

Director of Financial Services
"Committed to Quality"

MEMORANDUM

TO: Fort Pierce City Commission

FROM: Nina B. Hurtubise, CPA
FPUA Director of Financial Services *NBH*

THROUGH: Clayton W. Lindstrom, P.E.
FPUA Director of Utilities *CWL*

DATE: March 20, 2015

SUBJECT: City Commission Agenda Request for April 6, 2015 Meeting
FY 2014 Comprehensive Annual Financial Report

In accordance with the provisions of the City of Fort Pierce Charter, Article XII, Section 178 (c), I am requesting that the City Commission approve the audit as being the unqualified opinion of the auditors that FPUA's financial statements for the fiscal year ending September 30, 2014 are fairly presented in accordance with accounting principles generally accepted in the United States of America, and accept the filing of such audit with the City of Fort Pierce, the same to be kept together with the FPUA CAFR, on file with the City Clerk's office pursuant to the City Charter.

The amount of this year's Distribution to the City of Fort Pierce will be \$5,735,239 and will be paid via EFT after approval and acceptance of the audit.

If you have any questions or are in need of additional information, please feel free to contact me.

cc: City Manager
City Clerk



Fort Pierce Utilities Authority

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2014

A Component Unit of the City of Fort Pierce

Fort Pierce, Florida



www.FPUA.com

FORT PIERCE UTILITIES AUTHORITY

A Component Unit of the City of Fort Pierce, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT **For the Fiscal Year Ended September 30, 2014**

Prepared by
Department of Finance

Nina B. Hurtubise, CPA
Director of Financial Services
nhurtubise@fpu.com

FORT PIERCE UTILITIES AUTHORITY
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2014

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Transmittal Letter.....	1
Certificate of Achievement for Excellence in Financial Reporting.....	7
FPUA Leadership.....	8
Organization Chart.....	9
<u>FINANCIAL SECTION</u>	
Independent Auditor’s Report.....	11
Management’s Discussion and Analysis.....	14
Financial Statements:	
Statement of Net Position.....	22
Statement of Revenues, Expenses and Changes in Net Position.....	25
Statement of Cash Flows.....	26
Notes to Financial Statements.....	28
Required Supplemental Information:	
Schedule of Funding Progress – Retiree Health Plan.....	49
<u>STATISTICAL SECTION</u>	
Statistical Section Contents.....	51
Financial Trends:	
Statement of Net Position – Assets and Deferred Outflows– Last Ten Years.....	54
Statement of Net Position – Liabilities and Deferred Inflows and Net Position - Last Ten Years.....	56
Statement of Revenues, and Expenses and Changes in Net Position – Last Ten Years.....	58

FORT PIERCE UTILITIES AUTHORITY
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2014

TABLE OF CONTENTS

<u>STATISTICAL SECTION (continued)</u>	<u>Page</u>
Revenue Capacity:	
Average Number of Services Billed by System – Last Ten Years.....	63
Operating Revenues by System – Last Ten Years.....	64
Unit Sales by System – Last Ten Years.....	66
Ten Year Rate Analysis – Residential Rates.....	68
Average Monthly Residential Bill (Chart) – Last Ten Years.....	69
System Rate Increases – Last Ten Years.....	70
Debt Capacity:	
Ratios of Outstanding Debt by Type – Last Ten Years.....	72
Principal Payments Payable on All Debt Issues Through Fiscal Year 2030.....	73
Computation of Debt Service Coverage – Last Ten Years.....	74
Legal Debt Margin Information.....	75
Demographic and Economic Information:	
Demographic and Economic Information – Last Ten Years.....	78
Principal Employers.....	79
Operating Information:	
Expenses by System – Last Ten Years.....	82
Performance Indicators – Last Ten Years.....	84
Electric Energy Sources, Water and Wastewater Statistics – Last Ten Years.....	86
Authorized Full Time Positions by Department – Last Ten Years.....	88
Ten Largest Customers – Fiscal Year 2013.....	90
 <u>COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	91

TeamUA - Over 2,800

WILLIAM S ABRAMOWICZ
MARY R ADAMS
JAMES D ADAMS
DALBERT LEE ALEXANDER
CHARLES ALFORD
JEANNETTE C ALLEN
MICHAEL J AMBROSINO
WILLIAM A ANDERSON
TINA ATTEY
ROBERT G AUSTIN
ANDREW AVERS
MAURICE BACON
JEFFREY W BAKER
WILLIAM E BALDWIN
RAUL L BARRERA
RYAN D BASTINE
LORI L BATTIPAGLIA
MEREDITH L BENNETT
LAURENCE BENNING
KARYL RENEE BERTRAM
LORI BIANCO
JO-ANN BILYK
MARCUS E BOECKEL
S LANCE BRICK
DANIEL BROLMANN
WILLIAM BROOKS
CLYDE L BROWN
KIMBERLY BUCHHOLZ
ANDREW D BYRD
JOSHUA CALANDRO
JOHN C CANARD
DADE CORY CAPPAR
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ERIN E CARTMILL
GLYNDA W CAVALCANTI
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MICHAEL J CHAMBERS
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LINDA CLARK
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LEE ROY COMBS
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TED E COOK
FRANK COX
WILBURN L CRAWFORD
CRAIG A CRAWFORD
JONATHAN D CRUMBLY
CHRISTOPHER CRUMBLY
JAMES P CUNNINGHAM
ROBYN CURLEY
MICHAEL W CURRID
NANCY A DALLAIRE
WALTER W DAMPIER
THOMAS M DAROZA
ALDONIO DASILVA
ROBERT P DAVIS
LUGEY DAWSON
D WAYNE DEARMAN
DANIEL DEIULIO
JAMES SEAN DENMAN
OWEN A DENNIS
SCOTT DENNIS
GARY DEPASTINO
ANDREW J. DIGIACOMO
SEDDRICK LEVONE DIXON
CHARLES A DONNON
THOMAS A DRISKELL
PETER DUNCAN
SCOTT DYKEMA
ANTWOIN DEMARIO FANIEL
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KEVIN GILLETTE
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C PAUL GODSIL
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CROSBY GORE
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RONALD L HAGWOOD
GEORGE R HALL
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MICHELE S HARRIS
DIANE HARRIS
GORDON E HAYMAN
STEVE HERDEMAN
CALVIN D HODGE
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JASON VAN HOFFMAN
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DEWEY W HUDMAN
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TIMOTHY J HUGHES
LESTER C HUMMEL
NINA B HURTUBISE
BOWDOIN G HUTCHINSON
JUANITA JACKSON
MARCUS T JACKSON
PAUL A JAKUBCZAK
SIDNEY LEVON JERGER
SIDNEY L JERGER
CAROL JOHNSON
CHRISTOPHER JOHNSON
CHONTAE L JOHNSON
ROBERT JONES
MICHAEL D JONES
WILLIAM R KAEFF
D LELAND KARLSON
TERRY L KECK
ADAM KEE

