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COMMUNITY PROUD



ELECTRIC



WATER



WASTEWATER



NATURAL GAS



FIBER  
INTERNET

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Fiscal Year Ended  
September 30, 2023



Fort Pierce Utilities Authority  
A Component Unit of the City of Fort Pierce  
206 S. 6th Street Fort Pierce, FL 34950  
[www.fpua.com](http://www.fpua.com)





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# Fort Pierce Utilities Authority

A Component Unit of the City of Fort Pierce, Florida

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## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the fiscal year ended September 30, 2023

Prepared by  
Department of Finance

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**FORT PIERCE UTILITIES AUTHORITY**  
**Annual Comprehensive Financial Report**  
 Fiscal Year Ended September 30, 2023

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**FPUA**  
COMMUNITY PROUD

# TEAMUA IS COMMUNITY PROUD WITH OVER 2,800

♦ ARTHUR AIELLO ♦ CHARLES ALFORD ♦ KATHARINE ALFORD ♦ IVAN ARILL ♦ 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 ♦ HOWARD BLACK ♦ ROBERT BOULANGER ♦ KENNETH BOWE ♦ S LANCE BRICK ♦ DANIEL BROLMANN ♦ ROGER BROWN ♦ MELISSA BRUNO ♦ TRAVIS BUTLER ♦ ANDREW BYRD ♦ JOSHUA CALANDRO ♦ WENDY CALVO ZAYAS ♦ JULIE CANTAVE ♦ JAYDEN CANTAVE ♦ DADE CAPPAR ♦ ANDREW CAPPS ♦ JUAN CASTILLO ♦ LUIS CASTILLO ♦ MICHAEL CHIDGEY ♦ MONIQUE CHRISTIE ♦ JAVIER CISNEROS ♦ LINDA CLARK ♦ ANDRE CLEVELAND ♦ ANTHONY CLINCO ♦ BRIAN COLLIER ♦ JAMES COMBS ♦ LAWRENCE CONNOR ♦ BRETT CORBETT ♦ GRISEL CORTES ♦ PATRICIA CRAWFORD ♦ CRAIG CRAWFORD ♦ WILBURN CRAWFORD ♦ STEVEN CRITES ♦ JONATHAN CRUMBLEY ♦ MICHAEL CURRID ♦ THOMAS DAROZA ♦ TYRUS DARVILLE ♦ JOEL DAVIS ♦ LUGY DAWSON ♦ ALICE DE-LANNOY ♦ JAMES DENMAN ♦ ANDREW DIGIACOMO ♦ JASON DROST ♦ PETER DUNCAN ♦ WILLIAM DUPRE ♦ SCOTT DYKEMA ♦ JASON ERWIN ♦ ROBERT ESCHMANN ♦ JAMES ESTRADA ♦ TRENT EURY ♦ FRANK FEE ♦ STEVEN FERGUSON ♦ OMAR FOOTE ♦ DREW FRANNEY ♦ NORIEL FUMERO ♦ FREDERICK GAD-



DIS ♦ STEVEN GATINS ♦

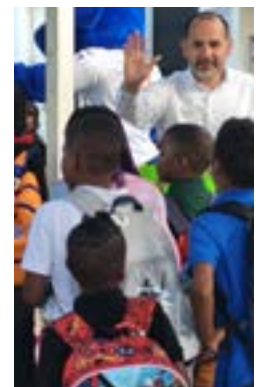
# TEAMUA

KORY GATLEY ♦ ELYSA GERAGHTY BONS ♦ GARY BARA GIBSON ♦ MONIQUE GILS-CHAELE GOLDSMITH LEZ ♦ CROSBY

ANDON GELETY ♦ KRISTINA GIB-GIBBONS ♦ BAR-PATRICK GILLESPIE NAN ♦ JOSEPH SONIA GOMEZ GORE ♦ AARON



♦ KEVIN GILLETTE GILSON ♦ MI-ANTONIO GONZA-GRAVES ♦ WIL-LIAM GRAY ♦ JEN-NIFER GREER ♦ MARIA GUERRERO ♦ RONALD HAGWOOD ♦ GEORGE HALL ♦ TERRY HARPER ♦ MICHELE HARRIS ♦ JAMES HARRIS ♦ MAT-THREW HARWARD ♦ COLBY HARWARD ♦ SENATOR HAYES ♦ STEVE HERDE-MAN ♦ CLINTON HINER ♦ ADAM HOFFER ♦ ESTELA HOLMAN ♦ KYLE HOLMAN ♦ BRANDON HOULE ♦ LINDA HUDSON ♦ CHRISTOPHER HUGHART ♦ TIMOTHY HUGHES ♦ BOWDOIN HUTCHINSON ♦ CHARLES IVORY ♦ MARCUS JACKSON ♦ SID-NEY JERGER ♦ JUWAN JEUNE ♦ CHONTAE JOHNSON ♦ CHRISTOPHER JOHNSON ♦ TERRY JOHNSON ♦ KATRINA JONES ♦ JOSHUA JORDAN ♦ KERVANS JOSEPH ♦ JESSICA KADIE BARCLAY ♦ WILLIAM KAEFF ♦ ADAM KEE ♦ MARK KOBBE ♦ MICHAEL KOENIG ♦ JENNIFER KRIP ♦ KUPER KRUEGER ♦ JOSEPH LAMMERS ♦ MICHAEL LEDOUX ♦ ASHLEY LEVIN ♦ KARINA LIVINGSTON ♦ KAREN LLANAS ♦



# COMBINED YEARS OF DEDICATED HOMETOWN SERVICE

ALAN LUNA ♦ WANDA MAGNUSON ♦ WILLIAM MAIN ♦ TAMMY MALIN ♦ GLEN MANCHESTER ♦ FRED MANN ♦ TERRANCE MANN ♦ BARBARA MARSHALL BENNETT ♦ LAURIE MARTIN ♦ MICHAEL MARTIN ♦ MELISSA MARTIN ♦ STEPHEN MASTELLER ♦ KENNETH MAXWELL ♦ TOMMIE MC CARTHY ♦ DANIEL MCKINLEY ♦ GEORGE MCMILLAN ♦ JOHN MCMILLIAN ♦ TERRANCE MCMILLON ♦ STONEY MCPEEK ♦ FRANCISCO MERCADO ♦ ERIC MEYER ♦ BARBARA MIKA ♦ JOSHUA MILLER ♦ JASON MITTLER ♦ REGINA MORRIS ♦ KENNETH MORRIS ♦ 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 ♦ EDWARD PATRICK ♦ DARIN PATTERSON ♦ ERIC PEARSON OLIVO ♦ LAURIE PEPPLER ♦ ERIC PETERS ♦ BARBARA PLASENCIA ♦ TONY PRICE ♦ CHARLES PUTNAM ♦ FRANCISCO RAMOS



STEPHANIE RAULERSON ♦ SERITTA REEVES ♦ DANIEL RETHERFORD ♦ J RHODEN ♦ TIMOTHY RICHARDS ♦ BRANDON RICHARDSON ♦ EDWIN RICHBERG ♦ HEATHER RICUCCI ♦ ROBERTO RIGUAL ♦ WILLIAM ROBERSON ♦ WILLIAM ROLLE ♦ SAMANTHA ROWLAND ♦ SCOTT RUBY



MARIO SAINTELUIS ♦ DERRICK SANDERS ♦ KELVARENE SANDLIN ♦ EVAN SAPIA ♦ DEBORAH SAVRDA ♦ JAMES SCHMITT ♦ SAL SCIMECA ♦ CHRISTOPHER SHINN ♦ JOSHUA SHOLANDER ♦

CARMELO SIGNORELLI ♦ STERLING SIMMONS



VALENTINE SIRMONS ♦ JULIE SIZEMORE ♦ SHAWN SMITH ♦ JOEL SPADES ♦ RYAN SPENCE ♦ CHARLES STANG ♦ DAVID STAUFFER ♦ KENNETH STEPHENS ♦ BRIAN

STEPHAN ♦ ANGELA STEPHENS ♦ JOHN STEPHENS ♦ CHARLES SWINDLE ♦ TAYLOR-WATKINS ♦ RACHEL TENNANT ♦ COLLEEN THURSTON ♦ JOSEPH TIETZ ♦ DANIEL TILLMAN ♦ NICOLE TIPTON ♦ ROBERT TIPTON ♦ WENDY TOMLINSON ♦ JENNIFER TOOMS ♦ GERMAN TORRES ♦ CUONG TRAN ♦ ANDREA TRASFERINI-SLOWN ♦ ELIZABETH UNDERWOOD ♦ OSVALDO VALDES ♦ DAVID VANAUKEN ♦ ROBERT VAUGHN ♦ CHRISTOPHER VELARDO ♦ ANDREW WARE ♦ KARISSA WARE-CURRY ♦ SIDNEY WETHERALL ♦ EDMOND WILLIAMS ♦ STACEY WILLIAMS ♦ CAROL WILSON ♦ MITCHELL WILSON ♦ OLIVER WINT ♦ ERIC WINTERSTEIN ♦ LOIS WOLFE ♦ SHARON WOLKOWICZ ♦

# 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

thankful



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

- FPUA employees reached an estimated **713 children** by donating school supplies at the United Way Pack the Backback program. In addition to donations and supplies, 10 FPUA volunteers helped distribute **605 backpacks** to local families.
- FPUA hosted **250 community members and dignitaries** for the long-awaited Wastewater Treatment Plant Relocation **Groundbreaking Ceremony** in February. This ceremony represents decades of time and work toward relocating our sewer treatment plant off of the shores of the Indian River Lagoon. Relocating the treatment plant will protect the Indian River Lagoon and make Fort Pierce’s infrastructure more reliable and sustainable. Two million gallons of reclaimed water will be supplied to the neighboring Treasure Coast Energy Center power plant which will conserve water from Florida’s aquifers.
- FPUA volunteered and provided a BBQ lunch for the City of Fort Pierce’s annual Great American Clean-up, hosted by the Keep Fort Pierce Beautiful Board. In addition to **cooking and serving lunch** for nearly 200 participants, **FPUA volunteers collected 1,400 pounds of trash** during the clean-up event.
- FPUA sponsors community organizations and events that enhance the quality of life in our community. In FY23, FPUA provided **\$32,000 in sponsorships for 29 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 Coast.
- FPUA partnered with the City of Fort Pierce to develop a new street lights safety program, ensuring that street lights are in proper working condition throughout the City. In FY23, FPUA staff **launched an interactive website** for customers to report street light outages, and repaired **221 street lights**.

# 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 2023, FPUA employees made an impact in more ways than one:*



## Engaged

67,194

community members  
at festivals and events



## Restored

1.5 acres

of native seagrass  
in Moore's Creek



## Donated

1,552 lbs

of nonperishable food  
thru department giving



## Volunteered

1,000 hours

of their personal time  
throughout the community



## Collected

1,400 lbs

of litter and trash  
during clean-up events



## Blood Drive

11.25 gallons

Blood through bi-monthly  
employee blood drives

# #COMMUNITY PROUD





Fort Pierce Utilities Authority  
Chief Financial Officer  
500 Boston Avenue (PO Box 3191)  
Fort Pierce, FL 34950 (34948)

March 15, 2024

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, 2023, 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, 2023. 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. 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.



Our mission is to provide our customers with economical, reliable and friendly service in a continuous effort to enhance the quality of life in our community.

772.466.1600

[www.fpua.com](http://www.fpua.com)



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 immediate surrounding area, encompassing approximately 38 square miles, with an average of 29,233 services billed during the fiscal year ended September 30, 2023. With limited room for territorial growth, the electric system has thrived over the past five years through slow but steady growth within the defined area. 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 260 circuit miles of overhead and 163 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 immediate surrounding area, encompassing approximately 62 square miles, with an average of 22,334 services billed during the fiscal year ended September 30, 2023. The 2.2% increase in services billed in 2023 represents the fifth consecutive year with annual growth of 1.6% or better. 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 411 miles of water mains, remote pumping facilities, ground storage tanks, hydrants, and valves.

The **Wastewater System** serves the City of Fort Pierce and the immediate surrounding area, encompassing approximately 56 square miles, with an average of 16,497 services billed during the fiscal year ended September 30, 2023. Wastewater services billed increased by 2.3% in fiscal year 2023 with a five-year average of 2.2%. The wastewater collection system consists of 121 major lift stations and 44 individual low-pressure systems added with our septic-to-sewer conversion, 180 miles of gravity sewer lines ranging from 4 to 48 inches in diameter, and approximately 105 miles of force mains ranging in size from 1.25 to 30 inches in diameter. The Island Water Reclamation Facility (IWRf), located on Hutchinson Island, 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 2027. 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 4,089 services billed during the fiscal year ended September 30, 2023. The system consists of 194 miles of gas main and 83 miles of service lines. System expansion for Natural Gas has grown its miles of gas mains by 9.0% in the past year. The planned expansion to the north of Fort Pierce will add an additional 13.5 miles of new gas mains to the system's infrastructure. 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 112 miles of cable and with an average of 99 services billed during the fiscal year ended September 30, 2023. The customer base has expanded by 65% with the expansion of the miles of fiber optic network growing by almost 18% from the prior year.

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 2023, Manatee Center staff counted 299 manatee sightings in Moore's Creek while hosting 54,242 visitors and students from all over the world. Volunteers provided critical and active support to the Center with a total of 7,952 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, 2023, 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 2023 populations of the City of Fort Pierce and St. Lucie County were 49,508 and 368,628 respectively. Fort Pierce is the county seat, with approximately 24.5 square miles in land area. The 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.

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 78% of the system revenues are derived from services provided within the City, and 22% 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

under way are a 40-Vehicle Tesla Charging Station, and a Luxury RV Resort Park. Additional planned opportunities for our area include a large commercial truck stop along I-95 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 has opened their 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 2023 real estate market has slowed while home prices and interest rates were higher compared to 2022. New businesses developing in St Lucie County will bring jobs to the area fueling the need for construction of both residential and commercial properties with the hope that interest rates will come back down. 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.

## **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 ensuring FPUA is recovering the cost of energy, while stabilizing 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 through 2026. The Series 2022A and 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 Federal and State grant funding for wastewater to aid in the cost to our customer of up to 100% of the installation. Fiscal years 2022 and 2023 have brought \$1.9 million in grant revenues for these projects. The sewer main lining process preserves the mains for an additional 40 years of useful life at a fraction of the cost for replacement. Our goal is to line 100% of all aged force mains in our system by early in fiscal year 2025. Federal grant have funding of \$1.5 million received for this project has accelerated this process. At the end of FY 2023 this endeavor was 53% complete system-wide.

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 provides real-time notifications on system interruptions, remote turn-ons and turn-offs, give customers the ability to interact with their account, and allows 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 county, city and other governmental agencies to discuss, update, and coordinate implementation of joint capital plans.

### **Strategic Management Planning**

FPUA held a Strategic Planning Workshop in August 2023 to determine what is most important to the organization. Knowing those vital ideas will help to define our purpose, identify our goals and strategies for success, and the action needed to implement change. Input from Board members and management were discussed and ranked. The goals and areas of focus while aligned with previous strategic plans, are at a new stage of development.

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**Community Relations** – FPUA's top goal over the next three years is to engage our internal and external stakeholders to build relationships and earn trust through collaborative communication. Internal branding needs workshops were conducted with all departments, directors, the FPUA Board, and Utility Advisory Committee to establish a baseline for the opinions of organization, opportunities for communication improvement, and to empower these groups to be the envoys in the community.

A strategic expansion of the communication with the local community will ensue. Engaging and collecting feedback from the public will identify the interests and needs of the community, opening up the opportunity on how we can better serve our customers. Our goal is to foster a positive relationship and provide resources to youth-oriented organizations with the future of Fort Pierce in mind.

**Technology** – In an effort to streamline and automate processes, FPUA will assess technology and businesses practices identifying opportunities to improve efficiencies in areas that have overlapping needs and internal functions. Improving our accessibility and use of operational data with greater security will improve the day to day decision making. The end goal of protecting our organization, customers' information, and staff are vital to FPUA's operations.

