EMERALD COAST
UTILITIES AUTHORITY

PENSACOLA, FLORIDA

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Prepared by:
Department of Finance
Justin Smith, CPA
Director of Finance

****This page left blank intentionally****

INTRODUCTORY SECTION

Table of Contents

Letter of Transmittal

Organization Chart

Principal Officials

Certificate of Achievement for Excellence in Financial Reporting

****This page left blank intentionally****

TABLE OF CONTENTS

I. Introductory Section

Letter of Transmittal ..... 1 – 3
Organizational Chart 4
List of Principal Officers 5
Certificate of Achievement for Excellence in Financial Reporting 6

II. Financial Section

Independent Auditor's Report ..... 7 – 9
Management's Discussion and Analysis ..... 10 – 18
Basic Financial Statements:
- Statement of Net Position ..... 19 and 20
- Statement of Revenues, Expenses and Changes in Net Position 21
- Statement of Cash Flows ..... 22 and 23
- Notes to Financial Statements ..... 24 – 55

Required Supplementary Information:
- Schedule of Changes in Total OPEB Liability and Related Ratios 56
- Schedule of Proportionate Share of Net Pension Liability – Florida Retirement System 57
- Schedule of Proportionate Share of Net Pension Liability- Health Insurance Subsidy Program 58
- Schedule of Contributions – Florida Retirement System 59
- Schedule of Contributions – Health Insurance Subsidy Program 60

Supplementary Information:
- Schedule of Revenues and Expenses Compared to Budget 61
- Schedule of Net Position ..... 62 and 63
- Schedule of Revenues, Expenses and Changes in Net Position 64
- Schedule of Cash Flows ..... 65 and 66
- Water and Wastewater System-Schedule of Revenues and Expenses Compared to Budget 67
- Sanitation System – Schedule of Revenues and Expenses Compared to Budget 68
- Material Recycling System - Schedule of Revenues and Expenses Compared to Budget 69

III. Statistical Section – Unaudited

Net Position by Component – Last Ten Years 70
Schedules of Revenues and Expenses – Last Ten Years ..... 71 and 72
Outstanding Debt by Type and Per Customer – Last Ten Fiscal Years 73
Parity Debt Service Coverage – Last Ten Years 74

TABLE OF CONTENTS
(Continued)

III. Statistical Section – Unaudited (continued)

Number of Active Customers at Fiscal Year End – Last Ten Years 75
Principal Customers 76
Principal Employers 77
Recorded Rainfall 78
Water Consumption – Last Ten Years 79
Sewage Plant Flows – Last Ten Years 80
Operating Indicators – Last Ten Years 81
Miscellaneous Statistics – Last Ten Years ..... 82 – 85
Schedule of Insurance ..... 86 and 87

IV. Other Reports

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* ..... 88 and 89
Schedule of Findings and Responses 90
Schedule of Prior Year Findings 91
Management Letter ..... 92 and 93
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes 94

EMERALD COAST UTILITIES AUTHORITY

P.O. Box 17089 • 9255 Sturdevant Street
Pensacola, Florida 32522-7089
ph: 850 476-5110 • fax: 850 494-7346

February 13, 2025

Citizens of Escambia County and
Members of the Board
Emerald Coast Utilities Authority
Pensacola, Florida

The management and staff of the Emerald Coast Utilities Authority (the "Authority") are pleased to present the Annual Comprehensive Financial Report (ACFR) for the year ended September 30, 2024. The financial statements are audited in conformity with Chapter 166.241(1), Florida Statutes, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that 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 that the financial statements are free of any material misstatements.

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. MD&A complements this letter of transmittal and should be read in conjunction with it.

Government Profile

The Authority was created by State legislation in 1981 to acquire, consolidate, manage and operate the water and wastewater systems in Escambia County, Florida. The Authority's service area covers most of southern Escambia County, which is located in the northwestern part of the State of Florida. The Authority is an independent special district and is governed by a board of five members who are elected from districts located in Escambia County. The Authority employs an executive director, who is the chief executive officer of the Authority.

The Authority provides reliable high-quality potable water to over 102,000 customers. The wastewater system serves over 83,000 customers conveying wastewater to three treatment plants with a total capacity of 33.1 million gallons. The Authority began providing sanitation service in 1992 through an acquisition of the system previously operated by Escambia County. Since that time, mandatory garbage collection has been implemented in Escambia County and automated pick-up and recycling have been implemented throughout the service area. The Authority also purchased two additional residential systems in 1994. The Authority serves 97,000 sanitation customers in Escambia County. In September 2016, the Authority opened a Material Recycling Facility in an effort to keep recyclable materials out of the County landfill.

Vicki Campbell District One | Lois Benson District Two | Larry Williams District Three | Dale Perkins District Four | Kevin Stephens District Five

Financial Information

The Authority's financial accounting system is based on the full accrual basis in accordance with generally accepted accounting principles in the United States of America (GAAP). All activities of the Authority are accounted for within a single proprietary (enterprise) fund. The intent of the governing body is that the cost of providing goods or services to the general public is financed primarily through user charges. Operational and maintenance costs, including minor equipment purchases, are funded from customer fees and charges. The acquisition and construction of capital assets are funded by bonds, loans, Federal and State grants, contributions from customers and developers, and customer revenues.

The Authority's Board annually approves an operating budget and a five-year capital improvement budget. Budgetary controls are maintained by the Authority. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is by total appropriations. The Executive Director may approve transfers of appropriations within the budget. However, changes in total appropriations require Board approval. Budget-to-actual comparisons are provided in the Annual Comprehensive Financial Report (ACFR) separately for the combined water and wastewater system, the sanitation system, and for the materials recycling system, as well as for the Authority as a whole. Although these systems do not meet the definition of separate "funds", the Authority has established a policy that each system be self-supporting in accordance with sound accounting policy.

Local economy. Escambia County's unemployment rate increased slightly to 3.8% during 2024. The County continues to maintain a diverse economic base that includes military, industry, shipping, tourism and recreation, agriculture, services, and retail sales trade that fosters economic growth. This sustained growth has led to an increase in per capita personal income and in residential housing construction.

Long-term financial planning. Capital construction planning involves an evaluation and ranking process that begins in advance of the operating budget process. The Board and Committee members, Authority staff, and the public give input culminating in a plan that clearly expresses the capital needs of the Authority. It is the Authority's philosophy that new projects are only undertaken if current and future operating revenues are sufficient to fund the associated operating costs. The fiscal year 2025 capital improvement budget targets funding for system repairs, the Sanitary Sewer Overflow/Inflow and Infiltration program, replacement of antiquated water lines, new equipment to serve additional sanitation customers, replacement of a portion of the fleet, and replacement of certain equipment for the composting activity. Funding for the 2025 capital improvement budget will come from operating revenues, the Capital Improvement Fee, impact fees, funds received from agreements with other entities, and long-term debt. The current capital improvement plan (CIP), funded annually, totals $466.2 million over the next five-year planning period. Details about the fiscal year 2025-2029 CIP budget can be found in the separately issued CIP Budget document found online at www.ecua.fl.gov/news/reports.

Rates and charges. The Authority remains financially sound through conservative budgeting and continuously monitoring costs compared to the budget. Authority staff continues to make a concerted effort to be frugal with expenditures, which helps to keep annual rate increases minimal. In order to provide adequate service to its customers, the Authority must receive sufficient revenue to cover operating and maintenance expenses, planned cash outlays, debt service payments and required cash reserves. Rates are reviewed annually during the budget process based on a cost of service analysis.

Effective October 1, 2024 for fiscal year 2025, the Authority Board approved a 3% increase to water, wastewater, and sanitation rates. These rate increases are necessary to cover the increased operating cost and capital improvement needs for each system.

Independent audit. Chapter 218.39 of the Florida Statutes requires that the Authority's financial statements be audited by an independent certified public accounting firm. This requirement has been satisfied by the certified public accounting firm of Mauldin & Jenkins, LLC. Their report on the Authority's financial statements is included in the financial section of this report.

Awards and Acknowledgements

The Authority has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its ACFR for the fiscal year ended September 30, 2023. This is the thirty-sixth consecutive year the Authority has received this prestigious national award. The certificate recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to receive this award, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. Preparation of this ACFR would not have been possible without the dedicated effort of the entire Finance Department staff. We would also like to thank the Board for their leadership and support for maintaining the highest standards of professionalism in the management of the Authority's finances.

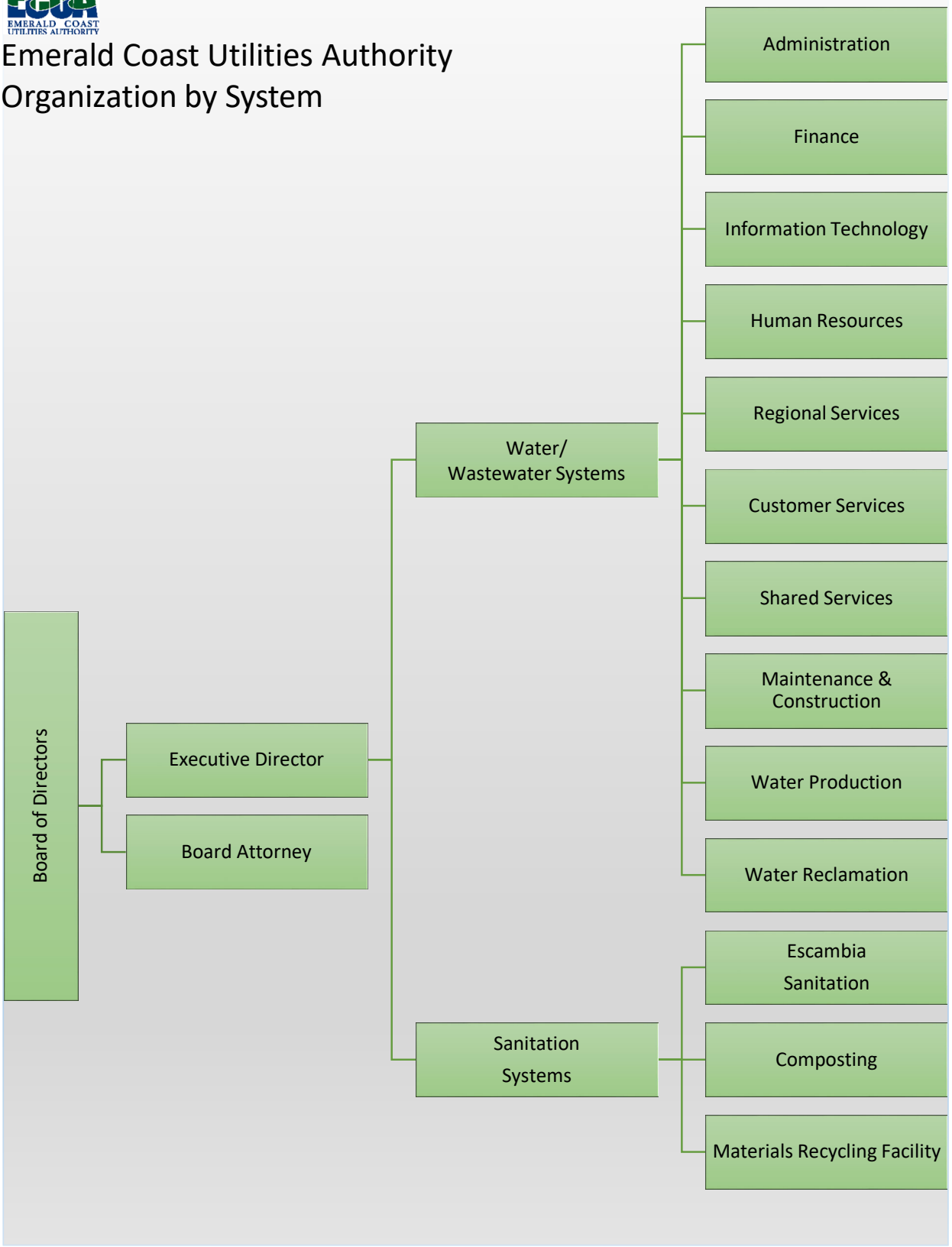
Respectfully submitted,

J. Bruce Woody
Executive Director

Justin Smith
Director of Finance

Organizational Chart

Emerald Coast Utilities Authority
Organization by System



Emerald Coast Utilities Authority

Principal Officials

Elected Board Members

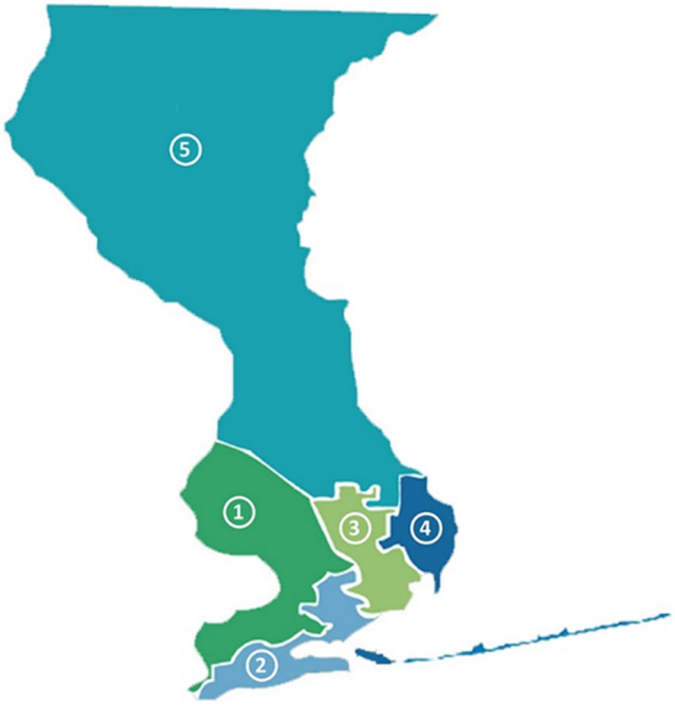
Vicki Campbell, District 1 Chair

Lois Benson, District 2,

Larry Williams, District 3

Dale Perkins, District 4

Kevin Stephens, District 5, Vice Chair



Authority Official

J. Bruce Woody, P.E. Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Emerald Coast Utilities Authority

Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

****This page left blank intentionally****

INDEPENDENT AUDITOR'S REPORT

****This page left blank intentionally****

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Emerald Coast Utilities Authority
Pensacola, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Emerald Coast Utilities Authority (the "Authority"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2024, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 10 through 18), the schedule of changes in the total OPEB liability and related ratios, the schedule of proportionate share of the net pension liability – Florida retirement system, the schedule of proportionate share of the net pension liability – health insurance subsidy program, the schedule of contributions – Florida retirement system, and the schedule of authority contributions – health insurance subsidy program (on pages 56 through 60) 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 the Authority's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and are 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a 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 February 13, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 13, 2025

****This page left blank intentionally****

MANAGEMENT DISCUSSION AND ANALYSIS

****This page left blank intentionally****

Management's Discussion and Analysis offers readers of the Authority's financial statements an overview of the financial activities for the fiscal year ended on September 30, 2024. Please read it in conjunction with the letter of transmittal, the financial statements, and the accompanying notes.

Financial Highlights

- The Authority's financial position continues to be strong with adequate cash and debt service coverage. Assets and deferred outflows exceeded its liabilities and deferred inflows on September 30, 2024 by $792.2 million (net position), a $63.3 million increase over the previous fiscal year, or 8.7%. Of this amount, $128.3 million (unrestricted net position) may be used to meet the Authority's ongoing obligations to customers and creditors. Of the remaining $663.9 million, approximately $612.2 million is the net investment in capital assets while the remainder is restricted for utility plant expansion ($18.9 million) and debt service and other bond requirements ($32.8 million).

- Operating revenue increased by $9.9 million, or 5.7% from fiscal year 2023. This is primarily due to rate increases and a growing customer base. Rainfall during fiscal year 2024 was 61.8 inches, which is significantly below the 10-year average of 73 inches. During fiscal year 2024 the average residential customer's water consumption was approximately 3% less than fiscal year 2023.

- Operating expenses for fiscal year 2024 decreased by $4 million, or 2.7%. While we are still experiencing inflationary pressures in some areas, ECUA was able to gain efficiencies and realize savings in the areas of repairs and maintenance and personnel costs compared to fiscal year 2023.

- Debt service coverage increased from 244% to 291% at the end of the fiscal year. No new parity debt was issued by the Authority during fiscal year 2024.

- The Authority experienced a 0.5% increase in water customers, a 1% increase in wastewater, and a 1% decrease in sanitation customers during fiscal year 2024. The Authority sold 10.9 billion gallons of potable water and processed 7.6 billion gallons of wastewater at its three water reclamation facilities during fiscal year 2024. Authority collection trucks picked up over 122 thousand tons of residential, yard and recycling waste in Escambia County during fiscal year 2024.

- The Authority generated $21.8 million in capital contributions during 2024. This amount consists of $5.8 million of impact fees and other cash contributions for capital projects along with $16 million of non-cash developer contributions in the form of water/wastewater infrastructure. The donation of developer infrastructure increased 59.6% from fiscal year 2023, indicating that developers completed several new projects in Escambia County.

- The capital improvement fee for funding capital improvements within the Water and Wastewater system generated $10.2 million in revenue. The capital funding fee implemented during fiscal year 2019 for the sanitation system generated $1.6 million in revenue and the transfer station fee implemented in fiscal year 2023 generated $1.1 million in revenue. These funds are used to pay for either new or on-going capital projects and/or related debt service to finance the projects.

Overview of the Annual Financial Report

The Annual Comprehensive Financial Report (ACFR) is presented in four sections: Introductory, Financial, Statistical, and Other Reports. The Introductory section includes a letter of transmittal, the Authority's Organization Chart, and a list of Principal Officials. The Financial section includes Management's Discussion and Analysis, Financial Statements with accompanying notes, and the Supplementary Information schedules. The Statistical section includes selected financial, operational, and demographic information generally presented on a multi-year basis. Other reports by the auditor regarding internal accounting controls and compliance with laws and regulations are included in the final section of this report, along with the auditor's management letter.

The Authority is a single enterprise fund even though it provides various utility services. The financial statements present the financial position of the Authority using full accrual accounting methods similar to those used by private sector companies. The financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements.

The **statement of net position** presents information on all of the Authority's assets, liabilities, and deferred inflows and outflows, with the difference reported as net position. Net position over time may serve as a useful indicator of the Authority's financial position.

The **statement of revenues, expenses, and changes in net position** presents the results of the business activities during the reporting period and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. This statement can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges.

The **statement of cash flows** presents changes in cash and cash equivalents, resulting from operating, capital and related financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or the depreciation of capital assets.