Years of Dedicated Service

PATRICK J KELLER
CAVILYN KEOWN-SCHAUS
MARTHA ANNE KERR
EUGENE D KNIGHT
MARK KOBBE
JENNIFER KRIP
KUPER KRUEGER
ALICE M LADOMIRAK
PAUL LAGUERRE
JOSEPH L LAMMERS
DONALD T. E. LANDIN
DOMINIC F LANE
MARIE J LAVACHE
PATRICIA ANN LAWSON
RONALD K LEE
EDWARD S LEONGOMEZ
BILLY LOCKMILLER
DOROTHY E LONG
THELMA PATRICIA LOPEZ
SCOTT LOVEN
PAUL C LUGARA
KEITH B LYONS
PAUL L MADSEN
WANDA MAGNUSON
WILLIAM H MAIN
TAMMY R MALIN
GLEN P MANCHESTER
FRED MANN
MICHAEL J MARTIN
LAURIE ANN MARTIN
MELISSA MARTIN
JOSEPH MASSIMINO
FLORINDA K MAZZARELLA
TOMMIE V MC CARTHY
NANCY L MC CONKEY
TERRANCE MC MILLON
KEVIN SERON MCDONALD
DANIEL MCKINLEY
JOHN W MCMILLIAN
STONEY X MCPEEK
ANGEL EDUARDO MENDEZ
BARBARA A MIKA
GEORGE E MILLER
JOSHUA J MILLER

JASON M MITTLER
E GLYNDON MOBERLY
ARCHANGEL MORIVAL
REGINA D MORRIS
LARRY MIKEL MORRISON
STEVEN MOSELY
MICHAEL J MULVANEY
STEVEN MURTO
CHRISTELLE MYRICK
BRIAN D MYSZKOWSKI
WILLIAM D NORTON
KIMBERLY E OKUBO
PAUL JOHN OLEKOSKI
SHANNON ONDERLINDE
SHANE OSTRANDER
THOMAS E PARKER
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EDWARD L PATRICK
DARIN PATTERSON
CAROL ANN PEARSON
TIMOTHY E PERKINS
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RICHARD G PETERSEN
RONNIE PREBILSKY
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VIOLET RAMOS
STEPHANIE RAULERSON
J KEVIN RHODEN
TIMOTHY W RICHARDS
EDWIN RICHBERG
ROBERTO S RIGUAL
TESSA KATHLEEN ROBERTS
SAMANTHA ROWLAND
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VALERIE A SCHULTE
SAL ANTHONY SCIMECA
HARRY SHERVA
JOSHUA SHOLANDER
JACK R SHONK
DONNA SHURR
CARMELO SIGNORELLI
STERLING R SIMMONS

IRA SINGH
VALENTIME C SIRMONS
JULIE Z SIZEMORE
FORD R SLOAN
CHRISTOPHER SMITH
EILEEN SNOBERGER
JARED SOMERSON
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JOEL SPADES
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CARLA STERLING
KURTIS D STRAND
CHARLES S SWINDLE
ARNE TARANGER
TONYA LYNN TARDIF
WILLIAM TAYLOR
DEBRA THERIAULT
WILLIAM G THIESS
MARY E THOMAS
DARRYL R THOMAS-BEY
DANIEL D TILLMAN
NICOLE HONESTY TIPTON
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JOHAN TUNBERG
SHAWN D TYLER
LARRY W TYNDALL
OSVALDO VALDES
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PETER WICINSKI
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EDMOND WILLIAMS
STACEY WILLIAMS
ESTELA M WILSON
OLIVER C WINT
ERIC R WINTERSTEIN
LOIS A WOLFE
SHARON WOLKOWICZ

Fort Pierce Utilities Authority

"To provide our customers with economical, reliable and friendly service"

Fort Pierce Utilities Authority employees have "enhanced the quality of life in our community"

Agape Senior Citizens Recreational
Center

American Cancer Society

American Legion

American Red Cross

Angel Food Ministries

ARC of St. Lucie County

ASA Girls Fast Pitch Softball

Awanas First Baptist Church of Stuart

Backus Gallery

Big Brothers/Big Sisters

BlueBird Educational Foundation

Book Depot Martin County Library

Bowling for Kids

Boy Scouts of America

Busch Wildlife Sanctuary

CA Moore Elementary School

Calvary Chapel

Carenet

Castle

Central Florida Bible Camp

Children Home Society's WaveCREST
Shelter

Children's Miracle Network

Christ Family Church

Club Utilitas, Inc. Teen Center

Colonnades Association 3

Common Ground Vineyard Church

Community Church of Vero Beach

Conservation Alliance of SLC

Council On Aging of St. Lucie County

Daughters of the American Revolution

Downtown Business Association

Drug Abuse Treatment
Association, Inc. (DATA)

Early Learning Coalition

Engineering Ministries International

Exchange Club

Family Fun Day Lawnwood Stadium

Family Meals

First Baptist Church of Stuart

First Baptist Church of White City

First United Methodist Church of PSL

Florida Army National Guard

Florida's Blood Centers

Florida Engineering Society

Florida March of Dimes Foundation

Florida Water Environment Assoc. (FWEA)

Fort Pierce Central High School

Fort Pierce Christmas Parade

Fort Pierce Oyster Festival

Francis K Sweet Magnet School

Girl Scouts of the USA

Grace Emmanuel Church

Graceway Village

Great American Cleanup

Green Committee

Habitat for Humanity

Harvest Food & Outreach Center

Healthy Start Coalition of St. Lucie County

Heathcote Botanical Gardens

Hibiscus Children's Center

Hobe Sound Animal Protection League

Hospice of the Treasure Coast

Imagine School of Vero Beach

In The Image of Christ, Inc.

