or less from the date of acquisition.

In accordance with GASB 31, investments are stated at fair value based on per share prices. The State Board of Administration (SBA) Florida PRIME Local Government Surplus Fund is considered to be a "2a-7 like" investment, and is accounted for at fair value for financial reporting (See Note B). Florida PRIME has a current rating by Standard and Poor's of AAAm. There is a risk of loss on these investments based upon the fluctuation of interest rates and lengths of maturity. Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

Unbilled Receivables - These receivables represent the estimated amount of accounts receivable for services that have not been billed as of the balance sheet date. The amounts are a result of a timing difference between the end of the financial statement cycle (month end) and the billing cycle (various dates within the month for each billing period).

Inventories - Inventories of fuel, supplies, construction materials, and utility plant replacement parts are recorded at weighted average cost. The cost of such inventories is recorded on the consumption method as expenses or additions to Construction Work in Progress when used rather than when purchased.

Utility Plant - Utility plant is stated at historical cost for items constructed or acquired by purchase. Donated or contributed capital assets are recorded at the value of acquisition on the date received as contributed capital. Utility plant assets are defined by FPUA as assets with an initial, individual cost of $5,000 or more and an estimated useful life of three years or more.

Depreciation of all exhaustible utility plant assets, including those acquired through intergovernmental grants externally restricted to capital acquisitions, is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation is calculated using the straight line method over the following estimated useful lives:

Transmission, distribution, and collection systems	5-60 years
Equipment	3-40 years
Structures and improvements	3-55 years

Deferred Outflows/Inflows of Resources - The financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until the period in which the expense belongs. Similarly, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until FPUA reaches the period to which the resources belong.
FPUA has the following items reported under this section:

- Deferred Pension Outflows and Inflows in accordance with GASB No. 68.
- Deferred Outflow on Debt Refunding is the unamortized bond insurance and discount from bond issuances.
- Purchased Power and Gas Over-Recovery. Purchased power and gas costs greater or less than the amount included in the base rates are charged or credited to FPUA's customers. At the end of the fiscal year, FPUA has recorded a deferred inflow of resources for the balance of these over-recoveries.
- Deferred Outflows and Inflows for Other Post Employment Benefits in accordance with GASB No. 75.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

City of Fort Pierce Retirement and Benefit System – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Fort Pierce Retirement and Benefit System (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position – FPUA's equity is presented as net position and displayed in six components:

- Net Investment in Capital Assets – Consists of capital assets, contributed capital assets and capital leases, net of accumulated depreciation and reduced by the outstanding balances of any bonds, and related debt that is attributable to the acquisition, construction, or improvement of those assets (See Note C).
- Restricted Capital Improvement Charges – Consists of the unspent Capital Improvement Charges (CICs) collected in the Electric, Water and Wastewater Systems. The respective balances as of September 30, 2022 are $380, $4,211, and $3,724. Electric CIC's are used to fund the cash outlay or debt service associated with the expansion of Electric Substations and Electric Transmission & Distribution Systems. In the Water and Wastewater Systems, CICs are used to fund the cash outlay or debt service associated with specific expansion and growth related projects.
- Restricted for Debt Service – Consists of $5,457 in net position set aside for payment of principal and interest on the 2022 Utilities Revenue Refunding Bonds and additional amounts in accordance with FPUA's Master Bond Resolution, as revised in 2022.
- Restricted for Emergencies – Consists of $900 in net position, set aside for emergencies which is limited to paying for repairs or replacements of FPUA capital assets damaged or destroyed by a disaster.
- Restricted for Renewals and Replacements – Consists of $500 in net position which is limited to paying for the cost of extensions, enlargements or additions to or the replacement of FPUA capital assets.
- Unrestricted – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

Operating Revenues and Expenses - Operating revenues and expenses generally result from providing services in connection with FPUA's principal ongoing operations. The principal operating revenues of FPUA consists of charges to customers for sales of electricity, water and natural gas and services including wastewater collection, FPUAnet Communications services, and operation of the Manatee Observation and Education Center (MOEC). Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Capacity Reductions – Water and wastewater service capacity is obtained through payment of Capital Improvement Charges (CICs). Property developers in the FPUA service territory have the ability to execute amended supply agreements in order to take advantage of FPUA's Capacity Reduction Option (CRO). Customers exercising this option can apply payments previously made for CICs toward payment of Guaranteed Revenue Charges (GRCs) incurred since the original agreements were signed. Any future need for additional capacity must be obtained through payment of CICs at prevailing rates. No new CROs were excercised in the current fiscal year.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

NOTE B – POOLED CASH AND INVESTMENTS

Cash Deposits with Financial Institutions - Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a "Qualified Public Depository". A Qualified Public Depository is defined as a bank or savings association that has a branch office authorized to receive deposits in Florida, is FDIC insured, meets the requirements of Chapter 280 of the Florida Statutes, and has been so designated by the office of Florida's Chief Financial Officer. FPUA had cash deposits only with qualifying institutions as of September 30, 2022. At year-end, FPUA's carrying amount of deposits was $118,738 and the bank balance was 117,923. The bank balance includes unspent bond proceeds in the amount of $117,907 that were temporarily placed a non-interest bearing account.

Investments – The following investments are considered cash equivalents for purposes of the Statement of Cash Flows (see Note A). FPUA's investments held throughout the year are principally the same as the investments held as of September 30, 2022. Due to fluctuations in cash flows, FPUA maintains investments in an Insured Cash Sweep account. The interest income generated on these investments including any gain on investment, for the year ended September 30, 2022, was $97.

As of September 30, 2022, FPUA had the following investments:

Investment	Fair Value
Seacoast Bank Sweep	$ 27,667
State Board of Administration - Florida PRIME	5,654
Seacoast Bank CDARS	5,000
PNC Money Market	4,336
CenterState Bank Certificates of Deposit	1,693
Trust Co. Certificate of Deposit	1,025
Total	$ 45,375

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, FPUA's investment policy permits a shifting in the maturity of debt obligations based upon the historical trend in interest rates.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

Credit Risk - FPUA is authorized by Resolution to invest in:

(1) Local Government Surplus Funds Trust Funds.
(2) Negotiable direct obligations of the United States Government, or obligations, the principal and interest of which are unconditionally guaranteed by the United States Government.
(3) Obligations of the federal farm credit banks, the Federal Home Loan Mortgage Corporation, including Federal Home Loan Corporation participation certificates, or the Federal Home Loan Bank or its district banks, or obligations guaranteed by the Government National Mortgage Association, U.S. Treasury, agencies, and instrumentalities.
(4) Repurchase agreements secured by the types of investments listed above, restricted as to acquisition, term, and fair value.
(5) Interest-bearing time deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision, or in federal savings and loan associations located in this state and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.
(6) Deposits and certificates of deposit in out-of-state banks, savings and loan associations, and other regulated financial institutions insured by the FDIC.
(7) Full faith and credit direct general obligations of any state, or unlimited tax direct obligations of any political subdivision thereof, to the payment of which the full faith and credit of such political subdivision is pledged, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by a nationally recognized rating agency.

Concentration of Credit Risk – As of September 30,2022, FPUA places no limit on the amount that may be invested with any one issuer. A combined 73% of FPUA's investments are in Insured Cash Sweep and Florida PRIME.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

NOTE C – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated:				
Land	$ 9,557	$ 17	$ (48)	$ 9,526
Construction Work In Progress	18,067	18,327	(12,663)	23,731
Total Utility Plant, not being depreciated	27,624	18,344	(12,711)	33,257
Capital Assets, being depreciated:				
Transmission, distribution and collection systems	376,389	11,723	(98)	388,014
Equipment	61,025	1,392	(437)	61,980
Structures and improvements	45,783	268	(31)	46,020
Total Utility Plant being depreciated	483,197	13,383	(566)	496,014
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(220,939)	(11,128)	98	(231,969)
Equipment	(42,143)	(2,524)	437	(44,230)
Structures and improvements	(27,281)	(1,079)	31	(28,329)
Total accumulated depreciation	(290,363)	(14,731)	566	(304,528)
Total Capital Assets, being depreciated, net	192,834	(1,348)	-	191,486
Total Capital Assets, net	$ 220,458	$ 16,996	$ (12,711)	$ 224,743

Construction work in progress at September 30, 2022, consists principally of expansions and upgrades to the electric transmission and distribution system, water supply and distribution system, wastewater collection and treatment system, gas distribution systemand fiber communication system. Increases to Total Capital Assets include Non-cash Capital Contributions.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

Depreciation expense was charged to the utility systems as follows:

Water	$ 4,599
Electric	5,277
Wastewater	4,100
Gas	482
FPUAnet Communications	258
Manatee Observition and Education Center	15
Total Depreciation Expense	$14,731

Net Investment in Capital Assets, the primary component of Net Position, is calculated as follows:

All capital assets of FPUA	$529,271
Less: Accumulated depreciation/amortization on those assets	304,528
Net carrying value of capital assets	224,743
Less:	
● Outstanding principal of capital debt and other capital borrowings excluding unspent proceeds ("capital-related debt")	42,729
● Capital-related liabilities such as accounts payable and retainage payable for for capital purposes	2,520
● Unamortized balance of original issue premiums on outstanding capital-related debt, including outstanding capital refunding debt	5,716
● Unamortized balance of capital-related deferred inflows of resources	2,392
Plus:	
● Unamortized balance of original issue discounts on outstanding capital debt	4
● Unamortized balance of capital-related deferred outflows of resources	49
Equals: Net investment in capital assets of the reporting unit	$171,439

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

NOTE D – RESTRICTED ASSETS

Certain assets are restricted by bond resolution; additionally, some assets have been classified as restricted in accordance with governmental accounting standards for enterprise funds and utility industry accounting practices. FPUA's restricted assets consist of equity in pooled cash and investments and cash with fiscal agent in the following accounts:

Cash and Investments Capital Projects	$117,907
Principal and interest accounts	6,593
Capital Improvement Charges	8,315
Customer security deposits	8,989
Debt Service reserve	5,457
Emergency reserve	900
Renewal and replacement reserve	500
	$148,661

The restricted liability, that corresponds to the cash and investments for capital projects, is included in Revenue Bonds Payable, net of unamortized discounts/premiuns on the Statement of Net Position.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

NOTE E – RETIREMENT AND BENEFIT SYSTEM

General Information about the Plan

Plan Description
The City of Fort Pierce Retirement and Benefit System (the System) is a cost-sharing multiple employer Public Employees Retirement System (PERS) defined benefit plan administered by the City of Fort Pierce, covering all municipal employees, including employees of FPUA. Except for the Director of Utilities, participation in the System is compulsory for all employees of FPUA. Employees working more than 25 hours per week are required to participate upon employment. A Deferred Retirement Option Plan (DROP) is offered.

Benefits Provided
The plan provides retirement, termination, disability, and death benefits to all full time employees. Upon retirement, members are entitled to an annual retirement benefit (payable monthly), of total service times 3.0% of final average salary (FAS), based upon the highest five consecutive years of the last ten years. The maximum annual pension benefit is $100 and may not exceed 75% of FAS for members hired on or after October 1, 2012. There is no maximum annual pension benefit for members hired before October 1, 2012. Benefits may be payable for life or based on one of five options and name a survivor pension beneficiary.

Normal Retirement - Eligibility occurs at 25 years of service regardless of age, or at age 60 with 5 years of service. Retirees receive 3% of final average salary times total service.

Non-Duty Disability Retirement - Benefits occur after 5 years of service; computed as a normal retirement based upon service and final average salary at date of disability.

Duty Disability Retirement - No service requirement; computed as a normal retirement based upon service projected to the end of the duty disability period and final average salary at the time of disability.

Non-Duty Pre-Retirement Death Benefit - Benefits occur after 5 years of service; computed as a normal retirement but actuarially reduced in accordance with a 100% joint and survivor election.

Duty Pre-Retirement Death Benefit - No age of service requirement; benefits begin upon termination of workers compensation; benefits paid at the same amount that was paid by workers' compensation to the spouse until death, or to unmarried children under 18 and dependents of parents.

Deferred Retirement Option Plan - Eligibility is based on normal retirement. The maximum participation period is 5 years, but not beyond 30 years of service. The benefit is calculated as normal retirement but based on service and final average salary at the date of the DROP election.

Member contributions cease and monthly benefits accumulate in a self-directed DROP account and are payable upon termination of employment.

Contributions

Per the City of Fort Pierce Code of Ordinances, Ch. 13, Art. II, Div. 1, Sec. 13-40, FPUA employees are required to contribute 6.16% of their annual salary to the System. FPUA is required to contribute amounts actuarially determined annually which, together with member contributions, are sufficient to fund the System. Contributions to the System by FPUA were $2,607 for the year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2022, FPUA reported a liability of $29,536 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2021. The total pension liability was rolled-forward from the valuation date to the plan year ending September 30, 2022. FPUA's proportionate share of the net pension liability was based on FPUA's present value of projected long-term contributions. At September 30, 2022, FPUA's proportionate share was 45.32%, which was a decrease of 3.41% from its proportion measured as of September 30, 2021.