The **notes to the financial statements** provide required disclosures and other information essential to fully understand the data provided in the financial statements. The notes present information about the Authority's significant accounting policies, account balances and activities, material risks, obligations, commitments and contingencies.

The **supplementary information** section presents additional financial data, budgetary comparisons, and schedules that focus on the Water and Wastewater System, the Sanitation System, and the Recycling System. The schedule of revenue and expenses compared-to-budget can be used to determine the Authority's compliance with the budget. The separate schedules reflecting financial information for each system can be used to determine if the separate systems have recovered all associated costs for that system. It is the Board's philosophy that each system should be self-supporting.

Financial Analysis

A comparative summary of the Authority's statement of net position as of September 30, 2024 and 2023, is shown below.

Comparative Summary of the Statement of Net Position
As of September 30, 2024 and 2023
(In Thousands)

	2024	2023	Increase (Decrease) Change	%
Current assets	$ 120,605	$ 121,677	$ (1,072)	-0.9%
Non-current assets-other than capital assets	121,047	108,891	12,156	11.2%
Total Capital Assets (Net)	816,788	798,085	18,703	2.3%
Total Assets	1,058,440	1,028,653	29,787	2.9%
Total Deferred Outflows of Resources	9,761	9,795	(34)	-0.3%
Current liabilities	52,667	53,209	(542)	-1.0%
Non-current liabilities	215,841	251,374	(35,533)	-14.1%
Total Liabilities	268,508	304,583	(36,075)	-11.8%
Total Deferred Inflows of Resources	7,467	4,922	2,545	51.7%
Net investment in capital assets	612,197	561,808	50,389	9.0%
Restricted - debt service and bond requirements	32,808	32,231	577	1.8%
Restricted - expansion of utility plant	18,904	18,319	585	3.2%
Unrestricted	128,317	116,585	11,732	10.1%
Total Net Position	$ 792,226	$ 728,943	$ 63,283	8.7%

At the end of fiscal year 2024, the Authority is able to report positive balances in all three categories reported in net position, namely net investment in capital assets, restricted net position, and unrestricted net position. The largest portion of the Authority's net position reflects its investment in capital assets (i.e., land, buildings, improvements, and equipment) less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The Authority's restricted net position represents resources that are subject to restrictions as to how they may be used, namely bond covenants and other restrictions delineated by Board approved Resolutions. The remaining portion, unrestricted net position represents assets that may be used to meet any of the Authority's on-going obligations to customers and creditors.

The Authority's net position increased by 8.7% to $792.2 million as of September 30, 2024, mainly due to an increase in operating revenues and capital contributions. There was a 5% rate increase for all water and wastewater customers, and a 9.5% rate increase for sanitation customers.

In 2024, the Authority completed $12.5 million of projects that were under construction in prior years, added $23.6 million of new capital project completions, received $16 million of capital assets through non-cash contributions, disposed of $1.5 million of assets and recorded $43.5 million in depreciation.

Total Liabilities decreased $36.1 million (11.8%) during fiscal year 2024. This is due to the Authority paying down $32.3 million in principle on long-term debt and a decrease of $3.3 million to the Authority's proportionate share of the Florida Retirement System net pension liability during fiscal year 2024.

A comparison of current unrestricted assets as compared to current unrestricted liabilities for business-type activities can be a good indication of the Authority's ability to meet its current and existing operation responsibilities. The comparison ratios are as follows:

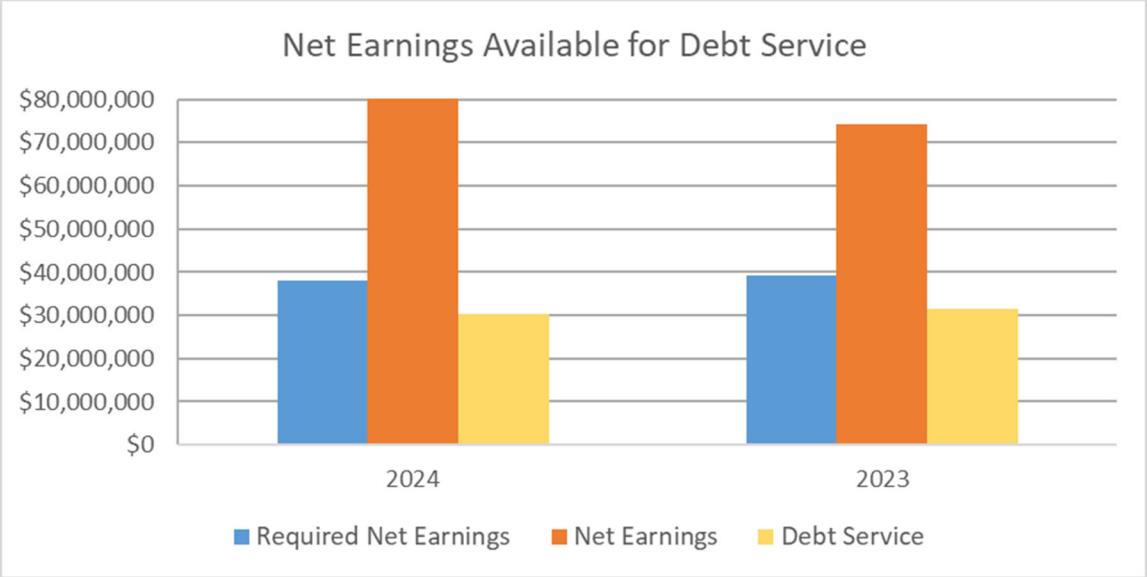
Fiscal year ending September 30:	2024	2023
Current unrestricted assets	$100,988	$101,439
Current unrestricted liabilities	$13,311	$19,021
Ratio of current assets to current liabilities	7.6	5.3

The ratio of current assets to current liabilities is a commonly used balance sheet indicator of cash solvency. A ratio greater than 1.0 is generally viewed as an acceptable indicator of an entity's ability to pay its current obligations. The Authority's current year ratio indicates adequate operating cash flows.

Debt and Debt Service Coverage

In the Authority's bond resolution, the Authority covenants that it will fix, establish, and revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals, and other charges for the use of the product, services and facilities of the System which will always provide gross revenues in each year sufficient to pay 100% of all costs of operation and maintenance of the system, and 125% of the bond service requirement due in each year on all outstanding bonds. The rate covenant in the bond resolution obligates the Authority to review rates annually and to revise such rates and charges as necessary to meet the coverage test and to pay 100% of all costs of operations and maintenance of the System during that fiscal year.

Debt service coverage for 2024 and 2023 was 291% and 244%, respectively, both of which exceeded the debt service covenants requirement of 125%. The Authority believes the ratio is appropriate for the degree of risk in the organization, and it is clear evidence of the strength of its equity. The following table presents the required net earnings as defined by the bond covenants, actual net earnings available for debt service, and total annual debt service. Additional debt service coverage is shown in the statistical section of this report.



At the end of the current fiscal year, the Authority had total notes and bonded debt outstanding of $163.8 million. The Authority did not issue any new bonds or notes during fiscal year 202. Decreases in the amount outstanding were attributable to normal debt service principal reductions for the revenue bonds and notes. The following table summarizes the Authority's outstanding bonded debt and notes:

Outstanding Bonded Debt and Notes:
Emerald Coast Utilities Authority
Outstanding Bonded Debt and Notes

	2024	2023
Utility Systems Revenue Bonds	$ 35,250,000	$ 37,720,000
Utility Systems Revenue Notes	$ 128,509,000	$ 150,049,000
	$ 163,759,000	$ 187,769,000

See Note 7 in the Notes to the Financial Statements section additional information on the Authority's debt.

Revenues

The following Condensed Statement of Revenues, Expenses, and Changes in Net Position, shows the results of operations for the current and the prior fiscal years:

Comparative Summary of the Changes in Net Position
For the Years Ended September 30, 2024 and 2023
(In Thousands)

	2024	2023	Increase (Decrease) Change	%
Operating Revenues:				
Customer charges for services	$ 157,714	$ 149,733	$ 7,981	5.3%
Other revenues	25,479	23,513	1,966	8.4%
Total operating revenues	183,193	173,246	9,947	5.8%
Operating Expenses:				
Water & wastewater system	112,301	112,415	(114)	-0.1%
Sanitation system	30,410	33,762	(3,352)	-9.9%
Materials recycling system	2,420	2,950	(530)	-18.0%
Total operating expenses	145,131	149,127	(3,996)	-2.7%
Operating Income	38,062	24,119	13,943	57.8%
Non-Operating Revenues (Expenses):				
Investment earnings (loss)	10,995	7,295	3,700	50.7%
Interest expense	(7,742)	(8,866)	1,124	-12.7%
Insurance reimbursements	84	174	(90)	-51.7%
Gain (Loss) on disposal on assets	3	118	(115)	-97.5%
Total non-operating revenues (expenses)	3,340	(1,279)	4,619	-361.1%
Gain before contributions	41,402	22,840	18,562	81.3%
Capital Contributions	21,881	18,753	3,128	16.7%
Change in net position	63,283	41,593	21,690	52.1%
Total Net Position - Beginning	728,943	687,350	41,593	6.1%
Total Net Position - Ending	$ 792,226	$ 728,943	$ 63,283	8.7%

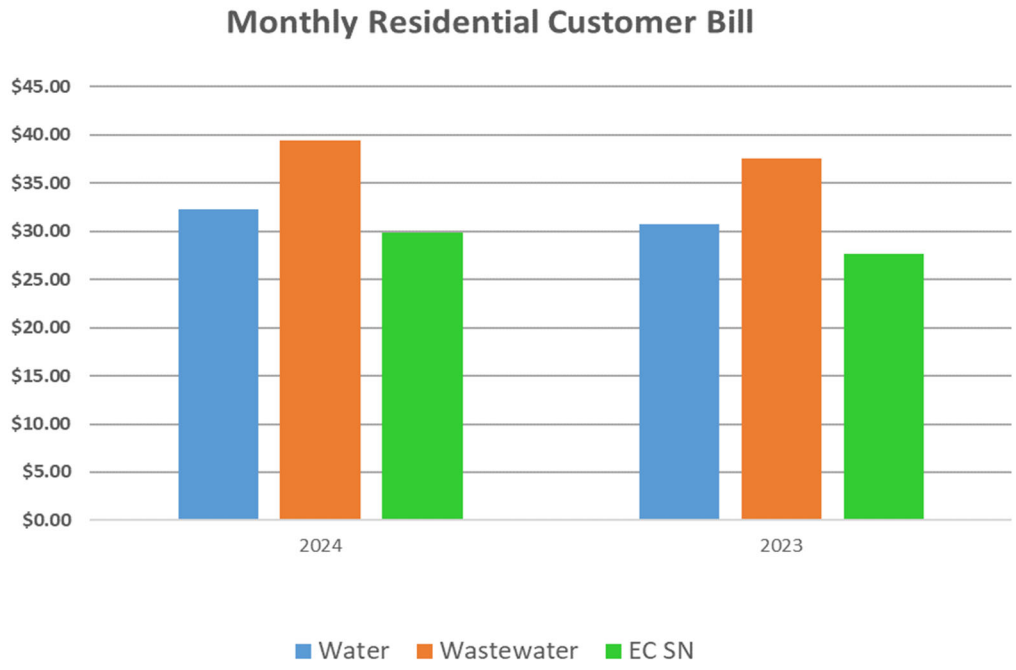
The $9.9 million (5.8%) increase in total operating revenues is the result of the rate increases and customer growth. The demand for housing in northwestern Escambia County remains high as we continue to see new businesses expand into the area. The number of water customers grew by 446 (0.5%) while the number of wastewater customers increased by 1,041 (1%) and sanitation customers decreased slightly by 1,153 (1%).

The Authority Board approved a budget with a 5% rate increase for water and wastewater customers and 9.5% for Escambia County sanitation customers effective October 1, 2023.

Recycling revenue increased by $696 thousand or 8.9% from fiscal year 2023. The MRF processed a total of 21,143 tons of recyclables during fiscal 2024 as compared to 22,434 tons of recyclables during fiscal year 2023, however, the market value of commodities sold increased during fiscal year 2024 allowing the Authority to generate more revenue. During fiscal year 2024 the average value of materials sold was $151 per ton as compared to an average of $83 per ton in fiscal year 2023.

Non-cash developer contributions decreased 59.6% from the previous fiscal year and water and wastewater connection fees increased 12.73% indicating that residential housing construction is underway in the new developments. Non-cash contributions reflect the utility system contributions by builders and developers. The large increase from fiscal year 2023 indicates a significant amount of new construction completions in Escambia County. The utility system contributions are primarily residential and have been completed in accordance with plans and specifications approved by the Authority. These contributions are not budgeted, as they are generally non-cash, of limited relevance to rate setting, and the timing is not subject to the Authority control.

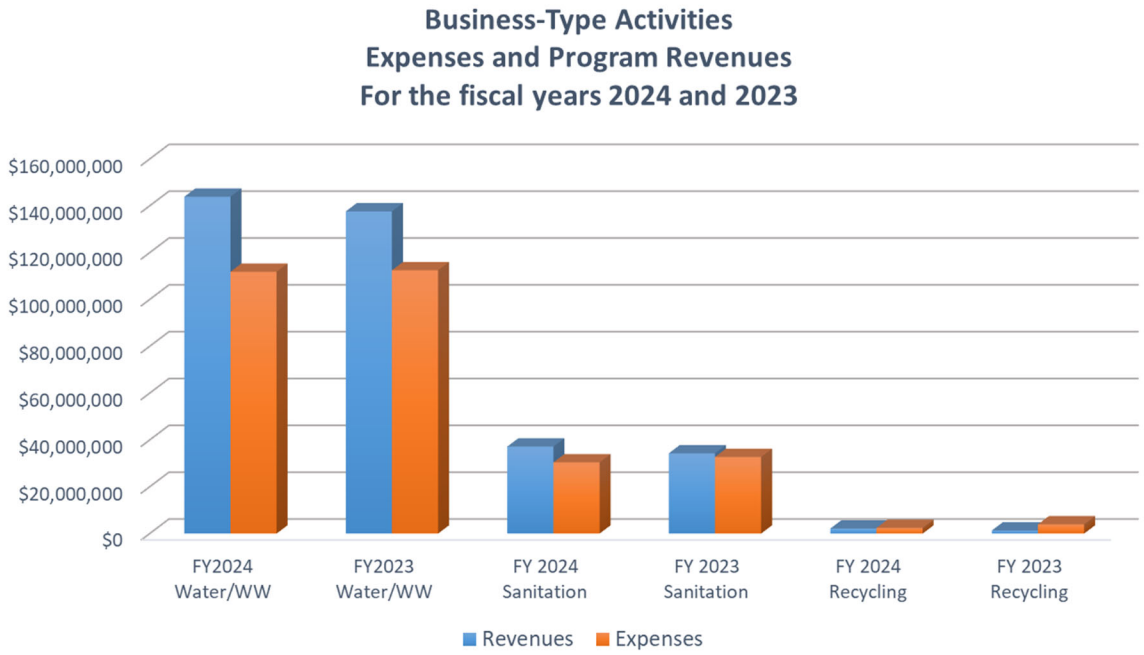
The table below shows the average monthly residential customer's bill for the fiscal years 2024 and 2023. The charges are calculated using the typical residential consumption of 6,100 gallons of water and 4,600 gallons of wastewater.



Expenses

Operational expenses are broken down into three categories: water and wastewater service, sanitation service and recycling service. Operating expenses totaled $145 million for fiscal year 2024, a 2.7% decrease from the previous fiscal year. Water and wastewater operating expenses remained relatively steady with a decrease of only $114 thousand (0.1%) compared to 2023. Sanitation operating expenses decreased approximately $3.4 million (9.9%) in fiscal year 2024 primarily due to savings in repair and maintenance costs. Operating expenses for the Materials Recycling Facility (MRF) decreased by $530 thousand (18%) from the previous fiscal year due to gaining operational efficiencies and processing less materials than the previous fiscal year.

The graph below compares the expenses to the program revenues supporting the operations.



Capital Assets

During 2024, the Authority spent $44.9 million for construction and equipment, consisting of the following: $13.6 million to upgrade or replace sewer lines, $3.8 million for vehicles and equipment, $1.4 million to upgrade or replace lift stations, $4.7 million on utility relocations and $17.1 million to upgrade or replace water distribution lines.

The following lists some of the Authority's completed capital projects for fiscal year 2024:

- Construction totaling $4.2 million was completed on the Bob Sikes Bridge redundant water main.
- Construction totaling $6.1 million was completed on the Detroit Blvd Lift Station 50 replacement.
- Construction totaling $1.9 million was completed on the Scenic Hills water main replacement.
- Construction totaling $1.9 million was completed on phase I of the Osceola Country Club Estates water main replacement.

- Construction totaling $1.1 million was completed on the Lee Street sewer expansion project.
- $871 thousand for on-going costs to repair and replace Sanitary Sewer Manholes.
- $5.5 million for on-going costs for Sanitary Sewer Lateral Lining.
- $761 thousand for on-going costs to repair and replace water meters throughout the system.
- $1.5 million for on-going costs to repair and replace water service renewals.
- $5.1 million on various vehicles, trucks, and other equipment
- $34.4 million worth of projects are still under construction at the end of the fiscal year.

See Note 6 in the Notes to the Financial Statements section for additional information on the Authority's capital assets.

Economic Factors and Next Year's Budget and Rates

The 2025 budget approved by the Board establishes funding at a level that maintains current programs and provides for enhancements to our existing level of service as well as funding $51.4 million for capital improvements. The capital improvement program will be funded with fiscal year 2024 carry forward funds, current year revenues, capital improvement fees, and impact fees. The capital improvement budget includes $10 million for the Inflow and Infiltration construction phase of the Florida Department of Environment Protection consent order. The remaining $41.4 million is for other normal infrastructure projects and vehicle and equipment replacements. The operating budget, which includes a 3% rate increase for water and wastewater customers, continues to support costs associated with compliance for inflow and infiltration and lab tests mandated by the consent order, the community awareness campaign, and other increases to normal operating costs due to inflation.

The Authority Board approved a 3% increase in the Escambia sanitation rates to cover increased operating expenses due to growth in the service areas. The sanitation budget contains funding for increases in normal operating costs such as personnel, contractual services for day laborers, repair and maintenance, fuel and lubricants, and tipping fees at the Escambia County landfill due to our growing customer base. The fiscal year 2025 sanitation budget also includes funding for the purchase of approximately 8 residential collection vehicles to replace a portion of our aging fleet that have reached the end of their useful life.

No rate setting is involved with the MRF. The Authority is now managing operations in-house and has interlocal agreements with several nearby cities and counties to accept their recyclable materials. Revenues from the sale of the recovered materials and the tipping fees from entity's that utilize the facility pay for the entire operation, including debt service.