Independent Haitian Church

Indian River State College-College
Reach-Out Program (CROP)

Jack and Jill of America

Kids Crossing Playground Build

Kids at Hope

Kiwanis Clubs

Knights of Columbus

Lawnwood Elementary

Leadership Saint Lucie

Lincoln Park Academy

Lincoln Park Main Street

Macedonia 7th Day Adventist Church

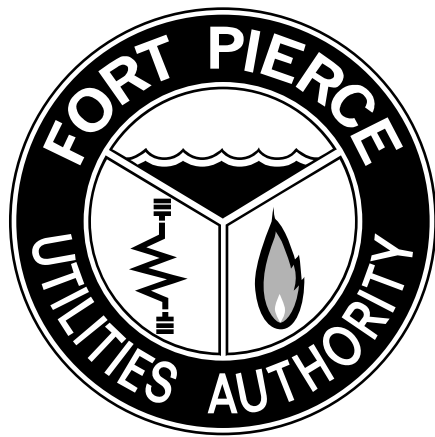
Main Street Focus Magazine

Mission Statement

in a continuous effort to enhance the quality of life in our community"

by contributing their time and service to the following organizations:

Main Street Fort Pierce	St. Lucie County 4-H
Manatee Observation and Education Center (MOEC)	St. Lucie County Coastal Resources
Marine Corp League	St. Lucie County Economic Development Council
Marine Industries Association of the Treasure Coast Waterway Clean Up	St. Lucie County Fair Association
Martin County District Academic Team	St. Lucie County Harbor Advisory Committee
Martin Luther King, Jr. Commemorative Committee of St. Lucie County	St. Lucie County Human Resources Association
Matthews Café	St. Lucie County School Board
Mission Churches International Inc.	St. Lucie County Sheriff
Multiple Sclerosis Society	St. Lucie County Toys for Tots
Muscular Dystrophy Association	St. Lucie Panthers Softball Organization
Mustard Seed Ministries	St. Lucie / Stuart / Martin County Chambers of Commerce
Nature Fest	St. Lucie Village Mayor
Navy UDT-SEAL Museum	St. Lucie Village
Northside Bat and Ball Club	Sea-Life Habitat Improvement Project
Oxbow Eco-Center	South Fork High School Band
Parkview Baptist Church	Southwestern Port St. Lucie Little League
Paws & Claws Foundation	Susan G Komen - Strides Against Breast Cancer
Pilot Club of Fort Pierce	The Parent Academy
Pinewood Elementary School	The Royal Palms of St. Lucie
Police Athletic League	The Van Duzer Foundation
Port St. Lucie Athletic Association	The Worship Center International Ministries
Port St. Lucie American Little League	Toastmasters International
Port St. Lucie National Little League	Treasure Coast Blood Bank
Port St. Lucie Police Department	Treasure Coast Crusaders
Port St. Lucie Power Squadron	Treasure Coast Education & Research Development
Pregnancy Resources	Treasure Coast Environmental Education Council
Red Cross N. Treasure Coast Chapter	Treasure Coast Food Bank
Relay for Life	Treasure Coast Manatee Foundation
Rosewood Elementary School	Tri County Animal Hospital
Rotary Clubs	United Way of St. Lucie County
Safe Space of St Lucie	Vero Beach First Nazarene Church
Salvation Army Christmas Angels	Vero Beach Masonic Lodge
Sandy Shoes Festival	Waterways Cleanup
St. Andrews Academy	Winners Walk Tall
St Helen's Harvest Festival	
St. Jude Children's Research Hospital	
St. Lucie Bob Cats (Semi-Pro Football)	





Director of Financial Services

"Committed to Quality"

March 11, 2015

Board Members
Fort Pierce Utilities Authority

The Comprehensive Annual Financial Report (CAFR) of Fort Pierce Utilities Authority (FPUA) for the fiscal year ended September 30, 2014, is submitted herewith pursuant to the City of Fort Pierce Charter, Article XII, Section 176 (12) and the bond covenants of FPUA's outstanding revenue bonds.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control 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.

DiBartolomeo, McBee, Hartley & Barnes, P.A., Certified Public Accountants, have issued an unqualified ("clean") opinion on FPUA's financial statements for the fiscal year ended September 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

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

FPUA PROFILE

FPUA was established in accordance with provisions of the City Charter, confirmed by an election held on May 30, 1972. The City Charter, Article XII, Section 169, states that FPUA shall be responsible for the development, production, purchase, distribution, and collection of all electricity, water, wastewater, natural gas, and such other utility services as may be designated by resolution by the City Commission. FPUA is a component unit of the City of Fort Pierce, Florida and this report includes all systems of FPUA. This report does not include the financial activities of the City of Fort Pierce. Reference should be made to the City's report published separately.

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

The Electric, Water, Wastewater, and Gas Utility Systems, Manatee Observation and Education Center (MOEC), and FPUAnet Communications are managed and operated for the City by FPUA. FPUA also operates the Treasure Coast Energy Center (TCEC) for the Florida Municipal Power Agency (FMPA) on a contract basis, utilizing FPUA employees.

The **Electric System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 35 square miles, with an average of 28,096 services billed during the fiscal year ended September 30, 2014. FPUA currently has 23 miles of 69kV and 7.5 miles of 138kV transmission lines. The 69 kV interconnects six distribution substations and the 138 kV connects two transmission substations to FPL and the City of Vero Beach. FPUA and the City of Vero jointly own the 138 kV line. FPUA has approximately 266 miles of overhead and 151 miles of underground distribution cable which operates at 13.2kV. FPUA's transmission substations are interconnected with FPL. FPUA and FPL have a territorial agreement approved by the Florida Public Service Commission.