**Growth and Rates** – FPUA will strategically expand services to grow the utility and the city in order to provide economical and reliable services for customers. Growth opportunities are presenting themselves for all systems. Expansion and upgrading our system will bring additional customers while maintaining service reliability. The completion of the MWRF will improve efficiencies and provide environmental peace of mind for the Indian River Lagoon. The expansion to the north service territory with Natural Gas services will have an immense impact on additional customers to this system. Upgrades to the substation capacity creates the opportunity for a more reliable and efficient electric services.

FPUA has worked to stabilize rates to the extent possible by reviewing costs for all systems. Over the past two years FPUA has worked together with Florida Municipal Power Agency (FMPA) and Florida Gas Utility (FGU,) successfully lowering power costs. The Series 2022A Revenue Refunding Bond issuance required staged rate increases for all systems by the annual index, published by the Public Service Commission, in order to keep pace with inflation. While raising rates is not the first choice to preserve our net position, we review our rate sufficiency annually and make every effort to maintain rates as low as possible.

**Workforce Development** - FPUA will retain and attract the employees necessary to lead FPUA into the future. Recent years have brought challenges in retaining talented and skill trained employees. A comprehensive compensation and benefit study will be performed during fiscal year 2024 which will help in the retention of our workforce. The apprenticeship and internship programs have helped develop potential employees with the specialized skills needed for technical engineering positions and Electric Line Specialists. Leadership training is made available for all employees on a track for succeeding the current retiring and tenured supervisory workforce. Nearly 2% of employees' time in 2023 was spent in training.

**Utility Governance** – FPUA will provide its Board with the education and resources needed to continue to excel at the performance of its Charter responsibilities. We have put in place an onboarding program for new Board members. Proper training at the top will provide the FPUA Board with the resources to learn, to oversee the operations, and hold management accountable in executing the strategic work plan.

FPUA continuously works to enhance our image in the community through our involvement in civic events, enhanced social media presence and improving the appearance of our physical facilities. FPUA takes part in many communal 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.

#### **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, 2022. This was the 29th 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, 2022. 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, CGFO  
Chief Financial Officer



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# LEADERSHIP FY 2023

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## 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.

Chief Operating Officer

### Barbara A. Mika, CGFO

Chief Financial Officer

## Board of Directors



*From Left to Right:*

### Linda Hudson

*Mayor-Member*

### Barbara M. Bennett

*Vice Chairman*

### Kristina Gibbons

*Chairman*

### Larry Lammers

*Secretary*

### Frank H. Fee, IV

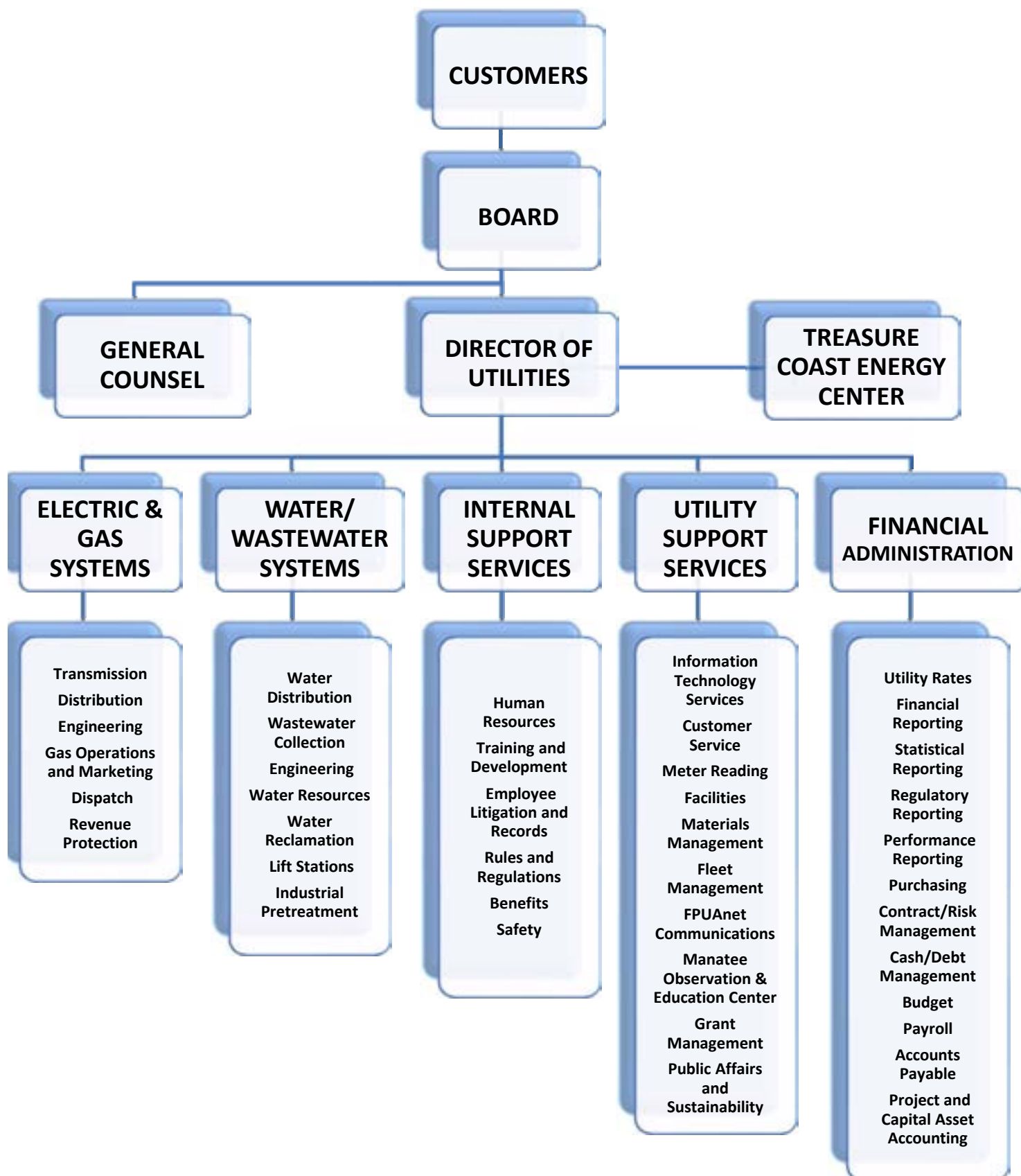
*Deputy Secretary*

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### Caroline A. Valentin

*General Counsel*

# 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, 2022

*Christopher P. Morill*

Executive Director/CEO

**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, 2023, 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, 2023, 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.

### **Report on the Summarized Comparative Information**

We have previously audited FPUA's financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Section 215.97, Florida Statutes, *Florida Single Audit Act*

, 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, 2024, 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, 2024



## 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, 2023 (FY 2023). 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](#). All amounts are stated in thousands.

### FINANCIAL HIGHLIGHTS

- Operating revenues increased \$1,492 compared to last year, and operating expenses decreased \$4,951. Operating income of \$12,571 was up \$6,443 from \$6,128, 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 2023 rates were adjusted for all systems, effective October 2022 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 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 fall in the second quarter of FY 2023 having a direct impact on the cost of purchases for resale. FMPA made pre-purchases of natural gas beginning in March 2023 with a plan for stabilizing the cost of power to the All Requirements Project (ARP) participants. The cost of power purchased from FMPA decreased \$6,308 or 10.7% and the cost of natural gas purchased for resale fell \$389 or 11.1% in FY 2023.
- Operating revenues were up for the Water, Wastewater and FPUAnet Operating systems with increases of 18.2%, 19.0%, and 62.5% respectively. Electric and Natural Gas Operating revenues decreased 6.3% and 3.2% respectively. These results are inclusive of rate adjustments and the impact of power cost and purchased gas adjustments.
- Consumption billed in FY 2023 was on par for the Electric and Water systems over the prior fiscal year, increasing 1.1% and 1.7% respectively. Wastewater gallons billed rose 2.8% from FY 2022. Natural Gas System's ccf's sold decreased overall by 5.9% with Contract Sales falling off by 19.7%, while Residential and General Sales grew by 2.4%.
- Strong efforts in pursuing grants has proven to be rewarding for the FPUA Wastewater System projects. Federal and State grants awarded through the Departments of Economic Opportunity (DEO) and Environmental Protection (DEP) have increased production on our Sewer Lining projects as well as the Septic -to-Sewer conversion program.
- 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 2023 has decreased by \$4,973 to reflect this accrued cost. See [Note E](#) for details.
- The Distribution to the City of Fort Pierce paid in April of 2023 increased \$234 from the amount paid in the prior fiscal year. This was primarily an increase in revenue being subject to the 6% distribution calculation multiplier.

- Work on projects funded by the Series 2022A and 2022B Revenue Refunding Bonds began with the reimbursement resolution dated July 6, 2021. Through September 30, 2023 the proceeds have been spent down by 21%. The proceeds, intended for the expansion in all systems have been spent on the relocation the wastewater reclamation facility to the mainland, and the completion of AMI. Many other projects have begun and will ramp up in FY 2024 including natural gas service territory expansion, substation improvements and fiber communications, all geared at expansion of services for FPUA. 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 32-64](#).

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 66-68](#).

## 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 \$224,835 at the close of the most recent fiscal year.

Table 1  
**Net Position**  
(Dollars in Thousands)

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Current Assets	\$ 97,254	\$ 72,529	\$ 24,725	34.1%
Capital Assets	245,432	224,743	20,689	9.2%
Other Noncurrent Assets	108,274	126,752	(18,478)	(14.6%)
Total Assets	450,960	424,024	26,936	6.4%
Total Deferred Outflows of Resources	11,689	18,712	(7,023)	(37.5%)
Current Liabilities	33,606	30,341	3,265	10.8%
Noncurrent Liabilities	195,005	202,261	(7,256)	(3.6%)
Total Liabilities	228,611	232,602	(3,991)	(1.7%)
Total Deferred Inflows of Resources	9,203	706	8,497	1203.5%
Net Position:				
Net Investment in Capital Assets	171,276	171,439	(163)	(0.1%)
Restricted	15,782	15,172	610	4.0%
Unrestricted	37,777	22,817	14,960	65.6%
Total Net Position	<u>\$ 224,835</u>	<u>\$ 209,428</u>	<u>\$ 15,407</u>	7.4%

The largest portion of FPUA's net position (76.2%) reflects its investment in capital assets, the calculation of which is presented in [Note C on page 39](#). 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.

The other major portion of FPUA's net position (7.0%) represents resources that are subject to external restrictions on how they may be used. The unrestricted balance of \$37,777 is the residual amount of net position that is not included in net investment in capital assets or restricted net position. The reduction in purchases for resale and the adjustment for the pension liability have affected this increase to the unrestricted net position.

Table 2  
**Changes in Net Position**  
(Dollars in Thousands)

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Operating Revenues				
Electric	\$ 79,292	\$ 84,606	\$ (5,314)	(6.3%)
Water	24,732	20,933	3,799	18.1%
Wastewater	17,896	15,042	2,854	19.0%
Natural Gas	6,715	6,936	(221)	(3.2%)
FPUAnet Communications	976	601	375	62.4%
MOEC	502	503	(1)	(0.2%)
Nonoperating Revenues				
Investment and Other Income	5,963	2,400	3,563	148.5%
Grant Revenue	<u>4,018</u>	<u>1,907</u>	<u>2,111</u>	<u>110.7%</u>
Total Revenues	<u>140,094</u>	<u>132,928</u>	<u>7,166</u>	<u>5.4%</u>
Operating Expenses				
Purchases for Resale	55,872	62,593	(6,721)	(10.7%)
Plant Operations	7,812	7,374	438	5.9%
Field Operations	11,485	11,384	101	0.9%
General and Administrative	27,808	26,411	1,397	5.3%
Depreciation	14,565	14,731	(166)	(1.1%)
Nonoperating Expenses				
Distribution to the City of Fort Pierce	6,758	6,524	234	3.6%
Interest Expense	6,638	3,579	3,059	85.5%
TCEC Expenses	2,156	2,069	87	4.2%
Storm Expenses	<u>168</u>	<u>130</u>	<u>38</u>	<u>29.2%</u>
Total Expenses	<u>133,262</u>	<u>134,795</u>	<u>(1,533)</u>	<u>(1.1%)</u>
Income (Loss) before				
Capital Contributions	6,832	(1,867)	8,699	(465.9%)
Capital Contributions	8,575	6,244	2,331	37.3%
Increase (Decrease) in Net Position	15,407	4,377	11,030	252.0%
Net Position - Beginning of Year	<u>209,428</u>	<u>205,051</u>	<u>4,377</u>	<u>2.1%</u>
Net Position - End of Year	<u>\$ 224,835</u>	<u>\$ 209,428</u>	<u>\$ 15,407</u>	<u>7.4%</u>

The increase in Net Position of \$15,407 is a combined result of increases in grant revenue and a continued growth in capital contributions for FY 2023 over the prior year.

The distribution to the City of Fort Pierce, based on FY 2023 revenue, computes to \$7,468 and will be paid after approval and acceptance of the FY 2023 audited financial statements by the City Commission, see [Note N](#) for details. Last year’s distribution, based on FY 2022 revenue, totaled \$6,758, and was paid in April 2023. This increase is a result of higher revenues that are subject to the 6% distribution.

**CAPITAL ASSETS**

Major projects, and the costs associated with each during FY 2023, include:

Multiple Systems:	
• Advanced Metering Infrastructure	\$1,221,071
• North Causeway Bridge Replacement	811,924
Wastewater System:	
• Mainland Water Reclamation Facility & Conveyance System	12,521,655
• DiGiorgio Road Sanitary	2,011,558
• Wastewater Main Lining-Grant	1,456,369
• Mains & Laterals R&R	577,026
• Conveyance System MWRF	342,347
Water System:	
• US 1 Water Main Replacement Avenue H to Avenue O	470,303
• Orange Avenue 25TH-32ND Water Main Replacement	412,635
• Mains, Services, & Valve Replacements	386,843
• Edwards Road-Oleander to US 1	237,794
• Meters & Backflow Preventers	213,028
Electric System:	
• Transmission & Distribution Improvements	369,765
• Avenue B North 8th-North 13th Utility Replacement	346,554
• Storm Hardening-National Electric Safety Code	277,899
• Avalon Crossing Planned Unit Development Project	228,181
• 69KV Breaker Replacement	202,266
Gas System:	
• North Fort Pierce Expansion	855,523
• Gas System New Revenue	195,172
• Meter & Regulator Changeouts	55,551
FPUAnet System:	
• Lincoln Park	547,835
• System Expansion	479,848
• Energy Service Center Fuel Tanks	542,202
• Servers	47,471

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 relining and replacement of these lines is 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 correlating these system improvements to supplemental grants approved for the Conveyance System Project. These grants will help to expedite this process while lessening the impact on rates.

At the end of FY 2023, FPUA had \$245,432, net of accumulated depreciation, invested in a broad range of net utility capital assets, including its electric and natural gas transmission and distribution systems, water treatment plant, water transmission and 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, 2023.

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

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Electric	\$ 59,784	\$ 59,715	\$ 69	0.1%
Water	80,400	78,825	1,575	2.0%
Wastewater	82,063	66,340	15,723	23.7%
Shared Services	9,063	8,175	888	10.9%
Gas	9,871	8,937	934	10.5%
FPUAnet	4,060	2,671	1,389	52.0%
MOEC	<u>191</u>	<u>80</u>	<u>111</u>	138.8%
<b>Total</b>	<u>\$ 245,432</u>	<u>\$ 224,743</u>	<u>\$ 20,689</u>	9.2%

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

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Land	\$ 9,526	\$ 9,526	\$ -	0.0%
Transmission, distribution, and collection systems	153,774	156,045	(2,271)	(1.5%)
Equipment	16,514	17,742	(1,228)	(6.9%)
Structures and improvements	17,701	17,691	10	0.1%
Construction work in progress	47,403	23,731	23,672	99.8%
Right to use leased assets:				
Lease Assets	138	8	130	1625.0%
Subscription Assets	376	-	376	100.0%
<b>Total</b>	<u>\$245,432</u>	<u>\$224,743</u>	<u>\$ 20,689</u>	9.2%

Additional information on FPUA’s capital assets can be found in [Note C on pages 39-41](#) of this report.