For the fiscal year ended September 30, 2022, FPUA recognized pension expense of $6,839. FPUA has recorded beginning and ending accruals which may differ from reporting by the System. At September 30, 2022, FPUA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of	Deferred Inflows of Resources
Differences between expected and actual experience	$ 503	$ 124
Changes of assumptions	2,844	-
Net difference between projected and actual earnings on pension plan investments	14,573	-
Changes in proporation and difference between FPUA contributions and proportionate share of contributions	-	253
Total	$ 17,920	$ 377

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2023	$4,756
2024	3,704
2025	3,797
2026	5,286
Thereafter	-

Actuarial assumptions

Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported. The total pension liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	1-30 years as of September 30, 2021
Asset Valuation Method	4-Year smoothed fair value
Wage Inflation	4.00%
Salary Increases	4.0% to 6.5% including inflation
Investment Rate of Return	7.50%
Long-Term Municipal Bond Rate	4.40% (2.19% in 2021)

The Florida Retirement System (FRS) mortality table, which uses variations of the fully generational RP-2000 Mortality Tables with projection scale BB, were used. Based on these assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members.

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Investments are reported at fair value and are managed by third party money managers. Investments that do not have established market values are reported at estimated fair value. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Equity	26%	4.75%
Small/Mid Cap Equity	12%	4.95%
Global Ex-US Equity	25%	4.95%
Domestic Fixed Income	27%	-0.75%
Real Estate	10%	3.25%
Total	100%	

Discount Rate

A single discount rate of 7.25% is used to measure the total pension liability. This single rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumes that plan member contributions will be made at the current contribution rate. Employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of FPUA's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents FPUA's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the FPUA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Single Discount Rate (7.25%)	1% Increase (8.25%)
FPUA's proportionate share of the Net Pension Liability	$ 42,630	$ 29,536	$ 18,301

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Pension Plan Fiduciary Net Position

Detailed information about the System's fiduciary net position is included in the financial statements of the City of Fort Pierce, which can be found on the city's website, www.cityoffortpierce.com. The System does not issue a stand-alone financial report.

Payables to the Pension Plan

At September 30, 2022, FPUA reported a payable in the amount of $116, for outstanding contributions to the Pension Plan.

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NOTE F – EMPLOYEE HEALTH PLAN (the Plan)

FPUA has been a self-insurer for health and accident claims of their employees, retirees and their families since January 1, 2000. Payments of claims under the Plan are administered by Blue Cross Blue Shield of Florida (Florida Blue). Employee contributions to the Plan are made biweekly. Any benefit claims, up to the stop loss amounts, are paid by FPUA. Claims in excess of the stop loss amounts are underwritten by an insurer. The individual stop loss amount is $140 and $5,871 in the aggregate for calendar year 2022.

As of September 30, 2022, FPUA had estimated incurred unpaid claims of $542. This liability does not include Dental Claims liability. This amount has been calculated based on the results of an actuarial analysis of the Plan, plus claims incurred prior to year-end but paid by FPUA subsequent to year-end.

Changes in FPUA's claim liability balance during the past two fiscal years were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Contributions/ Changes in Estimates	Claims/ Fees Payments	Balance at Fiscal Year End
2021	581	5,342	5,146	777
2022	777	5,087	5,322	542

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NOTE G—POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about OPEB

Benefit description. FPUA provides certain healthcare benefits for all full-time and retired employees and their families, as a single-employer (see Note F). All FPUA employees are eligible for those benefits while working for FPUA. FPUA establishes the benefits available to its employees and retirees and may amend the benefits as business conditions and statutory requirements change. In accordance with Florida Statutes, FPUA allows their retirees to participate in the same Plan offered to their active employees. Although retirees pay an amount equivalent to the full cost of the benefit, FPUA must account for the implicit cost. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Employees covered by benefit terms. At September 30, 2022, the following employees were covered by the benefit terms:

Active employees	253
Inactive employees or beneficiaries currently receiving benefits	58
	311

Total OPEB Liability

FPUA's total OPEB liability of $1,333 was measured as of September 30, 2022, and was determined by an actuarial valuation as September 30, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.50% per annum
Discount rate	2.26% per annum (4.02% for 2022)
Healthcare cost trend rates	4.5% for 2021, to an ultimate rate of 4.5%
Retirees' share of benefit-related costs	Retiree pays the $1,056.69 monthly premium for individual coverage and $2,113.38 for retiree plus spouse coverage.

The discount rate was based on the Bond Buyer's 20-Bond GO Index.

Mortality rates were based on the 2021 PPA Mortality Table (RP-2014, base year 2006, adjusted to 2021 with Mortality Improvement Scale MP-2019).

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The actuarial assumptions used in the September 30, 2022 valuation were based on the results of the October 1, 2021 Actuarial Valuation of the Fort Pierce Utilities Authority Retiree Medical Plan.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2021	$ 1,178
Changes for the year:	
Service Cost	44
Interest	38
Differences between Expected and Actual Experience	146
Implicit Rate Subsidy	(73)
Net changes	155
Balance at September 30, 2022	$ 1,333

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the FPUA, as well as what FPUA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.02%) or 1-percentage-point higher (5.02%) than the current discount rate:

	1% Decrease (3.02%)	Discount Rate (4.02%)	1% Increase (5.02%)
Total OPEB liability	$1,489	$1,333	$1,201

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of FPUA, as well as what FPUA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.5%) or 1-percentage-point higher (5.5%) than the current healthcare cost trend rates:

	1% Decrease (3.5%)	Healthcare Cost Trend Rates (4.5%)	1% Increase (5.5%)
Total OPEB liability	$1,185	$1,333	$1,510

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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, FPUA recognized an OPEB expense of $77. At September 30, 2022, FPUA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 352	$ 18
Total	$ 352	$ 18

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	
2023	$68
2024	69
2025	75
2026	59
2027	34
Thereafter	29

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NOTE H – COMPENSATED ABSENCES

Current policy allows each employee eligible for vacation leave to accumulate a maximum of 30 days of vacation at the close of the last pay period of the fiscal year. Employees are paid up to 45 days of unused vacation leave at current hourly rates upon separation from the company. Employees who are eligible for sick leave are allowed unlimited accumulation. Upon termination, employees having at least 3 and less than 10 years of continuous service with FPUA will receive pay for 1/2 of their accumulated sick leave balance up to a maximum of 45 days. Those employees having at least 10 years of continuous service with FPUA will receive pay for their accumulated sick leave balance up to a maximum of 90 days.

Accrued liabilities, based on hourly rates at September 30, 2022, have been reflected in the accounts of FPUA for vested (not contingent on employee future service) vacation and sick leave benefits. The amount considered payable within one year is determined based upon three-year averages of leave amounts that are taken in the form of cash payments. Final payouts, conversions and sell-backs have a significant impact on liability balances and are almost entirely for services already rendered during a prior year.

At September 30, 2022 the liability was:

	Total Liability	Due Within One Year
Vacation leave	$ 871	$ 115
Sick leave	1,249	220
	$2,120	$ 335

Annually, FPUA offers its employees the opportunity to receive payment for up to 6 days of unused sick leave, calculated at current hourly rates, providing certain established criteria have been met. This sick leave conversion plan is intended to provide incentive for sick leave to be used only when necessary. During the year ended September 30, 2022, $73 was paid to employees electing this option.

FPUA also offers its employees the opportunity to sell back a portion of their accumulated sick leave, calculated at current hourly rates, providing certain established criteria have been met. Employees may elect to convert up to a maximum of 90 days of sick leave which will reduce their amount payable upon separation. During the year ended September 30, 2022, $26 was paid to employees electing this option.

In addition, all employees have two opportunities per fiscal year to convert up to one half of their annual vacation accrual to cash and will reduce their amount payable upon separation. During the year ended September 30, 2022, $23 was paid to employees electing this option.

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NOTE I – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

FPUA has entered into contracts for the construction or renovation of various system assets as follows:

Upgrade and Expansion	Project Authorization	Expended to Date	Remaining Commitment	Required Further Financing
Wastewater	$ 35,190	$ 1,380	$ 33,810	None
FPUAnet	1,262	304	958	None
Electric	882	571	311	None
Administration	836	208	628	None
Water	127	41	86	None
Gas	25	-	25	None
	$ 38,322	$ 2,504	$ 35,818	

In addition, FPUA enters into unit price contracts for the construction or renovation of system assets. These contracts are not firm commitments, and the contractors are utilized as needed. As of September 30, 2022, costs of $2,803 were authorized under these contracts, $311 had been spent, and authorized amounts of $2,492 remained.

Changes in the economy have resulted in longer lead times with many manufactures. To ensure FPUA's continued excellent customer service and to support all current expansion projects, FPUA has engaged in future commitments to purchase $7,945 of necessary inventory.

FMPA All-Requirements Power Supply Project

As of January 1, 1998, FPUA became a participant in the Florida Municipal Power Agency's (FMPA) All-Requirements Power Supply Project (hereinafter referred to as ARP). FPUA has agreed to purchase all capacity and energy necessary for their electric system from FMPA's ARP during the term of the contract. The contract is a 30 year evergreen, automatically renewing on October 1 of each year unless notification is provided one year prior to the automatic extension date.

Prior to being involved in the ARP, FPUA had Project Support Contracts and Power Sales Contracts with FMPA regarding Stanton Unit No. 1 (Stanton and Tri-City Projects) and Stanton Unit No. 2, coal-fired plants constructed by the Orlando Utilities Commission. FPUA's resources, which have been assigned, include the contracts with FMPA related to Stanton Unit No. 1 and Stanton Unit No. 2, and to part of the contract with Florida Gas Transmission for the purchase of firm capacity natural gas. The contracts related to the St. Lucie Project, detailed within this section, have not

been assigned; however, as of January 1, 1998, FPUA's share of transmission costs related to the St. Lucie Project have been assigned to the ARP.

FMPA St. Lucie Project

FPUA has entered into agreements with FMPA, of which it is a member, and with certain other members of FMPA, for entitlement to capacity, energy, and transmission services from Florida Power & Light's (FP&L) St. Lucie Unit No. 2 (the Unit) which is located on South Hutchinson Island near Fort Pierce, and through a reliability exchange agreement related to St. Lucie Unit No. 1, located at the same site. Pursuant to a Power Sales Contract and a Project Support Contract, FPUA has acquired an entitlement share of FMPA's allocation of these services. The Power Sales Contract requires payments for each month in which capacity, energy, or transmission services are available from the St. Lucie Project. Payments due each month are based upon an annual budget. Once each year, the excess or deficiency of payments related to actual cost is calculated and applied to the next year's monthly statements from FMPA to FPUA.

The Power Sales Contract will remain in effect until the latest of (i) the date that the principal, premium, if any, and interest on all bonds have been paid, or funds are set aside for the payment thereof; (ii) the date the Unit is decommissioned or finally disposed of as an electric generating unit pursuant to the Participation Agreement, or FMPA's interest in the Unit is terminated pursuant to the Participating Agreement or otherwise disposed of; or (iii) the date all obligations of FMPA under the Participation Agreement have been paid, performed, or provided for.

In any month when electric capacity, energy, or transmission services are not made available to FPUA, payment is made to FMPA under a Project Support Contract in a like amount as would have been due under the Power Sales Contract.

Purchases under these contracts are accounted for as operating expenses by FPUA. Total costs included in operating expenses for FY 2021 and FY 2022 were $6,582 and $6,521 respectively. FPUA is committed under the agreements to payments of $5,884 for the year ending September 30, 2023.

Florida Gas Transmission

FPUA executed an All Requirements Gas Services Agreement with Florida Gas Utility (FGU) on January 15, 2002. As a member of the All Requirements project, FPUA is required to purchase natural gas and the firm capacity needed for its delivery through FGU. The firm capacity of natural gas is the availability of the pipeline required to transport the natural gas to FPUA. This agreement will remain in effect until cancelled by FPUA.

On July 3, 2012, FPUA acquired additional firm capacity from the City of Sunrise, Florida in order to meet the needs of new industrial customers. This agreement will remain in effect until cancelled by FPUA. In FY 2016, additional firm capacity was made available from Florida Gas

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Transmission, and FPUA exercised rights to obtain this capacity. An additional 96,800 MMbtu of capacity was obtained. With this additional capacity, the amount of Sunrise capacity was reduced by 45,300 MMbtu via a revised interlocal agreement with the City of Sunrise. In FY 2023, FPUA will be entitled to firm capacity of 566,412 MMbtu, and will be committed to purchase 535,283 MMbtu of natural gas at an approximate cost of $5,218. The amounts purchased under these contracts, for FY 2021 and FY 2022 were $1,936 and $3,513 respectively.