On December 16, 1997, FPUA agreed to participate in the FMPA All-Requirements Power Supply Project (ARP). In doing so, FPUA is now one of 13 municipally owned utilities in ARP. The principal benefits of ARP are:

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

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

The **Water System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 32 square miles, with an average of 19,756 services billed during the fiscal year ended September 30, 2014. Water supply is obtained from 36 surficial aquifer wells (shallow) and 11 Floridan aquifer wells (deep). FPUA currently has a Water Use Permit from the South Florida Water Management District to withdraw an annual daily average not to exceed 21.13 million gallons of ground water. Treatment of the raw ground water is presently accomplished through a 20 million gallons per day (MGD) conventional Lime Softening Water Treatment Plant and a 10.3 MGD Reverse Osmosis Water Treatment Plant. FPUA owns and operates a 13.3 MGD air stripping system which services the lime-softening portion of FPUA's Water Treatment Facility. FPUA meets all federal and state drinking water standards. FPUA has 9 million gallons of storage capacity. The water distribution system is composed of 385 miles of water mains, remote pumping facilities, ground storage tanks, hydrants, and valves.

The **Wastewater System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 30 square miles, with an average of 14,987 services billed during the fiscal year ended September 30, 2014. The wastewater collection system consists of 116 lift stations, 172 miles of gravity sewer lines ranging from 4 to 48 inches in diameter, and approximately 97 miles of force mains ranging in size from 1.5 to 24 inches in diameter. The Island Water Reclamation Facility (IWRF) currently has a permitted capacity of 10 MGD for Annual Average Daily Flow and 11.5 MGD for 3-Month Annual Average Daily Flow. On December 11, 2012, the Florida Department of Environmental Protection issued the operating permit, which is anticipated to be adequate through December 10, 2017.

FPUA has one domestic deep injection well at the IWRF plant site. A pumping station injects treated effluent into the 3,300-foot deep injection well for disposal. The IWRF IW-1 well is a twenty-four inch domestic well which is permitted through February 9, 2017. There are two deep injection wells located on the site of the future Mainland Water Reclamation Facility (MWRf), in the southwest corner of the service area. IW-1 is an 18-inch industrial deep injection well and IW-2 is a 24-inch domestic deep injection well. IW-1 accommodates the TCEC's industrial wastewater stream and St. Lucie County landfill leachate, and is permitted through April 15, 2015. The IW-2 well is currently not in operation and therefore is not permitted. Both wells can be utilized for disposal of MWRf effluent when that facility is constructed.

The **Gas System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 27 square miles, with an average of 4,223 services billed during the fiscal year ended September 30, 2014. The Gas System purchases firm gas for resale through Florida Gas Utility (FGU). FGU has a contract with Florida Gas Transmission for the transportation of gas to FPUA's system. Gas purchases are supplied by FGU under an all requirements agreement. The Gas Operations Department is responsible for the installation and maintenance of all gas mains and service lines. The department also employs a staff of qualified gas service technicians to maintain and repair customers' natural gas appliances.

FPUAnet Communications provides high quality, state-of-the-art fiber optic and wireless communication services, including Dedicated Fiber Internet Access and Optical Fiber Links, such as Dark Fiber and Bandwidth Connections to businesses and institutions. Wireless Broadband Internet and Wireless Bandwidth Connections are offered at less cost than fiber services, for applications with less stringent requirements. As a leading member of the Research Coast Broadband Coalition, FPUAnet Communications seeks to interconnect the five-county region.

FPUA operates the **Manatee Observation & Education Center (MOEC)**, which is located on Moore's Creek east of Indian River Drive. MOEC's mission is to promote understanding and responsible actions for the protection of the fragile ecosystems in the Treasure Coast Region and its inhabitants. It provides a clean and safe facility for viewing manatees and other inhabitants of the Indian River Lagoon. Almost 40,000 visitors from all over the world visited the Center during fiscal year 2014, a 21% increase over the prior year. A total of 407 manatees were sighted. Volunteers provided a substantial donation to the Center with a total of 10,529 hours of volunteer time.

FPUA is required to prepare, adopt, and furnish a copy to the City Commission of the City of Fort Pierce an annual budget at least 45 days prior to the beginning of the next fiscal year. The annual budget and any amendments thereto shall be in effect when approved by FPUA and when any line item expense has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission. The budget is prepared on the accrual basis. The budget and amendments thereto for the year ended September 30, 2014, have been approved according to the above procedures.

LOCAL ECONOMY

Fort Pierce is located on Florida's east coast, 120 miles north of Miami and 220 miles south of Jacksonville. The estimated 2014 populations of the City of Fort Pierce and St. Lucie County were 41,188 and 282,821 respectively. Fort Pierce is the commercial center of the county, with approximately 24.5 square miles in land area. Its metropolitan area includes a transportation network comprised of Interstate 95, Florida's Turnpike, U.S. Highway 1, State Roads 68 and 70, Florida East Coast Railway, St. Lucie County International Airport, and the Port of Fort Pierce.

FPUA's service area includes both the area within the corporate limits of the City of Fort Pierce and the Town of St. Lucie Village, and portions of unincorporated St. Lucie County. Approximately 81% of the system revenues are derived from services provided within the City of Fort Pierce, and 19% from services provided in the Town of St. Lucie Village and unincorporated St. Lucie County.

The economy of Fort Pierce and surrounding St. Lucie County is primarily based upon government, agriculture, construction, retail and wholesale trade, light manufacturing, tourism, biotechnology, and sport and commercial fishing. There are several telemarketing service centers, commercial centers, research institutions, and a Walmart Distribution Center located in the area.

St. Lucie County continues to develop a 1,800-acre State recognized Research and Education Park in FPUA's service territory. Florida State University has a Regional Medical School Campus located at Indian River State College, which now offers numerous Bachelor's Degree Programs.

FPUA's service area is developing into an educational and research center featuring the following facilities:

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

The real estate market has shown some signs of improvement during fiscal year 2014. Although current development activity in the area is limited, FPUA is optimistic about growth in the long term. Even though many properties remain vacant, sales activity has picked up and some properties are being renovated and subsequently occupied. Improvements such as major roadwork, continued beautification of the downtown area, and private investment make the area attractive to new residents. Reconstruction of the City Marina outer docks damaged in the 2004 hurricanes is expected to provide an economic boost to the downtown area.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Rate Planning

Rate studies are updated for all utilities at least annually. Rate sufficiency is projected for the upcoming six years, based on the most recent financial forecast. Rate adjustments will continue to be made in future years to ensure that FPUA's electric, water, wastewater, and natural gas utilities each generate sufficient revenue to cover their respective expenses, while maintaining a minimum 45 days of operating cash as defined by FPUA bond covenants. A power cost adjustment (PCA) and purchased gas adjustment (PGA) are adopted as needed by the FPUA Board to ensure FPUA is recovering the cost of energy, and stabilize the amounts billed to customers.