### DEBT ADMINISTRATION

At September 30, 2023, FPUA had outstanding revenue bonds and direct placements totaling \$161,979. Debt service schedules extend to October 1, 2052. Interest rates range from 2.14% to 5.90% on these issuances. Principal payments are due October 1 of each year. Principal on the bonds of \$5,575 was due and paid on October 1, 2023.

In April 2023, the bond rating firm, Fitch Ratings Inc., performed surveillance as an update to the ratings review that was completed in concert with the 2022A and 2022B bond issuance. Our “A” rating was upheld. 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 support 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 2.52 times for the twelve months ended September 30, 2023, compared to 2.47 times on September 30, 2022. 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 58-61](#) of this report.

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## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The economy grew steadily during FY 2023 with continued activity for construction both commercial and residential in the local area. Interest rates rose in the second quarter of FY 2023 which was beneficial, for our investment portfolio and the overnight repurchase agreement which held the unused portion of our bond proceeds. Supply chain issues began to lessen for certain materials needed for the growth and development projects while long lead times continue for transformers, regulators, tankless water heaters, and polyethylene pipe used for conduit and water/wastewater mains and services. Careful planning by our engineering and warehouse staff has generated advanced orders for these materials which has significantly impacted our end of year commitments.

The hike in gas prices experienced in fiscal year 2022, fueled by the world economic conditions, had an extreme impact on the utility industry especially for those operating in a state where the production of electricity is so heavily reliant on natural gas. During fiscal year 2023, FPUA along with 12 other participants in the All-Requirements Project (ARP), through Florida Municipal Power Agency (FMPA), took measures in an effort to lower the cost of power to our customers. FMPA began purchasing of futures in natural gas prices enabling the ARP members to stabilize and manage costs. The pre-purchased amounts ranged from 25% to 75% of anticipated consumption through March 2025. These efforts resulted in lower power costs by 10.8% in fiscal year 2023. Additional details along with other local economic factors are discussed in the transmittal letter on [pages 1 -8](#).

Current rate schedules and charges are available on FPUA's website, [www.fpua.com](http://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. Rate adjustments implemented during FY 2023 were based upon the feasibility study performed in connection with the issuance of the Revenue Refunding Bond Series 2022A. Electric and Natural Gas rate adjustments were limited to the Public Service Commission Index published in December of 2021. These adjustments to rates were intended to help keep pace with inflation and to fund the debt associated with the financing of the growth and development of the 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 Chief Financial Officer at Fort Pierce Utilities Authority, PO Box 3191, Fort Pierce, FL 34948-3191, or e-mail [bmika@fpua.com](mailto:bmika@fpua.com).

This report and bond disclosure information is available on FPUA's website – [www.fpua.com](http://www.fpua.com).

**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Net Position**  
 September 30, 2023  
 (With comparative totals for September 30, 2022)  
 (Dollars in Thousands)

	<b>2023</b>	<b>2022</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>ASSETS</b>		
Current Assets:		
Equity in Pooled Cash and Investments	\$ 35,159	\$ 21,646
Accounts Receivable, Net of Allowance for Uncollectible		
Accounts of \$886 in 2023 and \$878 in 2022	10,797	11,246
Unbilled Receivables	7,571	7,848
Due from Other Governments	773	720
Inventories and Other Current Assets	12,151	7,172
Restricted Equity in Pooled Cash and Investments	22,249	17,716
Restricted Cash with Fiscal Agent	8,554	6,181
Total Current Assets	97,254	72,529
Noncurrent Assets:		
Capital Assets:		
Utility Plant in Service	515,567	505,386
Construction Work in Progress	47,403	23,731
Less Accumulated Depreciation	(318,052)	(304,382)
Right to Use Lease Assets	156	154
Less Accumulated Amortization	(18)	(146)
Right to Use Subscription Assets	441	-
Less Accumulated Amortization	(65)	-
Total Capital Assets (net of Accumulated Depreciation)	245,432	224,743
Other Noncurrent Assets:		
Restricted Equity in Pooled Cash and Investments	106,314	124,764
FMPA Working Capital Receivable	1,919	1,919
Preliminary Surveys	41	69
Total Other Noncurrent Assets	108,274	126,752
Total Noncurrent Assets	353,706	351,495
Total Assets	450,960	424,024
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Net Deferred Pension Outflow	11,001	17,920
Net Deferred OPEB Outflow	276	352
Deferred Amount on Debt Refunding	412	440
Total Deferred Outflows of Resources	11,689	18,712
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 462,649</b>	<b>\$ 442,736</b>

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

**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Net Position**  
September 30, 2023  
(With comparative totals for September 30, 2022)  
(Dollars in Thousands)

	<b>2023</b>	<b>2022</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 13,502	\$ 13,061
Due to City of Fort Pierce	953	941
Customer Deposits - restricted assets	9,429	8,989
Revenue Bonds Payable - restricted assets	5,575	4,668
Accrued Interest Payable - restricted assets	3,394	1,925
Accrued Compensated Absences	348	335
Lease Liability	28	11
Subscription Asset Liability	100	-
Other Current Liabilities	277	411
Total Current Liabilities	33,606	30,341
Noncurrent Liabilities:		
Revenue Bonds Payable, Net of Unamortized Discounts/Premiums	163,823	169,607
Restricted portion \$102,937 in 2023 and \$117,907 in 2022		
Accrued Compensated Absences	1,923	1,785
Other Postemployment Benefit Liability	1,336	1,333
Net Pension Liability	27,665	29,536
Lease Liability	114	-
Subscription Asset Liability	109	-
Other Noncurrent Liabilities	35	-
Total Noncurrent Liabilities	195,005	202,261
Total Liabilities	228,611	232,602
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Purchased Power and Gas Over-Recovery	8,884	311
Deferred Pension Inflow	302	377
Deferred OPEB Inflow	17	18
Total Deferred Inflows of Resources	9,203	706
<b>NET POSITION</b>		
Net Investment in Capital Assets	171,276	171,439
Restricted Capital Improvement Charges	12,405	8,315
Restricted for Debt Service	1,977	5,457
Restricted for Emergencies	900	900
Restricted for Renewals and Replacements	500	500
Unrestricted	37,777	22,817
Total Net Position	224,835	209,428
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 462,649</b>	<b>\$ 442,736</b>

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



**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Net Position**  
Year Ended September 30, 2023  
(With comparative totals for the year ended September 30, 2022)  
(Dollars in Thousands)

	<b>2023</b>	<b>2022</b>
<b>OPERATING REVENUES</b>		
Sales and charges for services	\$ 127,140	\$ 126,195
Other	2,973	2,426
Total Operating Revenues	130,113	128,621
<b>OPERATING EXPENSES</b>		
Purchases for resale	55,872	62,593
Plant operations	7,812	7,374
Field operations	11,485	11,384
General and administrative	27,808	26,411
Depreciation	14,565	14,731
Total Operating Expenses	117,542	122,493
<b>OPERATING INCOME</b>	12,571	6,128
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment and other income	5,873	2,383
Grant revenue	4,018	1,907
Distribution to General Fund - City of Fort Pierce	(6,758)	(6,524)
Interest expense	(6,638)	(3,579)
TCEC expenses	(2,156)	(2,069)
Gain (Loss) on Disposal of Capital Assets	90	17
Storm expenses	(168)	(130)
Total Nonoperating Revenues (Expenses)	(5,739)	(7,995)
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	6,832	(1,867)
Capital contributions	8,575	6,244
Total Contributed Capital	8,575	6,244
<b>CHANGE IN NET POSITION</b>	15,407	4,377
<b>Net Position - Beginning of Year</b>	209,428	205,051
<b>Net Position - End of Year</b>	\$ 224,835	\$ 209,428

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

**FORT PIERCE UTILITIES AUTHORITY**

**Statement of Cash Flows**

Year Ended September 30, 2023

(With comparative totals for the year ended September 30, 2022)

(Dollars in Thousands)

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 128,428	\$ 120,486
Receipts from other sources	2,973	2,426
Payments to suppliers for goods and services	(61,737)	(61,521)
Payments to employees for services	(17,294)	(17,281)
Payments for benefits on behalf of employees	(14,289)	(12,407)
Net cash provided by operating activities	<u>38,081</u>	<u>31,703</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Increase (decrease) in payable to City of Fort Pierce	12	(9)
Proceeds received for Grants and Storm damages	3,965	1,776
Payments for other non-operating activities	(2,156)	(2,069)
Distribution to General Fund - City of Fort Pierce	(6,758)	(6,524)
Net cash used by noncapital financing activities	<u>(4,937)</u>	<u>(6,826)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(34,187)	(17,293)
Proceeds from sale of assets	93	95
Capital contributions	6,543	4,472
Proceeds from issuance of debt	-	146,744
Bond principal payments	(4,668)	(34,321)
Bond interest payments	(5,169)	(4,629)
Bond costs	-	(1,232)
Proceeds from lease obligation	598	
Payment on lease obligation	(257)	(40)
Net cash used by capital and related financing activities	<u>(37,047)</u>	<u>93,796</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments and other non-operating income	5,873	2,383
Net cash provided by investing activities	<u>5,873</u>	<u>2,383</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 1,970</u>	<u>\$ 121,056</u>

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

**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Cash Flows**  
Year Ended September 30, 2023  
(With comparative totals for the year ended September 30, 2022)  
(Dollars in Thousands)

	<b>2023</b>	<b>2022</b>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 1,970	\$ 121,056
Cash and Cash Equivalents at Beginning of Year	170,306	49,250
Cash and Cash Equivalents at End of Year	\$ 172,276	\$ 170,306
Current equity in pooled cash and investments	\$ 35,159	\$ 21,646
Restricted equity in pooled cash and investments	128,563	142,479
Restricted cash with fiscal agent	8,554	6,181
Total Cash and Cash Equivalents	\$ 172,276	\$ 170,306
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>		
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 12,571	\$ 6,128
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	14,565	14,731
Inventory adjustment / gain assets / pension expense	478	149
(Increase) decrease in accounts receivable	449	(4,625)
(Increase) decrease in unbilled revenue	278	(1,421)
(Increase) decrease in inventories and other current assets	2,044	(54)
Increase (decrease) in liabilities deferred & customer deposits	440	125
Increase (decrease) in accounts payable	441	3,207
Increase (decrease) in compensated absences	151	(78)
Increase (decrease) in pension and other post employment benefits	6,629	13,631
Increase (decrease) in other liabilities	35	(90)
	\$ 38,081	\$ 31,703
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>		
Accretion of Capital Appreciation Bonds	\$ 476	\$ 694
Contributions of capital assets	2,032	1,772
Amortization of deferred loss on refunding and bond discounts	36	53

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

**FORT PIERCE UTILITIES AUTHORITY**  
**Notes to Financial Statements**  
September 30, 2023  
(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, 2023, 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.

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**FORT PIERCE UTILITIES AUTHORITY**  
**Notes to Financial Statements**

September 30, 2023  
(Dollars in Thousands)

Accounting Standards Adopted

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.

During fiscal Year 2023, the following new accounting standards were implemented:

GASB Statement No.96 – Subscription-Based Information Technology Arrangements (SBITAs). The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

GASB Statement No.100 – Accounting Changes and Error Corrections. The objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. FPUA did not have any events that constitute these changes.

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, 2023, have been approved according to the above procedures.

**FORT PIERCE UTILITIES AUTHORITY**  
**Notes to Financial Statements**

September 30, 2023

(Dollars in Thousands)

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, money market accounts, certificates of deposit, and treasury notes with original maturities of twelve to eighteen months 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.

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

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**FORT PIERCE UTILITIES AUTHORITY****Notes to Financial Statements**

September 30, 2023

(Dollars in Thousands)

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.

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 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, 2023 are \$380, \$5,750, and \$6,275. 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 \$1,977 in net position set aside in accordance with FPUA's Master Bond Resolution, as revised in 2022.

## FORT PIERCE UTILITIES AUTHORITY

### Notes to Financial Statements

September 30, 2023

(Dollars in Thousands)

- 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”.

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 exercised in the current fiscal year.

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2023

(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, 2023. At year-end, FPUA’s carrying amount of deposits was \$792 and the bank balance was \$0.

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, 2023. 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, 2023, was \$3,491.

As of September 30, 2023, FPUA had the following investments:

Investment	Fair Value
Seacoast Money Market	\$ 102,249
Seacoast Bank Sweep	39,212
State Board of Administration - Florida PRIME	5,932
Seacoast Bank CDARS	5,053
PNC Money Market	4,455
SNB Bond Investment Sweep	3,267
South State Bank Certificates of Deposit	1,713
Trust Co. Certificate of Deposit	1,041
Total	\$ 162,922

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.

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**FORT PIERCE UTILITIES AUTHORITY****Notes to Financial Statements**

September 30, 2023

(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 FDIC limits.
- (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, 2023, FPUA places no limit on the amount that may be invested with any one issuer. A combined 96% of FPUA's investments are insured through Cash Sweep accounts, Overnight Repurchase Agreement, laddered CDs and Treasury note investments, and Florida PRIME.

**FORT PIERCE UTILITIES AUTHORITY**  
**Notes to Financial Statements**  
September 30, 2023  
(Dollars in Thousands)

**NOTE C – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated:				
Land	\$ 9,526	\$ -	\$ -	\$ 9,526
Construction Work In Progress	<u>23,731</u>	<u>33,133</u>	<u>(9,461)</u>	<u>47,403</u>
Total Utility Plant, not being depreciated	33,257	33,133	(9,461)	56,929
Capital Assets, being depreciated:				
Transmission, distribution and collection systems	388,014	8,615	(7)	396,622
Equipment	61,826	1,338	(872)	62,292
Structures and improvements	46,020	1,189	(82)	47,127
Right to use leased assets:				
Lease Assets	154	2	-	156
Subscription Assets	<u>-</u>	<u>442</u>	<u>-</u>	<u>442</u>
Total Utility Plant being depreciated	496,014	11,586	(961)	506,639
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(231,969)	(10,883)	4	(242,848)
Equipment	(44,084)	(2,413)	718	(45,779)
Structures and improvements	(28,329)	(1,178)	81	(29,426)
Right to use leased assets:				
Lease Assets	(146)	(26)	154	(18)
Subscription Assets	<u>-</u>	<u>(65)</u>	<u>-</u>	<u>(65)</u>
Total accumulated depreciation	<u>(304,528)</u>	<u>(14,565)</u>	<u>957</u>	<u>(318,136)</u>
Total Capital Assets, being depreciated, net	<u>191,486</u>	<u>(2,979)</u>	<u>(4)</u>	<u>188,503</u>
Total Capital Assets, net	<u>\$ 224,743</u>	<u>\$ 30,154</u>	<u>\$ (9,465)</u>	<u>\$ 245,432</u>

Construction work in progress at September 30, 2023, ongoing construction primarily revolves around relocating the wastewater plant and rerouting the conveyance system from Hutchinson Island to the mainland. Furthermore, efforts are underway to upgrade the electric transmission and distribution system, alongside expanding gas and fiber communication infrastructure. These developments contribute to increases in Total Capital Assets, including Non-Cash Capital Contributions.

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Depreciation expense was charged to the utility systems as follows:

Water	\$ 5,099
Electric	4,511
Wastewater	4,146
Gas	451
FPUAnet Communications	337
Manatee Observation and Education Center	<u>21</u>
 Total Depreciation Expense	 <u><u>\$ 14,565</u></u>

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

All capital assets of FPUA	\$563,568
Less: Accumulated depreciation/amortization on those assets	318,136
Net carrying value of capital assets	245,432
Less:	
• Outstanding principal of capital debt and other capital borrowings excluding unspent proceeds ("capital-related debt")	61,191
• Capital-related liabilities such as accounts payable and retainage payable for for capital purposes	5,579
• Unamortized balance of original issue premiums on outstanding capital-related debt, including outstanding capital refunding debt	7,422
• Unamortized balance of capital-related deferred inflows of resources	-
Plus:	
• Unamortized balance of original issue discounts on outstanding capital debt	2
• Unamortized balance of capital-related deferred outflows of resources	<u>34</u>
 Equals: Net investment in capital assets of the reporting unit	 <u><u>\$171,276</u></u>

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**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	\$ 102,937
Principal and interest accounts	8,969
Capital Improvement Charges	12,405
Customer security deposits	9,429
Debt Service reserve	1,977
Emergency reserve	900
Renewal and replacement reserve	500
	<u>500</u>
	<u>\$ 137,117</u>

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

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#### 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.