FMPA Treasure Coast Energy Center

FPUA has entered into an agreement with FMPA to manage, operate, and maintain their facility located in St. Lucie County near Fort Pierce. The Treasure Coast Energy Center (TCEC) is a natural gas fueled power generation site. The initial terms of this agreement commenced on July 24, 2007 and expired on September 30, 2011, after which the agreement became a one-year evergreen. The agreement is extended annually and was for the year ended September 30, 2022.

TCEC employees are on the payroll of FPUA and all costs associated with them are reimbursed bi-weekly by FMPA. TCEC employee costs and revenue for FY 2022 and FY 2021 totaled $2,069 and $1,968, respectively.

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NOTE J – RISK MANAGEMENT

FPUA is exposed to various other risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which FPUA carries commercial insurance. Settled claims resulting from these risks have not exceeded the commercial insurance coverage.

FPUA has property, automobile liability, general liability and worker's compensation policies through Florida Municipal Insurance Trust (FMIT), as well as flood insurance through Wright National Flood Insurance Company and computer & telephone equipment through Foundation Risk Partners Corp (Accent). FPUA is a qualified self-insurer in the State of Florida and under Florida Statue 768.28 is granted sovereign immunity. The limit of liability is $200,000 Bodily Injury and/or Property Damage per person or $300,000 Bodily Injury and/or Property Damage per occurrence. These specific limits of liability are increased to $1,000,000 (combined single limit) per occurrence, solely for any liability resulting from entry of a claims bill pursuant to Section 768.28 (5) Florida Statutes or liability/settlement. The Workers Compensation liability policy is statutory per Florida Statute 440, including Employers Liability of $1,000,000 each accident/$1,000,000 by disease/ $1,000.000 aggregate by disease.

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NOTE K – CAPITAL LEASE

On January 1, 2018, FPUA entered into an agreement with Pitney Bowes and committed to a five-year capital lease for billing and mailing equipment and software. The lease requires 20 quarterly payments of $11, and contains no variable payment components. The equipment has been capitalized at its fair market value (FMV) of $154. As of September 30, 2022, the FMV less accumulated amortization of $146 was $8. The effective interest/maintenance expense for the year ended September 30, 2022 was $6.

The following is a summary of FPUA's anticipated lease obligations in the latter half of Fiscal Year 2023 and beyond:

On January 1, 2023, FPUA entered into an agreement with Pitney Bowes and committed to a five-year capital lease for billing equipment and software. The lease requires 20 quarterly payments of $12, and contains a $3 fixed maintenance component. The equipment will be capitalized at its FMV of $136.

On January 1, 2023, FPUA entered into an agreement with Pitney Bowes and committed to a four-year capital lease for mailing/postage equipment and software. The lease requires 16 quarterly payments of $2, and contains a $1 fixed maintenance component. The equipment will be capitalized at its fair market value (FMV) of $20.

The following table is a schedule by year of future minimum lease obligations together with the present value of the net minimum lease payments as of September 30, 2022.

Year Ending September 30	Principal Payments	Interest Payments	Maintenance Payments	Total
2023	$ 20	$ 10	$ 12	$ 42
2024	29	11	17	57
2025	32	8	16	56
2026	34	6	16	56
2027	33	2	15	50
2028	8	-	4	12
	$ 156	**$ 37**	**$ 80**	**$ 273**

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NOTE L – REVENUE BONDS AND DIRECT PLACEMENTS

A summary of changes in revenue bonds payable is as follows:

BONDS PAYABLE	September 30, 2021	Additions	Deletions	September 30, 2022
Series 1999B (Accreted value)	$ 15,930	$ 694[1]	$ (4,335)	$ 12,289
Series 2009	29,665		(29,665)	-
Series 2022A	-	143,500	-	143,500
Series 2022B	-	2,550	-	2,550
Total Revenue Bonds Payable	45,595	146,744	(34,000)	158,339
Direct Placements				
Series 2016	8,153	-	(321)	7,832
	53,748	146,744	(34,321)	166,171
Add unamortized bond premiums	-	8,297	(189)	8,108
Less unamortized bond discounts	(31)	-	27	(4)
Less current portion of revenue bonds payable	(6,076)	(4,668)	6,076	(4,668)
Revenue Bonds Payable - net of current portion	**$ 47,641**	**$ 150,373**	**$ (28,407)**	**$ 169,607**

[1] Accretion

In September 1999, FPUA issued Utilities Revenue Capital Appreciation Bonds, Series 1999B, in the amount of $10,223 to finance the cost of acquiring and constructing additions, extensions, and improvements to the water and wastewater facilities, as well as to fund the increase in required reserves, and pay certain costs associated with the bond issuance. The 1999B Bonds are payable from, and secured by, a pledge of net revenues from the operation of the Utilities System. The outstanding capital appreciation bonds remaining principal totals $13,010 and is due in annual installments beginning on October 1, 2022 through October 1, 2026 in amounts ranging from $4,335 to $4,340, with a yield of 5.90%. Accreted value of the 1999B Bond at September 30, 2022 is $12,289.

In June 2022, FPUA issued Utilities Refunding Revenue Bonds, Series 2022A, in the amount of $143,500, including $75,975 of serial bonds, and $67,525 of term bonds. The bonds were issued to pay the costs of the acquisition, construction, and equipping of certain capital improvements to the system, refund all the outstanding Utilities Refunding Revenue Bonds Series 2009, and pay certain costs associated with the bond issuance. The refunding of the 2009 revenue bonds resulted in net present value savings of $2,392. The 2022A Bonds are payable from, and secured

by, a pledge of net revenues from the operation of the Utilities System. The outstanding serial bonds were issued at a premium of $9,021. They are due in annual installments beginning on October 1, 2023 through October 1, 2042 in amounts ranging from $905 to $5,355, plus interest at a fixed rate of 5.0%. The term bond was issued at a discount of $1,053 and matures October 1, 2052 with payments ranging from $5,625 to $8,005 and a fixed rate of 4.00%. Interest on the 2022A Bond is due and paid semiannually.

In June 2022, FPUA issued Utilities Refunding Revenue Bonds, Series 2022B, in the amount of $2,550. The bonds were issued to pay the costs of the acquisition, construction, and equipping of certain capital improvements to the system including improvements to FPUA's broadband and other communications services systems, and pay certain costs related to the issuance of the bonds. The 2022B Bonds are payable from, and secured by, a pledge of net revenues from the operation of the Utilities System. The outstanding serial bonds were issued at a premium of $329. They are due in annual installments beginning on October 1, 2027 through October 1, 2036 in amounts ranging from $200 to $315, plus interest at a fixed rate of 5.00%. Interest on the 2022B Bond is due and paid semiannually.

Fort Pierce Utilities Authority Outstanding Revenue Bonds - Direct Placements

In March of 2016, FPUA issued Utilities Refunding Revenue Bonds, Series 2016, in the amount of $9,545 to refund the outstanding principal amount of FPUA's Utilities Revenue Bonds Series 2002. The refunding resulted in a net present value savings of $2,466. The 2016 Bonds are payable from, and secured by, a pledge of net revenues from the operation of the Utilities System. The outstanding serial bonds are due in annual installments beginning on October 1, 2021 through October 1, 2026 in amounts ranging from $321 to $3,451, plus interest at a fixed rate of 2.14%. Interest on the 2016 Bond is due and paid semiannually.

Requirements to amortize all revenue bonds outstanding as of September 30, 2022 are as follows:

	Revenue Bonds		Direct Placements		
Year Ending September 30	Principal	Interest	Principal	Interest	Total
2023	4,340	6,627	328	161	11,456
2024	5,240	6,582	335	153	12,310
2025	5,285	6,535	343	146	12,309
2026	2,310	6,419	3,375	74	12,178
2027	2,420	6,298	3,451	-	12,169
2028-2052	139,465	82,790	-	-	222,255
	159,060	115,251	7,832	534	282,677
Future accretion on CABs	(721)	721	-	-	-
	$158,339	**$ 115,972**	**$ 7,832**	**$ 534**	**$282,677**

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Significant Bond Covenants for Utilities Revenue Bonds

The Series 1999, 2016, 2022A, and 2022B, bond issues provide that FPUA accumulate monthly 1/6 of the amount of all interest due on the next semi-annual interest payment date, and 1/12 of the amount of principal due and payable on the next principal maturity date. Additionally, FPUA's Master Bond Resolution requires renewal and replacement, emergency reserve and debt service reserve subaccount funds with minimum requirements of $500, $900 and $5,457, respectively. These reserves are fully funded at September 30, 2022.

Redemption Options Prior to Maturity

The Series 1999B Bonds are not subject to redemption prior to maturity.

The Series 2016 Utilities Refunding Revenue Bonds maturing on October 1, 2026 with an interest rate of 2.14% are redeemable anytime at the option of FPUA. Any full or partial prepayment will carry a fee equal to the greater of (i) 1.00% of the principal balance multiplied by the number of years remaining or (ii) a 'Yield Maintenance Fee'.

The Series 2022A Bonds maturing prior to October 1, 2033 are not subject to optional redemption prior to maturity. The series 2022A Bonds maturing on and after October 1, 2033 shall be subject to redemption prior to their stated dates of maturity, at the option of FPUA, in whole or part, on any date on or after October 1, 2032, in such maturities as FPUA shall in its discretion select by lot within a maturity if less than a full maturity, at a redemption price equal to 100% of the principal amount of such 2022A Bonds to be redeemed plus accrued interest to the redemption date.

The Series 2022B Bonds maturing prior to October 1, 2033 are not subject to optional redemption prior to maturity. The series 2022B Bonds maturing on and after October 1, 2033 shall be subject to redemption prior to their stated dates of maturity, at the option of FPUA, in whole or part, on any date on or after October 1, 2032, in such maturities as FPUA shall in its discretion select by lot within a maturity if less than a full maturity, at a redemption price equal to 100% of the principal amount of such 2022B Bonds to be redeemed plus accrued interest to the redemption date.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

Current and Advanced Refunding of Debt

Debt refunding activities occurred during the fiscal year that resulted in the redemption or defeasance of certain outstanding obligations. The proceeds from refunding issues and amounts available from the debt service funds of the refunded bonds were deposited into irrevocable trusts with escrow agents. Following are the refunding activities that represent legal or in-substance defeasance such that the refunded debts were removed from the accompanying financial statements:

The 2009 Utilities Refunding Revenue Bonds, refunded by the 2022A Revenue Bond issuance, are considered legally defeased and the associated liability has been removed. As a result of the refunding, FPUA reduced its total debt service requirements by $6,560, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $5,872.

Savings

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 6/21/2022 @ 2.87%
10/1/2022	$ 2,146	$ 1,280	$ 865	$ 300	$ 565	$ 550
10/1/2023	2,829	-	2,829	1,973	856	827
10/1/2024	2,828	-	2,828	1,973	855	803
10/1/2025	4,138	-	4,139	3,281	858	782
10/1/2026	4,134	-	4,134	3,277	857	760
10/1/2027	4,133	-	4,133	3,277	856	737
10/1/2028	7,640	-	7,640	6,786	854	715
10/1/2029	7,642	-	7,642	6,783	859	698
	$ 35,490	$ 1,280	$ 34,210	$ 27,650	$ 6,560	$ 5,872

Savings Summary

PV of savings from cash flow	$ 5,872
Less: Prior funds on hand	(3,480)
Net PV Savings	$ 2,392

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

NOTE M – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	$ 45,595	$ 146,744	$ (34,000)	$ 158,339	$ 4,340
Direct Placement	8,153		(321)	7,832	328
Bond Discounts	(31)	-	27	(4)	-
Net Pension Liability	231	29,305	-	29,536	-
Capital Leases	51	-	(40)	11	11
Compensated Absences	2,197	1,713	(1,790)	2,120	335
Other Postemployment Benefits	1,178	227	(72)	1,333	-
Long Term Liabilities	$ 57,374	$ 177,989	$ (36,196)	$ 199,167	$ 5,014

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

NOTE N – DISTRIBUTION TO THE GENERAL FUND, CITY OF FORT PIERCE

As provided by Article XII, Section 178 of the Charter of the City of Fort Pierce, Florida, six percent of FPUA's utility systems gross revenues, as defined therein, is distributed to the City's General Fund on an annual basis. The distribution calculation is based on the preceding fiscal year's audited financial statements. The following is the computation of the amounts distributable to the General Fund during the year ending September 30, 2022:

Gross Revenue	$ 139,173
Plus:	
Gas Piping and Appliance Costs	181
	139,354
Less:	
Power Cost & Purchased Gas Adjustment	15,022
Capital Contributions	6,244
FMPA O&M Contract Income	2,069
FPUAnet Operating Revenue	601
Manatee Observation and Education Center Operating Revenue	503
Revenue for City Billing	187
Gas Piping and Appliance Revenue	180
Grant Revenue	1,907
Adjusted Gross Revenue	$ 112,641
Amount distributable to General Fund, City of Fort Pierce	$ 6,758

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

NOTE O – TRANSACTIONS WITH THE CITY OF FORT PIERCE

As an enterprise fund of the City of Fort Pierce, transactions occur between FPUA and the City throughout the year in the ordinary course of operations. Below is a summary of significant transactions:

Metered and Non-metered Service Charges - FPUA bills the City on a monthly basis for all metered and non-metered services. Total amounts charged to the City for the year ended September 30, 2022, were $2,231. Current accounts receivable from the City at September 30, 2022, totaled $321.