Capital Planning

FPUA's capital renewal, expansion, and improvements continue. Capital plans are projected for the upcoming five years, and are primarily driven by replacement of aging infrastructure, as well as street and highway reconstruction projects. The multiplicity of requirements by regulatory agencies increases the amount FPUA budgets for those improvements. Most replacements increase costs and provide no additional revenue, but are expected to have a positive impact on operations and maintenance expenses. Receipt of contributed capital, which helps fund the infrastructure needed to support growth in the future, has slowed dramatically. In an effort to strategically expend FPUA's limited resources, Department Heads meet periodically with other governmental agencies to discuss and update capital plans, and coordinate implementation of those plans.

Strategic Management Planning

FPUA's Strategic Plan continues to promote communication and cooperation, and encourages increased employee involvement in achieving company goals that support FPUA's Mission Statement:

**“To provide our customers with economical, reliable, and friendly service
in a continuous effort to enhance the quality of life in our community.”**

Periodically, workshops are held to re-evaluate the key result areas (KRA's) for FPUA focus, as the organization moves forward. Participants in the workshop include the FPUA Board, key FPUA staff, and members of the Fort Pierce City Commission. KRA's and the corresponding goals and objectives most recently identified are as follows:

Improve Efficiency and Cost Effectiveness – Efforts continue toward automating workflows and eliminating redundant processes where possible. As FPUA strives to build a competitive attitude within the organization, it has been recognized that the benefits of past efforts have resulted in the ability to lower electric rates.

Improve Customer Education and Outreach – Regardless of the positive changes made at FPUA over recent years, public perception of the organization may not be fully aligned with reality. It is important to effectively communicate actions FPUA is taking to achieve goals associated with the mission statement. This may be accomplished by promoting community involvement through educational programs and environmental stewardship.

Increase Revenues – Although FPUA has successfully cut costs throughout the organization, staff recognizes that the same impact on the bottom line can be achieved by increasing revenues. Some areas to be considered are developing new services and products, as well as encouraging development and re-development of areas within the FPUA service territory. This will be accomplished through more aggressive marketing programs, reductions in capital improvement charges, and implementing programs for financing those charges.

Workforce Development – As FPUA’s workforce ages, it is critical to attract, retain and promote the most qualified employees within the organization. It is also important to improve motivation and morale as staff is continually being asked to do more with less.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to FPUA for its CAFR for the fiscal year ended September 30, 2013. This was the 20th consecutive year that FPUA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.

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

FPUA also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document dated July 31, 2013. To qualify for the Distinguished Budget Presentation Award, FPUA’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Nina B. Hurtubise, CPA
Director of Financial Services



Government Finance Officers Association

**Certificate of
Achievement
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Presented to

**Fort Pierce Utilities Authority
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

FPUA Leadership

Board Members



Daniel M. Delulio, CPA
Chairman



Darryl Thomas - Bey
Vice Chairman



Michael A. Perri, Jr.
Secretary



Glynda Cavalcanti, CPA
Deputy Secretary



Linda Hudson
Mayor

Management Team

William G. Thiess, P.E., Director of Utilities
Paul A. Jakubczak, P.E., Director of Electric & Gas Systems
Timothy E. Perkins, P.E., Director of Water/Wastewater Systems
Evelyn I. Walker, Director of Shared Services
Nina B. Hurtubise, CPA, Director of Financial Services
Nancy A. Dallaire, Risk Manager