Requests for Information

This financial report is designed to provide the Authority's ratepayers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Emerald Coast Utilities Authority, Director of Finance, PO Box 17089, Pensacola, FL 32522-7089, or e-mail justin.smith@ecua.fl.gov.

****This page left blank intentionally****

BASIC FINANCIAL STATEMENTS

****This page left blank intentionally****

EMERALD COAST UTILITIES AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

ASSETS	
Current assets:	
Cash and cash equivalents (note 3)	$60,063,464
Receivables (net of allowance for uncollectibles) (note 4)	23,657,614
Grants receivable	941,883
Due from other governmental units	1,300,000
Inventory (note 1)	14,906,717
Restricted cash and investments: (note 5)	
Debt service sinking fund	16,274,132
Customer deposits	3,342,925
Prepaid expenses	118,432
Total current assets	120,605,167
Noncurrent assets:	
Due from other governmental units	2,600,000
Restricted cash and investments (see note 5):	
Restricted by debt agreements	18,413,699
Restricted for capital improvement program	98,440,520
Self-insurance reserves (note 10)	570,399
Capital assets: (note 1 & 6)	
Land and other non-depreciable assets	63,564,920
Depreciable assets (net of accumulated depreciation)	753,223,391
Unamortized debt issuance costs (net of accumulated amortization) (note 1)	1,022,020
Total noncurrent assets	937,834,949
Total assets	1,058,440,116
Deferred Outflows of Resources:	
Loss on bond refunding	608,220
Other postemployment benefits (note 12)	399,231
Pensions (note 11)	8,753,212
Total deferred outflows of resources	9,760,663

(continued)

The accompanying notes are an integral part of the financial statements.

EMERALD COAST UTILITIES AUTHORITY

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

LIABILITIES	
Current liabilities:	
Vouchers payable	$8,886,940
Due to other governmental units	256,068
Salaries and benefits payable	1,561,513
Compensated absences payable (note 1 & 7)	1,876,124
Current portion of long-term debt (note 7)	661,812
Accrued interest payable	3,574
Payable from restricted assets:	
Customer deposits	3,342,927
Current portion of long-term debt (note 7)	31,629,904
Accrued interest payable	1,880,140
Contracts payable	1,735,725
Claims liabilities (note 10)	287,680
Other current liabilities	544,578
Total current liabilities	52,666,985
Non-current liabilities:	
Long term debt (note 6)	171,172,320
Compensated absences payable (note 1 & 7)	1,250,750
Other post-employment benefits (note 12)	2,650,336
Net pension liability (note 11)	40,484,720
Claims liabilities (note 10)	282,719
Total non-current liabilities	215,840,845
Total liabilities	268,507,830
Deferred Inflows of Resources:	
Other post-employment benefits (note 12)	1,958,200
Pensions (note 11)	5,508,635
Total deferred inflows of resources	7,466,835
NET POSITION	
Net investment in capital assets	612,196,770
Restricted:	
Debt Service and other bond requirements	32,807,691
Expansion of utility plant	18,904,269
Unrestricted	128,317,384
Total net position	$792,226,114

The accompanying notes are an integral part of the financial statements.

EMERALD COAST UTILITIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Operating revenues:	
Charges for services:	
Water	$53,649,448
Wastewater	69,759,349
Sanitation	34,305,303
Recycling	1,989,273
Connection charges	1,317,509
Sewer improvement fees	6,705,961
Capital improvement/funding fees	12,859,182
Other	2,607,418
Total operating revenues	183,193,443
Operating expenses:	
Personal services	52,126,940
Contractual services	4,589,134
Professional services	667,230
Materials and supplies	14,297,539
Repairs and maintenance	9,625,759
Utilities	8,204,351
Tipping fees	5,985,741
Other	6,141,517
Depreciation and amortization	43,493,421
Total operating expenses	145,131,632
Operating income	38,061,811
Non-operating revenues (expenses):	
Investment earnings (loss)	10,994,488
Interest expense	(7,741,813)
Insurance reimbursements	83,935
Gain (loss) on disposal of assets	3,247
Total non-operating revenues (expenses)	3,339,857
Income before contributions	41,401,668
Capital contributions - impact fees and other	5,925,379
Capital contributions - noncash	15,956,066
Total contributions	21,881,445
Change in net position	63,283,113
Net position at beginning of year	728,943,001
Net position at end of year	$792,226,114

The accompanying notes are an integral part of the financial statements.

EMERALD COAST UTILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Cash flows from operating activities:	
Cash received from customers	$183,755,631
Cash payments to suppliers for goods and services	(50,758,205)
Cash payments to employees for services	(53,661,575)
Net cash provided by operating activities	79,335,851
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(44,898,267)
Contributions for capital assets	5,925,379
Principal paid on long-term debt	(32,184,745)
Interest paid on long-term debt	(7,932,557)
Proceeds from sale of assets	62,905
Insurance reimbursements	83,935
Net cash used in capital and related financing activities	(78,943,350)
Cash flow from investing activities:	
Interest income	8,013,424
Proceeds from sales/maturities of investments	38,796,781
Purchases of investments	(39,496,850)
Net cash provided by investing activities	7,313,355
Net increase in cash and cash equivalents	7,705,856
Cash and cash equivalents at beginning of year	104,542,964
Cash and cash equivalents at end of year	$112,248,820
Reconciliation of cash, cash equivalents , and investments at end of year to Statement of Net Position:	
Current assets:	
Cash and cash equivalents	$60,063,464
Restricted cash and investments	137,041,675
	197,105,139
Less investments	(84,856,319)
Total cash and cash equivalents at end of year	$112,248,820

(continued)

The accompanying notes are an integral part of the financial statements.

EMERALD COAST UTILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$38,061,811
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	43,493,421
Capitalized labor	(914,314)
(Increase) decrease in assets:	
Accounts receivable	(1,722,457)
Due from grants receivable	714,252
Due from other governments	1,300,000
Inventory	(194,142)
Prepaid expenses	49,223
Deferred outflows	(80,221)
Increase (decrease) in liabilities:	
Vouchers payable	(1,293,892)
Salaries and benefits payable	(11,076)
Customer deposits	(108,936)
Compensated absences	180,698
Due to other governments	10,164
Other current liabilities	379,329
Net pension liability	(3,266,555)
Other post-employment benefits	11,697
Claims payable	181,714
Deferred inflows	2,545,135
Net cash provided by operating activities	$79,335,851

Non-cash investing, capital and financing activities

Capital contributions from developers	$15,956,066
Unrealized appreciation in fair value of investments	$2,981,065
Capital related accounts payable	$1,735,725

The accompanying notes are an integral part of the financial statements.

****This page left blank intentionally****

NOTES TO FINANCIAL STATEMENTS

****This page left blank intentionally****

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Emerald Coast Utilities Authority (formerly, the Escambia County Utilities Authority) (the "Authority") was formed pursuant to the provisions of Chapter 81-376 Laws of Florida, Special Acts of 1981 as amended. The Authority is governed by a Board of five members elected from districts located in Escambia Authority, Florida. The purpose of the Authority as mandated by the Legislature is to acquire, consolidate, manage and operate the water and wastewater systems in Escambia Authority.

In addition to its water and wastewater utility, the Authority also operates a sanitation collection utility for both residential and commercial services and a material recycling facility to handle recyclable material. The Authority has established policies that both the sanitation system and the recycling facility be self-supporting.

The Emerald Coast Utilities Authority is an independent special district as defined by Section 218.31, Florida Statutes and is not included for financial reporting purposes as a component unit of Escambia Authority or the City of Pensacola, Florida. There are no organizations that should be considered for inclusion as component units in the Authority's financial statements.

Measurement Focus and Basis of Accounting - The Authority is accounted for as an enterprise fund and uses the flow of economic resources measurement focus and the accrual basis of accounting in the preparation of its annual financial statements, whereby revenues are recognized when earned and expenses are recognized when incurred. The accounting and reporting policies of the Authority conform to the accounting rules prescribed by the Governmental Accounting Standards Board (GASB).

The Authority's financial statements are reported using the accrual basis of accounting, distinguishing operating revenues and expense from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to customers of sales and services. Operating expenses include the cost of providing utility and recycling services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents includes cash on hand, demand deposits, certificates of deposit, money market accounts, savings accounts, investments in the State Board of Administration Florida Local Government Surplus Funds Trust Fund (SBA) and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

Investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for the Authority's position in the Local Government Surplus Funds Trust Fund, which are external 2a7-like investment pool stated at share price. All valuations are based on quoted market prices. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The Authority's investment policy provides asset allocation, issuer, and maturity limits to protect the Authority's cash and investments. The policy allows for a short-term strategy (maturities of 12 months or less) to provide for operating funds and a longer-term strategy (maturities not exceeding 5 years) for the "core" portion of the portfolio. As defined by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments* and for External Investment Pools, money market investments are reported at amortized costs rather than fair value.

Accounts Receivable consisting of unbilled revenues for services delivered during the last month of the fiscal year are accrued based on services rendered for September. Also included are outstanding balances relating to finance agreements. Receivables related to operating revenues are recorded as current assets, net of an allowance for doubtful account of $1,403,400. The allowance is based upon management's specific identification of receivables that may become uncollectible.

Inventory consisting primarily of supplies held for use in maintaining the system is stated at weighted average cost and expenses are recognized when inventories are used.

Restricted Assets are Authority assets that are restricted by specific provisions of rates and charges resolutions, bond resolutions, and other agreements. Assets so designated are identified as restricted assets on the statement of net position.

Capital Assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g. water and sewer pipes) are capitalized at cost when purchased, except for property contributed by customers and developers, which are capitalized at their acquisition value at the date received as estimated by engineers. The Authority's capitalization threshold is $5,000 and an estimated useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is provided using the composite straight-line method over the estimated useful lives of the assets. Estimated useful lives are generally as follows:

Buildings	20 to 50 years
Improvements	20 to 50 years
Equipment	5 to 10 years

Intangible Assets are amounts paid for solid waste collection rights within unincorporated areas of Escambia Authority. The amounts are being amortized over 30 years using the straight-line method.

Debt Issuance Costs are amortized over the estimated life of the issue using the straight-line method. The Authority follows GASB Statement No. 62 which allows matching the regulated rate recovery of the costs if certain criteria are met.

Bond Discounts and Premiums are deferred in the year of issuance and amortized using the effective interest method over the life of the issuance.

Compensated Absences represent the liability under the Authority's policy to permit employees to accumulate a limited amount of earned but unused leave benefits, which are paid upon separation of service. Unpaid compensated absences are recorded as a liability when the benefits are earned.

Other Post-Employment Benefits represent the liability under the provisions of GASB statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits (OPEB)* to report expense and related liabilities (assets), of postemployment benefits other than pensions.

Claims Liabilities represent liabilities for reported claims based on an actuarial review of claims pending and historical experience.

Pension represents the Authority's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates.

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

Deferred Outflows and Inflows of Resources are reported in a separate section from assets and liabilities on the statement of net position. Separate from assets is the statement element, deferred outflows of resources, which represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. Separate from liabilities is the statement element, deferred inflows of resources, which represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Authority has three items that qualify for reporting as deferred outflows of resources, which are the deferred amount on refunding, the deferred outflows related to pensions, and the deferred outflows related to other post-employment benefits. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the remaining life of the original issue or the life of the new issue. In fiscal year 2024, the Authority reports $608,220 related to the refunding of debt. The Authority's other two items that qualify for reporting as deferred inflows of resources relate to the Authority's pensions and other post-employment benefits. The deferred outflows and inflows of resources related to pension and other post-employment benefits are further discussed in Notes 11 and 12.

Net Position is the Authority's equity classified as net position and is further classified in the following components:

Net investment in capital assets consists of all capital assets, net of accumulated depreciation reduced by outstanding debt that is attributable to the acquisition, construction or improvement of those assets. Debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.

Restricted for debt service and other bond requirements represents assets whose use is subject to constraints that are externally imposed by creditors (such as through debt covenants), along with constraints placed on use by revenue bond resolution.

Restricted for expansion of utility plant consists of impact fees received and to be used only for expansion of the utility plant.

Unrestricted net position represents assets that are neither restricted nor invested in capital assets. Authority management has the discretion to make managerial decisions regarding the use of these assets.

Use of restricted resources occurs first when an expense is incurred for purposes for which both restricted and unrestricted resources are available. It is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Revenue and Unearned Revenue represents the customer billing for water, wastewater and sanitation services monthly on a cycle basis. Unbilled revenue between the end of the cycle and the end of the month is accrued. Connection charges are based on actual costs and, accordingly, are recorded as revenue. Connection charges collected in advance are recorded as unearned revenue.

Operating Revenues and Expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority's water, wastewater, and sanitation systems are customer charges for water, wastewater and sanitation services. The Recycling System derives revenue from the sale of processed recyclable materials. Operating expenses include the cost of providing utility and recycling services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Capital Contributions are recognized in the statements of revenues, expenses and changes in net position when earned, and include impact fees, construction grants and property received from customers and developers.

Estimates are used in the preparation of financial statements in conformity with generally accepted accounting principles. This requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Authority's Board approves total budget appropriations only. The Executive Director is authorized to transfer budget amounts between departmental and object codes. However, any revisions that alter the total appropriations must be approved by the Board. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to an object code basis (personal services, contractual services, professional services, etc.). All appropriations lapse at year-end.

Formal budgetary integration is employed as a management tool during the year.

Budgetary Basis of Accounting:

The budget is prepared on a basis that differs significantly from generally accepted accounting principles. The primary differences are as follows:

1) The budget does not include a provision for depreciation expense or amortization of debt issuance costs. It also does not include adjustments for pension and other post-employment benefits related expenses.
2) The budget includes provisions for capital outlay and debt retirement which are not included in the results of operations under generally accepted accounting principles.

The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

NOTE 3 – CASH AND INVESTMENTS

The investment of surplus funds and restricted reserve funds is governed by the Authority's investment policy under the provisions of Section 218.415, Florida Statutes. Investments authorized by the Authority's investment policy and state statute include intergovernmental investment pools, money market funds, including money market mutual funds, interest bearing time deposits or savings accounts in qualified public depositories, direct obligations of the U.S. Treasury and U.S. agencies and instrumentalities, and other investments authorized by law or by resolution for a special district.

Deposits – Cash and Cash equivalents

The Authority's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Acts, as required by Chapter 280, Florida Statutes. As such, these deposits are considered to be entirely covered by federal depository insurance or pooled collateral held the State Treasurer under the provisions of Chapter 280, Florida Statutes. As of September 30, 2024 the carrying value of the Authority's bank deposit accounts was $31,278,017 and the bank balance was $31,423,418.

Investment Portfolio

As of September 30, 2024, investment holdings detailed in the table below are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Measurement and Application*.

	Fair Value	Weighted Average Maturity (Years)
Certificates of Deposit	$ 3,440,150	0.205
Local Government Surplus Funds Trust Fund [(a)]	44,059,173	0.107
Florida Palm Public Assets [(b)]	31,278,495	0.110
Money Market Mutual Fund [(c)]	2,192,985	0.104
U.S. Treasury Securities	58,939,223	1.895
Federal Instrumentalities	11,699,935	1.296
Corporate Notes	12,120,231	1.745
State and Local Government Debt	2,096,930	2.500
Total Investments	$ 165,827,122	

(a) Florida Prime (SBA)'s September 30, 2024 Financial Statement Disclosures report available on the website https://www.prime.sbafla.com/audits/.
(b) FL Palm Public Assets Report on Holdings as of September 30, 2024.
(c) First American Money Market Funds Government Obligations Fund Y fact sheet.

Interest Rate Risk

To the extent possible, an attempt is made to match investment maturities with known cash needs and anticipated cash flow requirements. For operating funds, investment maturities are matched with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than 12 months. For core funds, investments of reserves, project funds, debt proceeds and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five years and the average duration of the funds as a whole may not exceed three years.

The Authority utilizes "weighted average duration" as a measurement of interest rate risk and as of September 30, 2024, the investments had a weighted average duration of 0.995 years.

Credit Risk

The Authority's investment policy permits the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as described below:

1) The Local Government Surplus Funds Trust Fund or any other authorized intergovernmental investment pool shall be rated "AAAm" by Standard & Poor's or the equivalent by another rating agency.

2) Money Market Mutual Funds rated "AAAm" by Standard & Poor's or the equivalent by another rating agency.

3) U.S. Government Treasury Securities, U.S. Government Agencies, and Federal Instrumentalities guaranteed by the U.S. Government or sponsored agencies.

4) Commercial Paper that is rated, at the time of purchase, in the highest tier by a minimum of two nationally recognized statistical rating organizations.

5) Corporate Notes issued by a corporation or bank denominated in U.S. Dollar, that have a long-term debt rating, at the time of purchase, at a minimum single "A" category by any two nationally recognized statistical rating organizations.

6) Banker's Acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" by Standard & Poor's.

7) State and/or Local Government Taxable and/or Tax-Exempt Debt, general obligation or revenue obligation, that have a long-term debt rating, at the time of purchase, at a minimum single "A" category by any two nationally recognized statistical rating organizations or at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.

The Local Government Surplus Funds Trust Fund and the Florida Palm Trust Fund are external 2a7-like investment pool, in which the fair value of the Authority's position in the pool is the same as the value of the pool shares. There are no restrictions on redemptions. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

At September 30, 2024, the Authority's investments had the following credit quality:

Security Type	Standard & Poor's Credit Rating	Portfolio Asset Allocation
Certificates of Deposit	N/A	2.07%
Local Government Surplus Funds Trust Fund*	AAAm	26.57%
Florida Palm**	AAAm	18.86%
Money Market Mutual Funds	AAAm	1.32%
Corporate Notes	AA	1.05%
Corporate Notes	AA-	0.09%
Corporate Notes	A+	1.92%
Corporate Notes	A	2.95%
Corporate Notes	A-	1.30%
State and Local Government Debt	AAA	0.69%
State and Local Government Debt	AA	0.39%
State and Local Government Debt	AA-	0.19%

*Florida Prime (SBA)'s 09/30/2024 Monthly Summary Report available on the website, https://www.sbafla.com/prime/, is the source of the Fund's Credit Rating from Standard & Poor's.

** FL Palm Public Assets Report on Holdings as of September 30, 2024

Custodial Credit Risk

The Authority's investment policy requires securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the Authority should be properly designated as an asset of the Authority. The securities must be held in an account separate and apart from the assets of the financial institution. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

As of September 30, 2024, the Authority's securities portfolio was held with a third-party custodian as required by the Authority's investment policy.

Concentration of Credit Risk

The Authority's investment policy has established asset allocation and issuer limits on the following investments to reduce concentration of credit risk of the Authority's investment portfolio.