Sanitation, Clean Community Fees and Utility Tax Billings - Charges to City residents for sanitation services, clean community fees and utility tax are included on FPUA's monthly billing statements to customers as a service to the City. FPUA acts only as an agent, with all cash collections relating to these charges forwarded monthly to the City. The City is charged $187 annually by FPUA to bill, collect and remit payment for sanitation services and clean community fees.

Disbursements made to the City by FPUA, including payments of utility tax, sanitation charges collected and other routine charges for the year ended September 30, 2022, were $11,586. In addition, FPUA paid the September 30, 2021 General Fund distribution to the City in the amount of $6,524. Amounts payable to the City at September 30, 2022, were $944.

Vehicle Fuel - The City charges FPUA for fuel used by FPUA vehicles. FPUA reciprocates by permitting the City to fuel their vehicles as needed at FPUA pumps and in turn bills the City for fuel used in their vehicles.

FORT PIERCE UTILITIES AUTHORITY
Notes to Financial Statements
September 30, 2022
(Dollars in Thousands)

NOTE P – SUBSEQUENT EVENTS

On January 26, 2023, FPUA has engaged with Seacoast National Bank in a tax-exempt line of credit. The line of credit is in an amount not to exceed $4 million and carries a variable interest rate. The purpose for the line of credit is to provide working capital for infrastructure. To date there have been no draws on the line of credit.

Since March of 2022, FPUA grant team has applied for multiple Federal and State Grants totaling $45 million for a variety of purposes including such environmental issues as Septic-to-Sewer conversions, Indian River Lagoon Seagrass restoration, and a Wastewater Conveyance system which is being planned in concert with the construction of the Mainland Water Reclamation Facility (MWRF). Ultimately, permitting the existing wastewater processing plant to be decommissioned and removed from Hutchinson Island. On February 6, 2023 FPUA was awarded $15 million Resilient Florida Grant

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Required Supplementary Information

FORT PIERCE UTILITIES AUTHORITY
Schedule of Proportionate Share of the Net Pension Liability
For the City of Fort Pierce Retirement and Benefit System
(Dollars in Thousands)

Fiscal Year Ending September 30,	FPUA Proportion of the NPL	FPUA Proportionate Share of the NPL	FPUA Covered Payroll	NPL as a % of Covered Payroll	Plan Net Position as a % of Total Pension Liability
2022	45.32%	$ 29,536	$15,321	192.78%	75.29%
2021	48.73%	231	15,654	1.47%	99.81%
2020	45.44%	10,486	15,814	66.31%	90.33%
2019	48.01%	11,606	15,007	77.34%	89.42%
2018	48.48%	7,408	13,401	55.28%	93.12%
2017	50.75%	10,090	13,209	76.39%	90.74%
2016	44.84%	6,655	12,508	53.21%	92.51%
2015	41.74%	5,528	12,431	44.47%	92.95%
2014	41.74%	1,750	11,835	14.79%	98.20%

This schedule will show information for 10 years when that information is available.

Required Supplementary Information

FORT PIERCE UTILITIES AUTHORITY
Schedule of Proportionate Share of Employer Contributions
For the City of Fort Pierce Retirement and Benefit System
(Dollars in Thousands)

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	$ 2,602	$ 2,602	$ -	$15,321	16.98%
2021	2,575	2,575	-	$15,654	16.45%
2020	2,775	2,775	-	15,814	17.55%
2019	2,717	2,717	-	15,007	18.10%
2018	2,402	2,402	-	13,401	17.92%
2017	2,147	2,147	-	13,209	16.25%
2016	2,039	2,039	-	12,508	16.30%
2015	2,087	2,087	-	12,431	16.79%
2014	2,053	2,053	-	11,835	17.35%

This schedule will show information for 10 years when that information is available.

Required Supplementary Information

FORT PIERCE UTILITIES AUTHORITY
Other Postemployment Benefits (OPEB)
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Five Fiscal Years
(Dollars in Thousands)

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 44	$ 32	$ 29	$ 27	$ 20
Interest	38	28	33	37	33
Differences between expected and actual experience	146	(5)	282	133	(51)
Implicit Rate Subsidy	(73)	(105)	(105)	(64)	(41)
Net change in total OPEB liability	155	(50)	239	133	(39)
Total OPEB liability - beginning	1,178	1,228	989	856	895
Total OPEB liability - ending	$ 1,333	$ 1,178	$ 1,228	$ 989	$ 856
Covered - employee payroll	$ 17,899	$ 17,472	$ 17,191	$ 16,497	$ 15,211
Total OPEB liability as a percentage of covered - employee payroll	7.45%	6.74%	7.14%	6.00%	5.63%

This schedule will show information for 10 years when that information is available.

Statistical Section Contents

This part of the Fort Pierce Utilities Authority's (FPUA) Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about FPUA's overall financial health. Statistical information for the current period, as well as nine years prior, is presented in this section. Historical data that is unavailable for the full nine years prior has been presented to include the earliest periods for which that information is readily accessible.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how FPUA's financial performance and well being has changed over time.	70-75
Revenue Capacity These schedules contain information to help the reader assess FPUA's local revenue source.	79-86
Debt Capacity These schedules present information to help the reader assess FPUA's debt burden and its ability to issue additional debt in the future.	88-89
Demographic and Economic Information This schedule offers demographic and economic indicators to help the reader understand the environment in which FPUA's financial activities take place.	92-93
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in FPUA's financial report relates to the services FPUA provides and the activities it performs.	96-107

Sources: Unless otherwise noted, the information in these schedules was obtained from the Annual Comprehensive Financial Reports for the relevant year.

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FINANCIAL TRENDS

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FORT PIERCE UTILITIES AUTHORITY

Statement of Net Position - Assets and Deferred Outflows

Last Ten Fiscal Years

(Dollars in Thousands)

	2022	2021	2020
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	$ 21,646	$ 20,786	$ 24,808
Accounts Receivable, Net of Allowance for Uncollectible Accounts	11,246	6,621	7,896
Unbilled Receivables	7,848	6,428	6,106
Due from Other Governments	720	914	1,418
Inventories and Other Current Assets	7,173	6,932	5,346
Restricted Equity in Pooled Cash and Investments	17,715	15,147	12,800
Restricted Cash with Fiscal Agent	6,181	6,460	6,432
Total Current Assets	72,529	63,288	64,806
Noncurrent Assets:			
Capital Assets:			
Utility Plant in Service	505,540	492,754	468,621
Construction Work in Progress	23,731	18,067	24,977
Less Accumulated Depreciation	(304,528)	(290,363)	(276,799)
Total Capital Assets (net of Accumulated Depreciation)	224,743	220,458	216,799
Other Noncurrent Assets:			
Restricted Equity in Pooled Cash and Investments	124,764	6,857	6,857
FMPA Working Capital Receivable	1,919	1,919	1,919
Preliminary Survey	69	62	-
Investment in Public Gas Partners Pool	-	-	34
Total Other Noncurrent Assets	126,752	8,838	8,810
Total Assets	424,024	292,584	290,415
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflow	17,920	1,443	1,505
Deferred OPEB Outflow	352	282	339
Deferred Amount on Debt Refunding	440	64	80
Advance Distribution to General Fund - City of Fort Pierce	-	-	-
Total Deferred Outflows	18,712	1,789	1,924
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 442,736	$ 294,373	$ 292,339

FORT PIERCE UTILITIES AUTHORITY

Statement of Net Position - Assets and Deferred Outflows

Last Ten Fiscal Years

(Dollars in Thousands)

2019	2018	2017	2016	2015	2014	2013
$ 30,506	$ 28,616	$ 26,661	$ 23,163	$ 27,712	$ 29,371	$ 32,533
7,549	7,820	8,489	9,072	8,149	7,256	7,137
5,221	6,306	5,626	5,432	5,534	5,959	5,380
1,793	1,962	2,085	424	422	447	447
4,501	4,723	4,514	4,546	5,009	4,877	4,716
13,038	12,831	13,946	22,349	20,757	20,306	14,483
6,404	6,379	6,353	1,083	1,308	1,300	7,471
69,012	68,637	67,674	66,069	68,891	69,516	72,167
457,592	455,645	446,447	434,848	423,324	414,941	411,561
17,483	18,052	20,124	22,547	24,768	20,472	15,750
(263,908)	(259,869)	(253,514)	(241,651)	(231,252)	(219,917)	(210,951)
211,167	213,828	213,057	215,744	216,840	215,496	216,360
6,857	6,857	6,857	6,857	6,703	6,703	6,703
1,919	1,919	1,919	1,919	1,919	1,919	1,919
-	68	41	41	6	29	29
359	428	486	537	587	624	658
9,135	9,272	9,303	9,354	9,215	9,275	9,309
289,314	291,737	290,034	291,167	294,946	294,287	297,836
3,328	3,701	5,737	3,880	3,689	-	-
114	-	-	-	-	-	-
97	115	132	151	-	-	-
-	-	-	-	1,251	1,250	-
3,539	3,816	5,869	4,031	4,940	1,250	-
$ 292,853	$ 295,553	$ 295,903	$ 295,198	$ 299,886	$ 295,537	$ 297,836

FORT PIERCE UTILITIES AUTHORITY

Statement of Net Position - Liabilities, Deferred Inflows and Net Position

Last Ten Fiscal Years

(Dollars in Thousands)

	2022	2021	2020
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	$ 13,061	$ 9,855	$ 9,546
Due to City of Fort Pierce	941	950	942
Customer Deposits - restricted assets	8,989	8,864	8,735
Revenue Bonds Payable - restricted assets	4,668	6,076	6,015
Accrued Interest Payable - restricted assets	1,925	792	822
Accrued Compensated Absences	335	276	-
Due to St. Lucie County		-	-
Capital Leases Payable	11	40	34
Other Current Liabilities	411	501	598
Total Current Liabilities	30,341	27,354	26,692
Noncurrent Liabilities:			
Revenue Bonds Payable, Net of Unamortized Discounts/Premiums	169,607	47,641	52,812
Accrued Compensated Absences	1,785	1,921	2,181
Other Postemployment Benefits	1,333	1,178	1,228
Net Pension Liability	29,536	231	10,486
Due to St. Lucie County	-	-	-
Capital Leases Payable	-	11	51
Other Noncurrent Liabilities	-	-	-
Total Noncurrent Liabilities	202,261	50,982	66,758
Total Liabilities	232,602	78,336	93,450
DEFERRED INFLOWS OF RESOURCES			
Purchased Power and Gas Over-Recovery	311	1,985	3,133
Deferred Pension Inflow	377	8,975	674
Deferred OPEB Inflow	18	26	29
Deferred Amount on Debt Refunding	-	-	-
Total Deferred Inflow of Resources	706	10,986	3,836
NET POSITION			
Net Investment in Capital Assets	171,439	173,685	167,218
Restricted Capital Improvement Charges	8,315	5,875	3,660
Restricted For Debt Service	5,457	5,457	5,457
Restricted For Emergencies	900	900	900
Restricted For Renewals & Replacements	500	500	500
Unrestricted	22,817	18,634	17,318
Total Net Position	209,428	205,051	195,053
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 442,736	$ 294,373	$ 292,339

FORT PIERCE UTILITIES AUTHORITY

Statement of Net Position - Liabilities, Deferred Inflows and Net Position

Last Ten Fiscal Years

(Dollars in Thousands)

2019	2018	2017	2016	2015	2014	2013
$ 7,969	$ 8,977	$ 8,973	$ 7,900	$ 9,577	$ 10,066	$ 9,295
858	802	746	913	781	766	732
8,481	8,280	8,029	8,024	7,803	7,445	7,205
5,953	5,897	5,840	7,367	7,086	6,987	6,653
853	881	908	971	1,145	1,197	1,356
-	-	-	24	170	55	-
-	77	-	-	-	-	-
29	24	11	38	31	26	22
623	658	835	859	873	832	1,312
24,766	25,596	25,342	26,096	27,466	27,374	26,575
57,728	62,403	66,851	71,085	76,754	82,375	87,978
2,211	2,015	1,968	1,778	1,592	1,878	1,830
989	856	742	711	681	622	564
11,606	7,408	10,090	6,655	5,528	1,750	-
-	-	125	132	137	137	177
85	114	-	11	49	80	105
-	-	-	-	-	713	757
72,619	72,796	79,776	80,372	84,741	87,555	91,411
97,385	98,392	105,118	106,468	112,207	114,929	117,986
4,881	4,482	2,416	3,516	5,695	3,204	2,255
441	2,803	683	217	-	-	-
37	43	-	-	-	-	-
-	-	-	-	10	30	60
5,359	7,328	3,099	3,733	5,705	3,234	2,315
160,527	161,387	140,472	137,376	132,679	125,879	121,697
4,155	4,152	5,521	7,070	6,031	5,977	6,740
5,457	5,457	5,457	5,457	4,930	4,534	4,139
900	900	900	900	1,273	1,668	2,000
500	500	500	500	500	500	564
18,570	17,437	34,836	33,694	36,561	40,566	42,395
190,109	189,833	187,686	184,997	181,974	179,124	177,535
$ 292,853	$ 295,553	$ 295,903	$ 295,198	$ 299,886	$ 297,287	$ 297,836