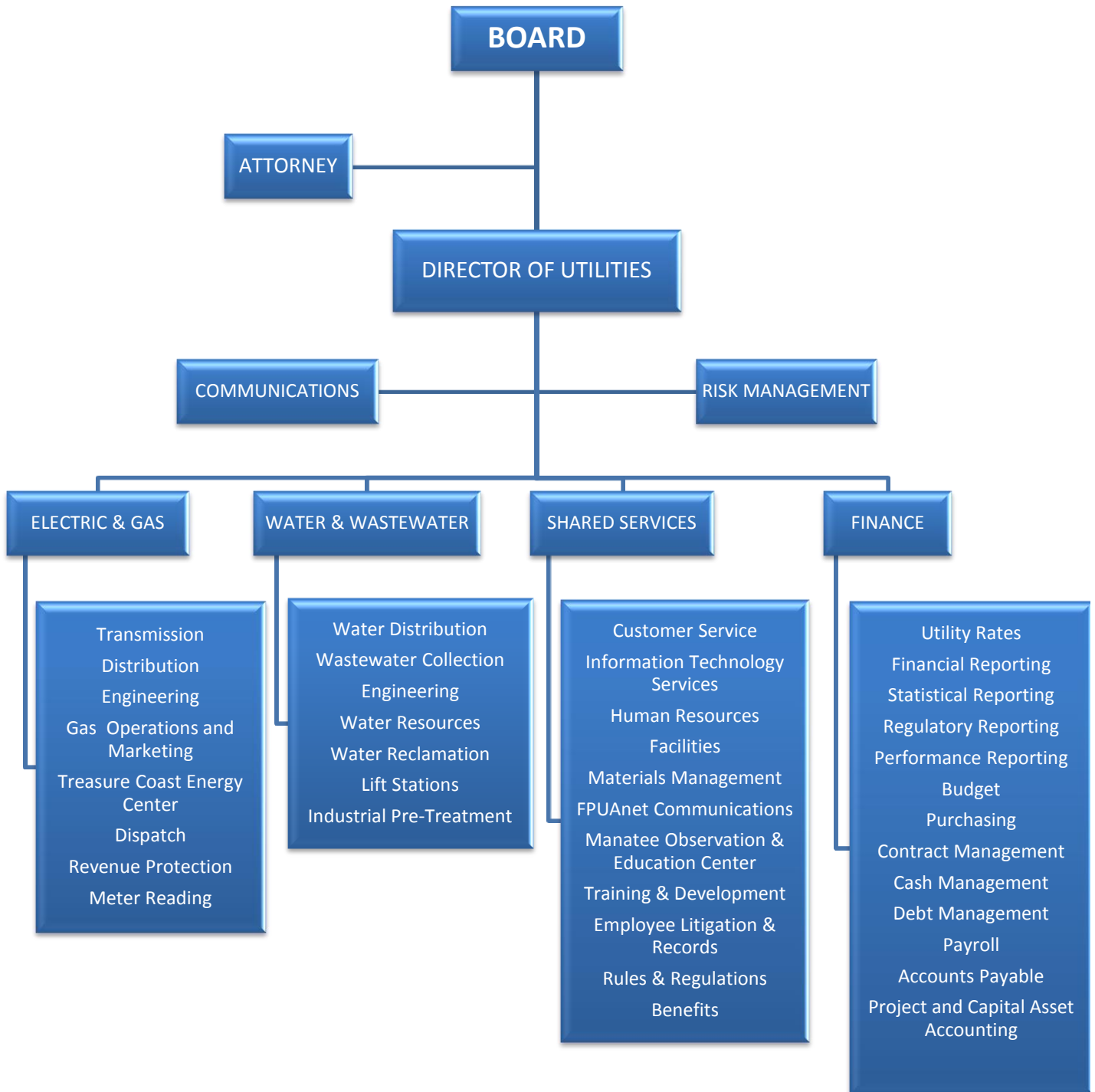
Counsel

R.N. Koblegard, III, Esquire

Independent Certified Public Accountants

DiBartolomeo, McBee, Hartley & Barnes

Fort Pierce Utilities Authority ORGANIZATION CHART





INDEPENDENT AUDITOR'S REPORT

Board Members
Fort Pierce Utilities Authority
Fort Pierce, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Fort Pierce Utilities Authority (the "FPUA"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the FPUA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the FPUA's preparation and fair presentation of the financial statements 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 FPUA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the FPUA, as of September 30, 2014, and the respective changes in financial position and the cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note A to the financial statements, in fiscal year 2014, the FPUA adopted new accounting standards, Governmental Accounting Standards Board (“GASB”) Statements No. 65, *Items previously Reported as Assets and Liabilities*.

Other Matters

Required Supplementary Information

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

Other Information

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2015, on our consideration of the FPUA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 FPUA's internal control over financial reporting and compliance.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
February 27, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fort Pierce Utilities Authority (FPUA), we offer readers of FPUA's financial statements this narrative overview and analysis of the financial activities of FPUA for the fiscal year ended September 30, 2014 (FY 2014). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

FINANCIAL HIGHLIGHTS

- Operating revenues increased \$1,501,000 over last year, and operating expenses increased \$1,027,000. Operating income of \$9,155,000 was up \$474,000 from \$8,681,000, which was reported for the previous year.
- The ability to adjust rates in order to ensure that FPUA's electric, water, wastewater and natural gas utilities each generate sufficient revenue to cover their respective expenses is critical to FPUA's financial health. Rate adjustments were implemented in March 2014, and were implemented again in March 2015. These adjustments are described in detail on page 20. Current projections indicate that additional increases in the Water system will be required in order to minimize cash flow deficiencies. Rates will continue to be reviewed on an annual basis to ensure that FPUA's rate structure properly reflects the recovery of the cost of operating and maintaining each utility system.
- Water and wastewater operating revenues were up 7.7% and 5.0% respectively from FY 2013. Excluding the recovery of purchased power and gas costs, electric and gas operating revenues were flat. Units billed by the gas, electric, wastewater and water systems all increased by 3.3%, 2.4%, 1.8%, and 1.7% respectively. The average number of services billed also all increased in the water, wastewater, electric and gas systems by 2.6%, 2.4%, 1.7%, and 1.1% respectively.
- Based upon current estimates for the cost of remediation of the former site of the H.D. King Power Plant, additional cost of \$417,000 has been accrued to cover the costs associated with testing and cleanup of the site. An estimated liability in the amount of \$1.64 million is recorded as of September 30, 2014 related to the remediation (See Note O for details).
- The Distribution to the City of Fort Pierce increased \$239,000 over last year as anticipated. This was primarily a result of the February 2012 restructuring of the electric and gas rates. Portions of the purchased power and gas costs were moved in the base rates and became subject to the 6% distribution calculation multiplier.
- FPUA implemented Government Accounting Standards Board Statement No. 65 (GASB 65) in FY 2014. GASB 65 has impacted FPUA by requiring that bond expenses, which were previously capitalized and spread over the life of debt, be recorded as expense when the debt is issued. The impact on prior fiscal years is a cumulative reduction in Unrestricted Net Position in the amount of \$1.6 million.
- Interest expense continues to decline as existing debt is paid off and no new debt is being issued.
- Adjustments to the estimated useful lives of capital assets are substantially complete, so depreciation expense was less in FY 2014, and will be in the years ahead.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The **Notes to the Financial Statements** provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The notes can be found on pages 28-48 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents **Required Supplementary Information** concerning FPUA's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on page 49 of this report.

FINANCIAL ANALYSIS OF FPUA AS A WHOLE

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. FPUA's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$179,125,000 at the close of the most recent fiscal year.

Table 1
Net Position
(Dollars in Thousands)

	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Current Assets	\$ 69,516	\$ 72,167	\$ (2,651)	(3.7%)
Capital Assets	215,496	216,360	(864)	(0.4%)
Other Noncurrent Assets	9,275	9,309	(34)	(0.4%)
Total Assets	<u>294,287</u>	<u>297,836</u>	<u>(3,549)</u>	<u>(1.2%)</u>
Total Deferred Outflows of Resources	1,250	-	1,250	~
Current Liabilities	27,373	26,575	798	3.0%
Noncurrent Liabilities	<u>85,835</u>	<u>91,471</u>	<u>(5,636)</u>	<u>(6.2%)</u>
Total Liabilities	<u>113,208</u>	<u>118,046</u>	<u>(4,838)</u>	<u>(4.1%)</u>
Total Deferred Inflows of Resources	3,204	2,255	949	42.1%
Net Position:				
Net Investment in Capital Assets	125,879	121,450	4,429	3.6%
Restricted	12,680	13,443	(763)	(5.7%)
Unrestricted	<u>40,566</u>	<u>42,642</u>	<u>(2,076)</u>	<u>(4.9%)</u>
Total Net Position	<u><u>\$ 179,125</u></u>	<u><u>\$ 177,535</u></u>	<u><u>\$ 1,590</u></u>	<u>0.9%</u>

The largest portion of FPUA's net position (70%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. FPUA uses these capital assets to provide a variety of services to its customers. Accordingly, these assets are not available for future spending. Although FPUA's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of FPUA's net position (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$40,566,000 is unrestricted and may be used to meet FPUA's ongoing obligations to its customers and creditors.