	Asset Allocation Maximum	Individual Issuer Limit
Local Government Surplus Funds Trust Fund	100%	N/A
Other Intergovernmental Investment Pools	25%	N/A
Money Market Mutual Funds	50%	25%
U.S. Government Treasury Securities *	100%	N/A
Interest Bearing Time Deposits or Saving Accounts	20%	10%
U.S. Government Agencies	50%	10%
Federal Instrumentalities	100%	25%
Commercial Paper	25%	5%
Corporate Notes	20%	5%
Banker's Acceptances	25%	5%
State/Local Government Tax and/or Tax-Exempt Debt	25%	N/A

* Treasury Strips are limited to 10% of available funds

As of September 30, 2024, the Authority had the following issuer concentrations based on fair value:

	Portfolio Asset Fair Value	Allocation
Certificates of Deposit	$ 3,440,150	2.075%
Local Government Surplus Funds Trust Fund	44,059,173	26.569%
Money Market Mutual Funds	2,192,985	1.322%
Florida Palm	31,278,495	18.862%
U.S. Treasury Securities	58,939,223	35.543%
Federal Instrumentalities:		
Federal National Mortgage Association	1,528,635	0.922%
Federal Home Loan Banks	4,312,908	2.601%
Federal Home Loan Mortgage Corporation	2,556,626	1.542%
Federal Farm Credit Banks	3,301,766	1.991%
Corporate Notes:		
Amazon.com Inc.	1,749,296	1.055%
Bank of America Corp	380,591	0.230%
Bank of Montreal	254,023	0.153%
Bank of New York Mellon Corp	251,616	0.152%
Caterpillar Financial Services Crop	153,654	0.093%
Cisco Systems Inc	143,717	0.087%
Colegate-Palmolive Co	233,897	0.141%
Emerson Electric Co	614,644	0.371%
Florida Power & Light Co	256,044	0.154%
Home Depot Inc	315,591	0.190%
Honeywell International	668,092	0.403%
John Deere Capital Corp	1,227,336	0.740%
JPMorgan Chase & Co	381,439	0.230%
Merk & Co	603,359	0.364%
Morgan Stanley	379,151	0.229%
National Rural Utilities Cooperative	251,777	0.152%
PACCAR Financial Corp	539,597	0.325%
PepsiCo, Inc.	648,462	0.391%
Pfizer Investment Enterprises	255,646	0.154%
Prologis	248,479	0.150%
Realty Income Corp	256,228	0.155%
Royal Bank of Canda	255,076	0.154%
State Street Corp	255,375	0.154%
Toronto-Dominion Bank	385,248	0.232%
Toyota Motor Credit Corp.	1,158,694	0.699%
Union Pacific Corp	253,199	0.153%
State and Local Government Debt:		
Connecticut St. Txble-Series A	319,749	0.193%
District of Columbia Income Tax	576,816	0.348%
New York Ny Txble-Series D2	640,233	0.386%
Oklahoma City Water Utility	560,132	0.338%
	$ 165,827,122	100%

Fair Value of Investments:

The Authority categorizes its fair value measurements within the fair value hierarchy established under generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 input are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

All the Authority's investments are classified at Level 2.

Securities classified in Level 2 are valued using the following approaches:

- Money Market Mutual Funds: published fair value per share (unit) for each fund;
- U.S. Treasury Securities and Federal Instrumentalities: quoted prices for identical securities in markets that are not active;
- Corporate Notes and State and Local Government Debt: quoted prices for similar securities in active markets.

The Local Government Surplus Funds Trust Fund and the Florida Palm Public Funds are measured at cost and excluded from the fair value hierarchy disclosure.

NOTE 4 – RECEIVABLES

Receivables at year-end for the Authority's system in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts	Notes	Accrued Interest	Gross Receivables	Allowance for Uncollectible	Net
Water/Wastewater	$22,478,853	$38,733	$127,771	$22,645,357	($1,286,900)	$21,358,457
Sanitation	2,318,473	0	0	2,318,473	(116,500)	2,201,973
Materials Recycling	97,184	0	0	97,184	0	97,184
Total business-type activities	$24,894,510	$38,733	$127,771	$25,061,014	($1,403,400)	$23,657,614

NOTE 5 – RESTRICTED CASH AND INVESTMENTS

Cash and investments are restricted either by bond resolutions and other debt agreements or by management's intent to use the assets for specific purposes. Restricted cash and investments are outlined as follows:

	Water/ Wastewater	Sanitation	Totals
Current restricted cash and investments:			
Customer deposits	$3,342,925	$0	$3,342,925
Restricted sinking fund	15,592,711	681,421	16,274,132
	18,935,636	681,421	19,617,057
Non-current restricted cash and investments:			
Restricted by debt agreements:			
Debt service reserve for Series 2010 Loan	3,440,150	0	3,440,150
Operations and m;aintenance	7,070,465	0	7,070,465
Renewal and replacement	7,903,084	0	7,903,084
	18,413,699	0	18,413,699
Restricted for capital improvement program:			
Capital improvement program	78,889,100	0	78,889,100
Impact fees	18,904,269	0	18,904,269
Capital improvement fees	0	647,151	647,151
	97,793,369	647,151	98,440,520
Self-insurance reserves	570,399	0	570,399
Total restricted cash and cash equivalents	$135,713,103	$1,328,572	$137,041,675

NOTE 6 – CAPITAL ASSETS

Capital Assets activity for the year ended September 30, 2024 was as follows:

	Balance at 10/01/2023	Increases	Transfers / Decreases	Balance at 09/30/2024
Capital assets not depreciated:				
Land	$28,660,508	$492,929	$0	$29,153,437
Construction in progress	29,939,993	17,019,538	(12,548,048)	34,411,483
Total capital assets not depreciated	$58,600,501	$17,512,467	($12,548,048)	$63,564,920
Capital assets depreciated:				
Buildings and building improvements	$45,140,500	$0	$0	$45,140,500
Improvements other than buildings	1,120,830,567	52,117,712	0	1,172,948,279
Equipment	105,794,160	5,173,821	(1,485,282)	109,482,699
Total capital assets depreciated	1,271,765,227	57,291,533	(1,485,282)	1,327,571,478
Less accumulated depreciation:				
Buildings and building improvements	13,862,212	1,135,622	0	14,997,834
Improvements other than buildings	443,319,679	36,087,975	0	479,407,654
Equipment	75,098,398	6,269,824	(1,425,623)	79,942,599
Total accumulated depreciation	532,280,289	43,493,421	(1,425,623)	574,348,087
Total capital assets depreciated, net	$739,484,938	$13,798,112	($59,659)	$753,223,391
Intangible assets	$14,996,954	$0	$0	$14,996,954
Less accumulated amortization	14,996,954	0	0	14,996,954
Total intangible assets depreciated, net	$0	$0	$0	$0

NOTE 7 – LIABILITIES

Long-Term Debt:

At September 30, 2024, long-term debt consisted of the following:

	Interest Rates %	Annual Principal	Final Maturity	Amount Outstanding 9/30/2024
Bonds:				
Utility System Refunding Revenue Bonds, Series 2015	2% - 5%	$ 2,175,000 to $ 1,030,000	1/1/2036	$ 35,250,000
Total long-term bonds				35,250,000
Notes From Direct Borrowing:				
Utility System Revenue Note, Series 2008	4.91%	$ 8,630,000 to $ 14,830,000	7/1/2028	52,555,000
Utility System Revenue Note, Series 2010	6.00%	$ 2,027,000 to $ 2,995,000	1/1/2031	18,705,000
Utility System Refunding Revenue Note, Series 2013	2.30%	$ 1,350,000 to $ 1,855,000	1/1/2028	6,840,000
Utility System Refunding Revenue Note, Series 2014	3.12%	$ 855,000 to $ 1,030,000	1/1/2027	3,000,000
Utility System Refunding Revenue Note, Series 2016	2.11%	$ 2,021,000 to $ 2,548,000	1/1/2032	18,957,000
Utility System Revenue Note, Series 2017	2.59%	$ 1,656,000 to $ 12,540,000	1/1/2030	28,452,000
Total long-term notes from direct borrowing				128,509,000
Loans From Direct Borrowing:				
State of Florida Department of Environmental Protection Revolving Loans	2.04% - 3.27%	$ 3,458,729 to $ 4,497,182	10/15/2031	30,067,963
Closed Loop loan - payments due quarterly	0.00%	$ 83,333 to $ 333,332	12/31/2025	416,667
Total long-term loans from direct borrowing				30,484,630
Financed Purchases of Equipment:				
Sanitation Trucks 2018	3.31%	$ 377,715 $ 430,212	12/1/2024	430,212
Sanitation Trucks 2019	3.26%	$ 268,946 to $ 525,012	1/25/2026	793,958
Sanitation Trucks 2020	1.82%	$ 483,591 to $ 433,907	7/1/2027	1,424,951
Sanitation Trucks 2021	1.70%	$ 15,559 to $ 68,447	6/25/2028	254,017
Sub-total for sanitation vehicles & equipment				2,903,138
AMR equipment	4.41%	$ 85,966 to $ 1,114,151	9/30/2027	3,203,076
MRF Robotic Sorters	1.49%	$ 86,696 to $ 343,559	10/29/2028	1,430,619
Total financed purchases of equipment				7,536,833
Long-term debt				201,780,463
Unamortized bond premiums, net				1,683,573
Total long-term debt				203,464,036
Less current maturities				32,291,716
Total long-term debt				$ 171,172,320

There are a number of covenants in the debt agreements. One such covenant requires that the Authority's net revenue each year be equal to at least 125% of annual bond debt service requirements. Debt service coverage for 2024 was 291%.

Long-Term Debt Changes in long-term bonds, notes payable, capital leases, and compensated absences during 2024 are as follows:

Long-Term Debt	Beginning Balance 10/1/2023	Additions	(Reductions)	Long-Term Debt Outstanding 9/30/2024	Amounts Due Within One Year of 09/30/2024
Bonds:					
Utility System Refunding Revenue Bonds, Series 2015	$ 37,720,000	$0	($2,470,000)	$ 35,250,000	$ 2,600,000
Total long-term bonds	37,720,000	0	(2,470,000)	35,250,000	2,600,000
Notes From Direct Borrowing:					
Utility System Revenue Note, Series 2008	63,955,000	0	(11,400,000)	52,555,000	11,970,000
Utility System Revenue Note, Series 2010	20,984,000	0	(2,279,000)	18,705,000	2,370,000
Utility System Refunding Revenue Note, Series 2013	8,620,000	0	(1,780,000)	6,840,000	1,805,000
Utility System Refunding Revenue Note, Series 2014	3,940,000	0	(940,000)	3,000,000	970,000
Utility System Refunding Revenue Note, Series 2016	21,110,000	0	(2,153,000)	18,957,000	2,199,000
Utility System Revenue Note, Series 2017	31,440,000	0	(2,988,000)	28,452,000	2,187,000
Total long-term notes from direct borrowing	150,049,000	0	(21,540,000)	128,509,000	21,501,000
Loans From Direct Borrowing:					
State of Florida Department of Environmental Protection Revolving Loans	34,978,037	0	(4,910,074)	30,067,963	5,019,185
Closed Loop loan	750,000	0	(333,334)	416,666	333,333
Total long-term loans from direct borrowing	35,728,037	0	(5,243,408)	30,484,629	5,352,518
Financed Purchases of Equipment:					
Sanitation vehicles & equipment	4,351,011	0	(1,447,873)	2,903,138	1,487,821
AMR equipment	4,181,753	0	(978,677)	3,203,076	1,021,898
CNG Station	79,707	0	(79,707)	0	0
Composting equipment	101,478	0	(101,478)	0	0
MRF Robotic Sorters	1,754,220	0	(323,600)	1,430,620	328,479
Total long-term financed purchases	10,468,169	0	(2,931,335)	7,536,834	2,838,198
Total bonds and loans	233,965,206	0	(32,184,743)	201,780,463	32,291,716
Unamortized bond premiums, net	1,834,815	0	(151,242)	1,683,573	0
Total long-term debt	235,800,021	0	(32,335,985)	203,464,036	32,291,716
Compensated Absences	2,946,176	4,142,375	(3,961,677)	3,126,874	1,876,124
	$238,746,197	$4,142,375	($36,297,662)	$206,590,910	$34,167,840

Annual Debt Service Requirements to Maturity to retire long-term bonds, notes, and loans are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 32,291,716	$ 7,127,848	$ 39,419,564
2026	32,302,458	5,935,567	38,238,025
2027	32,774,739	4,729,191	37,503,930
2028	33,268,849	3,480,388	36,749,237
2029	15,691,994	1,863,983	17,555,977
2030 - 2034	50,605,707	4,251,956	54,857,663
2035 - 2039	4,845,000	133,331	4,978,331
Total bond, note, and loan debt service requirements	$201,780,463	$27,522,264	$229,302,727

Advance Refunding of Outstanding Debt in prior years permitted the Authority to issue refunding revenue bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service coverage savings. The Authority has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to insure payment of debt service on the refunded bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the Authority's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2024, eight bond issues are outstanding with an aggregate principal amount of $42,285,000.

NOTE 8 – SEGMENT INFORMATION

The Authority has incurred debt to finance capital acquisitions for each of its systems. All systems are accounted for in a single enterprise fund (i.e., the Authority). However, investors in the revenue bonds and notes rely solely on the revenue generated by the individual system for repayment. Summary financial information by system is presented as follows:

Condensed Statement of Net Position

	Water and Wastewater	Sanitation	Materials Recycling
Assets:			
Current assets [1]	$120,497,490	$7,650,624	$2,005,761
Noncurrent assets	910,707,854	18,889,651	8,237,444
Total assets	1,031,205,344	26,540,275	10,243,205
Deferred outflows of resources	7,100,993	2,659,670	0
Total assets and deferred outflows	$1,038,306,337	$29,199,945	$10,243,205
Liabilities:			
Current liabilities [1]	$48,649,376	$5,784,701	$7,781,616
Long-term liabilities	202,102,062	12,537,895	1,200,888
Total liabilities	250,751,438	18,322,596	8,982,504
Deferred inflows of resources	5,464,458	2,002,377	0
Net Position:			
Net investment in capital assets	590,515,449	15,291,163	6,390,158
Restricted	51,057,924	654,036	0
Unrestricted	140,517,068	(7,070,227)	(5,129,457)
Total net position	782,090,441	8,874,972	1,260,701
Total liabilities, deferred inflows and net position	$1,038,306,337	$29,199,945	$10,243,205

[1] Includes interfund receivables and interfund liabilities that are eliminated in the basic financial statements.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Water and Wastewater	Sanitation	Materials Recycling
Operating revenues:			
Customer charges	$123,408,797	$34,305,303	$1,989,273
Other operating revenue [(2)]	20,460,719	2,864,026	165,325
Total operating revenue	143,869,516	37,169,329	2,154,598
Operating expenses:			
Depreciation and amortization	39,774,295	2,677,833	1,041,293
Other operating expenses [(2)]	72,527,353	27,732,326	1,378,532
Total operating expenses	112,301,648	30,410,159	2,419,825
Operating income (loss)	31,567,868	6,759,170	(265,227)
Nonoperating revenues (expenses):			
Investment earnings (loss)	10,949,637	44,851	0
Interest expense	(7,632,733)	(85,406)	(23,674)
Insurance reimbursements	10,798	73,137	0
Other nonoperating revenues (expenses)	126	3,121	0
Total nonoperating revenues (expenses)	3,327,828	35,703	(23,674)
Income (loss) before capital contributions and transfers	34,895,696	6,794,873	(288,901)
Capital contributions	21,881,445	0	0
Transfers	0	(1,650,000)	1,650,000
Change in net position	56,777,141	5,144,873	1,361,099
Net position at beginning of year	725,313,300	3,730,099	(100,398)
Net position at end of year	$782,090,441	$8,874,972	$1,260,701

[(2)] – Includes overhead charges between departments that are eliminated in the basic financial statements.

Condensed Statement of Cash Flows

	Water and Wastewater	Sanitation	Materials Recycling
Net cash provided by (used for):			
Operating activities	$69,801,622	$8,542,379	$991,850
Noncapital financing activities	2,750,000	(4,150,000)	1,400,000
Capital and related financing activities	(74,351,708)	(3,791,373)	(800,269)
Investing activities	7,268,504	44,851	0
Net decrease in cash and cash equivalents	5,468,418	645,857	1,591,581
Cash and cash equivalents, beginning of year	102,061,569	2,164,399	316,996
Cash and cash equivalents, end of year	$107,529,987	$2,810,256	$1,908,577

NOTE 9 – CAPITAL CONTRIBUTIONS

Capital contributions include contributions from other governments and grant funds awarded to the Authority. Capital contributions for the years ended September 30, 2024 are as follows:

Capital contributions - cash:	
Impact fees	$4,928,371
Other governmental entities	799,456
Other contributions	197,552
	$5,925,379
Capital contributions - noncash:	
Property contributed by developers and others	$15,956,066

NOTE 10 – RISK MANAGEMENT

The Authority has established a self-insurance program to cover its risk of loss related to general liabilities and workers' compensation claims. The Authority purchases excess insurance coverage for workers' compensation claims with a $300,000 deductible in order to protect itself against catastrophic losses. Settled claims have not exceeded this excess coverage in any of the last three fiscal years. The Authority's policy fully covers its risks related to workers' compensation claims incurred after July 1, 2015. Excess insurance coverage is not purchased for general liabilities claims because the sovereign immunity limits of the State of Florida essentially restricts general liabilities claims to $200,000 per person and $300,000 per occurrence. General liabilities claims above $200,000 would have to be approved by the State Legislature.

Claims expenses and liabilities are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used to compute claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The Authority does not discount its claims liabilities. Management believes that there are no significant liabilities for claims incurred but not reported at September 30, 2024.

Changes in the estimated liability for self-insured losses for the past two years are as follows:

	2024	2023
Claims liabilities, beginning of year	$ 388,685	$ 462,585
Claims incurred and changes in estimates	831,700	143,375
Claims paid	(649,986)	(217,275)
Unpaid claims, ending	570,399	388,685
Estimated claims due within one year	(287,680)	(198,126)
Estimated claims due longer than a year	$ 282,719	$ 190,559

At September 30, 2024, the Authority has restricted cash of $570,399 for purposes of funding its claims liabilities.

NOTE 11 – RETIREMENT PLANS

Florida Retirement System:

The Authority participates in the Florida Retirement System (FRS) which is a cost sharing multiple employer contributory retirement system administered by the State of Florida (State). The FRS was established in 1970 by Chapter 121, Florida Statutes. In 2002, the FRS was amended to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. Chapter 112, Florida Statutes established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple employer defined benefit pension plan to assist retired members of any state-administered retirement system in paying the cost of health insurance.