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FORT PIERCE UTILITIES AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Last Ten Fiscal Years
(Dollars in Thousands)

	FY 2022	FY 2021	FY 2020	FY 2019
OPERATING REVENUES				
Residential Sales	$ 54,122	$ 44,551	$ 43,677	$ 42,205
General Service Sales	70,128	56,187	53,670	54,726
Sales for Resale	1,945	2,186	2,204	1,062
Other Operating Revenues	2,426	1,991	1,745	3,402
Total Operating Revenues	128,621	104,915	101,296	101,395
OPERATING EXPENSES				
Purchases for Resale	62,593	43,369	41,925	43,796
Plant Operations	7,374	6,411	6,249	5,917
Field Operations	11,384	10,837	10,459	10,107
General and Administrative	26,411	17,755	19,242	20,716
Depreciation	14,731	14,263	13,384	13,959
Total Operating Expenses	122,493	92,635	91,259	94,495
OPERATING INCOME	6,128	12,280	10,037	6,900
NONOPERATING REVENUES (EXPENSES)				
Investment and Other Income	2,383	2,483	2,810	3,044
Grant Revenue	1,907	97	159	423
Gain (Loss) on Disposal of Capital Assets	17	5	4	29
TCEC Expenses	(2,069)	(1,968)	(2,332)	(2,285)
Storm Expenses	(130)	(83)	(25)	(264)
Interest Expense	(3,579)	(2,585)	(2,825)	(3,044)
Distribution to City of Fort Pierce	(6,524)	(6,342)	(6,276)	(6,125)
Total Nonoperating Revenues (Expenses)	(7,995)	(8,393)	(8,485)	(8,222)
INCOME BEFORE CAPITAL CONTRIBUTIONS	(1,867)	3,887	1,552	(1,322)
Capital Contributions	6,244	6,111	3,392	1,501
INCOME BEFORE EXTRAORDINARY ITEMS	4,377	9,998	4,944	179
Extraordinary Income (Expense)	-	-	-	97
CHANGE IN NET POSITION	4,377	9,998	4,944	276
Net Position - Beginning of Year	205,051	195,053	190,109	189,833
Net Position - End of Year	$ 209,428	$ 205,051	$ 195,053	$ 190,109

FORT PIERCE UTILITIES AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position

Last Ten Fiscal Years

(Dollars in Thousands)

FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
$ 41,364	$ 42,237	$ 41,432	$ 39,558	$ 39,565	$ 38,489
54,347	55,839	53,811	52,964	55,899	55,518
894	953	914	874	799	854
3,605	3,621	2,264	2,162	2,272	2,172
100,210	102,650	98,421	95,558	98,534	97,033
43,289	45,523	43,783	42,304	45,347	44,800
5,771	5,577	5,313	5,325	5,247	5,127
9,647	9,360	9,062	8,641	8,716	8,579
18,580	17,740	16,997	15,802	15,078	14,546
12,993	12,774	13,097	12,461	14,991	15,300
90,280	90,974	88,252	84,533	89,379	88,352
9,930	11,676	10,169	11,025	9,155	8,681
2,654	2,215	2,011	2,150	1,972	1,913
457	421	-	81	6	12
(122)	20	125	21	260	48
(1,828)	(1,794)	(1,699)	(1,809)	(1,668)	(1,654)
(19)	(297)	-	-	-	-
(3,077)	(3,325)	(3,445)	(3,594)	(3,582)	(5,105)
(6,139)	(5,969)	(5,809)	(5,735)	(5,605)	(5,366)
(8,074)	(8,729)	(8,817)	(8,886)	(8,617)	(10,152)
1,856	2,947	1,352	2,139	538	(1,471)
292	(256)	1,650	2,471	1,478	1,392
2,148	2,691	3,002	4,610	2,016	(79)
(1)	(2)	21	(10)	(427)	(761)
2,147	2,689	3,023	4,600	1,589	(840)
187,686	184,997	181,974	177,374	177,535	178,375
$ 189,833	$ 187,686	$ 184,997	$ 181,974	$ 179,124	$ 177,535

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REVENUE CAPACITY

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FORT PIERCE UTILITIES AUTHORITY
Average Number of Services Billed By System
Last Ten Fiscal Years

FISCAL YEAR	ELECTRIC	WATER	NATURAL GAS	WASTEWATER	INTERNET SERVICES
FY 2022	29,017	21,857	4,098	16,125	60
FY 2021	28,870	21,470	4,110	15,820	60
FY 2020	28,749	21,124	4,117	15,585	61
FY 2019	28,527	20,725	4,111	15,316	70
FY 2018	28,265	20,356	4,099	15,107	70
FY 2017	28,287	20,221	4,128	15,084	71
FY 2016	28,299	20,079	4,166	15,069	76
FY 2015	28,221	19,929	4,189	15,038	77
FY 2014	28,096	19,756	4,223	14,987	78
FY 2013	27,630	19,248	4,179	14,635	76

FORT PIERCE UTILITIES AUTHORITY
Operating Revenues By System
Last Ten Fiscal Years
(Dollars in Thousands)

	FY 2022	FY 2021	FY 2020	FY 2019
ELECTRIC				
Residential				
Inside the City	$ 30,305	$ 23,509	$ 23,378	$ 22,671
Outside the City	7,416	5,763	5,719	5,589
General Service				
Inside the City	38,565	28,993	28,298	29,025
Outside the City	7,023	5,235	5,112	5,307
Other Retail	515	515	515	515
Other Operating Revenues	782	813	564	1,025
Total Electric Operating Revenues	84,606	64,828	63,586	64,132
WATER				
Residential				
Inside the City	6,041	5,654	5,346	5,067
Outside the City	2,355	2,217	2,098	1,965
General Service				
Inside the City	6,710	6,174	5,882	5,970
Outside the City	3,645	3,221	3,096	2,880
Sales for Resale	1,945	2,186	2,204	1,061
Other Operating Revenues	237	370	342	691
Total Water Operating Revenues	20,933	19,822	18,968	17,634
GAS				
Sales Revenue				
Residential	1,386	1,240	1,185	1,203
Heat Only	8	9	8	8
General Service	5,496	3,953	3,166	3,610
Other Operating Revenues	46	59	56	67
Total Gas Operating Revenues	6,936	5,261	4,415	4,888
WASTEWATER				
Residential				
Inside the City	5,888	5,484	5,290	5,104
Outside the City	725	678	656	601
General Service				
Inside the City	6,204	5,843	5,518	5,518
Outside the City	1,968	2,054	1,898	1,726
Other Operating Revenues	257	196	165	898
Total Wastewater Operating Revenues	15,042	14,255	13,527	13,847
MANATEE OBSERVATION AND EDUCATION CENTER				
Total MOEC Operating Revenues	503	366	429	429
FPUAnet COMMUNICATIONS				
Total FPUAnet Communications Operating Revenu	601	383	371	465
TOTAL OPERATING REVENUES	$ 128,621	$ 104,915	$ 101,296	$ 101,395

FORT PIERCE UTILITIES AUTHORITY
Operating Revenues By System
Last Ten Fiscal Years
(Dollars in Thousands)

FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
$ 22,387	$ 23,105	$ 22,718	$ 21,434	$ 21,724	$ 21,325
5,527	5,641	5,600	5,255	5,282	5,281
29,487	30,038	29,077	28,423	30,507	31,515
5,312	5,171	5,039	4,958	5,235	5,254
508	1,711	1,680	1,750	1,979	2,012
1,065	1,022	1,042	1,024	1,074	1,115
64,286	66,688	65,156	62,844	65,801	66,502
4,877	4,876	4,710	4,546	4,351	4,054
1,837	1,790	1,680	1,597	1,494	1,367
5,793	5,868	5,498	5,305	5,169	4,813
2,515	2,638	2,625	2,381	2,519	2,249
894	953	914	874	799	854
431	689	110	101	156	119
16,347	16,814	15,537	14,804	14,488	13,456
1,212	1,196	1,192	1,240	1,293	1,251
9	9	11	12	13	13
3,429	3,367	3,106	3,511	3,813	3,331
61	73	69	85	82	53
4,711	4,645	4,378	4,848	5,201	4,648
4,929	4,963	4,874	4,826	4,763	4,564
587	582	572	574	570	555
5,640	5,688	5,547	5,280	5,305	4,973
1,507	1,433	1,314	1,428	1,446	1,449
1,298	928	141	126	180	143
13,961	13,594	12,448	12,234	12,264	11,684
435	444	410	390	350	348
470	465	492	438	430	395
$ 100,210	$ 102,650	$ 98,421	$ 95,558	$ 98,534	$ 97,033

FORT PIERCE UTILITIES AUTHORITY

Unit Sales By System

Last Ten Fiscal Years

	FY 2022	FY 2021	FY 2020	FY 2019
ELECTRIC SALES (MWh)				
General Service				
Inside the City	276,465	274,385	266,890	274,339
Outside the City	47,252	47,508	46,471	47,597
Total General Service	323,717	321,893	313,361	321,936
Residential				
Inside the City	205,916	206,495	204,535	199,503
Outside the City	48,345	48,539	47,986	47,204
Total Residential	254,261	255,034	252,521	246,707
Total Sales	577,978	576,927	565,882	568,643
WATER SALES - 1,000 GALLONS				
General Service				
Inside the City	989,442	973,438	936,306	977,228
Outside the City	609,314	569,684	556,032	519,213
Total General Service	1,598,756	1,543,122	1,492,338	1,496,441
Residential				
Inside the City	761,439	753,198	718,156	687,026
Outside the City	224,737	224,466	217,524	207,312
Total Residential	986,176	977,664	935,680	894,338
Sales for Resale	382,581	447,273	458,579	343,496
Total Sales	2,967,513	2,968,059	2,886,597	2,734,275
NATURAL GAS SALES (ccf)				
General Service	2,691,998	2,788,752	2,418,710	2,538,305
Residential	426,554	431,705	433,924	430,370
Heat Only				
General Service	-	185	171	8
Residential Service	309	611	563	580
Contract Natural Gas	1,888,947	1,717,644	1,711,290	1,688,760
Total Sales	5,007,808	4,938,897	4,564,658	4,658,023
WASTEWATER BILLED - 1,000 GALLONS				
General Service				
Inside the City	771,964	767,094	709,374	730,146
Outside the City	219,684	255,994	254,566	218,172
Total General Service	991,648	1,023,088	963,940	948,318
Residential				
Inside the City	653,438	645,001	614,653	586,400
Outside the City	55,197	53,386	53,105	49,668
Total Residential	708,635	698,387	667,758	636,068
Total Sales	1,700,283	1,721,475	1,631,698	1,584,386