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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 \$2,789 for the year ended September 30, 2023.

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

At September 30, 2023, FPUA reported a liability of \$27,665 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ending September 30, 2023. FPUA’s proportionate share of the net pension liability was based on FPUA’s present value of projected long-term contributions. At September 30, 2023, FPUA's proportionate share was 43.33%, which was a decrease of 1.99% from its proportion measured as of September 30, 2022.

For the fiscal year ended September 30, 2023, FPUA recognized pension expense of \$7,776. FPUA has recorded beginning and ending accruals which may differ from reporting by the System. At September 30, 2023, FPUA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 720	\$ 53
Changes of assumptions	1,816	-
Net difference between projected and actual earnings on pension plan investments	8,465	-
Changes in proportion and difference between FPUA contributions and proportionate share of contributions	-	249
<b>Total</b>	<b>\$ 11,001</b>	<b>\$ 302</b>

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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	\$3,233
2024	3,319
2025	4,633
2026	(486)
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, 2023 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	4.5% to 6.5% including inflation
Investment Rate of Return	7.25%
Long-Term Municipal Bond Rate	4.63% (4.40% in 2022)

The Florida Retirement System (FRS) mortality table, which uses variations of the Pub2010 Mortality Tables with projection scale MP-2018, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Equity	26%	5.00%
Small/Mid Cap Equity	12%	5.20%
Global Ex-US Equity	25%	5.15%
Domestic Fixed Income	27%	2.75%
Real Estate	10%	3.50%
<b>Total</b>	<b>100%</b>	

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:

	<u>1% Decrease (6.25%)</u>	<u>Current Single Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
FPUA's proportionate share of the Net Pension Liability	\$ 40,964	\$ 27,665	\$ 16,473

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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](http://www.cityoffortpierce.com). The System does not issue a stand-alone financial report.

**Payables to the Pension Plan**

At September 30, 2023, FPUA reported a payable in the amount of \$126, 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 \$5,645 in the aggregate for calendar year 2023.

As of September 30, 2023, FPUA had estimated incurred unpaid claims of \$1,100. 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
2022	777	5,087	5,322	542
2023	542	5,590	5,032	1,100

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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, 2023, the following employees were covered by the benefit terms:

Active employees	248
Inactive employees or beneficiaries currently receiving benefits	<u>60</u>
	<u><u>308</u></u>

**Total OPEB Liability**

FPUA’s total OPEB liability of \$1,336 was measured as of September 30, 2023, and was determined by an actuarial valuation as September 30, 2022.

*Actuarial assumptions and other inputs.* The total OPEB liability in the September 30, 2023 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 (4.09% for 2023)
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, 2023 valuation were based on the results of the October 1, 2022 Actuarial Valuation of the Fort Pierce Utilities Authority Retiree Medical Plan.

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at September 30, 2022</b>	\$ 1,333
Changes for the year:	
Service Cost	29
Interest	55
Differences between Expected and Actual Experience	(8)
Implicit Rate Subsidy	(73)
Net changes	<u>3</u>
<b>Balance at September 30, 2023</b>	<u>\$ 1,336</u>

*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 (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	<u>1% Decrease (3.09%)</u>	<u>Discount Rate (4.09%)</u>	<u>1% Increase (5.09%)</u>
Total OPEB liability	\$1,490	\$1,336	\$1,205

*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:

	<u>1% Decrease (3.5%)</u>	<u>Healthcare Cost Trend Rates (4.5%)</u>	<u>1% Increase (5.5%)</u>
Total OPEB liability	\$1,177	\$1,336	\$1,527

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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, 2023, FPUA recognized an OPEB expense of \$78. At September 30, 2023, FPUA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 276	\$ 17
Total	\$ 276	\$ 17

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

<b>Year ended September 30:</b>	
2024	68
2025	74
2026	58
2027	33
2028	18
Thereafter	8

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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, 2023, 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, 2023 the liability was:

	Total Liability	Due Within One Year
Vacation leave	\$ 924	\$ 121
Sick leave	<u>1,347</u>	<u>227</u>
	<u>\$2,271</u>	<u>\$ 348</u>

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, 2023, \$65 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, 2023, \$54 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, 2023, \$10 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:

<u>Upgrade and Expansion</u>	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>	<u>Required Further Financing</u>
Wastewater	\$ 140,995	\$ 14,761	\$ 126,230	None
FPUAnet	506	450	56	None
Electric	380	126	254	None
Administration	42	4	38	None
Water	183	-	183	None
Gas	2,735	257	2,478	None
	<u>\$ 144,841</u>	<u>\$ 15,598</u>	<u>\$ 129,239</u>	

A contract with Globaltech Haskell was authorized for engineering and construction of the Mainland Water Treatment Plant on July 11, 2023. The Contract will continue through 2025 and was approved for \$133,979.

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, 2023, costs of \$2,803 were authorized under these contracts, \$1,758 had been spent, and authorized amounts of \$325 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 \$3,295 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

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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 2022 and FY 2023 were \$6,521 and \$5,316 respectively. FPUA is committed under the agreements to payments of \$5,196 for the year ending September 30, 2024.

*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.

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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 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 2024, 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 \$3,062. The amounts purchased under these contracts, for FY 2022 and FY 2023 were \$3,513 and \$3,124 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, 2023.

The majority of 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 2023 and FY 2022 totaled \$2,156 and \$2,069, 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 limits.

FPUA has property, automobile liability, general liability, pollution remediation, 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 (Acentria). FPUA is a qualified self-insurer in the State of Florida and under Florida Statute 768.28 is granted sovereign immunity. By statute 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, by insurance policy, 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, and includes Employers Liability of \$1,000,000 each accident/\$1,000,000 by disease/\$1,000,000 aggregate by disease.

FPUA also insures certain scheduled equipment and Public Officials Bond insurance with Travelers Casualty through Brown & Brown. Insurance coverage for underground storage tanks, also scheduled by site, carries liability limits of \$1,000,000 per incident and in aggregate, including acts of terrorism.

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**NOTE K – LEASE AGREEMENTS AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

On January 1, 2023, FPUA entered into an agreement with Pitney Bowes and committed to a five-year lease for billing equipment and software. The lease requires 20 quarterly payments of \$12, and contains a \$3 fixed maintenance component. The equipment has been capitalized at its FMV of \$136. As of September 30, 2023, the FMV less accumulated amortization of \$14 was \$122. The effective interest and maintenance expenses for the year ended September 30, 2023 were \$6 and \$7 respectively.

On January 1, 2023, FPUA entered into an agreement with Pitney Bowes and committed to a four-year lease for mailing/postage equipment and software. The lease requires 16 quarterly payments of \$2, and contains a \$1 fixed maintenance component. The equipment has been capitalized at its fair market value (FMV) of \$20. As of September 30, 2023, the FMV less accumulated amortization of \$2 was \$18. The effective interest and maintenance expenses for the year ended September 30, 2023 were \$1 and \$1 respectively.

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, 2023.

Year Ending September 30	Principal Payments	Interest Payments	Maintenance Payments	Total
2024	28	12	16	56
2025	31	9	17	57
2026	33	6	17	56
2027	34	3	15	52
2028	16	1	7	24
	<b>\$ 142</b>	<b>\$ 31</b>	<b>\$ 72</b>	<b>\$ 245</b>

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2023

(Dollars in Thousands)

FPUA has multiple software arrangements, that require recognition under GASB 96. These assets will be amortized over the lease term, which ranges from 3 to 5 years. FPUA recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset. Therefore, the SBITAs have been recorded at the present value of the future minimum payments as of the inception date using an internal borrowing rate of 7.5%. The cost and accumulated amortization of the assets under the SBITAs totaled approximately \$442,000 and \$65,000, respectively, as of September 30, 2023.

The following table is a schedule by year of future minimum SBITA obligations together with the present value of the net minimum SBITA payments as of September 30, 2023.

Year Ending September 30	Principal Payments	Interest Payments	Maintenance Payments	Total
2024	100	13	-	113
2025	109	5	-	114
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
	<b><u>\$ 209</u></b>	<b><u>\$ 18</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 227</u></b>

**FORT PIERCE UTILITIES AUTHORITY**  
**Notes to Financial Statements**  
September 30, 2023  
(Dollars in Thousands)

**NOTE L – REVENUE BONDS AND DIRECT PLACEMENTS**

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

<b>BONDS PAYABLE</b>	<b>September 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>September 30, 2023</b>
Series 1999B (Accreted value)	\$ 12,289	\$ 476 <sup>1</sup>	\$ (4,340)	\$ 8,425
Series 2022A	143,500	-	-	143,500
Series 2022B	2,550	-	-	2,550
<b>Total Revenue Bonds Payable</b>	<b>158,339</b>	<b>476</b>	<b>(4,340)</b>	<b>154,475</b>
<b>Direct Placements</b>				
Series 2016	7,832	-	(328)	7,504
	166,171	476	(4,668)	161,979
Add unamortized bond premiums	8,108	-	(687)	7,421
Less unamortized bond discounts	(4)	-	2	(2)
Less current portion of revenue bonds payable	(4,668)	(5,575)	4,668	(5,575)
<b>Revenue Bonds Payable - net of current portion</b>	<b>\$ 169,607</b>	<b>\$ (5,099)</b>	<b>\$ (685)</b>	<b>\$ 163,823</b>

<sup>1</sup> 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 \$8,670 and is due in annual installments beginning on October 1, 2023 through October 1, 2024 in the amount of \$4,335, with a yield of 5.90%. Accreted value of the 1999B Bond at September 30, 2023 is \$8,425.

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

**FORT PIERCE UTILITIES AUTHORITY**  
**Notes to Financial Statements**

September 30, 2023

(Dollars in Thousands)

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, 2023 are as follows:

Year Ending September 30	Revenue Bonds		Direct Placements		Total
	Principal	Interest	Principal	Interest	
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	6,065	5,995	-	-	12,060
2029-2052	133,400	76,795	-	-	210,195
	154,720	108,624	7,504	373	271,221
Future accretion on CABs	(245)	245	-	-	-
	<b>\$ 154,475</b>	<b>\$ 108,869</b>	<b>\$ 7,504</b>	<b>\$ 373</b>	<b>\$ 271,221</b>

**FORT PIERCE UTILITIES AUTHORITY**  
**Notes to Financial Statements**

September 30, 2023

(Dollars in Thousands)

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 \$1,977, respectively. These reserves are fully funded at September 30, 2023.

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, 2023  
(Dollars in Thousands)

*Current and Advanced Refunding of Debt*

Debt refunding activities occurred during fiscal year 2022 that resulted in the redemption or defeasance of certain outstanding obligations. The Refunded Bonds that matured October 1, 2022 through and including 2028 and October 1, 2029 were redeemed prior to their respective maturities, on the closing date of the Series 2022 Bonds (June 21, 2022) at a redemption price of 100% of the principal amount thereof, plus interest to the redemption date. The Refunded Bonds that matured on October 1, 2029 were redeemed on July 11, 2022 at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Upon delivery of the Series 2022 Bonds, the Bank of New York Mellon Trust Company entered into an Escrow Deposit Agreement with FPUA relating to the Refunded Bonds maturing on October 1, 2029. The agreement created an irrevocable escrow deposit trust fund to be applied to the payment of principal of and interest of the Refunded Bonds that mature on October 1, 2029 as the same become due and payable and at redemption prior to maturity.

**FORT PIERCE UTILITIES AUTHORITY**  
**Notes to Financial Statements**  
September 30, 2023  
(Dollars in Thousands)

**NOTE M – CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 158,339	\$ 476	\$ (4,340)	\$ 154,475	\$ 5,240
Direct Placement	7,832		(328)	7,504	335
Bond Discounts	(4)	-	2	(2)	-
Net Pension Liability	29,536	-	(1,871)	27,665	-
Leases	11	157	(26)	142	28
SBITAs	-	442	(233)	209	100
Compensated Absences	2,120	1,911	(1,760)	2,271	348
Other Postemployment Benefits	1,333	83	(80)	1,336	-
<b>Long Term Liabilities</b>	<b><u>\$ 199,167</u></b>	<b><u>\$ 3,069</u></b>	<b><u>\$ (8,636)</u></b>	<b><u>\$ 193,600</u></b>	<b><u>\$ 6,051</u></b>

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2023

(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, 2023:

Gross Revenue	\$ 148,669
Plus:	
Gas Piping and Appliance Costs	191
Loss on Disposals	3
	<u>148,863</u>
Less:	
Power Cost & Purchased Gas Adjustment	7,785
Capital Contributions	8,575
FMPA TCEC O&M Expense Recovery	2,156
FPUAnet Operating Revenue	976
Manatee Observation and Education Center Operating Revenue	502
Revenue for City Billing	187
Gas Piping and Appliance Revenue	199
Grant Revenue	4,018
	<u>4,018</u>
Adjusted Gross Revenue	<u>\$ 124,465</u>
Amount distributable to General Fund, City of Fort Pierce	<u><u>\$ 7,468</u></u>

**FORT PIERCE UTILITIES AUTHORITY****Notes to Financial Statements**

September 30, 2023

(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, 2023, were \$2,281. Current accounts receivable from the City at September 30, 2023, totaled \$423.

*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, 2023, were \$12,355. In addition, FPUA paid the September 30, 2022 General Fund distribution to the City in the amount of \$6,758. Amounts payable to the City at September 30, 2023, were \$953.

*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.