The FRS offers two retirement options – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. The FRS Investment Plan is a defined contribution plan in which participants are vested after one year of service. Members in the Investment Plan decide how their funds are allocated between various investment accounts and the funds are portable upon termination if the participant is vested. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

The State of Florida Retirement System issues a publicly available Annual Comprehensive Financial Report (ACFR) which includes financial statements and required supplementary information. Also available are the pension systems actuarial reports to support the schedules of employer allocations and schedules of pension amounts by employer. These reports are available online at http://www.dms.myflorida.com/workforce_operations/retirement/publications

The ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Research and Education Section
P.O. Box 9000
Tallahassee, FL 32315-9000
850-907-6500 or toll free at 844-377-1888

FRS Pension Plan:

Plan Description – The FRS Pension Plan (Pension Plan) is a cost-sharing, multiple employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. Retirees receive a lifetime pension benefit with joint and survivor payment options.

Benefits Provided – The FRS Pension Plan covers Authority employees hired before January 1, 1996 and all employees hired after September 30, 2007. The Pension Plan provides retirement and disability benefits, death benefits and survivor's benefits. Retirement benefits are set by State Statutes and are based on a formula comprised of age, average compensation, length of FRS service, and membership class. Average compensation is computed as the average of an individual's five highest years of earnings for employees hired before July 1, 2011 or the eight highest years of earnings for employees hired on or after July 1, 2011. Benefits fully vest after six years of creditable service for members initially enrolled in the FRS before July 1, 2011 and eight years for members initially enrolled on or after July 1, 2011. The amount of benefit payments is also affected by the retirement income option chosen by the plan participant.

Effective July 1, 2011, all FRS members, excluding Deferred Retirement Option Program (DROP) members and re-employed retirees are required to contribute 3% of their gross salary to FRS on a pre-tax basis.

The Deferred Retirement Option Program (DROP) is an elective program available for members of the FRS when the member first reaches eligibility for normal retirement. The DROP permits employees eligible for normal retirement under the Pension Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Contributions – The Authority is required to contribute at an actuarially determined rate. These rates are a percent of annual covered employees' salaries. Contribution rates are the same whether the employee is in the Pension Plan or the Investment Plan. The employer contribution rates at September 30, 2024 were 13.63% for regular participants, 34.52% for senior management, 58.68% for elected officials, and 21.13% for DROP participants. Employees are required to contribute 3% of their annual salary, while members participating in DROP are not required to make the 3% contribution.

The Authority's contributions to the Pension Plan totaled $5,047,215 for the year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024 the Authority reported a net pension liability of $27,621,762 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Authority's proportionate share of net pension liability was based on the Authority's fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2024, the Authority's proportionate share was 0.071402285%.

For the year ended September 30, 2024 the Authority recognized pension expense of $3,829,116 related to the Pension Plan. In addition, the Authority 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 acutal experience	$ 2,790,540	$ -
Change in assumptions	3,785,816	-
Net difference between projected and actual earnings on Pension Plan investments	-	1,835,886
Changes in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	403,364	1,408,271
Authority Pension Plan contributions subsequent to measurement date	1,138,323	-
	$ 8,118,043	$ 3,244,157

The deferred outflows of resources to the Pension Plan totaling $1,138,323 resulting from Authority contributions to the Pension Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Year Ending September 30	
2025	$ (700,520)
2026	4,373,272
2027	53,267
2028	(182,254)
2029	191,798
Thereafter	-
	$ 3,735,563

Actuarial Assumptions – The total pension liability in the July 1, 2024 actuarial valuations was determined using the following actuarial assumptions:

	2024
Inflation	2.40%
Salary increases, average, including inflation	3.50%
Investment rate of return, net of pension plan investment expense, including inflation	6.70%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return on assumption of 6.7% used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.4% as most recently adopted in October 2024 by the FRS Actuarial Assumption Conference; 2) an inferred real (in excess of inflation) return of 4.2%. Geometrically combining those building blocks using the formula (1 + .024) x (1 + .0420) – 1 generates an expected nominal return of 6.7%.

For reference, the table below contains a summary of Milliman's in-house assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the 2.4% inflation assumption. The Milliman assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Policy Allocation*	Annual Arithmetic Return	Compound Annual (Geometric) Return	Annual Standard Deviation
Cash equivalents	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Assumed inflation - mean			2.4%	1.5%

*Summarized current target allocation policy, as provided by Aon Hewitt Investment Consulting

Discount Rate – The discount rate used to measure the total pension liability was 6.70% for the July 1, 2024 valuation. The FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in Discount Rate – The following table demonstrates the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability to the Authority if the discount rate was 1.00% higher (7.70%) or 1.00% lower (5.70%) than the current discount rate of 6.70% at June 30, 2024.

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Authority's proportionate share of the net pension liability	$ 48,585,712	$ 27,621,762	$ 10,060,007

Pension Plan Fiduciary Net Position – Detailed information about the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems ACFR.

Payables to the Pension Plan – At September 30, 2024 the Authority reported payables of $395,263 for the outstanding amount of contributions to the Pension Plan required for the year ended September 30, 2024.

HIS Program:

Plan Description – The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs.

Benefits Provided – For the year ended September 30, 2024 eligible retirees and beneficiaries received a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement, with a minimum payment of $45 and a maximum payment of $225 per month pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. At September 30, 2024, the contribution rate was 1.66%. The Authority contributed 100% of its statutorily required contributions for the current and preceding four years. HIS Program contributions are deposited in a separate trust fund from which payments are authorized.
The Authority's contributions to the HIS Program totaled $613,438 for the year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024 the Authority reported a net pension liability of $12,862,958 for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Authority's proportionate share of net pension liability was based on the Authority's fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2024 the Authority's proportionate share was .085747467%.

For the year ended September 30, 2024 the Authority recognized pension expense of $327,426 related to the HIS Program. In addition, the Authority 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 acutal experience	$ 124,201	$ 24,699
Change in assumptions	227,644	1,522,808
Net difference between projected and actual earnings on HIS investments	-	4,652
Changes in proportion and differences between Authority HIS contributions and proportionate share of contributions	81,449	712,319
Authority HIS contributions subsequent to measurement date	201,875	-
	$ 635,169	$ 2,264,478

The deferred outflows of resources related to pensions totaling $201,875 resulting from Authority contributions to the HIS Program subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Program will be recognized in pension expense as follows:

Year Ending September 30	
2025	$ (375,175)
2026	(400,083)
2027	(484,572)
2028	(323,009)
2029	(191,852)
Thereafter	(56,493)
	$ (1,831,184)

Actuarial Assumptions – Actuarial valuations for the HIS Program are conducted biennially. The HIS pension liability in the July 1, 2024 actuarial valuations was determined using the following actuarial assumptions:

Inflation	2.40%
Salary increases, average, including inflation	3.50%
Investment rate of return, net of pension plan investment expense, including inflation	3.93%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study conducted for the FRS Pension Plan.

Discount Rate – The municipal bond rate used to measure the total pension liability was 3.93% for the June 30, 2024 measurement date. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93% was used to determine the total pension liability for the plan (Bond Buyer General Obligation 20-Bond Municipal Bond Index).

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in Discount Rate – The following table demonstrates the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability to the Authority if the discount rate was 1.00% higher (4.93%) or 1.00% lower (2.93%) than the current discount rate of 3.93% at June 30, 2024.

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Authority's proportionate share of the net pension liability	$ 14,642,824	$ 12,862,958	$ 11,385,381

Pension Plan Fiduciary Net Position – Detailed information about the HIS Program's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems ACFR.

Payables to the Pension Plan – At September 30, 2024 the Authority reported payables of $48,125 for the outstanding amount of contributions to the HIS Program required for the year ended September 30, 2024.

Applicable totals for the Authority's defined benefit pension plans are listed below:

	FRS Pension	HIS Pension	Total
Net pension liability	$ 27,621,762	$ 12,862,958	$ 40,484,720
Deferred outflows of resources	8,118,043	635,169	8,753,212
Deferred inflows of resources	3,244,157	2,264,478	5,508,635
Pension expense	3,829,116	327,426	4,156,542

Retirement Plan and Trust for the General Employees:

The Authority also sponsors a defined contribution retirement plan covering Authority employees hired after December 31, 1995 and before October 1, 2007 who elected to continue participation in the plan. The Authority established the defined contribution retirement plan to cover substantially all Authority employees hired subsequent to December 31, 1995. Effective October 1, 2007, employees who are eligible to participate in the Authority's defined contribution retirement plan could elect to transfer their participation from the Authority's plan to the FRS Pension Plan. Under the Authority's Plan, which is administered by the Florida League of Cities, Inc., the Authority contributes 8% of the employees' gross salaries. The Plan does not allow for employee contributions. An employee becomes fully vested after six years of employment. The Authority contributed a total of $6,087 for the year ended September 30, 2024 which is equal to the required contribution.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS

The Authority has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This statement sets forth rules for how governmental employers should account for Other Postemployment Benefits ("OPEB").

Plan Description:

The Authority provides healthcare and life insurance benefits for retirees and their spouses in the form of an implicit rate subsidy, as described below. Since this OPEB is directly tied to insurance coverage for active employees, a separate single employer benefit plan has not been established to account for the benefits and obligations related to the implicit rate subsidy. There is no trust fund or equivalent arrangement that meets the criteria in paragraph 4 of GASB Statement No. 75 into which the Authority would make contributions to advance-fund the obligation. Therefore, ultimate subsidies, which are provided over time, are financed directly by general assets of the Authority, which are invested in accordance with the investment policy previously described.

Benefits Provided:

Retirees are required to pay the full amount of the insurance company's stated premium in order to remain covered under the medical plan; however, the premiums charged are based on a blending of the experience among younger active employees and older retired employees.

Since older retirees generally have higher costs, this means that the Authority is subsidizing the cost of the retiree and spouse coverage because it pays all or a significant portion of that premium on behalf of the active employees. This practice is categorized as an "implicit rate subsidy". The Authority has assumed an obligation to pay for the implicit subsidy for the covered lifetimes of the current retirees and their spouses, as well for the covered lifetimes of the current employees after they retire in the future.

The plan also provides all retirees with $10,000 and spouses of retirees with $5,000 of life insurance benefits at a subsidized cost.

The Authority engaged an actuarial firm to determine the estimated obligation associated with the plan. At September 30, 2022, the date of the latest actuarial valuation, plan participation consisted of:

Active participants	582
Retirees, beneficiaries, and disable members	163
	745

Total OPEB Liability:

The Authority's total OPEB liability of $2,650,336 at September 30, 2024, was measured as of September 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs:

The total OPEB liability was determined by an actuarial valuation as of September 30, 2023 using the following actuarial assumptions:

Inflation	2.50%
Salary increases	varies by service
Discount rate	4.63%
Initial Healthcare cost trend rate	6.50%
Ultimate Healthcare cost trend rate	4.00%
Years to Ultimate	54
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees

The GASB 75 discount rate is based on a high-quality municipal bond rate of 4.63%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple rates, the lowest rating is used.

Mortality rates are the same as used in the July 1, 2022 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the SOA with generational mortality improvements using scale MP-2018.

Changes in the Total OPEB Liability were as follows:

Total OPEB liability, September 30, 2023	$2,638,639
Service cost	101,276
Interest	117,562
Differences between Expected and Actual Experience	0
Changes of assumptions	(71,099)
Benefit payments	(136,042)
Net changes	11,697
Total OPEB liability, September 30, 2024	$2,650,336

Changes of assumptions reflects a change in the discount rate from 4.40% percent for the reporting period ended September 30, 2023, to 4.63% for the reporting period ended September 30, 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following represents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.63%) or 1% higher (5.63%) than the current discount rate:

	1% Decrease 3.63%	Current Discount Rate 4.63%	1% Increase 5.63%
Total OPEB liability	$2,984,434	$2,650,336	$2,372,122

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following represents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be of it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00% - 5.50%	Healthcare Cost Trend Rate 4.00% - 6.50%	1% Increase 5.00% - 7.50%
Total OPEB liability	$2,517,806	$2,650,336	$2,811,876

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

For the year ended September 30, 2024, the Authority recognized OPEB expense of $44,991.

At September 30, 2024, the Authority reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$48,812	$42,564
Changes in assumptions	198,614	1,915,636
Changes in contributions subsequent to measurement date	151,805	0
Total	$399,231	$1,958,200

The deferred outflows of resources related to OPEB totaling $151,805 resulting from Authority contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OEPB expense as follows:

Year Ending September 30	
2025	$(173,851)
2026	(198,958)
2027	(222,426)
2028	(205,302)
2029	(232,582)
Thereafter	(677,655)
	$(1,710,774)

NOTE 13 – DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. As required by Internal Revenue Code Section 457, all assets are held in trust for the exclusive benefit of the participants.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Construction Commitments: The Authority has contractual commitments of approximately $26.8 million for construction projects at September 30, 2024.

Legal Contingencies: The Authority is involved in various lawsuits and claims incidental to the normal course of its operations. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Authority.

NOTE 15 – SUBSEQUENT EVENTS

The Authority has evaluated events and transactions that occurred between September 30, 2024 and February 13, 2025, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

On October 31, 2024 the Authority closed on the Utility System Revenue Refunding Bonds, Series 2024. This bond issue refunded $29,975,000 of the Utility System Refunding Revenue Bonds, Series 2015. There were no new monies issued and the final maturity date remains at January 1, 2036. The Authority expects to realize a net present value savings of $1,553,002 over the remaining term of the bonds as a result of this transaction.

REQUIRED SUPPLEMENTARY INFORMATION

****This page left blank intentionally****

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service cost	**$ 101,276**	$ 283,759	$ 272,845	$ 246,291	$ 232,154	$ 205,868	$ 196,420	$ 191,000
Interest	**117,562**	113,363	98,608	147,171	139,709	120,274	98,129	104,000
Diferrences between expected and actual experience	**-**	-	-	(85,132)	-	341,702	-	-
Changes in assumptions	**(71,099)**	(2,066,686)	(183,986)	303,346	28,490	(165,936)	(171,195)	194,000
Benefit payments	**(136,042)**	(146,397)	(134,950)	(147,193)	(136,290)	(116,788)	(102,937)	(93,000)
Net change in total OPEB liability	**11,697**	(1,815,961)	52,517	464,483	264,063	385,120	20,417	396,000
Total OPEB liability - beginning of year	**2,638,639**	4,454,600	4,402,083	3,937,600	3,673,537	3,288,417	3,268,000	2,872,000
Total OPEB liability - end of year	**$ 2,650,336**	$ 2,638,639	$ 4,454,600	$ 4,402,083	$ 3,937,600	$ 3,673,537	$ 3,288,417	$ 3,268,000
Covered-employee payroll **	**$ 32,051,653**	$ 29,810,519	$ 29,965,762	$ 28,582,375	$ 28,734,685	$ 28,695,892	$ 25,843,185	$ 25,843,185
Total OPEB liability as a percentage of covered-employee payroll	**8.27%**	8.85%	15.04%	15.40%	13.70%	12.80%	12.72%	12.65%

*Information provided above was obtained from an actuarial valuation; information prior to fiscal year 2017 was not available.

**Covered employee payroll is projected to the measurement date based on actual covered payroll as of the valuation date using applicable salary increase assumptions.

***There is no trust fund or equivalent arrangement that meets the criteria in paragraph 4 of GASB Statement No. 75 into which the Authority would make contributions to advance-fund the OPEB liability.

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Emerald Coast Utilities Authority's proportion of net pension liability	**0.071402285%**	0.074654286%	0.074815607%	0.077831352%	0.073504315%	0.077203567%	0.078760723%	0.081646413%	0.078801572%	0.080760945%
Emerald Coast Utilities Authority's proportionate share of net pension liability	**$ 27,621,762**	$ 29,747,370	$ 27,837,418	$ 5,879,274	$ 31,857,851	$ 26,587,834	$ 23,723,138	$ 24,158,751	$ 19,897,459	$ 10,431,360
Emerald Coast Utilities Authority's covered payroll	**$ 36,978,630**	$ 35,679,982	$ 32,422,690	$ 33,581,977	$ 32,761,385	$ 31,844,344	$ 30,971,597	$ 31,034,869	$ 28,607,880	$ 27,253,773
Emerald Coast Utilities Authority's proportionate share of net pension liability as a percentage of its covered payroll	74.70%	83.37%	85.86%	17.51%	97.24%	83.49%	76.60%	77.84%	69.55%	38.27%
Plan fiduciary net position as a percentage of the total pension liability	**83.70%**	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

*The amounts presented for each fiscal year were determined as of June 30. Information provided above was obtained from an actuarial valuation.

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Emerald Coast Utilities Authority's proportion of net pension liability	**0.085747467%**	0.088178394%	0.087125407%	0.091766014%	0.092053016%	0.093646368%	0.094811879%	0.097368696%	0.092669862%	0.089813731%
Emerald Coast Utilities Authority's proportionate share of net pension liability	**$ 12,862,958**	$ 14,003,905	$ 9,227,972	$ 11,256,481	$ 11,239,523	$ 10,478,091	$ 10,034,996	$ 10,411,110	$ 10,800,289	$ 9,159,587
Emerald Coast Utilities Authority's covered payroll	**$ 36,978,630**	$ 35,679,982	$ 32,422,690	$ 33,581,977	$ 31,844,344	$ 30,971,597	$ 31,034,869	$ 28,607,880	$ 27,253,773	$ 25,657,425
Emerald Coast Utilities Authority's proportionate share of net pension liability as a percentage of its covered payroll	34.78%	39.25%	28.46%	33.52%	35.30%	33.83%	32.33%	36.39%	39.63%	35.70%
Plan fiduciary net position as a percentage of the total pension liability	**4.80%**	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

*The amounts presented for each fiscal year were determined as of June 30. Information provided above was obtained from an actuarial valuation.

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	**$ 5,047,215**	$ 4,385,274	$ 3,724,766	$ 3,266,915	$ 2,766,382	$ 2,393,868	$ 2,403,030	$ 2,124,834	$ 2,048,599	$ 1,970,003
Contributions in relation to the contractually required contribution	**(5,047,215)**	(4,385,274)	(3,724,766)	(3,266,915)	(2,766,382)	(2,393,868)	(2,403,030)	(2,124,834)	(2,048,599)	(1,970,003)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Emerald Coast Utilities Authority's covered payroll	$ 37,353,045	$ 36,547,315	$ 33,933,672	$ 33,337,402	$ 33,129,030	$ 31,940,773	$ 31,067,591	$ 30,182,539	$ 28,870,691	$ 27,881,118
Contribution as a percentage of covered payroll	13.51%	12.00%	10.98%	9.80%	8.35%	7.49%	7.73%	7.04%	7.10%	7.07%

*The amounts presented for each fiscal year were determined as of September 30.