FORT PIERCE UTILITIES AUTHORITY
Unit Sales By System
Last Ten Fiscal Years

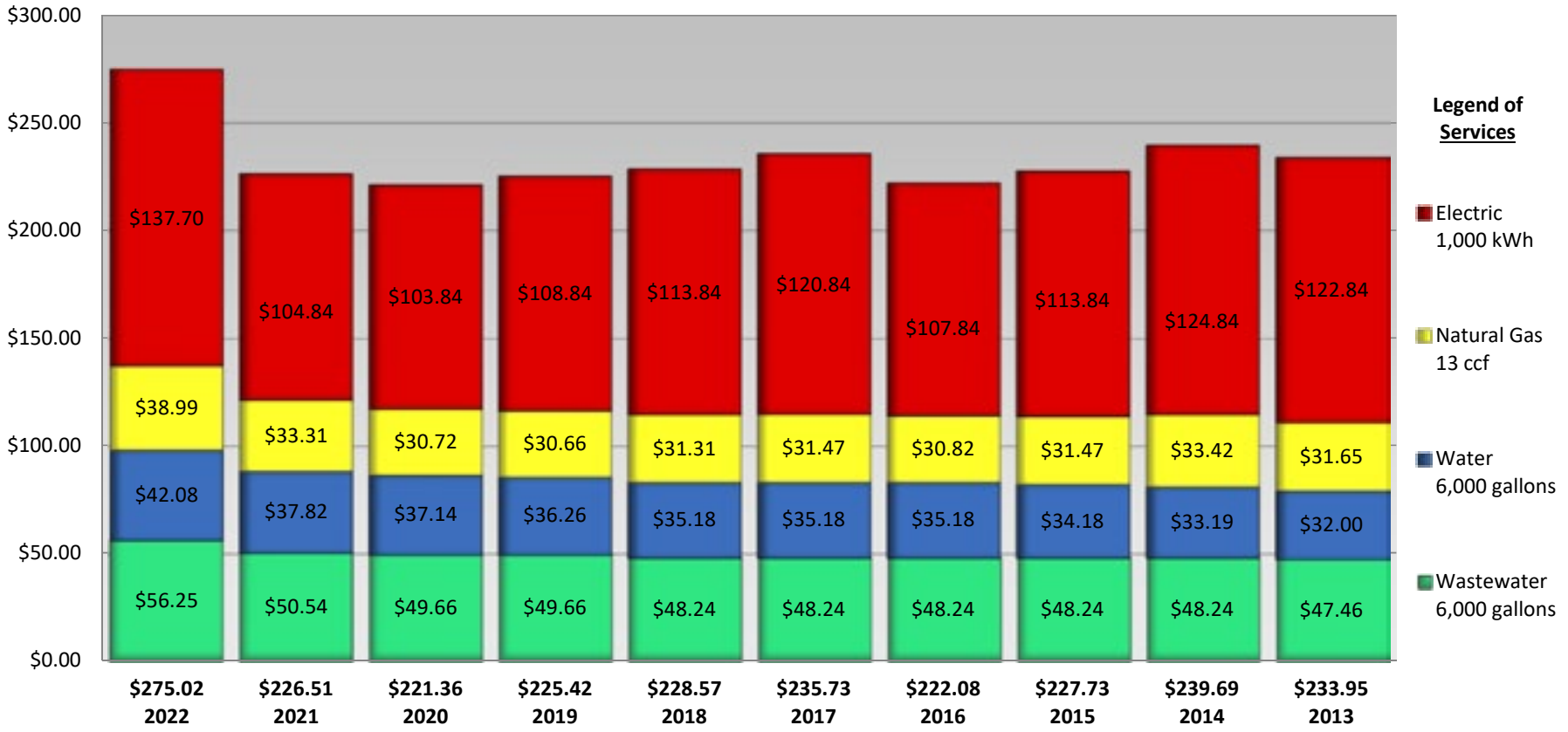
FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
268,973	273,618	272,166	267,525	265,950	264,278
44,915	43,915	44,243	43,850	42,305	41,000
313,888	317,533	316,409	311,375	308,255	305,278
188,706	190,973	193,198	184,261	172,628	164,672
44,725	44,912	45,883	43,522	40,445	39,293
233,431	235,885	239,081	227,783	213,073	203,965
547,319	553,418	555,490	539,158	521,328	509,243
953,524	961,850	907,134	896,997	891,635	863,507
448,681	478,576	485,639	442,529	498,887	460,394
1,402,205	1,440,426	1,392,773	1,339,526	1,390,522	1,323,901
678,972	694,146	665,354	664,402	644,116	636,431
195,718	195,685	181,754	179,748	169,702	164,871
874,690	889,831	847,108	844,150	813,818	801,302
314,748	335,494	327,819	320,144	302,486	340,834
2,591,643	2,665,751	2,567,700	2,503,820	2,506,826	2,466,037
2,224,479	2,114,141	2,024,641	2,091,516	2,006,259	2,254,172
440,858	427,855	436,048	453,139	450,403	480,393
738	104	181	128	173	258
278	494	857	1,605	1,215	1,333
1,635,710	1,624,410	1,593,130	1,642,320	1,670,980	1,259,670
4,302,063	4,167,004	4,054,857	4,188,708	4,129,030	3,995,826
725,643	740,121	712,513	687,268	682,611	655,667
182,984	170,391	158,987	177,356	178,122	185,993
908,627	910,512	871,500	864,624	860,733	841,660
577,746	592,358	567,945	568,243	552,000	545,418
47,981	49,491	46,633	49,849	47,286	47,361
625,727	641,849	614,578	618,092	599,286	592,779
1,534,354	1,552,361	1,486,078	1,482,716	1,460,019	1,434,439

FORT PIERCE UTILITIES AUTHORITY
Ten Year Rate Analysis
Residential Rates
(Month of September)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
ELECTRIC										
Customer Charge[1]	$ 6.31	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 6.01	$ 6.01
Rate Per kWh *(up to 750 kWh)*	0.10965	0.10822	0.10822	0.10822	0.10822	0.10822	0.10822	0.10822	0.10822	0.10922
PCA Per kWh[2]	0.01900	(0.01200)	(0.01300)	(0.00800)	(0.00300)	0.00400	(0.00900)	(0.00300)	0.00800	0.00500
GAS										
Customer Charge[1]	$ 14.81	$ 13.94	$ 13.69	$ 13.37	$ 13.37	$ 13.14	$ 13.14	$ 13.14	$ 13.14	$ 12.93
Rate Per CCF *(up to 100 CCF)*	1.58	1.52	1.50	1.48	1.48	1.46	1.46	1.46	1.46	1.44
PGA Per CCF[3]	0.28000	(0.03000)	(0.19000)	(0.15000)	(0.10000)	(0.05000)	(0.10000)	(0.05000)	0.10000	-
WATER										
Customer Charge[1]	$ 16.58	$ 14.90	$ 14.64	$ 14.30	$ 13.88	$ 13.88	$ 13.88	$ 13.48	$ 13.09	$ 12.62
Rate Per 1,000 Gallons *(up to 10,000 gallons)*	4.25	3.82	3.75	3.66	3.55	3.55	3.55	3.45	3.35	3.23
WASTEWATER										
Customer Charge[1]	$ 17.85	$ 16.04	$ 15.76	$ 15.76	$ 15.30	$ 15.30	$ 15.30	$ 15.30	$ 15.30	$ 15.06
Rate Per 1,000 Gallons	6.40	5.75	5.65	5.65	5.49	5.49	5.49	5.49	5.49	5.40

(1) Customer Charge reflects the Readiness-to-Serve charge.
(2) PCA - Power Cost Adjustment.
(3) PGA - Purchased Gas Adjustment.

FORT PIERCE UTILITIES AUTHORITY
Average Monthly Residential Bill
Last Ten Years
(Month of September)



FORT PIERCE UTILITIES AUTHORITY
System Rate Changes
Last Ten Fiscal Years

System/ Reason	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Electric										
$1/Mwh Reduction in the Energy Rate									(0.90%)	
$4/Mwh Reduction in the Energy Rate										(3.30%)
Rate Sufficiency	5.00%									
Water										
FPSC Annual Price Index	1.17%	1.79%	2.36%							
WW Plant Relocation	5.00%									
Rate Sufficiency	5.00%			3.00%			3.00%	3.00%	3.70%	6.50%
Wastewater										
FPSC Annual Price Index	1.17%	1.79%							1.60%	2.40%
WW Plant Relocation	5.00%									
Rate Sufficiency	5.00%			3.00%						
Natural Gas										
FPSC Annual Price Index	1.17%	1.79%	2.36%		1.76%				1.60%	2.40%
Rate Sufficiency	5.00%									

Note: No rate changes were implemented in FY 2017

DEBT CAPACITY

FORT PIERCE UTILITIES AUTHORITY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands)

	BUSINESS-TYPE ACTIVITIES											
	Revenue Bonds [1]						Direct Placement	Loan	Lease	Total		Debt
As of September 30	1999 Series	2002 Series	2003 Series	2009 Series	2012 Series	2022 Series	2016 Series	SL County	Capital Equip.	Outstanding Debt	Population	per Capita
2022	$ 12,289	$ -	$ -	$ -	$ -	$ 146,050	$ 7,832	$ -	$ 11	$ 166,182	47,841	$ 3,474
2021	15,923	-	-	29,640	-	-	8,153	-	51	53,767	48,038	1,119
2020	19,362	-	-	30,997	-	-	8,468	-	85	58,912	44,476	1,325
2019	22,601	-	-	32,304	-	-	8,776	-	114	63,795	43,653	1,461
2018	25,666	-	-	33,556	-	-	9,078	77	138	68,515	43,326	1,581
2017	28,555	-	-	34,763	-	-	9,373	124	11	72,826	43,409	1,678
2016	27,227	-	-	34,760	6,920	-	9,545	131	49	78,632	42,489	1,851
2015	25,954	9,378	-	34,757	13,751	-	-	137	80	84,057	42,119	1,996
2014	24,747	9,363	-	34,754	20,498	-	-	137	106	89,605	41,188	2,176
2013	23,622	9,348	6,015	34,750	20,896	-	-	177	127	94,935	41,729	2,275

[1] Presented net of original issuance, discounts, and premiums

FORT PIERCE UTILITIES AUTHORITY

Computation of Debt Service Coverage

Last Ten Years

(Dollars in Thousands)

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
OPERATING INCOME	$ 6,182	$ 12,310	$ 10,071	$ 6,966	$ 9,960	$ 11,681	$ 10,218	$ 11,027	$ 9,236	$ 8,746
ADD:										
Depreciation Expense	14,716	14,250	13,373	13,948	12,985	12,769	13,092	12,453	14,982	15,290
Investment & Other Income	314	516	767	795	835	438	388	356	484	304
Gain on Disposal of Assets	16	-	-	-	-	-	-	-	-	-
Extraordinary Income (Expense)	-	-	-	97	(1)	(2)	21	(10)	(427)	(761)
Net OPEB Expense	76	4	6	11	156	31	30	58	57	54
NET AVAILABLE INCOME	$ 21,304	$ 27,080	$ 24,217	$ 21,817	$ 23,935	$ 24,917	$ 23,749	$ 23,884	$ 24,332	$ 23,633
DEBT SERVICE - Bonds & Pooled Loans										
Principal	$ 5,648	$ 6,076	$ 6,015	$ 5,953	$ 5,897	$ 5,840	$ 7,367	$ 7,086	$ 6,987	$ 6,653
Interest	2,984	1,584	1,644	1,706	1,762	1,816	2,079	2,291	2,394	2,762
NET CASH DEBT SERVICE	$ 8,632	$ 7,660	$ 7,659	$ 7,659	$ 7,659	$ 7,656	$ 9,446	$ 9,377	$ 9,381	$ 9,415
DEBT SERVICE COVERAGE (TIMES)	2.47	3.54	3.16	2.85	3.12	3.25	2.51	2.55	2.59	2.51

NOTE: Amounts exclude the Treasure Coast Energy Center and Manatee Observation and Education Center

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DEMOGRAPHIC AND ECONOMIC INFORMATION

FORT PIERCE UTILITIES AUTHORITY
Demographic and Economic Information
Last Ten Years

Year	City of Fort Pierce Population[1]	St. Lucie County Population[1]	St. Lucie County Labor Force[2]	Total Unemployment[2]	Percentage Rate of Unemployment[2]	St. Lucie County School Enrollment[3]	St. Lucie County Per Capita Income[4]	St. Lucie County Personal Income[4]
2022	49,488*	348,742*	156,228	4,060	2.6	44,207	***	***
2021	48,038	340,060	152,747	7,630	5.0	41,277	50,038	17,192,028
2020	44,476	322,265	144,957	9,066	6.3	42,627	43,970	14,825,941
2019	43,653	309,359	146,710	5,479	3.7	41,225	41,125	13,501,095
2018	43,326	302,432	140,686	5,626	4.0	42,124	39,374	12,644,172
2017	43,409	297,634	136,063	6,046	4.4	40,678	38,835	12,175,078
2016	42,489	292,826	135,719	7,322	5.4	39,390	36,196	11,094,354
2015	42,119	287,749	129,727	8,238	6.4	41,374	35,829	10,688,079
2014	41,188	282,821	129,004	10,198	7.9	41,158	34,129	9,932,383
2013	41,729	281,151	128,813	12,227	9.5	41,136	31,182	8,943,912

Sources:

[1] University of Florida, Bureau of Economic & Business Research
[2] Florida Department of Labor & Employment Security
[3] St. Lucie County School Board
[4] U.S. Department of Commerce, Bureau of Economic Analysis
* Economic Development Council of St. Lucie County, Demographics
*** Data unavailable

FORT PIERCE UTILITIES AUTHORITY

St. Lucie County Principal Employers[1]

Current Year and Nine Years Ago

	2022 [1]			2013		
Employer	Number of Employees	Rank	% of City Population	Number of Employees	Rank	% of City Population
St. Lucie County School Board	5,253	1	10.61%	4,478	1	10.73%
Indian River State College *	2,154	2	4.35%	1,884	2	4.51%
Lawnwood Regional Medical Center	1,712	3	3.46%	1,350	5	3.24%
Cleveland Clinic Martin Health [2]	1,500	4	3.03%	-	-	-
Wal-Mart Distribution Center	1,273	5	2.57%	1,382	4	3.31%
St. Lucie County	791	6	1.60%	1,594	3	3.82%
Pursuit Boats [2]	684	7	1.38%	-	-	-
Maverick Boat Co Inc [2]	580	8	1.17%	-	-	-
St. Lucie County Fire District	539	9	1.09%	434	7	1.04%
City of Fort Pierce	358	10	0.72%	350	8	0.84%
Tropicana Products	170	16	0.34%	330	10	0.79%
Publix Super Markets [2]	-	-	-	1,327	6	3.18%
New Horizons of the Treasure Coast [2]	-	-	-	340	9	0.81%
TOTALS	**15,014**		**30.34%**	**13,469**		**32.28%**

Source:

Economic Development Council of St. Lucie County, St. Lucie County Profile 2022

* Employment information obtained from govsalaries.com

[1] Employment information is for St. Lucie County. Specific City only data is not available.