Total assets have decreased primarily due to a 10% decrease in unrestricted cash balances, resulting from planned use toward capital investment and providing the City of Fort Pierce an advance distribution payment. Total liabilities decreased primarily as a result of the annual repayment of principal on revenue bonds payable.

Table 2
Changes in Net Position
(Dollars in Thousands)

	<u>FY 2014</u>	<u>FY 2013</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Operating Revenues				
Electric	\$ 65,801	\$ 66,502	\$ (701)	(1.1%)
Water	14,488	13,456	1,032	7.7%
Wastewater	12,264	11,684	580	5.0%
Natural Gas	5,201	4,648	553	11.9%
MOEC	350	348	2	0.6%
FPUAnet Communications	430	395	35	8.9%
Nonoperating Revenues				
Investment and Other Income	2,232	1,961	271	13.8%
Grant Revenue	6	12	(6)	(50.0%)
Total Revenues	<u>100,772</u>	<u>99,006</u>	<u>1,766</u>	<u>1.8%</u>
Operating Expenses				
Purchases for Resale	45,347	44,800	547	1.2%
Plant Operations	5,247	5,127	120	2.3%
Field Operations	8,716	8,579	137	1.6%
General and Administrative	15,078	14,546	532	3.7%
Depreciation	14,991	15,300	(309)	(2.0%)
Nonoperating Expenses				
Distribution to the City of Fort Pierce	5,605	5,366	239	4.5%
Interest and Amortization	3,582	5,105	(1,523)	(29.8%)
TCEC Expenses	1,667	1,654	13	0.8%
Total Expenses	<u>100,233</u>	<u>100,477</u>	<u>(244)</u>	<u>(0.2%)</u>
Income (Loss) before Capital Contributions and Extraordinary Expense	539	(1,471)	2,010	(136.6%)
Capital Contributions	1,478	1,392	86	6.2%
Extraordinary Expense	427	761	(334)	(43.9%)
Increase (Decrease) in Net Position	1,590	(840)	2,430	(289.3%)
Net Position - Beginning of Year	<u>177,535</u>	<u>178,375</u>	<u>(840)</u>	<u>(0.5%)</u>
Net Position - End of Year	<u>\$ 179,125</u>	<u>\$ 177,535</u>	<u>\$ 1,590</u>	<u>0.9%</u>

Many of the explanations of the changes in net position have been discussed previously in the financial highlights. Rate adjustments, as well as increases in units and number of services billed have contributed to the most significant changes from the prior year.

The distribution to the City of Fort Pierce, based on FY 2014 revenues, computes to \$5,735,000 and will be paid in April 2015 (see Note E for details). Last year’s distribution, based on FY 2013 revenues, totaled \$5,605,000, and was paid in April 2014. The increase in the distribution reflects a full year of billing the electric and gas rates which were restructured to increase the base rates which are subject to the calculation at 6% of gross revenue.

CAPITAL ASSETS

Major projects, and the costs associated with each during FY 2014, include:

- Water Treatment Plant:
 - Sand Filter Rehabilitation \$2,554,000
 - Hypochlorite Conversion 573,000
 - Lime Softening Unit #2 Rehabilitation 461,000
 - High Service Pump #1 Diesel Motor 319,000
- Water Reclamation Facility:
 - Residuals Management 1,442,000
 - Grit Unit #1 Replacement 475,000
 - Deep Injection Well VFD Replacement 374,000
- Lift Station A VFD Replacement 502,000
- Electric Transmission and Distribution System:
 - System Improvements 425,000
 - 15kV Oil Circuit Breaker 392,000
 - Electric New Construction 381,000
- Water Main, Service, Meter and Valve Replacements 614,000

Since many of the projects rehabilitate deteriorating lines in the older sections of the service territory, the impact on operating and maintenance expenses is expected to be favorable. However, over 130 miles of old water and wastewater lines remain in those systems. Replacement of these lines is being phased over a 25-year period to soften the impact on rates.

At the end of FY 2014, FPUA had \$215,496,000 invested in a broad range of net utility capital assets, including its electric and natural gas transmission and distribution systems, water treatment plant, water transmission and distribution mains, water storage facilities, pump stations, water reclamation facility, MWRF deep injection wells, and related wastewater collection plant facilities.

The following tables summarize FPUA's capital assets, net of accumulated depreciation, and changes therein, for the year ended September 30, 2014.

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

	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Electric	\$ 66,537	\$ 68,627	\$ (2,090)	(3.0%)
Water	73,212	70,172	3,040	4.3%
Wastewater	61,830	62,380	(550)	(0.9%)
Shared Services	7,788	8,218	(430)	(5.2%)
Gas	5,354	6,142	(788)	(12.8%)
FPUAnet	691	728	(37)	(5.1%)
MOEC	84	93	(9)	(9.7%)
Total	<u>\$ 215,496</u>	<u>\$ 216,360</u>	<u>\$ (864)</u>	<u>(0.4%)</u>

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

	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Land	\$ 10,045	\$ 10,219	\$ (174)	(1.7%)
Transmission, distribution, and collection systems	160,707	163,802	(3,095)	(1.9%)
Equipment	9,670	10,119	(449)	(4.4%)
Structures and improvements	14,602	16,470	(1,868)	(11.3%)
Construction work in progress	20,472	15,750	4,722	30.0%
Total	<u>\$215,496</u>	<u>\$216,360</u>	<u>\$ (864)</u>	<u>(0.4%)</u>

Additional information on FPUA's capital assets can be found in Note C on pages 34-35 of this report.

DEBT ADMINISTRATION

At September 30, 2014, FPUA had outstanding revenue bonds in the amount of \$89,617,000. Debt service schedules extend to October 1, 2029. Interest rates range from 1.34% to 5.90% on the bonds. Principal payments are due October 1 of each year. Principal on the bonds of \$6,987,000 was due and paid on October 1, 2014.