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	**$ 613,438**	$ 606,111	$ 552,856	$ 535,053	$ 536,034	$ 520,009	$ 515,479	$ 592,534	$ 469,401	$ 451,157
Contributions in relation to the contractually required contribution	**(613,438)**	(606,111)	(552,856)	(535,053)	(536,034)	(520,009)	(515,479)	(592,534)	(469,401)	(451,157)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Emerald Coast Utilities Authority's covered payroll	**$ 37,353,045**	$ 36,547,315	$ 33,933,672	$ 33,337,402	$ 31,940,773	$ 31,067,591	$ 30,182,539	$ 28,870,691	$ 27,881,118	$ 25,830,081
Contribution as a percentage of covered payroll	1.64%	1.66%	1.63%	1.60%	1.68%	1.67%	1.71%	2.05%	1.68%	1.75%

*The amounts presented for each fiscal year were determined as of September 30.

****This page left blank intentionally****

SUPPLEMENTARY INFORMATION

****This page left blank intentionally****

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Actual (GAAP Basis)	Adjustment to Budgetary Basis	Actual (Budgetary Basis)	Budget	Variance
Operating revenues:					
Charges for services:					
Water	$53,649,448	$0	$53,649,448	$53,649,448	$0
Wastewater	69,759,349	0	69,759,349	69,759,349	0
Sanitation	34,305,303	0	34,305,303	34,305,303	0
Recycling	1,989,273	0	1,989,273	1,989,273	0
Connection charges	1,317,509	0	1,317,509	1,317,509	0
Sewer improvement fees	6,705,961	0	6,705,961	6,705,961	0
Capital improvement/funding fees	12,859,182	0	12,859,182	12,859,182	0
Other	2,607,418	0	2,607,418	2,607,418	0
Total operating revenues	183,193,443	0	183,193,443	183,193,443	0
Operating expenses:					
Personal services	52,126,940	789,943	52,916,883	52,916,883	0
Contractual services	4,589,134	0	4,589,134	4,589,134	0
Professional services	667,230	0	667,230	667,230	0
Materials and supplies	14,297,539	0	14,297,539	14,297,539	0
Repairs and maintenance	9,625,759	0	9,625,759	9,625,759	0
Utilities	8,204,351	0	8,204,351	8,204,351	0
Tipping fees	5,985,741	0	5,985,741	5,985,741	0
Other	6,141,517	0	6,141,517	6,141,517	0
Depreciation and amortization	43,493,421	(43,493,421)	0	0	0
Total operating expenses	145,131,632	(42,703,478)	102,428,154	102,428,154	0
Operating income (loss)	38,061,811	42,703,478	80,765,289	80,765,289	0
Non-operating revenues (expenses):					
Interest income	10,994,488	(2,981,065)	8,013,423	8,013,423	0
Interest expense	(7,741,813)	0	(7,741,813)	(7,741,813)	0
Insurance reimbursements	83,935	0	83,935	83,935	0
Gain (loss) on disposal of assets	3,247	0	3,247	3,247	0
Total non-operating revenues (expenses)	3,339,857	(2,981,065)	358,792	358,792	0
Income (loss) before contributions and transfers	41,401,668	39,722,413	81,124,081	81,124,081	0
Capital contributions - impact fees and other	5,925,379	0	5,925,379	5,925,379	0
Capital contributions - noncash	15,956,066	(15,956,066)	0	0	0
Principal sinking fund requirements	0	(32,434,743)	(32,434,743)	(32,434,743)	0
Total contributions and transfers	21,881,445	(48,390,809)	(26,509,364)	(26,509,364)	0
Change in net position	$63,283,113	($8,668,396)	$54,614,717	$54,614,717	$0

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF OF NET POSITION

SEPTEMBER 30, 2024

	Water/ Wastewater	Sanitation	Materials Recycling	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$56,673,203	$1,481,684	$1,908,577	$60,063,464
Receivables (net of allowance for uncollectibles)	21,358,457	2,201,973	97,184	23,657,614
Grants receivable	941,883	0	0	941,883
Due from Sanitation system	2,653,695	0	0	2,653,695
Due from Materials Recycling system	6,895,013	0	0	6,895,013
Due from other governmental units	1,300,000	0	0	1,300,000
Inventory	11,621,171	3,285,546	0	14,906,717
Restricted cash and cash equivalents:				
Debt service sinking fund	15,592,711	681,421	0	16,274,132
Customer deposits	3,342,925	0	0	3,342,925
Prepaid expenses	118,432	0	0	118,432
Total current assets	120,497,490	7,650,624	2,005,761	130,153,875
Noncurrent assets:				
Due from other governmental units	2,600,000	0	0	2,600,000
Restricted cash and investments:				
Restricted by debt agreements	18,413,699	0	0	18,413,699
Restricted for capital improvement program	97,793,369	647,151	0	98,440,520
Self-insurance reserves	570,399	0	0	570,399
Capital assets:				
Land and other non-depreciable assets	60,452,451	3,112,469	0	63,564,920
Depreciable assets (net of accumulated depreciation)	729,855,916	15,130,031	8,237,444	753,223,391
Unamortized debt issuance costs (net of accumulated amortization)	1,022,020	0	0	1,022,020
Total noncurrent assets	910,707,854	18,889,651	8,237,444	937,834,949
Total assets	1,031,205,344	26,540,275	10,243,205	1,067,988,824
Deferred Outflows of Resources:				
Loss on bond refunding	608,220	0	0	608,220
Other postemployment benefits	289,083	110,148	0	399,231
Pensions	6,203,690	2,549,522	0	8,753,212
Total deferred outflows of resources	7,100,993	2,659,670	0	9,760,663

(continued)

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2024

	Water/ Wastewater	Sanitation	Materials Recycling	Total
LIABILITIES				
Current liabilities:				
Vouchers payable	$7,891,471	$810,543	$184,926	$8,886,940
Due to other funds	0	2,653,695	6,895,013	9,548,708
Due to other governmental units	232,466	23,602	0	256,068
Salaries and benefits payable	1,317,066	231,276	13,171	1,561,513
Compensated absences payable	1,497,607	355,397	23,120	1,876,124
Current portion of long-term debt	0	0	661,812	661,812
Accrued interest payable	0	0	3,574	3,574
Payable from restricted assets:				
Customer deposits	3,342,927	0	0	3,342,927
Current portion of long-term debt	30,142,082	1,487,822	0	31,629,904
Accrued interest payable	1,852,755	27,385	0	1,880,140
Contracts payable	1,687,525	48,200	0	1,735,725
Claims liabilities	140,899	146,781	0	287,680
Other current liabilities	544,578	0	0	544,578
Total current liabilities	48,649,376	5,784,701	7,781,616	62,215,693
Non-current liabilities:				
Long term debt	168,571,531	1,415,315	1,185,474	171,172,320
Compensated absences	998,405	236,931	15,414	1,250,750
Other post-employment benefits	2,065,526	584,810	0	2,650,336
Net pension liability	30,209,783	10,274,937	0	40,484,720
Claims liabilities	256,817	25,902	0	282,719
Total non-current liabilities	202,102,062	12,537,895	1,200,888	215,840,845
Total liabilities	250,751,438	18,322,596	8,982,504	278,056,538
Deferred Inflows of Resources:				
Other post-employment benefits	1,440,686	517,514	0	1,958,200
Pensions	4,023,772	1,484,863	0	5,508,635
Total deferred inflows of resources	5,464,458	2,002,377	0	7,466,835
NET POSITION				
Net investment in capital assets	590,515,449	15,291,163	6,390,158	612,196,770
Restricted:				
Debt Service and other bond requirements	32,153,655	654,036	0	32,807,691
Expansion of utility plant	18,904,269	0	0	18,904,269
Unrestricted	140,517,068	(7,070,227)	(5,129,457)	128,317,384
Total net position	$782,090,441	$8,874,972	$1,260,701	$792,226,114

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water/ Wastewater	Sanitation	Materials Recycling	Total
Operating revenues:				
Charges for services:				
Water	$53,649,448	$0	$0	$53,649,448
Wastewater	69,759,349	0	0	69,759,349
Sanitation	0	34,305,303	0	34,305,303
Recycling	0	0	1,989,273	1,989,273
Connection charges	1,317,509	0	0	1,317,509
Sewer improvement fees	6,705,961	0	0	6,705,961
Capital improvement/funding fees	10,170,076	2,689,106	0	12,859,182
Other	2,267,173	174,920	165,325	2,607,418
Total operating revenues	143,869,516	37,169,329	2,154,598	183,193,443
Operating expenses:				
Personal services	39,163,807	12,141,055	822,078	52,126,940
Contractual services	2,631,826	1,194,075	763,233	4,589,134
Professional services	666,918	312	0	667,230
Materials and supplies	12,426,887	1,782,764	87,888	14,297,539
Repairs and maintenance	4,860,539	4,298,843	466,377	9,625,759
Utilities	7,919,195	155,162	129,994	8,204,351
Tipping fees	17,929	5,922,966	44,846	5,985,741
Overhead allocation	(51,876)	1,048,800	(996,924)	0
Other	4,892,128	1,188,349	61,040	6,141,517
Depreciation and amortization	39,774,295	2,677,833	1,041,293	43,493,421
Total operating expenses	112,301,648	30,410,159	2,419,825	145,131,632
Operating income (loss)	31,567,868	6,759,170	(265,227)	38,061,811
Non-operating revenues (expenses):				
Investment earnings (loss)	10,949,637	44,851	0	10,994,488
Interest expense	(7,632,733)	(85,406)	(23,674)	(7,741,813)
Insurance reimbursements	10,798	73,137	0	83,935
Gain (loss) on disposal of assets	126	3,121	0	3,247
Total non-operating revenues (expenses)	3,327,828	35,703	(23,674)	3,339,857
Income (loss) before contributions and transfers	34,895,696	6,794,873	(288,901)	41,401,668
Capital contributions - impact fees and other	5,925,379	0	0	5,925,379
Capital contributions - noncash	15,956,066	0	0	15,956,066
Transfers in (out)	0	(1,650,000)	1,650,000	0
Total contributions and transfers	21,881,445	(1,650,000)	1,650,000	21,881,445
Change in net position	56,777,141	5,144,873	1,361,099	63,283,113
Net position at beginning of year	725,313,300	3,730,099	(100,398)	728,943,001
Net position at end of year	$782,090,441	$8,874,972	$1,260,701	$792,226,114

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water/ Wastewater	Sanitation	Materials Recycling	Total
Cash flows from operating activities:				
Cash received from customers	$144,589,133	$36,888,968	$2,277,530	$183,755,631
Cash payments to suppliers for goods and services	(34,316,574)	(15,985,498)	(456,133)	(50,758,205)
Cash payments to employees for services	(40,470,937)	(12,361,091)	(829,547)	(53,661,575)
Net cash provided by operating activities	69,801,622	8,542,379	991,850	79,335,851
Cash flows from noncapital financing activities:				
Interfund transfers in/(out)	0	(1,650,000)	1,650,000	0
Principal (paid)/received on interfund advance	2,750,000	(2,500,000)	(250,000)	0
Net cash provided by (used in) noncapital financing activities	2,750,000	(4,150,000)	1,400,000	0
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(42,564,028)	(2,215,386)	(118,853)	(44,898,267)
Contributions for capital assets	5,925,379	0	0	5,925,379
Principal paid on long-term debt	(29,978,458)	(1,549,355)	(656,932)	(32,184,745)
Interest paid on long-term debt	(7,802,629)	(105,444)	(24,484)	(7,932,557)
Proceeds from sale of assets	57,230	5,675	0	62,905
Insurance reimbursements	10,798	73,137	0	83,935
Net cash used in capital and related financing activities	(74,351,708)	(3,791,373)	(800,269)	(78,943,350)
Cash flow from investing activities:				
Interest income	7,968,573	44,851	0	8,013,424
Proceeds from sales/maturities of investments	38,796,781	0	0	38,796,781
Purchases of investments	(39,496,850)	0	0	(39,496,850)
Net cash provided by investing activities	7,268,504	44,851	0	7,313,355
Net increase in cash and cash equivalents	5,468,418	645,857	1,591,581	7,705,856
Cash and cash equivalents at beginning of year	102,061,569	2,164,399	316,996	104,542,964
Cash and cash equivalents at end of year	$107,529,987	$2,810,256	$1,908,577	$112,248,820
Reconciliation of cash, cash equivalents , and investments at end of year to Statement of Net Position:				
Current assets:				
Cash and cash equivalents	$56,673,203	$1,481,684	$1,908,577	$60,063,464
Restricted cash and investments	135,713,103	1,328,572	0	137,041,675
	192,386,306	2,810,256	1,908,577	197,105,139
Less investments	(84,856,319)	0	0	(84,856,319)
Total cash and cash equivalents at end of year	$107,529,987	$2,810,256	$1,908,577	$112,248,820

(continued)

EMERALD COAST UTILITIES AUTHORITY
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water/ Wastewater	Sanitation	Materials Recycling	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$31,567,868	$6,759,170	($265,227)	$38,061,811
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	39,774,295	2,677,833	1,041,293	43,493,421
Capitalized labor	(914,314)	0	0	(914,314)
(Increase) decrease in assets:				
Accounts receivable	(1,565,028)	(280,361)	122,932	(1,722,457)
Due from grants receivable	714,252	0	0	714,252
Due from other governments	1,300,000	0	0	1,300,000
Inventory	(946,344)	752,202	0	(194,142)
Prepaid expenses	49,223	0	0	49,223
Deferred outflows	(58,963)	(21,258)	0	(80,221)
Increase (decrease) in liabilities:				
Vouchers payable	(258,922)	(1,135,291)	100,321	(1,293,892)
Salaries and benefits payable	(66,157)	55,468	(387)	(11,076)
Customer deposits	(108,936)	0	0	(108,936)
Compensated absences	253,961	(66,181)	(7,082)	180,698
Due to other governments	8,565	1,599	0	10,164
Other current liabilities	379,329	0	0	379,329
Net pension liability	(2,400,970)	(865,585)	0	(3,266,555)
Other post-employment benefits	8,598	3,099	0	11,697
Claims payable	194,450	(12,736)	0	181,714
Deferred inflows	1,870,715	674,420	0	2,545,135
Net cash provided by (used in) operating activities	$69,801,622	$8,542,379	$991,850	$79,335,851
Non-cash investing, capital and financing activities				
Capital contributions from developers	$15,956,066	$0	$0	$15,956,066
Unrealized appreciation in fair value of investments	$2,981,065	$0	$0	$2,981,065
Capital related accounts payable	$1,687,525	$48,200	$0	$1,735,725

EMERALD COAST UTILITIES AUTHORITY
WATER AND WASTEWATER SYSTEM
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Actual (GAAP Basis)	Adjustment to Budgetary Basis	Actual (Budgetary Basis)	Budget	Variance
Operating revenues:					
Charges for services:					
Water	$53,649,448	$0	$53,649,448	$53,649,448	$0
Wastewater	69,759,349	0	69,759,349	69,759,349	0
Connection charges	1,317,509	0	1,317,509	1,317,509	0
Sewer improvement fees	6,705,961	0	6,705,961	6,705,961	0
Capital improvement/funding fees	10,170,076	0	10,170,076	10,170,076	0
Other	2,267,173	0	2,267,173	2,267,173	0
Total operating revenues	143,869,516	0	143,869,516	143,869,516	0
Operating expenses:					
Personal services	39,163,807	580,620	39,744,427	39,744,427	0
Contractual services	2,631,826	0	2,631,826	2,631,826	0
Professional services	666,918	0	666,918	666,918	0
Materials and supplies	12,426,887	0	12,426,887	12,426,887	0
Repairs & maintenance	4,860,539	0	4,860,539	4,860,539	0
Utilities	7,919,195	0	7,919,195	7,919,195	0
Tipping fees	17,929	0	17,929	17,929	0
Overhead allocation	(51,876)	0	(51,876)	(51,876)	0
Other	4,892,128	0	4,892,128	4,892,128	0
Depreciation	39,774,295	(39,774,295)	0	0	0
Total operating expenses	112,301,648	(39,193,675)	73,107,973	73,107,973	0
Operating income	31,567,868	39,193,675	70,761,543	70,761,543	0
Non-operating revenues (expenses):					
Interest income	10,949,637	(2,981,065)	7,968,572	7,968,572	0
Interest expense	(7,632,733)	0	(7,632,733)	(7,632,733)	0
Insurance reimbursements	10,798	0	10,798	10,798	0
Gain (loss) on disposal of assets	126	0	126	126	0
Total non-operating revenues (expenses)	3,327,828	(2,981,065)	346,763	346,763	0
Income before contributions and transfers	34,895,696	36,212,610	71,108,306	71,108,306	0
Capital contributions - impact fees and other	5,925,379	0	5,925,379	5,925,379	0
Capital contributions - noncash	15,956,066	(15,956,066)	0	0	0
Principal sinking fund requirements	0	(29,978,458)	(29,978,458)	(29,978,458)	0
Total contributions and transfers	21,881,445	(45,934,524)	(24,053,079)	(24,053,079)	0
Change in net position	$56,777,141	($9,721,914)	$47,055,227	$47,055,227	$0

EMERALD COAST UTILITIES AUTHORITY
SANITATION SYSTEM
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Actual (GAAP Basis)	Adjustment to Budgetary Basis	Actual (Budgetary Basis)	Budget	Variance
Operating revenues:					
Charges for services:					
Sanitation	$34,305,303	$0	$34,305,303	$34,305,303	$0
Capital improvement/funding fees	2,689,106	0	2,689,106	2,689,106	0
Other	174,920	0	174,920	174,920	0
Total operating revenues	37,169,329	0	37,169,329	37,169,329	0
Operating expenses:					
Personal services	12,141,055	209,323	12,350,378	12,350,378	0
Contractual services	1,194,075	0	1,194,075	1,194,075	0
Professional services	312	0	312	312	0
Materials and supplies	1,782,764	0	1,782,764	1,782,764	0
Repairs and maintenance	4,298,843	0	4,298,843	4,298,843	0
Utilities	155,162	0	155,162	155,162	0
Tipping fees	5,922,966	0	5,922,966	5,922,966	0
Overhead allocation	1,048,800	0	1,048,800	1,048,800	0
Other	1,188,349	0	1,188,349	1,188,349	0
Depreciation and amortization	2,677,833	(2,677,833)	0	0	0
Total operating expenses	30,410,159	(2,468,510)	27,941,649	27,941,649	0
Operating income (loss)	6,759,170	2,468,510	9,227,680	9,227,680	0
Non-operating revenues (expenses):					
Interest income	44,851	0	44,851	44,851	0
Interest expense	(85,406)	0	(85,406)	(85,406)	0
Insurance reimbursements	73,137	0	73,137	73,137	0
Gain (loss) on disposal of assets	3,121	0	3,121	3,121	0
Total non-operating revenues (expenses)	35,703	0	35,703	35,703	0
Income (loss) before contributions and transfers	6,794,873	2,468,510	9,263,383	9,263,383	0
Transfers (out)	(1,650,000)	0	(1,650,000)	(1,650,000)	0
Principal sinking fund requirements	0	(1,549,351)	(1,549,351)	(1,549,351)	0
Total contributions and transfers	(1,650,000)	(1,549,351)	(3,199,351)	(3,199,351)	0
Change in net position	$5,144,873	$919,159	$6,064,032	$6,064,032	$0

EMERALD COAST UTILITIES AUTHORITY
MATERIALS RECYCLING SYSTEM
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Actual (GAAP Basis)	Adjustment to Budgetary Basis	Actual (Budgetary Basis)	Budget	Variance
Operating revenues:					
Charges for services:					
Recycling	$1,989,273	$0	$1,989,273	$1,989,273	$0
Total operating revenues	2,154,598	0	2,154,598	2,154,598	0
Operating expenses:					
Personal services	822,078	0	822,078	822,078	0
Contractual services	763,233	0	763,233	763,233	0
Materials and supplies	87,888	0	87,888	87,888	0
Repairs and maintenance	466,377	0	466,377	466,377	0
Utilities	129,994	0	129,994	129,994	0
Tipping fees	44,846	0	44,846	44,846	0
Overhead allocation	(996,924)	0	(996,924)	(996,924)	0
Other	61,040	0	61,040	61,040	0
Depreciation	1,041,293	(1,041,293)	0	0	0
Total operating expenses	2,419,825	(1,041,293)	1,378,532	1,378,532	0
Operating income (loss)	(265,227)	1,041,293	776,066	776,066	0
Non-operating revenues (expenses):					
Interest expense	(23,674)	0	(23,674)	(23,674)	0
Total non-operating revenues	(23,674)	0	(23,674)	(23,674)	0
Income (loss) before contributions and transfers	(288,901)	1,041,293	752,392	752,392	0
Transfers in	1,650,000	0	1,650,000	1,650,000	0
Principal sinking fund requirements	0	(906,934)	(906,934)	(906,934)	0
Total contributions and transfers	1,650,000	(906,934)	743,066	743,066	0
Change in net position	$1,361,099	$134,359	$1,495,458	$1,495,458	$0

****This page left blank intentionally****

STATISTICAL SECTION – UNAUDITED

****This page left blank intentionally****

STATISTICAL SECTION - UNAUDITED

This part of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Authority's revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules present information to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides.