St. Lucie County, Florida - Economic Development Council (most recent data available)

[2] Information not available.

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Operating Information

FORT PIERCE UTILITIES AUTHORITY
Expenses By System
Last Ten Fiscal Years
(Dollars in Thousands)

	FY 2022	FY 2021	FY 2020	FY 2019
ELECTRIC				
Generation and Purchases for Resale	$ 59,000	$ 41,320	$ 40,480	$ 41,924
Transmission and Distribution	5,813	5,271	5,215	4,958
General and Administrative	11,221	7,619	8,262	8,778
Depreciation	4,599	4,523	4,335	4,291
Total Electric Operating Expenses	80,633	58,733	58,292	59,951
WATER				
Purchases for Resale	4	-	-	6
Plant Operations	4,722	4,177	4,032	3,886
Transmission and Distribution	2,213	2,111	2,008	2,045
General and Administrative	7,335	4,973	5,492	6,100
Depreciation	5,277	5,134	4,951	5,542
Total Water Operating Expenses	19,551	16,395	16,483	17,579
NATURAL GAS				
Purchases for Resale	3,513	1,971	1,365	1,788
Supply and Distribution	998	1,056	1,052	1,051
General and Administrative	1,644	1,180	1,297	1,384
Depreciation	482	432	389	413
Total Natural Gas Operating Expenses	6,637	4,639	4,103	4,636
WASTEWATER				
Plant Operations	2,351	1,962	1,933	1,758
Pumping and Collection	2,360	2,399	2,184	2,053
General and Administrative	5,148	3,366	3,645	3,868
Depreciation	4,100	4,043	3,628	3,637
Total Wastewater Operating Expenses	13,959	11,770	11,390	11,316
MANATEE OBSERVATION AND EDUCATION CENTER				
Plant Operations	301	272	285	273
General and Administrative	241	111	167	210
Depreciation	15	13	11	11
Total MOEC Operating Expenses	557	396	463	494
FPUAnet COMMUNICATIONS				
Purchases for Resale	77	78	79	78
General and Administrative	821	506	379	377
Depreciation	258	118	70	64
Total FPUAnet Communications Operating Expenses	1,156	702	528	519
TOTAL OPERATING EXPENSES	$ 122,493	$ 92,635	$ 91,259	$ 94,495

FORT PIERCE UTILITIES AUTHORITY

Expenses By System

Last Ten Fiscal Years

(Dollars in Thousands)

FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
$ 41,402	$ 43,689	$ 42,179	$ 40,343	$ 43,006	$ 42,947
4,372	4,122	4,091	3,927	4,017	4,037
7,918	7,863	7,460	6,964	6,696	6,738
3,538	4,401	4,508	4,463	4,721	4,668
57,230	60,075	58,238	55,697	58,440	58,390
-	2	-	7	24	9
3,693	3,481	3,304	3,320	3,185	3,199
2,078	1,898	1,743	1,789	1,767	1,732
5,498	4,930	4,726	4,426	4,207	4,158
5,407	4,417	4,454	3,872	4,246	4,044
16,676	14,728	14,227	13,414	13,429	13,142
1,817	1,773	1,556	1,900	2,274	1,816
989	1,024	1,251	1,016	1,018	961
1,140	1,016	1,046	978	892	596
362	298	313	274	1,088	304
4,308	4,111	4,166	4,168	5,272	3,677
1,804	1,823	1,742	1,766	1,776	1,696
2,209	2,316	1,977	1,909	1,913	1,849
3,647	3,530	3,385	3,113	2,975	2,769
3,613	3,587	3,743	3,779	4,836	6,194
11,273	11,256	10,847	10,567	11,500	12,508
273	272	267	238	286	232
183	171	186	145	136	114
8	6	6	8	9	11
464	449	459	391	431	357
69	58	48	55	43	28
195	230	194	175	173	171
65	66	73	66	91	79
329	355	315	296	307	278
$ 90,280	$ 90,974	$ 88,252	$ 84,533	$ 89,379	$ 88,352

FPUA
COMMUNITY PROUD

FORT PIERCE UTILITIES AUTHORITY

Electric Energy Sources, Water and Wastewater Statistics

Last Ten Fiscal Years

	FY 2022	FY 2021	FY 2020	FY 2019
ELECTRIC STATISTICS				
Sources of Energy (MWh)				
Total Energy Purchased	599,028	595,749	588,692	578,051
Gross Peak Demand (MW)	119	115	116	113
WATER STATISTICS				
Water Production - 1,000 Gallons				
Raw Water Treated	3,581,049	3,573,585	3,438,204	3,153,294
Water from Distribution System	69,369	58,849	62,869	84,384
Less Deep Well Concentrate	(298,281)	(267,880)	(210,750)	(154,259)
Water Used in Plant	(21,585)	(20,960)	(19,764)	(19,710)
Water from or (left-in) Storage	2,882	(435)	112	(1)
FINISHED WATER FROM PLANT	3,333,434	3,343,159	3,270,671	3,063,708
Purchased for Resale (Interconnects)	966	-	-	2,813
Water Pumped to City	3,334,400	3,343,159	3,270,671	3,066,521
Water Used in System	183,546	163,623	185,704	280,623
Water Sales	2,967,513	2,968,059	2,886,797	2,734,275
Losses and Unaccounted for Gallonage	183,341	211,477	198,170	51,623
% of Unaccounted	5.50%	6.33%	6.06%	1.68%
Average Daily Consumption	9,135	9,157	8,936	8,394
Highest Daily Consumption	10,512	10,838	10,691	9,756
Date	1/25/22	5/30/21	3/31/20	5/30/19
Peak Maximum Demand (MG)	24,722	19,298	13,522	12,910
Date	1/25/22	1/6/21	7/12/20	6/24/19
Rainfall (inches)	64.82	65.42	65.92	49.27
WATER RECLAMATION FACILITY				
(In Millions of Gallons per Day)				
Average Daily Flow	5.64	6.42	5.76	4.99
Peak Flow	11.92	18.96	11.48	7.72

FORT PIERCE UTILITIES AUTHORITY

Electric Energy Sources, Water and Wastewater Statistics

Last Ten Fiscal Years

FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
572,717	569,684	583,207	559,061	544,751	532,038
112	112	112	107	106	104
3,361,321	3,142,178	3,015,157	2,911,231	2,880,512	2,889,435
81,215	75,158	34,250	2,034	14,718	8,657
(202,420)	(174,491)	(155,230)	(142,482)	(142,399)	(144,156)
(33,087)	(23,007)	(20,986)	(19,710)	(19,710)	(19,710)
(255)	(2,867)	890	(1,678)	(308)	61
3,206,774	3,016,971	2,874,081	2,749,395	2,732,813	2,734,287
-	1,105	130	2,021	10,100	3,943
3,206,774	3,018,076	2,874,211	2,751,416	2,742,913	2,738,230
267,414	237,965	195,953	169,338	193,590	170,788
2,591,643	2,665,751	2,567,700	2,503,820	2,506,826	2,466,037
347,717	114,360	110,558	78,258	42,497	101,405
10.84%	3.79%	3.85%	2.84%	1.55%	3.70%
8,793	8,269	7,853	7,535	7,489	7,496
11,196	9,992	9,477	9,285	9,258	8,950
2/26/18	3/30/17	3/8/16	2/18/15	5/19/14	3/13/13
20,863	13,668	15,634	13,355	14,329	13,932
8/3/18	9/28/17	3/28/16	5/27/15	5/5/14	4/13/13
51.61	58.03	69.65	40.08	56.11	51.91
5.96	5.33	6.40	3.79	4.00	4.72
14.21	13.30	13.83	8.75	12.25	8.14

FORT PIERCE UTILITIES AUTHORITY
Authorized Full-Time Positions By Department
Last Ten Fiscal Years

Department	9/30/2022	9/30/2021	9/30/2020	9/30/2019
01 Manatee Observation & Education Center	4 P	4 P	4 P	4 P
02 Treasure Coast Energy Center	11 D	15 D	15 D	15 D
10 Board	5	5	5	5
11 Director of Utilities	2	2	2	2
12 Attorney	1	1	1	1
14 Regulatory Affairs	4	4	3	-
15 Human Resources	3 D	3 D	3 D	3 D
18 Safety	1	1 P	1 P	1 P
21 Finance	11 D	11 D	11	13
22 Materials Management	7	7 D	6 D	6 D,P
31 Director of Utility Support Services	3	2	2	2
32 Information Technology Services	17	17	17	17
35 Facilities	6	6	5	5
41 Public Affairs & Sustainability	1	1	1	1
43 Customer Service	29 D	28 D	26 D	26 D
46 Geospatial Technology Services	4	-	-	-
51 Director of Electric & Gas Systems	1 D	1	1	1
54 Electric Transmission and Distribution	27 D	25 D	25	25
55 Electric Operations	24 D	24 D	24 D	23 D
56 Electric & Gas Engineering	10 P	13 P	13 P	13 D,P
61 Director of Water/Wastewater Systems	1	1	1	1
62 Water Resources	25 D	25 D	25 D	25 D
64 Water Distribution	28 D	28 D	27 D	27 D
66 Water/Wastewater Engineering	12 D,P	13 D,P	13 P	13 P
74 Gas Operations	15 D	15 D	15	15
82 Water Reclamation	16 D	16 D	16 D	16 D
84 Wastewater Collection	20	20 D	20	20
93 FPUAnet Communications	7	4	4	3
TOTAL	295	292	286	283

D - Includes D.R.O.P. Participant employees
H - Excludes positions held vacant
P - Excludes part-time employees
Geospatial Technology Services was created FY 2022 from three employees from Electric & Gas Engineering and one employee from Water/Wastewater Engineering

FORT PIERCE UTILITIES AUTHORITY

Authorized Full-Time Positions By Department

Last Ten Fiscal Years

9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
4 P	3 P	3 P	3 P	2 P	2 P
15 D	13	13	13 D	14 D	14 D
5	5	5	5	5	5
2	2	2	2	2	2
1	1	1	1	1	1
-	-	-	-	-	-
3	3	3	3	3	4
1 P	1 P	1 P	4 D	4 D	6 D
13	13	13	13	12	11 D
6 P	6 P	6 P	4 P	4 P	3 P
2	1	1	1	1	1
17 D	17 D	17 D	17 D	16 D	16
5	5	5 D	5 D	5	5
1	-	-	1	1	1
26 D	26 D	26 D	26 D	26 D,P	26 D,P
-	-	-	-	-	-
1	1	1	1	1 D	1 D
23	23 D	23 D	21 D	46 D	49 D
23 D	24 D	24 D	25 D	-	-
11 D	9 P	9	9	9 D	10 D
1	1	1	1 D	1 D	1 D
25 D	24 D	24 D	23 D	23 D	23 D
27 D	28 D	28 D	29 D	28 D	28 D
12	11 P	11	11 P	11 D	11 D
15 D	15 D	15 D	15 D	15 D	16 D
16 D	16 D	16 D	16 D	16 D	14 D
20 D	19 D	19 D	19 D	20 D	21 D
3	3 D	2 D	2 D	2 D	2
278	270	269	270	268	273

FORT PIERCE UTILITIES AUTHORITY
Performance Indicators
Last Ten Fiscal Years

	FY 2022	FY 2021	FY 2020	FY 2019
SAFETY				
Frequency Rate	1.25	0.40	2.04	3.10
DART/Severity Rate *	3.75	2.77	17.51	0.00
Workers' Compensation Experience Modification Factor	0.74	1.11	1.21	1.28
FINANCIAL				
Debt Service Ratio (12 months ended)	2.47	3.54	3.16	2.85
Operating Ratio	0.95	0.88	0.90	0.91
COMPONENT COSTS				
Water Treatment Plant				
$ / 1,000 gallons raw water	$2.26	$1.97	$2.04	$2.48
Water Reclamation Facility				
$ / 1,000 gallons effluent	$2.05	$1.48	$1.64	$1.98
Electric T&D				
$ / mile of T & D lines	$27,554.71	$22,838.11	$23,249.60	$24,073.82
$ / number of services	$35.11	$28.71	$29.36	$30.39
Water Distribution				
$ / 1,000 gallons billed	$1.94	$1.76	$1.84	$1.97
$ / number of services	$21.91	$20.31	$20.92	$21.68
Wastewater Collection				
$ / 1,000 gallons billed	$2.39	$2.32	$2.25	$2.30
$ / number of services	$20.96	$21.01	$19.62	$19.81
Natural Gas Distribution				
$ / 1,000 ccf billed	$0.40	$0.37	$0.41	$0.43
$ / number of services	$40.35	$36.85	$37.75	$40.36
Lift Stations				
$ / 1,000 gallons billed	$0.78	$0.72	$0.75	$0.68
$ / number of services	$6.87	$6.48	$6.56	$5.89
Industrial Pre-Treatment				
$ / Customers	$1,362.33	$1,129.98	$1,142.53	$888.13
FPUAnet Communications				
$ / Customers	$1,264.89	$733.04	$491.19	$540.93
Administration				
$ / number of services	$16.17	$14.41	$14.53	$14.60

* Calculations FY 2015 - current are based on DART rate; Previous years are based on Severity rate.