**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
2023	43.33%	\$ 27,665	\$15,783	175.28%	76.58%
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%

**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
2023	\$ 2,807	\$ 2,807	\$ -	\$15,783	17.78%
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%

**Required Supplementary Information**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>						
Service cost	\$ 29	\$ 44	\$ 32	\$ 29	\$ 27	\$ 20
Interest	55	38	28	33	37	33
Differences between expected and actual experience	(8)	146	(5)	282	133	(51)
Implicit Rate Subsidy	(73)	(73)	(105)	(105)	(64)	(41)
<b>Net change in total OPEB liability</b>	<u>3</u>	<u>155</u>	<u>(50)</u>	<u>239</u>	<u>133</u>	<u>(39)</u>
<b>Total OPEB liability - beginning</b>	<u>1,333</u>	<u>1,178</u>	<u>1,228</u>	<u>989</u>	<u>856</u>	<u>895</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 1,336</u></u>	<u><u>\$ 1,333</u></u>	<u><u>\$ 1,178</u></u>	<u><u>\$ 1,228</u></u>	<u><u>\$ 989</u></u>	<u><u>\$ 856</u></u>
<b>Covered - employee payroll</b>	\$ 18,613	\$ 17,899	\$ 17,472	\$ 17,191	\$ 16,497	\$ 15,211
<b>Total OPEB liability as a percentage of covered - employee payroll</b>	7.18%	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
<p><b><u>Financial Trends</u></b></p> <p>These schedules contain trend information to help the reader understand how FPUA’s financial performance and well being has changed over time.</p>	72-77
<p><b><u>Revenue Capacity</u></b></p> <p>These schedules contain information to help the reader assess FPUA’s local revenue source.</p>	81-88
<p><b><u>Debt Capacity</u></b></p> <p>These schedules present information to help the reader assess FPUA’s debt burden and its ability to issue additional debt in the future.</p>	90-91
<p><b><u>Demographic and Economic Information</u></b></p> <p>This schedule offers demographic and economic indicators to help the reader understand the environment in which FPUA’s financial activities take place.</p>	94-95
<p><b><u>Operating Information</u></b></p> <p>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.</p>	98-109

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



# **FINANCIAL TRENDS**

**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Net Position - Assets and Deferred Outflows**  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 35,159	\$ 21,646	\$ 20,786
Accounts Receivable, Net of Allowance for Uncollectible Accounts	10,797	11,246	6,621
Unbilled Receivables	7,571	7,848	6,428
Due from Other Governments	773	720	914
Inventories and Other Current Assets	12,151	7,173	6,932
Restricted Equity in Pooled Cash and Investments	22,249	17,715	15,147
Restricted Cash with Fiscal Agent	8,554	6,181	6,460
Total Current Assets	<u>97,254</u>	<u>72,529</u>	<u>63,288</u>
Noncurrent Assets:			
Capital Assets:			
Utility Plant in Service	515,567	505,540	492,754
Construction Work in Progress	47,403	23,731	18,067
Less Accumulated Depreciation	(318,052)	(304,528)	(290,363)
Right to Use Lease Assets	156	-	-
Less Accumulated Amortization	(18)	-	-
Right to Use Subscription Assets	441	-	-
Less Accumulated Amortization	(65)	-	-
Total Capital Assets (net of Accumulated Depreciation)	<u>245,432</u>	<u>224,743</u>	<u>220,458</u>
Other Noncurrent Assets:			
Restricted Equity in Pooled Cash and Investments	106,314	124,764	6,857
FMPA Working Capital Receivable	1,919	1,919	1,919
Preliminary Survey	41	69	62
Investment in Public Gas Partners Pool	-	-	-
Total Other Noncurrent Assets	<u>108,274</u>	<u>126,752</u>	<u>8,838</u>
Total Assets	<u>450,960</u>	<u>424,024</u>	<u>292,584</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflow	11,001	17,920	1,443
Deferred OPEB Outflow	276	352	282
Deferred Amount on Debt Refunding	412	440	64
Advance Distribution to General Fund - City of Fort Pierce	-	-	-
Total Deferred Outflows	<u>11,689</u>	<u>18,712</u>	<u>1,789</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 462,649</u>	<u>\$ 442,736</u>	<u>\$ 294,373</u>

**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Net Position - Assets and Deferred Outflows**  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

2020	2019	2018	2017	2016	2015	2014
\$ 24,808	\$ 30,506	\$ 28,616	\$ 26,661	\$ 23,163	\$ 27,712	\$ 29,371
7,896	7,549	7,820	8,489	9,072	8,149	7,256
6,106	5,221	6,306	5,626	5,432	5,534	5,959
1,418	1,793	1,962	2,085	424	422	447
5,346	4,501	4,723	4,514	4,546	5,009	4,877
12,800	13,038	12,831	13,946	22,349	20,757	20,306
6,432	6,404	6,379	6,353	1,083	1,308	1,300
<u>64,806</u>	<u>69,012</u>	<u>68,637</u>	<u>67,674</u>	<u>66,069</u>	<u>68,891</u>	<u>69,516</u>
468,621	457,592	455,645	446,447	434,848	423,324	414,941
24,977	17,483	18,052	20,124	22,547	24,768	20,472
(276,799)	(263,908)	(259,869)	(253,514)	(241,651)	(231,252)	(219,917)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>216,799</u>	<u>211,167</u>	<u>213,828</u>	<u>213,057</u>	<u>215,744</u>	<u>216,840</u>	<u>215,496</u>
6,857	6,857	6,857	6,857	6,857	6,703	6,703
1,919	1,919	1,919	1,919	1,919	1,919	1,919
-	-	68	41	41	6	29
34	359	428	486	537	587	624
<u>8,810</u>	<u>9,135</u>	<u>9,272</u>	<u>9,303</u>	<u>9,354</u>	<u>9,215</u>	<u>9,275</u>
<u>290,415</u>	<u>289,314</u>	<u>291,737</u>	<u>290,034</u>	<u>291,167</u>	<u>294,946</u>	<u>294,287</u>
1,505	3,328	3,701	5,737	3,880	3,689	-
339	114	-	-	-	-	-
80	97	115	132	151	-	-
-	-	-	-	-	1,251	1,250
<u>1,924</u>	<u>3,539</u>	<u>3,816</u>	<u>5,869</u>	<u>4,031</u>	<u>4,940</u>	<u>1,250</u>
<u>\$ 292,339</u>	<u>\$ 292,853</u>	<u>\$ 295,553</u>	<u>\$ 295,903</u>	<u>\$ 295,198</u>	<u>\$ 299,886</u>	<u>\$ 295,537</u>

**FORT PIERCE UTILITIES AUTHORITY**

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

Last Ten Fiscal Years

(Dollars in Thousands)

	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 13,502	\$ 13,061	\$ 9,855
Due to City of Fort Pierce	953	941	950
Customer Deposits - restricted assets	9,429	8,989	8,864
Revenue Bonds Payable - restricted assets	5,575	4,668	6,076
Accrued Interest Payable - restricted assets	3,394	1,925	792
Accrued Compensated Absences	348	335	276
Due to St. Lucie County	-	-	-
Lease Liability	28	11	40
Subscription Asset Liability	100	-	-
Other Current Liabilities	277	411	501
Total Current Liabilities	<u>33,606</u>	<u>30,341</u>	<u>27,354</u>
Noncurrent Liabilities:			
Revenue Bonds Payable, Net of Unamortized Discounts/Premiums	163,823	169,607	47,641
Accrued Compensated Absences	1,923	1,785	1,921
Other Postemployment Benefits	1,336	1,333	1,178
Net Pension Liability	27,665	29,536	231
Due to St. Lucie County	-	-	-
Lease Liability	114	-	11
Subscription Asset Liability	109	-	-
Other Noncurrent Liabilities	35	-	-
Total Noncurrent Liabilities	<u>195,005</u>	<u>202,261</u>	<u>50,982</u>
Total Liabilities	228,611	232,602	78,336
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Purchased Power and Gas Over-Recovery	8,884	311	1,985
Deferred Pension Inflow	302	377	8,975
Deferred OPEB Inflow	17	18	26
Deferred Amount on Debt Refunding	-	-	-
Total Deferred Inflow of Resources	<u>9,203</u>	<u>706</u>	<u>10,986</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	171,276	171,439	173,685
Restricted Capital Improvement Charges	12,405	8,315	5,875
Restricted For Debt Service	1,977	5,457	5,457
Restricted For Emergencies	900	900	900
Restricted For Renewals & Replacements	500	500	500
Unrestricted	37,777	22,817	18,634
Total Net Position	<u>224,835</u>	<u>209,428</u>	<u>205,051</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 462,649</u>	<u>\$ 442,736</u>	<u>\$ 294,373</u>

**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Net Position - Liabilities, Deferred Inflows and Net Position**  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

	2020	2019	2018	2017	2016	2015	2014
\$	9,546	\$ 7,969	\$ 8,977	\$ 8,973	\$ 7,900	\$ 9,577	\$ 10,066
	942	858	802	746	913	781	766
	8,735	8,481	8,280	8,029	8,024	7,803	7,445
	6,015	5,953	5,897	5,840	7,367	7,086	6,987
	822	853	881	908	971	1,145	1,197
	-	-	-	-	24	170	55
	-	-	77	-	-	-	-
	34	29	24	11	38	31	26
	-	-	-	-	-	-	-
	598	623	658	835	859	873	832
	<u>26,692</u>	<u>24,766</u>	<u>25,596</u>	<u>25,342</u>	<u>26,096</u>	<u>27,466</u>	<u>27,374</u>
	52,812	57,728	62,403	66,851	71,085	76,754	82,375
	2,181	2,211	2,015	1,968	1,778	1,592	1,878
	1,228	989	856	742	711	681	622
	10,486	11,606	7,408	10,090	6,655	5,528	1,750
	-	-	-	125	132	137	137
	51	85	114	-	11	49	80
	-	-	-	-	-	-	713
	<u>66,758</u>	<u>72,619</u>	<u>72,796</u>	<u>79,776</u>	<u>80,372</u>	<u>84,741</u>	<u>87,555</u>
	93,450	97,385	98,392	105,118	106,468	112,207	114,929
	3,133	4,881	4,482	2,416	3,516	5,695	3,204
	674	441	2,803	683	217	-	-
	29	37	43	-	-	-	-
	-	-	-	-	-	10	30
	<u>3,836</u>	<u>5,359</u>	<u>7,328</u>	<u>3,099</u>	<u>3,733</u>	<u>5,705</u>	<u>3,234</u>
	167,218	160,527	161,387	140,472	137,376	132,679	125,879
	3,660	4,155	4,152	5,521	7,070	6,031	5,977
	5,457	5,457	5,457	5,457	5,457	4,930	4,534
	900	900	900	900	900	1,273	1,668
	500	500	500	500	500	500	500
	<u>17,318</u>	<u>18,570</u>	<u>17,437</u>	<u>34,836</u>	<u>33,694</u>	<u>36,561</u>	<u>40,566</u>
	<u>195,053</u>	<u>190,109</u>	<u>189,833</u>	<u>187,686</u>	<u>184,997</u>	<u>181,974</u>	<u>179,124</u>
\$	<u>292,339</u>	<u>292,853</u>	<u>295,553</u>	<u>295,903</u>	<u>295,198</u>	<u>299,886</u>	<u>297,287</u>

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

	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>OPERATING REVENUES</b>				
Residential Sales	\$ 54,143	\$ 54,122	\$ 44,551	\$ 43,677
General Service Sales	70,898	70,128	56,187	53,670
Sales for Resale	2,099	1,945	2,186	2,204
Other Operating Revenues	2,973	2,426	1,991	1,745
Total Operating Revenues	130,113	128,621	104,915	101,296
<b>OPERATING EXPENSES</b>				
Purchases for Resale	55,872	62,593	43,369	41,925
Plant Operations	7,812	7,374	6,411	6,249
Field Operations	11,485	11,384	10,837	10,459
General and Administrative	27,808	26,411	17,755	19,242
Depreciation	14,565	14,731	14,263	13,384
Total Operating Expenses	117,542	122,493	92,635	91,259
<b>OPERATING INCOME</b>	12,571	6,128	12,280	10,037
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment and Other Income	5,873	2,383	2,483	2,810
Grant Revenue	4,018	1,907	97	159
Gain (Loss) on Disposal of Capital Assets	90	17	5	4
TCEC Expenses	(2,156)	(2,069)	(1,968)	(2,332)
Storm Expenses	(168)	(130)	(83)	(25)
Interest Expense	(6,638)	(3,579)	(2,585)	(2,825)
Distribution to City of Fort Pierce	(6,758)	(6,524)	(6,342)	(6,276)
Total Nonoperating Revenues (Expenses)	(5,739)	(7,995)	(8,393)	(8,485)
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	6,832	(1,867)	3,887	1,552
Capital Contributions	8,575	6,244	6,111	3,392
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	15,407	4,377	9,998	4,944
Extraordinary Income (Expense)	-	-	-	-
<b>CHANGE IN NET POSITION</b>	15,407	4,377	9,998	4,944
Net Position - Beginning of Year	209,428	205,051	195,053	190,109
Net Position - End of Year	<u>\$ 224,835</u>	<u>\$ 209,428</u>	<u>\$ 205,051</u>	<u>\$ 195,053</u>

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

<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
\$ 42,205	\$ 41,364	\$ 42,237	\$ 41,432	\$ 39,558	\$ 39,565
54,726	54,347	55,839	53,811	52,964	55,899
1,062	894	953	914	874	799
3,402	3,605	3,621	2,264	2,162	2,272
<u>101,395</u>	<u>100,210</u>	<u>102,650</u>	<u>98,421</u>	<u>95,558</u>	<u>98,534</u>
43,796	43,289	45,523	43,783	42,304	45,347
5,917	5,771	5,577	5,313	5,325	5,247
10,107	9,647	9,360	9,062	8,641	8,716
20,716	18,580	17,740	16,997	15,802	15,078
13,959	12,993	12,774	13,097	12,461	14,991
<u>94,495</u>	<u>90,280</u>	<u>90,974</u>	<u>88,252</u>	<u>84,533</u>	<u>89,379</u>
6,900	9,930	11,676	10,169	11,025	9,155
3,044	2,654	2,215	2,011	2,150	1,972
423	457	421	-	81	6
29	(122)	20	125	21	260
(2,285)	(1,828)	(1,794)	(1,699)	(1,809)	(1,668)
(264)	(19)	(297)	-	-	-
(3,044)	(3,077)	(3,325)	(3,445)	(3,594)	(3,582)
(6,125)	(6,139)	(5,969)	(5,809)	(5,735)	(5,605)
<u>(8,222)</u>	<u>(8,074)</u>	<u>(8,729)</u>	<u>(8,817)</u>	<u>(8,886)</u>	<u>(8,617)</u>
(1,322)	1,856	2,947	1,352	2,139	538
1,501	292	(256)	1,650	2,471	1,478
179	2,148	2,691	3,002	4,610	2,016
97	(1)	(2)	21	(10)	(427)
276	2,147	2,689	3,023	4,600	1,589
<u>189,833</u>	<u>187,686</u>	<u>184,997</u>	<u>181,974</u>	<u>177,374</u>	<u>177,535</u>
<u>\$ 190,109</u>	<u>\$ 189,833</u>	<u>\$ 187,686</u>	<u>\$ 184,997</u>	<u>\$ 181,974</u>	<u>\$ 179,124</u>



# **REVENUE CAPACITY**



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

<b>FISCAL YEAR</b>	<b>ELECTRIC</b>	<b>WATER</b>	<b>NATURAL GAS</b>	<b>WASTEWATER</b>	<b>INTERNET SERVICES</b>
FY 2023	29,233	22,334	4,089	16,497	99
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

## FORT PIERCE UTILITIES AUTHORITY Operating Revenues By System

Last Ten Fiscal Years  
(Dollars in Thousands)

	FY 2023	FY 2022	FY 2021	FY 2020
<b>ELECTRIC</b>				
Residential				
Inside the City	\$ 27,839	\$ 30,305	\$ 23,509	\$ 23,378
Outside the City	6,865	7,416	5,763	5,719
General Service				
Inside the City	36,267	38,565	28,993	28,298
Outside the City	6,859	7,023	5,235	5,112
Other Retail	529	515	515	515
Other Operating Revenues	933	782	813	564
<b>Total Electric Operating Revenues</b>	<u>79,292</u>	<u>84,606</u>	<u>64,828</u>	<u>63,586</u>
<b>WATER</b>				
Residential				
Inside the City	7,223	6,041	5,654	5,346
Outside the City	2,811	2,355	2,217	2,098
General Service				
Inside the City	7,949	6,710	6,174	5,882
Outside the City	4,422	3,645	3,221	3,096
Sales for Resale	2,099	1,945	2,186	2,204
Other Operating Revenues	228	237	370	342
<b>Total Water Operating Revenues</b>	<u>24,732</u>	<u>20,933</u>	<u>19,822</u>	<u>18,968</u>
<b>GAS</b>				
Sales Revenue				
Residential	1,462	1,386	1,240	1,185
Heat Only	8	8	9	8
General Service	5,191	5,496	3,953	3,166
Other Operating Revenues	54	46	59	56
<b>Total Gas Operating Revenues</b>	<u>6,715</u>	<u>6,936</u>	<u>5,261</u>	<u>4,415</u>
<b>WASTEWATER</b>				
Residential				
Inside the City	7,058	5,888	5,484	5,290
Outside the City	878	725	678	656
General Service				
Inside the City	7,493	6,204	5,843	5,518
Outside the City	2,187	1,968	2,054	1,898
Other Operating Revenues	280	257	196	165
<b>Total Wastewater Operating Revenues</b>	<u>17,896</u>	<u>15,042</u>	<u>14,255</u>	<u>13,527</u>
<b>MANATEE OBSERVATION AND EDUCATION CENTER</b>				
<b>Total MOEC Operating Revenues</b>	502	503	366	429
<b>FPUAnet COMMUNICATIONS</b>				
<b>Total FPUAnet Communications Operating Revenue</b>	<u>976</u>	<u>601</u>	<u>383</u>	<u>371</u>
<b>TOTAL OPERATING REVENUES</b>	<u><u>\$ 130,113</u></u>	<u><u>\$ 128,621</u></u>	<u><u>\$ 104,915</u></u>	<u><u>\$ 101,296</u></u>