****This page left blank intentionally****

EMERALD COAST UTILITIES AUTHORITY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(THOUSANDS OMITTED)
(UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016 *	2015
Net investment in capital assets	**$ 612,197**	$ 561,808	$ 516,221	$ 484,341	$ 455,629	$ 423,417	$ 393,297	$ 407,912	$ 399,285	$ 393,658
Restricted	**51,712**	50,550	44,011	42,543	38,531	41,958	37,406	33,897	32,460	25,871
Unrestricted	**128,317**	116,585	127,118	121,774	119,717	112,201	112,640	80,543	80,329	84,299
Total net position	**$ 792,226**	$ 728,943	$ 687,350	$ 648,658	$ 613,877	$ 577,576	$ 543,343	$ 522,352	$ 512,074	$ 503,828

* Amount includes restatement for other post-employment benefits totaling $1,600,952.

EMERALD COAST UTILITIES AUTHORITY
SCHEDULES OF REVENUE AND EXPENSES
LAST TEN FISCAL YEARS
(THOUSANDS OMITTED)
(UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Revenue:										
Customer charges	**$ 157,714**	$ 149,733	$ 140,032	$ 133,992	$ 135,533	$ 131,709	$ 124,770	$ 118,853	$ 114,358	$ 110,060
Connection charges	**1,318**	1,169	1,038	939	880	696	655	408	385	370
Sewer improvement fees	**6,706**	6,562	6,318	6,233	6,131	6,050	6,050	5,981	5,859	5,877
Capital improvement fees	**12,859**	12,600	11,362	11,212	11,029	10,769	9,290	897	0	0
Recycling	**1,989**	1,293	2,434	2,207	2,514	2,375	1,479	1,650	0	0
Other	**2,607**	1,889	2,163	1,936	2,394	2,495	2,233	2,163	2,269	2,157
Total operating revenue	**183,193**	173,246	163,347	156,519	158,481	154,094	144,477	129,952	122,871	118,464
Operating Expenses Before Depreciation and Amortization:										
Personal services	**52,127**	57,419	46,883	43,812	51,570	48,973	46,552	45,721	44,134	38,888
Contractual services	**4,589**	3,994	5,130	3,885	4,161	5,190	4,000	3,200	2,858	4,605
Professional services	**667**	961	932	777	762	911	918	891	967	1,329
Supplies	**14,297**	13,021	11,334	9,790	9,145	9,330	9,842	8,809	7,816	8,351
Repairs and maintenance	**9,626**	10,713	8,195	8,958	8,427	8,624	8,444	7,661	6,603	5,922
Heat, light and power	**8,204**	9,031	8,760	7,509	6,622	6,871	6,861	6,858	6,899	7,025
Tipping fees	**5,986**	6,005	6,014	6,596	7,504	6,635	5,761	5,577	5,688	4,975
Other	**6,142**	5,181	4,719	4,999	4,196	4,148	5,013	5,067	4,307	4,051
Total operating expenses before depreciation and amortization	**101,638**	106,325	91,967	86,326	92,387	90,682	87,391	83,784	79,272	75,146
Operating Income Before Depreciation and Amortization:	**81,555**	66,921	71,380	70,193	66,094	63,412	57,086	46,168	43,599	43,318
Depreciation and Amortization:	**43,493**	42,802	42,007	40,723	37,808	30,849	32,482	33,602	30,482	28,466
Operating income	**38,062**	24,119	29,373	29,470	28,286	32,563	24,604	12,566	13,117	14,852

(continued)

EMERALD COAST UTILITIES AUTHORITY
SCHEDULES OF REVENUE AND EXPENSES
LAST TEN FISCAL YEARS
(THOUSANDS OMITTED)
(UNAUDITED)
(Continued)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Nonoperating Revenue (Expenses):											
Investment earnings (loss)	**$ 10,995**	$ 7,295	$ (2,865)	$ 324	$ 3,367	$ 5,278	$ 1,683	$ 1,060	$ 1,170	$ 1,195	$ 629
Settlement income	**0**	0	0	120	0	0	0	0	0	0	0
Interest expense	**(7,742)**	(8,866)	(10,179)	(11,308)	(12,220)	(13,173)	(13,214)	(12,746)	(13,370)	(13,342)	(13,821)
Insurance recoveries, net	**84**	174	580	987	558	66	74	197	120	210	91
Gain (loss) on disposal of assets	**3**	118	143	(414)	310	(1,339)	(1,137)	(99)	(875)	4,752	(488)
Total nonoperating revenue (expenses)	**3,340**	(1,279)	(12,321)	(10,291)	(7,985)	(9,168)	(12,594)	(11,588)	(12,955)	(7,185)	(13,589)
Income (Loss) Before Capital Contributions	**41,402**	22,840	17,052	19,179	20,301	23,395	12,009	978	162	7,667	1,414
Capital contributions - cash	**5,925**	8,759	11,607	8,836	8,681	6,574	5,599	5,602	4,926	4,356	5,304
Capital contributions - noncash	**15,956**	9,994	10,032	6,766	7,319	4,264	3,383	3,698	1,557	2,355	1,069
Change in Net Position	**$ 63,283**	$ 41,593	$ 38,691	$ 34,781	$ 36,301	$ 34,233	$ 20,991	$ 10,278	$ 6,645	$ 14,378	$ 7,787

EMERALD COAST UTILITIES AUTHORITY
OUTSTANDING DEBT BY TYPE AND PER CUSTOMER
LAST TEN FISCAL YEARS
(UNAUDITED)

OUTSTANDING DEBT BY TYPE

Year	State Revolving Loans	Financed Purchases of Equipment	Water and Wastewater System Bonds	Sanitation System Bonds	Water and Wastewater System Notes	Recycling System Debt	Total
2015	$ 70,608,605	$ 30,441,399	$ 36,332,025	$ 6,327,000	$ 207,311,000	$ -	$ 351,020,029
2016	$ 66,489,111	$ 26,498,638	$ 74,970,185	$ 5,498,000	$ 195,497,000	$ -	$ 368,952,934
2017	$ 62,278,322	$ 23,088,812	$ 53,275,081	$ 4,647,000	$ 216,223,189	$ 2,750,001	$ 362,262,405
2018	$ 57,974,185	$ 21,544,392	$ 51,228,410	$ 3,770,000	$ 241,577,618	$ 2,416,667	$ 378,511,272
2019	$ 53,574,601	$ 20,001,597	$ 46,595,000	$ 2,868,000	$ 224,930,000	$ 2,083,333	$ 350,052,531
2020	$ 49,077,419	$ 19,762,986	$ 44,530,000	$ 1,937,000	$ 207,403,000	$ 1,750,000	$ 324,460,405
2021	$ 44,480,439	$ 16,192,047	$ 44,548,396	$ 979,000	$ 189,116,903	$ 1,416,667	$ 296,733,452
2022	$ 39,781,413	$ 14,092,567	$ 40,070,000	$ -	$ 170,198,000	$ 1,083,334	$ 265,225,314
2023	$ 34,978,037	$ 8,713,949	$ 39,554,815	$ -	$ 150,049,000	$ 2,504,220	$ 235,800,021
2024	**$ 30,067,963**	**$ 6,106,214**	**$ 36,933,573**	**$ -**	**$ 128,509,000**	**$ 1,847,286**	**$ 203,464,036**

OUTSTANDING DEBT PER CUSTOMER *

Year	Water and Wastewater System Debt	Water and Wastewater System Customers	Water and Wastewater System Debt Per Customer	Sanitation System Debt	Sanitation System Customers	Sanitation System Debt Per Customer
2015	$ 325,766,459	91,801	$ 3,549	$ 25,253,570	102,851	$ 246
2016	$ 347,696,023	91,878	$ 3,784	$ 21,256,911	106,686	$ 199
2017	$ 341,701,312	93,296	$ 3,663	$ 17,811,091	109,544	$ 163
2018	$ 359,848,152	95,308	$ 3,776	$ 16,246,453	112,487	$ 144
2019	$ 333,291,232	96,209	$ 3,464	$ 14,677,966	116,339	$ 126
2020	$ 308,281,000	98,005	$ 3,146	$ 14,429,406	118,683	$ 122
2021	$ 284,448,436	99,964	$ 2,846	$ 10,868,349	94,475	$ 115
2022	$ 256,352,111	100,525	$ 2,550	$ 6,716,575	95,661	$ 70
2023	$ 228,843,312	102,197	$ 2,239	$ 4,452,589	98,130	$ 45
2024	**$ 198,713,612**	**102,643**	**$ 1,936**	**$ 2,903,138**	**96,977**	**$ 30**

* Recycling System is not based on user charges. Debt per customer information is not applicable.

EMERALD COAST UTILITIES AUTHORITY
PARITY DEBT SERVICE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

Year		Operating Revenue and Interest Income	Operating Expenses Before Depreciation and Amortization	Net Revenue Available For Debt Service	Debt Service	Actual Coverage	Required Coverage
2015		$ 119,370,418	$ 75,146,372	$ 44,224,046	$ 26,323,772	1.68	1.25
2016		$ 124,097,387	$ 79,271,761	$ 44,825,626	$ 26,162,934	1.71	1.25
2017	*	$ 129,843,276	$ 83,314,882	$ 46,528,394	$ 26,345,556	1.77	1.25
2018	*	$ 145,588,400	$ 85,810,337	$ 59,778,103	$ 28,952,906	2.06	1.25
2019	*	$ 155,428,427	$ 87,989,288	$ 67,439,139	$ 30,460,422	2.21	1.25
2020	*	$ 158,340,690	$ 93,816,982	$ 64,523,708	$ 30,609,951	2.11	1.25
2021	*	$ 156,225,717	$ 85,311,313	$ 70,914,404	$ 30,610,137	2.32	1.25
2022	*	$ 162,519,554	$ 90,277,882	$ 72,241,672	$ 31,359,301	2.30	1.25
2023	*	$ 178,591,562	$ 104,406,405	$ 74,185,157	$ 30,366,840	2.44	1.25
2024	*****	**$ 189,052,268**	**$ 99,262,755**	**$ 89,789,513**	**$ 30,897,944**	**2.91**	**1.25**

* Operating revenue and expenses from the recycling system is excluded.

NUMBER OF ACTIVE CUSTOMERS AT FISCAL YEAR END
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Water	Percent Inc/(Dec) from previous fiscal year	Sewer	Percent Inc/(Dec) from previous fiscal year	Ratio of Sewer Customers To Water Customers	Sanitation	Percent Inc/(Dec) from previous fiscal year
2015	91,081	2 %	69,526	4 %	76%	102,851	28%
2016	91,878	1 %	70,609	2 %	77%	106,686	4%
2017	93,296	2 %	71,955	2 %	77%	109,544	3%
2018	95,308	2 %	74,082	3 %	78%	112,487	3%
2019	96,209	3 %	75,225	5 %	78%	116,339	6%
2020	98,005	3 %	76,822	4 %	78%	118,683	6%
2021	99,964	2 %	79,096	3 %	79%	94,475	-19%
2022	100,525	1 %	79,985	1 %	80%	95,661	1%
2023	102,197	2 %	81,959	2 %	80%	98,130	3%
2024	**102,643**	**0 %**	**83,000**	**1 %**	**81%**	**96,977**	**-1%**

EMERALD COAST UTILITIES AUTHORITY
PRINCIPAL CUSTOMERS
FOR THE FISCAL YEARS ENDED SEPTEMBER 2024 AND 2015
(UNAUDITED)

2024

Name	Water Sales In Millions of Gallons	Annual Revenue			Percentage of Total Operating Revenue
		Water	Sewer	Total	
NAVFAC SE (NAS PCLOA)	0.0	$ -	$ 2,074,209	$ 2,074,209	1.1%
CYTIVA (PALL SCIENCE)	111.7	343,500	840,879	1,184,379	0.6%
PENSACOLA CHRISTIAN COLLEGE	104.6	323,998	858,656	1,182,654	0.6%
NAVFAC SE (CORRY STATION SW)	0.0	-	859,564	859,564	0.5%
ESCAMBIA COUNTY JAIL	55.7	180,510	495,336	675,846	0.4%
BAPTIST HOSPITAL	44.7	214,095	374,075	588,170	0.3%
PORTOFINO ISLAND RESORT	45.6	267,738	301,842	569,580	0.3%
LURIN R/E HOLDINGS	44.5	151,020	393,073	544,093	0.3%
CWF REGIONAL MEDICAL CENTER	39.9	127,951	349,084	477,035	0.3%
ARMSTRONG WORLD INDUSTRIES	107.2	325,602	86,147	411,749	0.2%
UNIVERSITY OF WEST FLORIDA	0.0	433	375,713	376,146	0.2%
SACRED HEART HOSPITAL	28.8	110,729	241,973	352,702	0.2%
NAVY FEDERAL	39.0	163,836	155,525	319,361	0.2%
AREA HOUSING	24.7	89,205	219,362	308,567	0.2%
HILTON PENSACOLA BEACH	17.4	99,951	139,966	239,917	0.1%
	663.8	$ 2,398,568	$ 7,765,404	$ 10,163,972	5.5%

2015

Name	Water Sales In Millions of Gallons	Annual Revenue			Percentage of Total Revenue
		Water	Sewer	Total	
NAVFAC SE (NAS Pensacola)	0.0	$ -	$ 1,809,366	$ 1,809,366	1.5%
NAVFAC SE (Corry Station SW)	0.0	$ -	990,418	990,418	0.8%
Pall Gelman Sciences	76.0	176,898	433,485	610,383	0.5%
Baptist Hospital	63.8	172,268	416,920	589,188	0.5%
Escambia County Jail	60.7	144,804	383,359	528,163	0.4%
City of Gulf Breeze	220.2	507,023	$ -	507,023	0.4%
Portofino Island Resort	51.4	200,514	262,770	463,284	0.4%
Escambia Housing	38.0	99,943	258,765	358,708	0.3%
Sacred Heart Hospital	39.3	110,351	234,504	344,855	0.3%
Pensacola Christian College	35.9	95,848	202,394	298,242	0.3%
Azalea Trace Inc.	31.9	77,022	217,954	294,976	0.2%
University of West Florida	0.0	586	294,244	294,830	0.2%
U.S Navy - Saufley Field	32.8	71,424	201,800	273,224	0.2%
DM Oakwood Terrace	29.5	69,994	200,587	270,581	0.2%
Columbia West Florida Regional Medical Center	25.6	65,669	175,043	240,712	0.2%
	705.1	$ 1,792,344	$ 6,081,609	$ 7,873,953	6.4%

EMERALD COAST UTILITIES AUTHORITY
PRINCIPAL PRIVATE SECTOR EMPLOYERS IN ESCAMBIA COUNTY
FOR THE FISCAL YEARS ENDED SEPTEMBER 2024 AND 2015
(UNAUDITED)

2024

Name	Number of Employees	Percentage of Total Employment
Navy Federal Credit Union	9,188	5.90%
Baptist Health Care	5,434	3.49%
Sacred Heart Health Systems	4,820	3.09%
University of West Florida	2,447	1.57%
Pensacola Christian College	1,584	0.83%
Ascend Performance Materials	1,288	0.77%
West Florida Healthcare	1,200	0.77%
LifeView Group	1,199	0.48%
Innisfree Hotels	750	0.45%
GE Wind Energy	700	0.00%
	28,610	18.37%

Total Civilian Employment in Escambia County 155,776

Source: Florida West Economic Development Alliance www.FloridaWestEDA.com
Federal Reserve Economic Data www.fred.Stlouisfed.org

2015

Name	Number of Employees	Percentage of Total Employment
Baptist Health Care	6,612	4.72%
Navy Federal Credit Union	4,494	3.21%
Sacred Heart Health System	3,483	2.49%
Gulf Power Company	1,371	0.98%
West Florida Healthcare	1,200	0.86%
Ascend Performance Materials	800	0.57%
West Corporation	800	0.57%
Medical Center Clinic	500	0.36%
International Paper	425	0.30%
Cox Communications	400	0.29%
CHCS Services/igate	380	0.27%
	20,465	14.62%