FORT PIERCE UTILITIES AUTHORITY
Performance Indicators
Last Ten Fiscal Years

FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
3.77	5.30	4.11	5.30	4.10	4.10
213.84	170.84	89.00	79.00	80.00	48.00
0.97	0.97	0.97	0.79	0.87	0.92
3.12	3.25	2.51	2.55	2.59	2.51
0.92	0.89	0.90	0.88	0.91	0.91
$2.21	$1.99	$2.02	$1.88	$1.94	$1.90
$1.60	$1.78	$1.46	$2.46	$2.70	$1.93
$20,530.49	$21,860.34	$21,636.69	$20,112.83	$20,633.15	$20,516.14
$25.93	$27.56	$27.27	$26.13	$27.11	$27.41
$2.11	$1.92	$1.88	$1.88	$1.89	$1.82
$22.36	$21.05	$20.01	$19.69	$20.04	$19.44
$2.47	$2.60	$2.39	$2.36	$2.68	$3.87
$20.90	$22.31	$19.61	$19.41	$21.77	$31.61
$0.43	$0.41	$0.49	$0.40	$0.59	$0.40
$37.41	$34.36	$39.54	$33.16	$47.71	$31.89
$0.72	$0.66	$0.75	$0.71	$0.79	$0.80
$6.12	$5.62	$6.14	$5.80	$6.38	$6.53
$916.33	$919.02	$927.50	$985.46	$903.78	$698.46
$423.99	$414.79	$345.35	$348.35	$328.03	$306.83
$14.48	$14.96	$14.51	$14.59	$14.60	$15.74

FORT PIERCE UTILITIES AUTHORITY
Performance Indicators
Last Ten Fiscal Years

	FY 2022	FY 2021	FY 2020	FY 2019
HUMAN RESOURCES				
Overtime Ratio	0.056	0.067	0.052	0.053
Sick Leave Ratio	0.041	0.039	0.032	0.030
Overtime vs. Annual Overtime Budget	97.53%	122.33%	120.04%	120.09%
Training Hours vs. Regular Hours Worked	1.97%	2.73%	1.91%	3.56%
Training Dollars vs. Budgeted Salary Dollars	2.75%	2.40%	2.51%	3.59%
Annual Turnover Rate	17.69%	12.66%	7.00%	9.00%
CUSTOMER SERVICE				
Number of connections	9,606	9,365	10,163	10,237
Number of disconnections	11,464	11,671	11,363	12,314
Number of accounts to collection agency	1,007	1,139	1,110	1,269
Amount of accounts written off				
Electric	$92,296	$256,722	$122,572	$28,984
Water	$16,550	$46,031	$21,981	$5,189
Natural Gas	$1,204	$3,354	$1,602	$364
Wastewater	$14,854	$41,317	$19,729	$4,658
Customer Charges	$5,680	$66,201	$57,542	$1,790
Communications	$119	$331	$155	$50
Number of service orders				
Started	41,784	54,697	38,516	42,120
Completed	42,871	48,293	37,777	41,846

FORT PIERCE UTILITIES AUTHORITY
Performance Indicators
Last Ten Fiscal Years

FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
0.058	0.073	0.050	0.046	0.046	0.042
0.043	0.037	0.038	0.038	0.034	0.034
132.07%	176.47%	114.22%	120.48%	114.96%	107.47%
2.11%	2.10%	2.87%	2.93%	2.53%	2.48%
3.12%	1.51%	2.00%	1.92%	1.69%	1.80%
9.00%	10.64%	12.40%	8.60%	12.08%	13.25%
12,231	13,534	14,109	15,663	16,238	16,001
12,818	12,795	13,316	14,800	15,338	15,206
1,498	1,353	1,622	1,890	1,852	1,584
$112,847	$184,794	$200,966	$99,489	$256,860	$182,006
$20,226	$33,140	$36,032	$17,826	$46,081	$32,638
$1,461	$2,415	$2,639	$1,366	$3,302	$2,374
$18,156	$29,744	$32,324	$16,050	$41,325	$29,294
$6,952	$11,371	$12,371	$6,141	$15,770	$11,181
$157	$232	$257	$42	$371	$231
40,193	41,243	45,028	44,505	49,837	44,205
40,524	41,014	44,937	44,389	49,740	44,224

FORT PIERCE UTILITIES AUTHORITY
Capital Asset Statistics by Utility System
Last Ten Fiscal Years

	As of September 30									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
ELECTRIC										
Miles of transmission and distribution lines	441	435	432	432	428	428	428	440	443	443
WATER										
Miles of water mains	403	400	396	393	390	385	385	385	385	384
Number of hydrants	1,728	1,715	1,702	1,689	1,661	1,645	1,642	1,629	1,622	1,612
Number of surficial wells	37	36	36	36	36	36	36	36	36	36
Number of floridan wells	11	11	11	11	11	11	11	11	11	11
NATURAL GAS										
Miles of main lines	178	175	171	171	171	171	170	167	168	167
Miles of service lines	83	82	81	81	81	81	80	80	80	80
WASTEWATER										
Miles of force mains	101	100	100	97	97	97	97	97	97	97
Miles of gravity sewer lines	179	177	175	174	172	172	172	172	172	171
Number of lift stations	121	121	119	118	118	117	117	117	116	116
FPUAnet										
Miles of Fiber Line	142	110	*	*	*	*	*	*	*	*

* Data not available

FORT PIERCE UTILITIES AUTHORITY
Ten Largest Customers
Fiscal Year 2022

Ranking	Customer Name	Utility Service	Unit Sales	Revenues	Total
1	St. Lucie County Board of County Commissioners	Electric (kWh)	13,581,785	$1,894,717	
		Water (kgal.)	450,108	2,369,954	
		Wastewater	144,899	1,167,540	
		Natural Gas (ccf)	34,160	58,520	
		Internet		180,876	$5,671,607
2	St. Lucie County School Board	Electric (kWh)	20,857,159	$2,929,721	
		Water (kgal.)	32,023	241,989	
		Wastewater	30,264	268,933	
		Natural Gas (ccf)	38,618	77,942	$3,518,585
3	Lawnwood Regional Medical Center	Electric (kWh)	19,731,125	$2,430,236	
		Water (kgal.)	27,362	139,842	
		Wastewater	15,223	105,930	
		Natural Gas (ccf)	344,049	395,857	
		Internet		12,638	$3,084,503
4	Fort Pierce Utilities Authority	Electric (kWh)	18,220,722	$2,328,259	
		Water (kgal.)	6,971	57,005	
		Wastewater	4,017	44,141	
		Natural Gas (ccf)	31,949	41,024	
		Internet		216,961	$2,687,390
5	Indian River State College	Electric (kWh)	16,565,438	$2,209,037	
		Water (kgal.)	22,013	159,179	
		Wastewater	17,144	158,268	
		Natural Gas (ccf)	90,867	120,153	
		Internet		8,893	$2,655,530
6	City of Fort Pierce	Electric (kWh)	10,065,013	$1,396,500	
		Water (kgal.)	52,144	505,573	
		Wastewater	10,410	101,702	
		Natural Gas (ccf)	2,565	9,794	
		Internet		216,961	$2,230,530
7	Orchid Island Juice Company	Electric (kWh)	8,281,414	$1,067,835	
		Water (kgal.)	28,174	117,396	
		Wastewater	28,162	172,452	
		Natural Gas (ccf)	257,582	277,181	$1,634,864
9	Florida Atlantic University	Electric (kWh)	11,017,451	$1,421,296	$1,421,296
8	Florida Power & Light Company	Electric (kWh)	4,320	$1,813	
		Water (kgal.)	265,486	1,224,026	
		Wastewater	115	4,307	$1,230,146
10	Fort Pierce Housing Authority	Electric (kWh)	3,670,518	$516,311	
		Water (kgal.)	30,451	235,999	
		Wastewater	31,342	289,381	
		Natural Gas (ccf)	24,880	70,375	$1,112,066

TOTAL REVENUES BY UTILITY	Electric	$16,195,725
	Water	5,050,963
	Wastewater	2,312,654
	Natural Gas	1,050,846
	Internet	636,329
TOTAL COMBINED REVENUES		$25,246,517

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Years
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1972 - 2022
FPUA
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DMHB DiBARTOLOMEO, McBEE, HARTLEY & BARNES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board Members
Fort Pierce Utilities Authority
Fort Pierce, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Fort Pierce Utilities Authority ("FPUA"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise FPUA's basic financial statements and have issued our report thereon dated March 9, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
March 9, 2023

FORT PIERCE UTILITIES AUTHORITY
Schedule of Expenditures of Federal Awards and State and Local Financial Assistance
For the year ending September 30, 2022

Federal/State Grantor/ Federal Program/State Project	Passthrough Entity	CFDA/CSFA Number	Contract/ Grant No.	Expenditures
FEDERAL PROGRAMS:				
Federal Emergency Management Agency (FEMA)				
Hurricane Ian				
Emergency Protective Measures	State of Florida	CFDA 97.036	DR4673	$ 126,220
Department of Environmental Protection (DEP)				
Ft. Pierce Low Income Sewer Conversion	State of Florida	CFDA 66.460	NS3075	167,891
Total Expenditures of Federal Awards				**$ 294,110**
STATE PROJECTS:				
Department of Economic Opportunity (DEO)				
DiGiorgio Road Grant; Florida Job Growth Infrastructure Grant Agreement: Industrial Sewer Connection and Septic Tank Closure	City of Fort Pierce	CSFA 40.043	G0057	$ 76,407
Florida Department of Environmental Protection (FDEP)				
FPUA Low Income Sewer Infrastructure Reconstruction*		CSFA 37.039	LPA0236	891,462
Ft. Pierce Low Income Sewer Conversion		CSFA 37.039	NS3075	177,371
State of Florida, Department of State				
MOEC Program Support Grant: Salary support for Educator and Volunteer Coordinator		CSFA 45.061	22.c.ps.170.663	36,264
Total Expenditures of State and Local Financial Assistance				**1,181,503**
			Total Expenditures of Federal and Non-federal Awards	**1,475,614**

*Denotes a major project

FORT PIERCE UTILITIES AUTHORITY
Notes to Schedule of Expenditures of Federal Awards and State and Local Financial Assistance
September 30, 2022
(Dollars in Thousands)

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state and local financial assistance (the Schedule) includes the federal, state & local grant activity of the FPUA under programs of the federal, state, and local government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the FPUA, it is not intended to and does not present the financial position, changes in net position or cash flows of the FPUA.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2022, even if a grant was received subsequent to that date. Pass-through entity identifying numbers are presented where available.

NOTE 3 – SUB-RECIPIENTS

During the year ended September 30, 2022, the FPUA had no sub-recipients.

DMHB DiBARTOLOMEO, McBEE, HARTLEY & BARNES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550

To the Board Members
Fort Pierce Utilities Authority
Fort Pierce, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited FPUA's compliance with the types of compliance requirements identified as subject to audit in the Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of FPUA's major state projects for the year ended September 30, 2022. FPUA's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, FPUA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of FPUA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of FPUA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to FPUA's state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on FPUA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, *Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about FPUA's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding FPUA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of FPUA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the audit requirements of Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of FPUA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the types of compliance requirements referred to above.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in

internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

DiBartolomeo, McBee, Hartley & Barnes, P.A.

Fort Pierce, Florida
March 9, 2023

FORT PIERCE UTILITIES AUTHORITY
Schedule of Findings and Questioned Costs - State Financial Assistance
Year ended September 30, 2022

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:			Unmodified
Internal control over financial reporting:			
• Material weakness(es) identified?	____ Yes	No	x
• Significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	No	x
Noncompliance material to financial statements noted?	____ Yes	No	x

State Projects

Type of auditor's report issued on compliance for major projects:			Unmodified
Internal control over major projects:			
• Material weakness(es) identified?	____ Yes	No	x
• Significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	No	x
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550?	____ Yes	No	x

Identification of Major Projects:

State Project CFSA Number (s):	Name of State Program or Cluster:	Year
37.039	Statewide Water Quality Restoration Projects	2021-2022

Dollar threshold used to distinguish between type A and type B projects:		$	750,000
Auditee qualified as low-risk auditee?	x Yes	No	____

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards.*

SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

There are no findings and questioned costs for State Awards are required to be reported in accordance with Chapter 10.550.

SECTION IV - STATE FINANCIAL ASSISTANCE SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no audit findings for the year ended September 30, 2021.

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