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

	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
\$	22,671	\$ 22,387	\$ 23,105	\$ 22,718	\$ 21,434	\$ 21,724
	5,589	5,527	5,641	5,600	5,255	5,282
	29,025	29,487	30,038	29,077	28,423	30,507
	5,307	5,312	5,171	5,039	4,958	5,235
	515	508	1,711	1,680	1,750	1,979
	1,025	1,065	1,022	1,042	1,024	1,074
	<u>64,132</u>	<u>64,286</u>	<u>66,688</u>	<u>65,156</u>	<u>62,844</u>	<u>65,801</u>
	5,067	4,877	4,876	4,710	4,546	4,351
	1,965	1,837	1,790	1,680	1,597	1,494
	5,970	5,793	5,868	5,498	5,305	5,169
	2,880	2,515	2,638	2,625	2,381	2,519
	1,061	894	953	914	874	799
	691	431	689	110	101	156
	<u>17,634</u>	<u>16,347</u>	<u>16,814</u>	<u>15,537</u>	<u>14,804</u>	<u>14,488</u>
	1,203	1,212	1,196	1,192	1,240	1,293
	8	9	9	11	12	13
	3,610	3,429	3,367	3,106	3,511	3,813
	67	61	73	69	85	82
	<u>4,888</u>	<u>4,711</u>	<u>4,645</u>	<u>4,378</u>	<u>4,848</u>	<u>5,201</u>
	5,104	4,929	4,963	4,874	4,826	4,763
	601	587	582	572	574	570
	5,518	5,640	5,688	5,547	5,280	5,305
	1,726	1,507	1,433	1,314	1,428	1,446
	898	1,298	928	141	126	180
	<u>13,847</u>	<u>13,961</u>	<u>13,594</u>	<u>12,448</u>	<u>12,234</u>	<u>12,264</u>
	429	435	444	410	390	350
	<u>465</u>	<u>470</u>	<u>465</u>	<u>492</u>	<u>438</u>	<u>430</u>
\$	<u><u>101,395</u></u>	<u><u>100,210</u></u>	<u><u>102,650</u></u>	<u><u>98,421</u></u>	<u><u>95,558</u></u>	<u><u>98,534</u></u>

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

	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>ELECTRIC SALES (MWh)</b>				
General Service				
Inside the City	279,162	276,465	274,385	266,890
Outside the City	49,471	47,252	47,508	46,471
<b>Total General Service</b>	<b>328,633</b>	<b>323,717</b>	<b>321,893</b>	<b>313,361</b>
Residential				
Inside the City	206,847	205,916	206,495	204,535
Outside the City	48,831	48,345	48,539	47,986
<b>Total Residential</b>	<b>255,678</b>	<b>254,261</b>	<b>255,034</b>	<b>252,521</b>
<b>Total Sales</b>	<b>584,311</b>	<b>577,978</b>	<b>576,927</b>	<b>565,882</b>
<b>WATER SALES - 1,000 GALLONS</b>				
General Service				
Inside the City	1,015,859	989,442	973,438	936,306
Outside the City	639,157	609,314	569,684	556,032
<b>Total General Service</b>	<b>1,655,016</b>	<b>1,598,756</b>	<b>1,543,122</b>	<b>1,492,338</b>
Residential				
Inside the City	785,158	761,439	753,198	718,156
Outside the City	230,058	224,737	224,466	217,524
<b>Total Residential</b>	<b>1,015,216</b>	<b>986,176</b>	<b>977,664</b>	<b>935,680</b>
Sales for Resale	348,613	382,581	447,273	458,579
<b>Total Sales</b>	<b>3,018,845</b>	<b>2,967,513</b>	<b>2,968,059</b>	<b>2,886,597</b>
<b>NATURAL GAS SALES (ccf)</b>				
General Service	2,777,909	2,691,998	2,788,752	2,418,710
Residential	415,775	426,554	431,705	433,924
Heat Only				
General Service	13	-	185	171
Residential Service	245	309	611	563
Contract Natural Gas	1,516,746	1,888,947	1,717,644	1,711,290
<b>Total Sales</b>	<b>4,710,688</b>	<b>5,007,808</b>	<b>4,938,897</b>	<b>4,564,658</b>
<b>WASTEWATER BILLED - 1,000 GALLONS</b>				
General Service				
Inside the City	802,262	771,964	767,094	709,374
Outside the City	211,445	219,684	255,994	254,566
<b>Total General Service</b>	<b>1,013,707</b>	<b>991,648</b>	<b>1,023,088</b>	<b>963,940</b>
Residential				
Inside the City	677,776	653,438	645,001	614,653
Outside the City	56,545	55,197	53,386	53,105
<b>Total Residential</b>	<b>734,321</b>	<b>708,635</b>	<b>698,387</b>	<b>667,758</b>
<b>Total Sales</b>	<b>1,748,028</b>	<b>1,700,283</b>	<b>1,721,475</b>	<b>1,631,698</b>

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

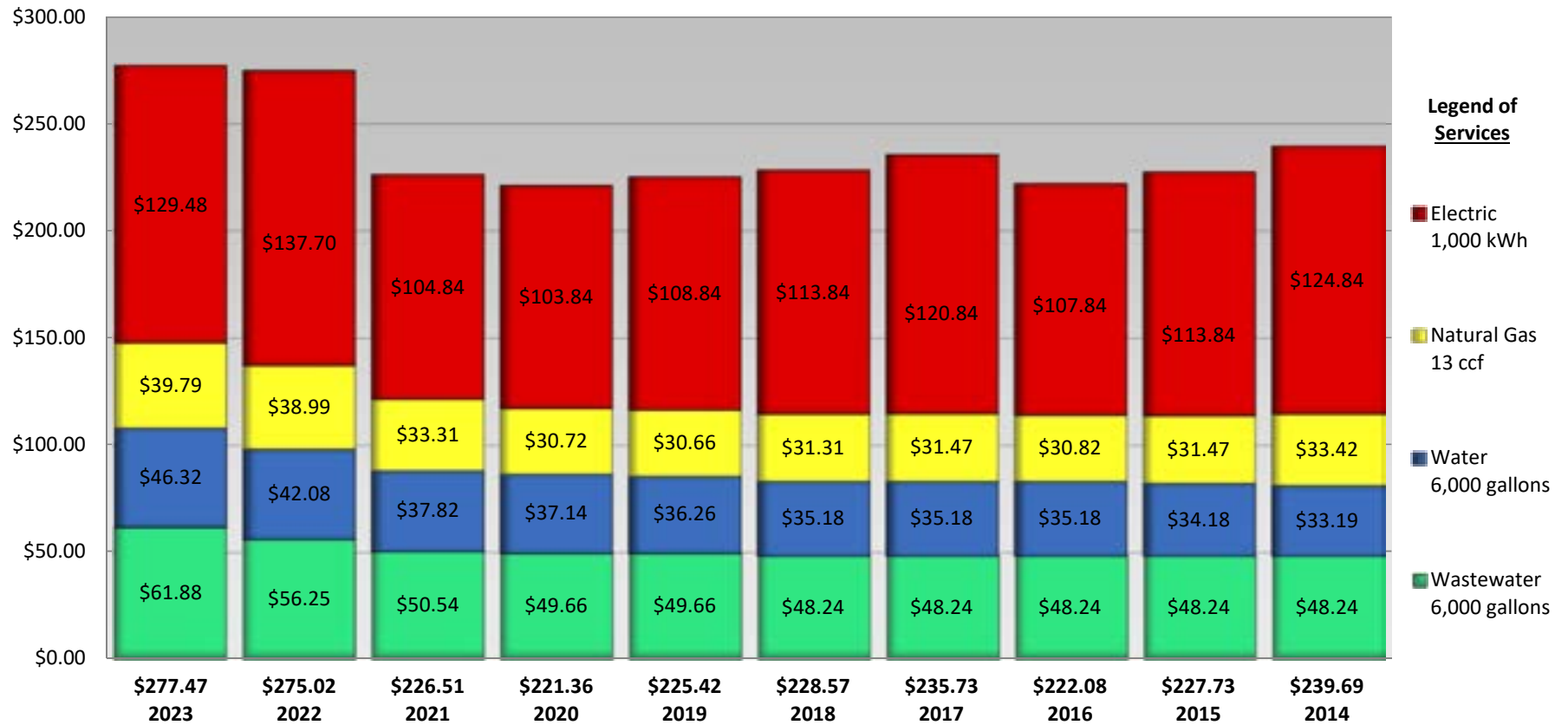
<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
274,339	268,973	273,618	272,166	267,525	265,950
47,597	44,915	43,915	44,243	43,850	42,305
<u>321,936</u>	<u>313,888</u>	<u>317,533</u>	<u>316,409</u>	<u>311,375</u>	<u>308,255</u>
199,503	188,706	190,973	193,198	184,261	172,628
47,204	44,725	44,912	45,883	43,522	40,445
<u>246,707</u>	<u>233,431</u>	<u>235,885</u>	<u>239,081</u>	<u>227,783</u>	<u>213,073</u>
<u>568,643</u>	<u>547,319</u>	<u>553,418</u>	<u>555,490</u>	<u>539,158</u>	<u>521,328</u>
977,228	953,524	961,850	907,134	896,997	891,635
519,213	448,681	478,576	485,639	442,529	498,887
<u>1,496,441</u>	<u>1,402,205</u>	<u>1,440,426</u>	<u>1,392,773</u>	<u>1,339,526</u>	<u>1,390,522</u>
687,026	678,972	694,146	665,354	664,402	644,116
207,312	195,718	195,685	181,754	179,748	169,702
<u>894,338</u>	<u>874,690</u>	<u>889,831</u>	<u>847,108</u>	<u>844,150</u>	<u>813,818</u>
<u>343,496</u>	<u>314,748</u>	<u>335,494</u>	<u>327,819</u>	<u>320,144</u>	<u>302,486</u>
<u>2,734,275</u>	<u>2,591,643</u>	<u>2,665,751</u>	<u>2,567,700</u>	<u>2,503,820</u>	<u>2,506,826</u>
2,538,305	2,224,479	2,114,141	2,024,641	2,091,516	2,006,259
430,370	440,858	427,855	436,048	453,139	450,403
8	738	104	181	128	173
580	278	494	857	1,605	1,215
<u>1,688,760</u>	<u>1,635,710</u>	<u>1,624,410</u>	<u>1,593,130</u>	<u>1,642,320</u>	<u>1,670,980</u>
<u>4,658,023</u>	<u>4,302,063</u>	<u>4,167,004</u>	<u>4,054,857</u>	<u>4,188,708</u>	<u>4,129,030</u>
730,146	725,643	740,121	712,513	687,268	682,611
218,172	182,984	170,391	158,987	177,356	178,122
<u>948,318</u>	<u>908,627</u>	<u>910,512</u>	<u>871,500</u>	<u>864,624</u>	<u>860,733</u>
586,400	577,746	592,358	567,945	568,243	552,000
49,668	47,981	49,491	46,633	49,849	47,286
<u>636,068</u>	<u>625,727</u>	<u>641,849</u>	<u>614,578</u>	<u>618,092</u>	<u>599,286</u>
<u>1,584,386</u>	<u>1,534,354</u>	<u>1,552,361</u>	<u>1,486,078</u>	<u>1,482,716</u>	<u>1,460,019</u>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>ELECTRIC</b>										
Customer Charge <sup>(1)</sup>	\$ 6.60	\$ 6.31	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01
Rate Per kWh (up to 750 kWh)	0.11102	0.10965	0.10822	0.10822	0.10822	0.10822	0.10822	0.10822	0.10822	0.10822
PCA Per kWh <sup>(2)</sup>	0.00900	0.01900	(0.01200)	(0.01300)	(0.00800)	(0.00300)	0.00400	(0.00900)	(0.00300)	0.00800
<b>GAS</b>										
Customer Charge <sup>(1)</sup>	\$ 15.48	\$ 14.81	\$ 13.94	\$ 13.69	\$ 13.37	\$ 13.37	\$ 13.14	\$ 13.14	\$ 13.14	\$ 13.14
Rate Per CCF (up to 100 CCF)	1.63	1.58	1.52	1.50	1.48	1.48	1.46	1.46	1.46	1.46
PGA Per CCF <sup>(3)</sup>	0.24000	0.28000	(0.03000)	(0.19000)	(0.15000)	(0.10000)	(0.05000)	(0.10000)	(0.05000)	0.10000
<b>WATER</b>										
Customer Charge <sup>(1)</sup>	\$ 18.24	\$ 16.58	\$ 14.90	\$ 14.64	\$ 14.30	\$ 13.88	\$ 13.88	\$ 13.88	\$ 13.48	\$ 13.09
Rate Per 1,000 Gallons (up to 10,000 gallons)	4.68	4.25	3.82	3.75	3.66	3.55	3.55	3.55	3.45	3.35
<b>WASTEWATER</b>										
Customer Charge <sup>(1)</sup>	\$ 19.64	\$ 17.85	\$ 16.04	\$ 15.76	\$ 15.76	\$ 15.30	\$ 15.30	\$ 15.30	\$ 15.30	\$ 15.30
Rate Per 1,000 Gallons	7.04	6.40	5.75	5.65	5.65	5.49	5.49	5.49	5.49	5.49

- (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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Electric</b>										
\$1/Mwh Reduction in the Energy Rate										(0.90%)
\$4/Mwh Reduction in the Energy Rate										
FPSC Annual Price Index	4.53%									
Rate Sufficiency		5.00%								
<b>Water</b>										
FPSC Annual Price Index	1.17%	1.17%	1.79%	2.36%						
WW Plant Relocation	5.00%	5.00%								
Rate Sufficiency	5.00%	5.00%			3.00%			3.00%	3.00%	3.70%
<b>Wastewater</b>										
FPSC Annual Price Index	1.17%	1.17%	1.79%							1.60%
WW Plant Relocation	5.00%	5.00%								
Rate Sufficiency	5.00%	5.00%			3.00%					
<b>Natural Gas</b>										
FPSC Annual Price Index	4.53%	1.17%	1.79%	2.36%		1.76%				1.60%
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)

As of September 30	BUSINESS-TYPE ACTIVITIES										Total Outstanding Debt	Population	Debt per Capita
	Revenue Bonds <sup>1</sup>					Direct Placement	Loan	Lease	Lease	Total			
	1999 Series	2002 Series	2009 Series	2012 Series	2022 Series	2016 Series	SL County	Capital Equip.	SBITAs				
<b>2023</b>	\$ 8,425	\$ -	\$ -	\$ -	\$ 146,050	\$ 7,504	\$ -	\$ 142	\$ 209	\$ 162,329	49,508	\$ 3,279	
<b>2022</b>	12,289	-	-	-	146,050	7,832	-	11	-	166,182	49,488	3,358	
<b>2021</b>	15,923	-	29,640	-	-	8,153	-	51	-	53,767	48,038	1,119	
<b>2020</b>	19,362	-	30,997	-	-	8,468	-	85	-	58,912	44,476	1,325	
<b>2019</b>	22,601	-	32,304	-	-	8,776	-	114	-	63,795	43,653	1,461	
<b>2018</b>	25,666	-	33,556	-	-	9,078	77	138	-	68,515	43,326	1,581	
<b>2017</b>	28,555	-	34,763	-	-	9,373	124	11	-	72,826	43,409	1,678	
<b>2016</b>	27,227	-	34,760	6,920	-	9,545	131	49	-	78,632	42,489	1,851	
<b>2015</b>	25,954	9,378	34,757	13,751	-	-	137	80	-	84,057	42,119	1,996	
<b>2014</b>	24,747	9,363	34,754	20,498	-	-	137	106	-	89,605	41,188	2,176	

<sup>1</sup> Presented net of original issuance, discounts, and premiums

**FORT PIERCE UTILITIES AUTHORITY**  
**Computation of Debt Service Coverage**  
 Last Ten Years  
 (Dollars in Thousands)