Source: Pensacola Chamber of Commerce

EMERALD COAST UTILITIES AUTHORITY
RECORDED RAINFALL
(UNAUDITED)

Pensacola, Florida
October 2023- September 2024

Month	Monthly Rainfall (inches)
October	1.44
November	4.12
December	4.73
January	6.29
February	1.37
March	5.25
April	4.38
May	7.38
June	8.45
July	8.79
August	0.96
September	8.69
	61.85

Pensacola, Florida
Last Ten Fiscal Years

Year	Annual Rainfall (inches)
2015	61.21
2016	77.75
2017	88.34
2018	78.14
2019	67.11
2020	77.45
2021	85.22
2022	74.77
2023	58.37
2024	**61.85**

Source: National Oceanic and Atomspheric Association
www.weather.gov

EMERALD COAST UTILITIES AUTHORITY
WATER CONSUMPTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Pumped (Millions of gallons)	Consumption Billed (Millions of gallons)	Unaccounted For (Millions of gallons)	Percentage Unaccounted For
2015	11,684	10,262	1,422	12.17%
2016	11,472	10,686	786	6.85%
2017	11,425	10,041	1,384	12.11%
2018	11,576	10,081	1,495	12.91%
2019	11,917	10,340	1,577	13.23%
2020	12,390	10,909	1,481	11.95%
2021	11,640	10,155	1,485	12.76%
2022	12,290	10,018	2,272	18.49%
2023	13,018	11,227	1,791	13.76%
2024	**12,823**	**10,922**	**1,901**	**14.82%**
	120,235	104,641	15,594	12.97%

EMERALD COAST UTILITIES AUTHORITY
SEWAGE PLANT FLOWS
(MILLIONS OF GALLONS)
LAST TEN FISCAL YEARS
(UNAUDITED)

Pensacola, Florida
Last Ten Fiscal Years

Year	Central Water Reclamation Facility	BayouMarcus Water Reclamation Facility	Pensacola Beach Wastewater Treatment Plant	Total
2015	5,102	2,147	326	7,575
2016	5,422	2,195	370	7,987
2017	5,403	2,019	336	7,758
2018	5,200	1,895	331	7,426
2019	5,256	1,974	344	7,574
2020	4,943	1,987	344	7,274
2021	5,641	2,221	349	8,211
2022	5,477	2,195	376	8,048
2023	5,219	2,134	343	7,696
2024	**5,134**	**2,129**	**353**	7,616
	52,797	20,896	3,472	77,165

Emerald Coast Utilities Authority
Operating Indicators *
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water:										
New connections	**1,113**	1304	1635	1650	1530	1106	1147	767	669	614
Average daily consumption (MGD)	**35.666**	35.666	33.670	31.890	33.851	32.619	31.679	31.277	31.326	31.972
Maximum daily flow (MGD)	**57.613**	57.613	48.340	46.090	48.425	32.270	36.593	35.898	35.826	36.956
Minimum daily flow (MGD)	**26.073**	26.073	26.010	23.170	23.879	27.643	27.683	27.656	27.028	27.569
Raw water pumped and treated (MG)	**12,823**	13,018	12,290	11,640	12,389	11,917	11,580	11,424	11,472	11,684
Wastewater:										
New connections	**1,191**	1494	1453	1463	1318	920	1132	782	754	709
Treatment capacity (MGD)	**33.1**	33.1	33.1	33.1	33.1	33.1	33.1	33.1	33.1	33.1
Average daily treated flow (MGD)	**21.07**	21.41	22.62	21.06	19.71	21.00	20.92	21.24	21.81	21.60
Percent of capacity utilized	**63.64**	64.69	68.35	63.61	59.55	63.43	63.21	63.50	64.97	65.27
Percent of unused capacity	**36.36**	35.31	31.65	36.39	40.45	36.57	36.79	36.50	35.03	34.73
Sanitation System:										
Residential (tons/year)	**96,532**	94,261	95,586	121,817	115,963	104,174	91,236	90,399	85,315	67,826
Yard Waste (tons/year)	**14,441**	14,979	9,413	16,769	23,457	19,597	19,597	20,344	22,519	21,644
Recycling waste (tons/year)	**5,742**	5,742	6,784	9,845	14,033	12,921	13,600	13,157	-	13,490
Bulk waste (tons/year)	**5,442**	8,834	8,591	6,774	8,049	6,972	7,101	8,184	6,985	6,496
Total Residential Tons	**122,157**	123,816	120,374	155,205	161,502	**143,664**	**131,534**	**132,084**	**114,819**	**109,456**
Avg number of residential customers/month	**94,500**	95,073	93,478	91,364	97,973	96,597	95,265	91,492	91,022	87,513
Refuse collected (tons/customer/year)	**1.293**	1.302	1.288	1.699	1.648	1.487	1.381	1.444	1.261	1.251
Commercial (tons/year)	**14,077**	12,837	13,684	15,587	15,046	15,570	13,986	13,461	13,625	12,529
Roll-off (tons/year)	**2,489**	3,682	3,437	4,108	3,254	3,906	3,575	3,171	3,648	4,929
Total Commercial Tons	**16,566**	16,519	17,121	19,695	18,300	**19,476**	**17,561**	**16,632**	**17,273**	**17,458**
Avg number of commercial customers/month	**1,887**	1,917	1,894	1,856	1,837	1798	1664	1506	1434	1304
Refuse collected (tons/customers/year)	**8.781**	8.617	9.04	10.614	9.962	10.832	10.553	11.044	12.045	13.388

* Source: ECUA Departmental Statistics generated internally

EMERALD COAST UTILITIES AUTHORITY
MISCELLANEOUS STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

HOME SALES

	Single Family		Townhouse/Condominium	
Year	Number	Average Price	Number	Average Price
2015	4,728	137,986	733	252,688
2016	4,913	153,169	703	248,667
2017	6,763	160,222	1,093	325,838
2018	6,890	192,453	950	329,264
2019	6,597	190,473	1,134	379,704
2020	6,596	212,315	1,108	376,588
2021	6,508	269,511	1,053	380,888
2022	7,084	307,891	1,281	389,305
2023	4,880	338,182	893	495,458
2024	**4,326**	**355,325**	**760**	**397,584**

Source: Metro Market Trends
Escambia County, FL Property Appraiser

CONSTRUCTION STARTS
RESIDENTIAL

YEAR	Single Family Units	Multi-Family Units	Total Number Of Units	Value ($000)
2015	761	10	771	216,201
2016	816	107	923	229,286
2017	836	92	928	228,500
2018	1,183	44	1,227	278,182
2019	1,299	406	1,705	350,481
2020	1,689	336	2,025	427,012
2021	1,240	1,015	2,255	372,798
2022	1,655	141	1,796	352,619
2023	1,643	237	1,880	565,953
2024	**1,457**	**160**	**1,617**	**270,558**

Source: Escambia County Building Inspection Department
U. S. Census Bureau - updated annually to reflect reported units.

EMERALD COAST UTILITIES AUTHORITY
MISCELLANEOUS STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

ESCAMBIA COUNTY STATISTICS

Year	Estimated Personal Income	Per Capita Personal Income	Unemployment Rate
2015	$ 11,379,979	$ 36,632	5.2%
2016	$ 11,945,028	$ 38,408	5.1%
2017	$ 12,475,686	$ 39,582	3.4%
2018	$ 12,808,448	$ 40,536	3.0%
2019	$ 13,421,960	$ 42,537	3.0%
2020	$ 14,117,033	$ 44,349	3.0%
2021	$ 15,274,038	$ 47,381	4.2%
2022	$ 16,702,337	$ 51,808	2.6%
2023	$ 16,977,017	$ 52,257	3.2%
2024	**$ 18,117,197**	**$ 55,416**	**3.8%**

Source: Personal income data provided by the U.S. Bureau of Economic Analysis. Unemployment data provided by US Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Program, in cooperation with Florida Department of Economic Opportunity, Bureau of Worforce Statistics and Economic Research.

FULL-TIME EQUIVALENT
EMPLOYEES BY ACTIVITY

Year	Water and Wastewater System	Sanitation System	Materials Recycling Facilities System	Total
2015	445	116		561
2016	452	152		604
2017	452	158	2	612
2018	454	161	2	617
2019	454	161	16	631
2020	455	165	16	636
2021	461	144	16	621
2022	466	152	16	634
2023	466	152	16	634
2024	**466**	**152**	**16**	**634**

Source: Emerald Coast Utilities Authority's annual budget

EMERALD COAST UTILITIES AUTHORITY
MISCELLANEOUS STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

ESCAMBIA COUNTY POPULATION

Year	Population	Change	Percent Change
2015	309,311	1,351	0.44%
2016	311,473	2,162	0.70%
2017	313,249	1,776	0.57%
2018	315,104	1,855	0.59%
2019	318,316	3,212	1.02%
2020	321,528	3,212	1.01%
2021	324,740	3,212	1.00%
2022	326,763	2,023	0.62%
2023	329,192	2,429	0.74%
2024	**329,996**	**804**	**0.24%**

Source: World Population Review, updated annually
https://worldpopulationreview.com/us-counties/fl/escambia-county-population

EMERALD COAST UTILITIES AUTHORITY
MISCELLANEOUS STATISTICS *
LAST TEN FISCAL YEARS
(UNAUDITED)

CAPITAL ASSET STATISTICS BY ACTIVITY

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water:										
Wells	**31**	31	31	31	31	31	31	31	31	32
Water mains (miles)	**1,746**	1,815	1,805	1,786	1,768	1,760	1,749	1,692	1,689	1,685
Storage Capacity (MGD)	**19**	19	19	20	20	20	20	17	15	16
Wastewater:										
Treatment plants	**3**	3	3	3	3	3	3	3	3	3
Sanitary sewer (miles)	**1,355**	1,345	1,337	1,317	1,299	1,286	1,272	1,254	1,249	1,243
Treatment capacity (MGD)	**8**	33	33	33	33	33	33	33	33	33
Sanitation:										
Collection vehicles	**109**	109	109	110	110	130	110	122	125	125

* Source: ECUA Departmental Statistics generated internally

Emerald Coast Utilities Authority
Schedule of Insurance
As of September 30, 2024

Florida Municipal Insurance Trust provides the following coverages:

Types of Coverage	Insurer/ Policy No.	Details of Coverage	Liability Limits	Policy Period
Workers' Compensation	Florida Municipal Insurance Trust Policy No.: 0162	Statutory coverage: $10,000 deductible per claim	(1) $1,000,000 Each Accident (2) $1,000,000 by Disease (3) $1,000,000 Aggregate by Disease	10/1/2023 to 10/1/2024
Automobiles	Florida Municipal Insurance Trust Policy No.: 0162	All scheduled vehicles $25,000 Deductible on Collision $25,000 Deductible on Liability	$1,000,000 $10,000 Personal Injury Protection Included	10/1/2023 to 10/1/2024
Property Coverage	Florida Municipal Insurance Trust Policy No.: 0162	(1) All Risk Coverage for structures, equipment and contents on schedules (2) Covers structures, equipment, and contents (3) Property Schedules	(1) $100,000,000 maximum blanket coverage. All Risk for real property and contents per occurrence $100,000 deductible. Named storm deductible Endorsement NS-A or NS-B /2%, 3% or 5% of damages incurred.	10/1/2023 to 10/1/2024
		Property Schedules	(2) $100,000,000 Total Coverage	
Boiler & Machinery Equipment Breakdown	Florida Municipal Insurance Trust (included in property coverage) Policy No.: 0162	Comprehensive Coverage. Pays loss from an accident to a covered object while in use or connected ready for use (as part of property coverage)	(1) $100,000,000 per accident	10/01/2023 to 10/01/2024
		$100,000 Deductible	(2) The limit of liability is paid on a repair or replacement basis.	
Business Interruption Coverage/Business Income	Florida Municipal Insurance Trust (included in property coverage) Policy No.: 0162	Covers actual loss of earnings sustained by ECUA resulting from necessary interruption of business.	$6,000,000; $2,000,000 limit at each: (1) Bayou Marcus WWTP, (2) Pensacola Beach WWTP, (3) CWRF	10/01/2023 to 10/01/2024
Business Interruption Coverage/Extra Expense	Florida Municipal Insurance Trust (included in property coverage) Policy No.: 0162	Covers necessary extra expense incurred by ECUA to continue as nearly as practicable the normal operation of business following damage to or destruction of real and personal property	$1,000,000	10/01/2023 to 10/01/2024
Inland Marine	Florida Municipal Insurance Trust (included in property coverage) Policy No.: 0162	Per scheduled and unscheduled equipment	$1,000,000 unscheduled max per policy period for Equipment under $15K. Items over $15k must be scheduled.	10/01/2023 to 10/01/2024

Public Risk Insurance Agency provides the following coverages:

Types of Coverage	Insurer/ Policy No.	Details of Coverage	Liability Limits	Policy Period
Environmental Pollution	AXA XL Insurance Company (PRIA)	Pollution Liability including coverage for Fuel Storage Tanks	$3,000,000	10/01/2021 - 10/01/2024
	Policy No.: PEC004665502	Environmental Impairment Liability	$10,000 SIR per claim	
Crime - All Coverages	The Travelers Companies (PRIA) Policy No.: 106380356	(1) Losses inside and outside of premises (2) Employee Dishonesty	$1,000,000	10/01/2023 - 10/01/2024
		$50,000 retention		

Public Risk Insurance Agency Coverages Continued:

Types of Coverage	Insurer/ Policy No.	Details of Coverage	Liability Limits	Policy Period
Road Restoration Bond	Western Surety Company (PRIA) Policy No.: 929323580	Damages to DOT Roads	State of Florida Requirements $10,000 Road Restoration Bond	11/18/2023 to 11/18/2024

Cyber Liability Insurance	Chubb (PRIA) Policy No.: D95530928	Cyber Liability / Data Breach $250,000.00 Retention	**A. Liability Limits** 1. Privacy limit $1,000,000 2. Data Breach Fund $100,000 3. Network Security Liability $1,000,000 B. Regulatory proceeding $1,000,000 C. Policy Aggregate $1,000,000	10/01/2023 to 10/01/2024
Directors & Officers Liability - Public Officials E & O - (Public Entity Liability Policy)	Chubb /EON G71831371 003	Pays on behalf of public officials and employees all losses which they shall be legally obligated to pay for civil claims against them because of wrongful acts. Provides defense cost for such losses. $75k Retention	$1,000,000	10/01/2023 - 10/01/2024

Wright National Flood Insurance Company provides the following coverages with Public Risk Insuance Agency as the Agent of Record:

Types of Coverage	Insurer/ Policy No.	Details of Coverage		Liability Limits	Policy Period	
Flood Coverage	Wright National Flood Insurance Company	(PRIA - Agent)		Conditions: Including flood in zones A -E		
	Policy No.: 09 1150776890 12	$1,250/ $1,250	Bldg/Contents Deductibles	$500,000 Bldg/ $500,000 Contents	01/07/2023 - 01/07/2024	Bldg & Contents; 450 W. Government St, Pns
	Policy No.: 09 1150566401 14	$1,250/ $1,250	"	$500,000 Bldg/ $500,000 Contents	08/16/2023 - 08/23/2024	Bldg & Contents; 1605 N. Guillemard Street, Pns
	Policy No.: 09 1150048479 15	$1,250/ $1,250	"	$250,000 Bldg/ $412,000 Contents	08/16/2023 - 08/16/2024	Bldg & Contents; 2600 E Cervantes St, Pns
	Policy No.: 09 1150021831 15	$1,250/ $1,250	"	$363,000 Bldg/ $441,000 Contents	07/25/2023 - 07/25/2024	Bldg & Personal Property; 425 Pens Bch Blvd, New Gulf Breeze
	Policy No.: 09 1150443043 14	$2,000/ $2,000	"	$293,000 Bldg/ $107,000 Contents	06/07/2023 - 06/07/2024	Bldg & Personal Property; 2 Story Operations Bldg; Pns Bch
	Policy No.: 09 1150443042 14	$2,000/ $2,000	"	$ 40,000 Bldg / $ 31,000 Contents	06/07/2023 - 06/07/2024	Bldg & Personal Property; Main ; Pns Bch
	Policy No.: 09 1151457055 07	$1,250/ $1,250	"	$246,000 Bldg/ $100,000 Contents	04/04/2023 - 04/04/2024	Bldg & Personal Property; Storage Bldg, 609 S. Old Corry Field Rd., Pns
	Policy No.: 09 1151457052 07	$1,250/ $1,250	"	$347,000 Bldg/ $222,000 Contents	04/04/2023 - 04/04/2024	Bldg & Personal Property; Warehouse/Off, 609 S. Old Corry Field Rd., Pns
	Policy No.: 09 1151457059 07	$1,250/ $1,250	"	$174,000 Bldg/ $ 50,000 Contents	04/04/2023 - 04/04/2024	Bldg & Personal Property; Office, 609 S. Old Corry Field Rd., Pns

ECUA as Self-insured coverages:

Types of Coverage	Name of Coverage	Details of Coverage	Liability Limits	Policy Period
Comprehensive General Liability	ECUA Self-insured	Bodily Injury and property damage to others.	State of Florida (Sovereign Immunity) $200,000 per person $300,000 per occurrence	10/01/2023 - 10/01/2024

OTHER REPORTS

****This page left blank intentionally****

MAULDIN & JENKINS
CPAs & ADVISORS

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 of Directors of the
Emerald Coast Utilities Authority
Pensacola, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Emerald Coast Utilities Authority (the "Authority"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 13, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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 that 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 13, 2025

EMERALD COAST UTILITIES AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal and State Programs

Federal and state Single Audits were not required as the Authority did not expend greater than $750,000 of federal or state funds during its fiscal year ended September 30, 2024.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

EMERALD COAST UTILITIES AUTHORITY

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

None reported.

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Directors of the
Emerald Coast Utilities Authority
Pensacola, Florida

Report on the Financial Statements

We have audited the financial statements of the Emerald Coast Utilities Authority (the "Authority"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated February 13, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 13, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings or recommendations were made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported:

a. There were 593 employees compensated in the last pay period of the Authority's fiscal year.
b. There were 23 independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year.
c. Total compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for the year was $37,349,742.
d. The compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for the year was $15,117,478.
e. There were 22 construction projects with a total cost of at least $65,000 approved by the district that began on or after October 1 of the fiscal year being reported at a total cost of approximately $10.4 million.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Authority amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented in the Supplementary Information section of this report beginning on page 61.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 13, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of the
Emerald Coast Utilities Authority
Pensacola, Florida

We have examined the Emerald Coast Utilities Authority's (the "Authority") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

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

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

This report is intended solely for the information and use of the Authority and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 13, 2025

****This page left blank intentionally****