	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
<b>OPERATING INCOME</b>	\$ 12,773	\$ 6,182	\$ 12,310	\$ 10,071	\$ 6,966	\$ 9,960	\$ 11,681	\$ 10,218	\$ 11,027	\$ 9,236
<b>ADD:</b>										
Depreciation Expense	14,544	14,716	14,250	13,373	13,948	12,985	12,769	13,092	12,453	14,982
Investment & Other Income	3,717	314	516	767	795	835	438	388	356	484
Gain on Disposal of Assets	-	16	-	-	-	-	-	-	-	-
Extraordinary Income (Expense)	-	-	-	-	97	(1)	(2)	21	(10)	(427)
Net OPEB Expense	77	76	4	6	11	156	31	30	58	57
<b>NET AVAILABLE INCOME</b>	<u>\$ 31,111</u>	<u>\$ 21,304</u>	<u>\$ 27,080</u>	<u>\$ 24,217</u>	<u>\$ 21,817</u>	<u>\$ 23,935</u>	<u>\$ 24,917</u>	<u>\$ 23,749</u>	<u>\$ 23,884</u>	<u>\$ 24,332</u>
<b>DEBT SERVICE - Bonds &amp; Pooled Loans</b>										
Principal	\$ 5,575	\$ 5,648	\$ 6,076	\$ 6,015	\$ 5,953	\$ 5,897	\$ 5,840	\$ 7,367	\$ 7,086	\$ 6,987
Interest	6,788	2,984	1,584	1,644	1,706	1,762	1,816	2,079	2,291	2,394
<b>NET CASH DEBT SERVICE</b>	<u>\$ 12,363</u>	<u>\$ 8,632</u>	<u>\$ 7,660</u>	<u>\$ 7,659</u>	<u>\$ 7,659</u>	<u>\$ 7,659</u>	<u>\$ 7,656</u>	<u>\$ 9,446</u>	<u>\$ 9,377</u>	<u>\$ 9,381</u>
<b>DEBT SERVICE COVERAGE (TIMES)</b>	<u>2.52</u>	<u>2.47</u>	<u>3.54</u>	<u>3.16</u>	<u>2.85</u>	<u>3.12</u>	<u>3.25</u>	<u>2.51</u>	<u>2.55</u>	<u>2.59</u>

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



# **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**FORT PIERCE UTILITIES AUTHORITY**  
**Demographic and Economic Information**  
 Last Ten Years

Year	City of Fort Pierce Population <sup>1</sup>	St. Lucie County Population <sup>1</sup>	St. Lucie County Labor Force <sup>2</sup>	Total Unemployment <sup>2</sup>	Percentage Rate of Unemployment <sup>2</sup>	St. Lucie County School Enrollment <sup>3</sup>	St. Lucie County Per Capita Income <sup>4</sup>	St. Lucie County Personal Income <sup>4</sup>
<b>2023</b>	49,508*	368,628*	161,710	5,687	3.5	45,875	***	***
<b>2022</b>	49,488	348,742	156,228	4,060	2.6	44,207	52,363	18,782,752
<b>2021</b>	48,038	340,060	152,747	7,630	5.0	41,277	50,038	17,192,028
<b>2020</b>	44,476	322,265	144,957	9,066	6.3	42,627	43,970	14,825,941
<b>2019</b>	43,653	309,359	146,710	5,479	3.7	41,225	41,125	13,501,095
<b>2018</b>	43,326	302,432	140,686	5,626	4.0	42,124	39,374	12,644,172
<b>2017</b>	43,409	297,634	136,063	6,046	4.4	40,678	38,835	12,175,078
<b>2016</b>	42,489	292,826	135,719	7,322	5.4	39,390	36,196	11,094,354
<b>2015</b>	42,119	287,749	129,727	8,238	6.4	41,374	35,829	10,688,079
<b>2014</b>	41,188	282,821	129,004	10,198	7.9	41,158	34,129	9,932,383

Sources:

<sup>1</sup> University of Florida, Bureau of Economic & Business Research

<sup>2</sup> Florida Department of Labor & Employment Security

<sup>3</sup> St. Lucie County School Board

<sup>4</sup> 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<sup>(1)</sup>**  
 Current Year and Nine Years Ago

<b>Employer</b>	<b>2023<sup>(1)</sup></b>			<b>2014</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>% of City Population</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>% of City Population</b>
St. Lucie County School Board	5,253	1	10.61%	5,273	1	12.80%
Lawnwood Regional Medical Center	1,847	2	3.73%	1,339	2	3.25%
Cleveland Clinic Martin Health <sup>(2)</sup>	1,500	3	3.03%	-	-	-
Wal-Mart Distribution Center	1,273	4	2.57%	1,111	3	2.70%
St. Lucie County	791	5	1.60%	606	6	1.47%
Indian River State College	734	6	1.48%	625	5	1.52%
Pursuit Boats <sup>(2)</sup>	684	7	1.38%	-	-	-
Maverick Boat Co Inc <sup>(2)</sup>	580	8	1.17%	-	-	-
St. Lucie County Fire District	539	9	1.09%	434	7	1.05%
City of Fort Pierce	358	10	0.72%	350	9	0.85%
Convey Health Solutions	-	-	-	950	4	2.31%
New Horizons of the Treasure Coast	-	-	-	360	8	0.87%
Tropicana Products	170	18	0.34%	330	10	0.80%
<b>TOTALS</b>	<b>14,004</b>		<b>28.29%</b>	<b>11,378</b>		<b>27.62%</b>

Source:

Economic Development Council of St. Lucie County, St. Lucie County Profile 2022-2023

<sup>(1)</sup>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)

<sup>(2)</sup>Information not available.



# **OPERATING INFORMATION**

**FORT PIERCE UTILITIES AUTHORITY**

**Expenses By System**

Last Ten Fiscal Years

(Dollars in Thousands)

	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>ELECTRIC</b>				
Generation and				
Purchases for Resale	\$ 52,692	\$ 59,000	\$ 41,320	\$ 40,480
Transmission and Distribution	5,968	5,813	5,271	5,215
General and Administrative	11,654	11,221	7,619	8,262
Depreciation	4,511	4,599	4,523	4,335
<b>Total Electric Operating Expenses</b>	<b>74,825</b>	<b>80,633</b>	<b>58,733</b>	<b>58,292</b>
<b>WATER</b>				
Purchases for Resale	-	4	-	-
Plant Operations	4,927	4,722	4,177	4,032
Transmission and Distribution	1,980	2,213	2,111	2,008
General and Administrative	7,771	7,335	4,973	5,492
Depreciation	5,100	5,277	5,134	4,951
<b>Total Water Operating Expenses</b>	<b>19,778</b>	<b>19,551</b>	<b>16,395</b>	<b>16,483</b>
<b>NATURAL GAS</b>				
Purchases for Resale	3,124	3,513	1,971	1,365
Supply and Distribution	1,054	998	1,056	1,052
General and Administrative	1,814	1,644	1,180	1,297
Depreciation	451	482	432	389
<b>Total Natural Gas Operating Expenses</b>	<b>6,443</b>	<b>6,637</b>	<b>4,639</b>	<b>4,103</b>
<b>WASTEWATER</b>				
Plant Operations	2,494	2,351	1,962	1,933
Pumping and Collection	2,483	2,360	2,399	2,184
General and Administrative	5,214	5,148	3,366	3,645
Depreciation	4,146	4,100	4,043	3,628
<b>Total Wastewater Operating Expenses</b>	<b>14,337</b>	<b>13,959</b>	<b>11,770</b>	<b>11,390</b>
<b>MANATEE OBSERVATION AND EDUCATION CENTER</b>				
Plant Operations	392	301	272	285
General and Administrative	291	241	111	167
Depreciation	21	15	13	11
<b>Total MOEC Operating Expenses</b>	<b>704</b>	<b>557</b>	<b>396</b>	<b>463</b>
<b>FPUAnet COMMUNICATIONS</b>				
Purchases for Resale	56	77	78	79
General and Administrative	1,062	821	506	379
Depreciation	337	258	118	70
<b>Total FPUAnet Communications Operating Expenses</b>	<b>1,455</b>	<b>1,156</b>	<b>702</b>	<b>528</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 117,542</b>	<b>\$ 122,493</b>	<b>\$ 92,635</b>	<b>\$ 91,259</b>

**FORT PIERCE UTILITIES AUTHORITY**

**Expenses By System**

Last Ten Fiscal Years

(Dollars in Thousands)

<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
\$ 41,924	\$ 41,402	\$ 43,689	\$ 42,179	\$ 40,343	\$ 43,006
4,958	4,372	4,122	4,091	3,927	4,017
8,778	7,918	7,863	7,460	6,964	6,696
4,291	3,538	4,401	4,508	4,463	4,721
<u>59,951</u>	<u>57,230</u>	<u>60,075</u>	<u>58,238</u>	<u>55,697</u>	<u>58,440</u>
6	-	2	-	7	24
3,886	3,693	3,481	3,304	3,320	3,185
2,045	2,078	1,898	1,743	1,789	1,767
6,100	5,498	4,930	4,726	4,426	4,207
5,542	5,407	4,417	4,454	3,872	4,246
<u>17,579</u>	<u>16,676</u>	<u>14,728</u>	<u>14,227</u>	<u>13,414</u>	<u>13,429</u>
1,788	1,817	1,773	1,556	1,900	2,274
1,051	989	1,024	1,251	1,016	1,018
1,384	1,140	1,016	1,046	978	892
413	362	298	313	274	1,088
<u>4,636</u>	<u>4,308</u>	<u>4,111</u>	<u>4,166</u>	<u>4,168</u>	<u>5,272</u>
1,758	1,804	1,823	1,742	1,766	1,776
2,053	2,209	2,316	1,977	1,909	1,913
3,868	3,647	3,530	3,385	3,113	2,975
3,637	3,613	3,587	3,743	3,779	4,836
<u>11,316</u>	<u>11,273</u>	<u>11,256</u>	<u>10,847</u>	<u>10,567</u>	<u>11,500</u>
273	273	272	267	238	286
210	183	171	186	145	136
11	8	6	6	8	9
<u>494</u>	<u>464</u>	<u>449</u>	<u>459</u>	<u>391</u>	<u>431</u>
78	69	58	48	55	43
377	195	230	194	175	173
64	65	66	73	66	91
<u>519</u>	<u>329</u>	<u>355</u>	<u>315</u>	<u>296</u>	<u>307</u>
<u>\$ 94,495</u>	<u>\$ 90,280</u>	<u>\$ 90,974</u>	<u>\$ 88,252</u>	<u>\$ 84,533</u>	<u>\$ 89,379</u>

**FORT PIERCE UTILITIES AUTHORITY**  
**Electric Energy Sources, Water and Wastewater Statistics**  
 Last Ten Fiscal Years

	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>ELECTRIC STATISTICS</b>				
<b>Sources of Energy (MWh)</b>				
Total Energy Purchased	610,810	599,028	595,749	588,692
<b>Gross Peak Demand (MW)</b>	125	119	115	116
<b>WATER STATISTICS</b>				
<b>Water Production - 1,000 Gallons</b>				
Raw Water Treated	3,646,843	3,581,049	3,573,585	3,438,204
Water from Distribution System	38,484	69,369	58,849	62,869
Less Deep Well Concentrate	(324,830)	(298,281)	(267,880)	(210,750)
Water Used in Plant	(19,960)	(21,585)	(20,960)	(19,764)
Water from or (left-in) Storage	(1,875)	2,882	(435)	112
<b>FINISHED WATER FROM PLANT</b>	<b>3,338,662</b>	<b>3,333,434</b>	<b>3,343,159</b>	<b>3,270,671</b>
Purchased for Resale (Interconnects)	74	966	-	-
<b>Water Pumped to City</b>	<b>3,338,736</b>	<b>3,334,400</b>	<b>3,343,159</b>	<b>3,270,671</b>
Water Used in System	157,093	183,546	163,623	185,704
Water Sales	3,018,845	2,967,513	2,968,059	2,886,797
Losses and Unaccounted for Gallonage	162,798	183,341	211,477	198,170
<b>% of Unaccounted</b>	4.88%	5.50%	6.33%	6.06%
Average Daily Consumption	9,149	9,135	9,157	8,936
Highest Daily Consumption	12,070	10,512	10,838	10,691
Date	6/3/23	1/25/22	5/30/21	3/31/20
Peak Maximum Demand (MG)	16,370	24,722	19,298	13,522
Date	6/3/23	1/25/22	1/6/21	7/12/20
Rainfall (inches)	61.19	64.82	65.42	65.92
<b>WATER RECLAMATION FACILITY</b>				
<b>(In Millions of Gallons per Day)</b>				
Average Daily Flow	6.06	5.64	6.42	5.76
Peak Flow	10.21	11.92	18.96	11.48

**FORT PIERCE UTILITIES AUTHORITY**  
**Electric Energy Sources, Water and Wastewater Statistics**  
 Last Ten Fiscal Years

<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
578,051	572,717	569,684	583,207	559,061	544,751
113	112	112	112	107	106
3,153,294	3,361,321	3,142,178	3,015,157	2,911,231	2,880,512
84,384	81,215	75,158	34,250	2,034	14,718
(154,259)	(202,420)	(174,491)	(155,230)	(142,482)	(142,399)
(19,710)	(33,087)	(23,007)	(20,986)	(19,710)	(19,710)
(1)	(255)	(2,867)	890	(1,678)	(308)
<u>3,063,708</u>	<u>3,206,774</u>	<u>3,016,971</u>	<u>2,874,081</u>	<u>2,749,395</u>	<u>2,732,813</u>
2,813	-	1,105	130	2,021	10,100
<u>3,066,521</u>	<u>3,206,774</u>	<u>3,018,076</u>	<u>2,874,211</u>	<u>2,751,416</u>	<u>2,742,913</u>
280,623	267,414	237,965	195,953	169,338	193,590
2,734,275	2,591,643	2,665,751	2,567,700	2,503,820	2,506,826
51,623	347,717	114,360	110,558	78,258	42,497
1.68%	10.84%	3.79%	3.85%	2.84%	1.55%
8,394	8,793	8,269	7,853	7,535	7,489
9,756	11,196	9,992	9,477	9,285	9,258
5/30/19	2/26/18	3/30/17	3/8/16	2/18/15	5/19/14
12,910	20,863	13,668	15,634	13,355	14,329
6/24/19	8/3/18	9/28/17	3/28/16	5/27/15	5/5/14
49.27	51.61	58.03	69.65	40.08	56.11
4.99	5.96	5.33	6.40	3.79	4.00
7.72	14.21	13.30	13.83	8.75	12.25

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

Department	9/30/2023	9/30/2022	9/30/2021	9/30/2020
01 Manatee Observation & Education Center	4	4 P	4 P	4 P
02 Treasure Coast Energy Center	11 D	11 D	15 D	15 D
10 Board	5	5	5	5
11 Director of Utilities	2	2	2	2
12 General Counsel	2	1	1	1
14 Regulatory Affairs	4	4	4	3
15 Human Resources	3	3 D	3 D	3 D
18 Safety	1	1	1 P	1 P
21 Finance	9	11 D	11 D	11
22 Materials Management	7	7	7 D	6 D
31 Director of Utility Support Services	1	3	2	2
32 Information Technology Services	16	17	17	17
35 Facilities	6	6	6	5
41 Public Affairs & Sustainability	4	1	1	1
43 Customer Service	23 D	29 D	28 D	26 D
44 Utility Operations	18 D	-	-	-
46 Geospatial Technology Services	5	4	-	-
51 Director of Electric & Gas Systems	2 D	1 D	1	1
54 Electric Transmission and Distribution	27 D	27 D	25 D	25
55 Electric Operations	11 D	24 D	24 D	24 D
56 Electric & Gas Engineering	9 P	10 P	13 P	13 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	28 D	27 D
66 Water/Wastewater Engineering	12 D,P	12 D,P	13 D,P	13 P
74 Gas Operations	15 D	15 D	15 D	15
82 Water Reclamation	16 D	16 D	16 D	16 D
84 Wastewater Collection	20 D	20	20 D	20
93 FPUAnet Communications	9	7	4	4
<b>TOTAL</b>	<u>296</u>	<u>295</u>	<u>292</u>	<u>286</u>

D - Includes D.R.O.P. Participant employees

P - Excludes part-time employees

Utility Operations was created FY 2023 from employees from Customer Service and Electric Operations

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

<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
4 P	4 P	3 P	3 P	3 P	2 P
15 D	15 D	13	13	13 D	14 D
5	5	5	5	5	5
2	2	2	2	2	2
1	1	1	1	1	1
-	-	-	-	-	-
3 D	3	3	3	3	3
1 P	1 P	1 P	1 P	4 D	4 D
13	13	13	13	13	12
6 D,P	6 P	6 P	6 P	4 P	4 P
2	2	1	1	1	1
17	17 D	17 D	17 D	17 D	16 D
5	5	5	5 D	5 D	5
1	1	-	-	1	1
26 D	26 D	26 D	26 D	26 D	26 D,P
-	-	-	-	-	-
-	-	-	-	-	-
1	1	1	1	1	1 D
25	23	23 D	23 D	21 D	46 D
23 D	23 D	24 D	24 D	25 D	-
13 D,P	11 D	9 P	9	9	9 D
1	1	1	1	1 D	1 D
25 D	25 D	24 D	24 D	23 D	23 D
27 D	27 D	28 D	28 D	29 D	28 D
13 P	12	11 P	11	11 P	11 D
15	15 D	15 D	15 D	15 D	15 D
16 D	16 D	16 D	16 D	16 D	16 D
20	20 D	19 D	19 D	19 D	20 D
3	3	3 D	2 D	2 D	2 D
<u>283</u>	<u>278</u>	<u>270</u>	<u>269</u>	<u>270</u>	<u>268</u>

**FORT PIERCE UTILITIES AUTHORITY**  
**Performance Indicators**  
 Last Ten Fiscal Years

	FY 2023	FY 2022	FY 2021	FY 2020
<b>SAFETY</b>				
Frequency Rate	0.80	1.25	0.40	2.04
DART/Severity Rate *	1.30	3.75	2.77	17.51
Workers' Compensation Experience Modification Factor	0.67	0.74	1.11	1.21
<b>FINANCIAL</b>				
Debt Service Ratio (12 months ended)	2.52	2.47	3.54	3.16
Operating Ratio	0.90	0.95	0.88	0.90
<b>COMPONENT COSTS</b>				
Water Treatment Plant				
\$ / 1,000 gallons raw water	\$2.27	\$2.26	\$1.97	\$2.04
Water Reclamation Facility				
\$ / 1,000 gallons effluent	\$2.01	\$2.05	\$1.48	\$1.64
Electric T&D				
\$ / mile of T & D lines	\$27,249.49	\$27,554.71	\$22,838.11	\$23,249.60
\$ / number of services	\$34.74	\$35.11	\$28.71	\$29.36
Water Distribution				
\$ / 1,000 gallons billed	\$1.88	\$1.94	\$1.76	\$1.84
\$ / number of services	\$21.18	\$21.91	\$20.31	\$20.92
Wastewater Collection				
\$ / 1,000 gallons billed	\$2.41	\$2.39	\$2.32	\$2.25
\$ / number of services	\$21.32	\$20.96	\$21.01	\$19.62
Natural Gas Distribution				
\$ / 1,000 ccf billed	\$0.46	\$0.40	\$0.37	\$0.41
\$ / number of services	\$44.05	\$40.35	\$36.85	\$37.75
Lift Stations				
\$ / 1,000 gallons billed	\$0.82	\$0.78	\$0.72	\$0.75
\$ / number of services	\$7.22	\$6.87	\$6.48	\$6.56
Industrial Pre-Treatment				
\$ / Customers	\$1,280.75	\$1,362.33	\$1,129.98	\$1,142.53
FPUAnet Communications				
\$ / Customers	\$976.46	\$1,264.89	\$733.04	\$491.19
Administration				
\$ / number of services	\$21.00	\$16.17	\$14.41	\$14.53

\* 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

<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
3.10	3.77	5.30	4.11	5.30	4.10
0.00	213.84	170.84	89.00	79.00	80.00
1.28	0.97	0.97	0.97	0.79	0.87
2.85	3.12	3.25	2.51	2.55	2.59
0.91	0.92	0.89	0.90	0.88	0.91
\$2.48	\$2.21	\$1.99	\$2.02	\$1.88	\$1.94
\$1.98	\$1.60	\$1.78	\$1.46	\$2.46	\$2.70
\$24,073.82	\$20,530.49	\$21,860.34	\$21,636.69	\$20,112.83	\$20,633.15
\$30.39	\$25.93	\$27.56	\$27.27	\$26.13	\$27.11
\$1.97	\$2.11	\$1.92	\$1.88	\$1.88	\$1.89
\$21.68	\$22.36	\$21.05	\$20.01	\$19.69	\$20.04
\$2.30	\$2.47	\$2.60	\$2.39	\$2.36	\$2.68
\$19.81	\$20.90	\$22.31	\$19.61	\$19.41	\$21.77
\$0.43	\$0.43	\$0.41	\$0.49	\$0.40	\$0.59
\$40.36	\$37.41	\$34.36	\$39.54	\$33.16	\$47.71
\$0.68	\$0.72	\$0.66	\$0.75	\$0.71	\$0.79
\$5.89	\$6.12	\$5.62	\$6.14	\$5.80	\$6.38
\$888.13	\$916.33	\$919.02	\$927.50	\$985.46	\$903.78
\$540.93	\$423.99	\$414.79	\$345.35	\$348.35	\$328.03
\$14.60	\$14.48	\$14.96	\$14.51	\$14.59	\$14.60

**FORT PIERCE UTILITIES AUTHORITY**  
**Performance Indicators**  
 Last Ten Fiscal Years

	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>HUMAN RESOURCES</b>				
Overtime Ratio	0.075	0.056	0.067	0.052
Sick Leave Ratio	0.058	0.041	0.039	0.032
Overtime vs. Annual Overtime Budget	120.98%	97.53%	122.33%	120.04%
Training Hours vs. Regular Hours Worked	1.95%	1.97%	2.73%	1.91%
Training Dollars vs. Budgeted Salary Dollars	1.69%	2.75%	2.40%	2.51%
Annual Turnover Rate	12.24%	17.69%	12.66%	7.00%
<b>CUSTOMER SERVICE</b>				
Number of connections	10,207	9,606	9,365	10,163
Number of disconnections	11,476	11,464	11,671	11,363
Number of accounts to collection agency	1,321	1,007	1,139	1,110
Amount of accounts written off				
Electric	\$238,955	\$92,296	\$256,722	\$122,572
Water	\$43,491	\$16,550	\$46,031	\$21,981
Natural Gas	\$3,475	\$1,204	\$3,354	\$1,602
Wastewater	\$38,773	\$14,854	\$41,317	\$19,729
Customer Charges	\$14,408	\$5,680	\$66,201	\$57,542
Communications	\$365	\$119	\$331	\$155
Number of service orders				
Started	44,407	41,784	54,697	38,516
Completed	44,411	42,871	48,293	37,777

**FORT PIERCE UTILITIES AUTHORITY**  
**Performance Indicators**  
 Last Ten Fiscal Years

<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
0.053	0.058	0.073	0.050	0.046	0.046
0.030	0.043	0.037	0.038	0.038	0.034
120.09%	132.07%	176.47%	114.22%	120.48%	114.96%
3.56%	2.11%	2.10%	2.87%	2.93%	2.53%
3.59%	3.12%	1.51%	2.00%	1.92%	1.69%
9.00%	9.00%	10.64%	12.40%	8.60%	12.08%
10,237	12,231	13,534	14,109	15,663	16,238
12,314	12,818	12,795	13,316	14,800	15,338
1,269	1,498	1,353	1,622	1,890	1,852
\$28,984	\$112,847	\$184,794	\$200,966	\$99,489	\$256,860
\$5,189	\$20,226	\$33,140	\$36,032	\$17,826	\$46,081
\$364	\$1,461	\$2,415	\$2,639	\$1,366	\$3,302
\$4,658	\$18,156	\$29,744	\$32,324	\$16,050	\$41,325
\$1,790	\$6,952	\$11,371	\$12,371	\$6,141	\$15,770
\$50	\$157	\$232	\$257	\$42	\$371
42,120	40,193	41,243	45,028	44,505	49,837
41,846	40,524	41,014	44,937	44,389	49,740

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

As of September 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>ELECTRIC</b>										
Miles of transmission and distribution lines	423	441	435	432	432	428	428	428	440	443
<b>WATER</b>										
Miles of water mains	411	403	400	396	393	390	385	385	385	385
Number of hydrants	1,787	1,728	1,715	1,702	1,689	1,661	1,645	1,642	1,629	1,622
Number of surficial wells	37	37	36	36	36	36	36	36	36	36
Number of floridan wells	11	11	11	11	11	11	11	11	11	11
<b>NATURAL GAS</b>										
Miles of main lines	194	178	175	171	171	171	171	170	167	168
Miles of service lines	83	83	82	81	81	81	81	80	80	80
<b>WASTEWATER</b>										
Miles of force mains	105	101	100	100	97	97	97	97	97	97
Miles of gravity sewer lines	180	179	177	175	174	172	172	172	172	172
Number of lift stations	121	121	121	119	118	118	117	117	117	116
<b>FPUAnet</b>										
Miles of Fiber Line	112	110	110	*	*	*	*	*	*	*

\* Data not available

**FORT PIERCE UTILITIES AUTHORITY**  
**Ten Largest Customers**  
 Fiscal Year 2023

Ranking	Customer Name	Utility Service	Unit Sales	Revenues	Total
1	St. Lucie County Board of County Commissioners	Electric (kWh)	13,725,451	\$2,032,433	
		Water (kgal.)	422,799	2,640,974	
		Wastewater	137,970	1,302,691	
		Natural Gas (ccf)	44,492	75,807	
		Internet		139,062	\$6,190,967
2	St. Lucie County School Board	Electric (kWh)	21,277,330	\$3,185,158	
		Water (kgal.)	33,077	302,924	
		Wastewater	29,438	314,255	
		Natural Gas (ccf)	32,423	77,872	\$3,880,208
3	Lawnwood Regional Medical Center	Electric (kWh)	24,162,314	\$2,610,794	
		Water (kgal.)	26,737	153,836	
		Wastewater	23,974	190,747	
		Natural Gas (ccf)	400,708	485,525	
		Internet		12,638	\$3,453,540
4	Fort Pierce Utilities Authority	Electric (kWh)	18,988,385	\$2,594,479	
		Water (kgal.)	5,506	60,852	
		Wastewater	2,689	43,165	
		Natural Gas (ccf)	31,791	45,353	
		Internet		494,078	\$3,237,928
5	Indian River State College	Electric (kWh)	17,107,469	\$2,432,267	
		Water (kgal.)	23,814	197,738	
		Wastewater	18,957	200,744	
		Natural Gas (ccf)	65,598	101,897	
		Internet		11,872	\$2,944,517
6	City of Fort Pierce	Electric (kWh)	10,718,243	\$1,600,741	
		Water (kgal.)	46,270	554,804	
		Wastewater	8,749	115,133	
		Natural Gas (ccf)	2,274	10,287	
		Internet		26,716	\$2,307,680
7	Orchid Island Juice Company	Electric (kWh)	8,367,940	\$1,175,181	
		Water (kgal.)	28,766	144,875	
		Wastewater	27,662	200,408	
		Natural Gas (ccf)	254,533	300,597	\$1,821,060
8	Florida Power & Light Company	Electric (kWh)	4,320	\$1,960	
		Water (kgal.)	299,009	1,616,333	
		Wastewater	105	4,994	\$1,623,288
9	Florida Atlantic University	Electric (kWh)	10,925,781	\$1,486,582	\$1,486,582
10	Fort Pierce Housing Authority	Electric (kWh)	3,590,544	\$548,241	
		Water (kgal.)	32,092	287,599	
		Wastewater	32,996	352,153	
		Natural Gas (ccf)	23,839	77,403	\$1,265,396

TOTAL REVENUES BY UTILITY	Electric	\$17,667,835
	Water	5,959,935
	Wastewater	2,724,289
	Natural Gas	1,174,740
	Internet	684,366
TOTAL COMBINED REVENUES		\$28,211,164



***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, 2023, 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, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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*

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

Fort Pierce, Florida

March 9, 2024

**FORT PIERCE UTILITIES AUTHORITY**  
**Schedule of Expenditures of Federal Awards and State and Local Financial Assistance**  
For the year ending September 20, 2023

<u>Federal/State Grantor/ Federal Program/State Project</u>	<u>Passthrough Entity</u>	<u>CFDA/CSFA Number</u>	<u>Contract/ Grant No.</u>	<u>Expenditures</u>
<b><u>FEDERAL PROJECTS:</u></b>				
<u>Federal Emergency Management Agency (FEMA)</u>				
Hurricane Nicole Emergency Protective Measures	State of Florida	CFDA 97.036	DR4680	\$ 94,237
<u>Department of Economic Opportunity (DEO)</u>				
Sewer Lining Central District (Community Development Block Grant funds)*	State of Florida	CFDA 14.228	IR039	1,456,052
<u>Environmental Protection Agency (EPA)</u>				
MOEC Seagrass Restoration Project at Fort Pierce Yacht Club through Sea & Shoreline Inc	Indian River Lagoon Council	CFDA 66.456	GL01-2211	39,875
<u>Department of Environmental Protection (DEP)</u>				
Ft. Pierce Low Income Sewer Conversion	State of Florida	CFDA 66.460	NS075	<u>124,071</u>
<b>Total Expenditures of Federal Awards</b>				<b><u>\$ 1,714,235</u></b>
<b><u>STATE PROJECTS:</u></b>				
<u>Department of Economic Opportunity (DEO)</u>				
DiGiorgio Road Grant; Florida Job Growth Infrastructure Grant Agreement: Industrial Sewer Connection and Septic Tank Closure*	City of Fort Pierce	CSFA 40.043	G0057	\$ 1,648,788
<u>Florida Department of Environmental Protection (FDEP)</u>				
FPUA Low Income Sewer Infrastructure Reconstruction		CSFA 37.039	LPA0236	574,963
FPUA relocating Wastewater Treatment Plant		CSFA 37.039	LPA0525	216,187
<u>State of Florida, Department of State</u>				
MOEC Program Support Grant: Salary support for Educator and Volunteer Coordinator		CSFA 45.061	23.c.ps.170.720	<u>69,400</u>
<b>Total Expenditures of State and Local Financial Assistance</b>				<b><u>\$ 2,509,337</u></b>
<b>Total Expenditures of Federal and Non-federal Awards</b>				<b><u>\$ 4,223,572</u></b>

\*Denotes a major project

**FORT PIERCE UTILITIES AUTHORITY**  
**Notes to Schedule of Expenditures of Federal Awards and**  
**State and Local Financial Assistance**

September 30, 2023  
(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, 2023. 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, 2023, 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, 2023, the FPUA had no sub-recipients.

***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL AWARD PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL***

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

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited FPUA's compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described 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 federal awards and major state projects for the year ended September 30, 2023. FPUA's major federal programs and 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 federal programs and state projects for the year ended September 30, 2023.

***Basis for Opinion on Each Major Federal Program and 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 Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal Awards (Uniform Guidance)*, and 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 federal programs and 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, the Uniform Guidance, and 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 federal program and state project, as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform guidance and 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 the Uniform Guidance and 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.

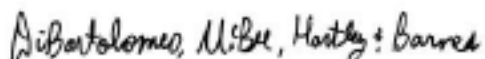
## Report on Internal Control over Compliance

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 federal program or 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 federal program or 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 federal program or 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 Uniform Guidance, and 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, 2024

**FORT PIERCE UTILITIES AUTHORITY**  
**Schedule of Findings and Questioned Costs - Federal Awards and State Projects**  
 Year ended September 30, 2023

**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 _____

*Federal Programs and 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 CFR 200.516(a) or state projects as defined by Rule 10.557	_____	Yes	No	_____ x _____

Identification of Major Projects:

Federal Programs:		
<u>CFDA Number (s):</u>	<u>Name of Federal Program or Cluster:</u>	<u>Year</u>
14.228	Community Development Block Grants	2022-2023

State Projects:		
<u>CSFA Number (s):</u>	<u>Name of State Program or Cluster:</u>	<u>Year</u>
40.043	Economic Development Tax Refund, Tax Credit, and Grant Program	2022-2023

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, 2022.