On December 21, 2012, the bond rating firm, Standard & Poor's, raised its rating on FPUA's revenue bonds to an 'A'. On April 30, 2010, the bond rating firm, Fitch Ratings Ltd., recalibrated FPUA's underlying long term rating to 'A+'. Both firms also stated that FPUA's rating outlook is stable.

FPUA's debt service coverage ratio was 2.59 times for the twelve months ended September 30, 2014, compared to 2.51 times on September 30, 2013. This coverage ratio remains well above the 1.25 minimum requirement.

In January 2012, FPUA's master bond resolution was amended with the consent of FPUA's bond insurers. As a condition of the amendment, FPUA has agreed to make monthly transfers totaling \$1,976,825 to its Debt Service Reserve account over the subsequent 60 months. This agreement is expected to provide investors additional assurance that bond principal and interest will be paid as promised, as the credit rating of FPUA's bond insurers continues to decline.

Additional information on FPUA's revenue bonds payable can be found in Note F on pages 37-39 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local economic factors are discussed at length on pages 4 and 5.

On March 1, 2014, the following changes became effective:

- Decrease of \$1 per 1,000 kilowatt hours was applied to the base electric energy rate,
- Increase of 3.7% was applied to the water customer and volume charges, and
- Increase of 1.6% based on the 2013 PSC index was applied to the wastewater customer and collection charges and the natural gas customer and commodity charges.

On March 1, 2015, an increase of 3% was applied to the water customer and volume charges. Current rate schedules and charges are available on FPUA's website, www.fpua.com.

Rates will continue to be reviewed on an annual basis to ensure FPUA's rate structure properly reflects the recovery of the cost of operating and maintaining its electric, water, wastewater, and natural gas systems.

CONTACTING FPUA'S FINANCIAL MANAGEMENT

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

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

FORT PIERCE UTILITIES AUTHORITY
Statement of Net Position
September 30, 2014
(With comparative totals for September 30, 2013)
(Dollars in Thousands)

	2014	2013
ASSETS AND DEFERRED OUTFLOWS		
ASSETS		
Current Assets:		
Equity in Pooled Cash and Investments	\$ 29,371	\$ 32,533
Accounts Receivable, Net of Allowance for Uncollectible		
Accounts of \$3,875 in 2014 and \$3,951 in 2013	7,256	7,137
Unbilled Receivables	5,959	5,380
Due from Other Governments	447	447
Inventories and Other Current Assets	4,877	4,716
Restricted Equity in Pooled Cash and Investments	20,306	14,483
Restricted Cash with Fiscal Agent	1,300	7,471
Total Current Assets	69,516	72,167
Noncurrent Assets:		
Capital Assets:		
Utility Plant in Service	414,941	411,561
Construction Work in Progress	20,472	15,750
Less Accumulated Depreciation	(219,917)	(210,951)
Total Capital Assets (net of Accumulated Depreciation)	215,496	216,360
Other Noncurrent Assets:		
FMPA Working Capital Receivable	1,919	1,919
Preliminary Surveys	29	29
Investment in Public Gas Partners Pool	624	658
Restricted Equity in Pooled Cash and Investments	6,703	6,703
Total Other Noncurrent Assets	9,275	9,309
Total Noncurrent Assets	224,771	225,669
TOTAL ASSETS	294,287	297,836
DEFERRED OUTFLOWS OF RESOURCES		
Advance Distribution to General Fund - City of Fort Pierce	1,250	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 295,537	\$ 297,836

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

FORT PIERCE UTILITIES AUTHORITY
Statement of Net Position
September 30, 2014
(With comparative totals for September 30, 2013)
(Dollars in Thousands)

	2014	2013
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 10,066	\$ 9,295
Due to City of Fort Pierce	766	732
Customer Deposits - restricted assets	7,445	7,205
Revenue Bonds Payable - restricted assets	6,987	6,653
Accrued Interest Payable - restricted assets	1,197	1,356
Accrued Compensated Absences	55	-
Capital Leases Payable	26	22
Other Current Liabilities	831	1,312
Total Current Liabilities	27,373	26,575
Noncurrent Liabilities:		
Revenue Bonds Payable, Net of Unamortized Discounts	82,405	88,038
Accrued Compensated Absences	1,878	1,830
Other Post Employment Benefit Obligation	622	564
Due to St. Lucie County	137	177
Capital Leases Payable	80	105
Other Noncurrent Liabilities	713	757
Total Noncurrent Liabilities	85,835	91,471
TOTAL LIABILITIES	113,208	118,046
DEFERRED INFLOWS OF RESOURCES		
Purchased Power and Gas Over-Collection	3,204	2,255
NET POSITION		
Net Investment in Capital Assets	125,879	121,450
Restricted Capital Improvement Charges	5,977	6,740
Restricted for Debt Service	4,535	4,139
Restricted for Emergencies	1,668	2,000
Restricted for Renewals and Replacements	500	564
Unrestricted	40,566	42,642
Total Net Position	179,125	177,535
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 295,537	\$ 297,836

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



FORT PIERCE UTILITIES AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2014
(With comparative totals for the year ended September 30, 2013)
(Dollars in Thousands)

	2014	2013
OPERATING REVENUES		
Sales and charges for services	\$ 96,262	\$ 94,861
Other	2,272	2,172
Total Operating Revenues	98,534	97,033
OPERATING EXPENSES		
Purchases for resale	45,347	44,800
Plant operations	5,247	5,127
Field operations	8,716	8,579
General and administrative	15,078	14,546
Depreciation	14,991	15,300
Total Operating Expenses	89,379	88,352
OPERATING INCOME	9,155	8,681
NONOPERATING REVENUES (EXPENSES)		
Investment and other income	2,232	1,961
Grant revenue	6	12
TCEC expenses	(1,667)	(1,654)
Interest expense	(3,582)	(5,105)
Distribution to General Fund - City of Fort Pierce	(5,605)	(5,366)
Total Nonoperating Revenues (Expenses)	(8,616)	(10,152)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	539	(1,471)
Capital contributions	1,478	1,392
INCOME BEFORE EXTRAORDINARY ITEMS	2,017	(79)
Extraordinary Income (Expense)	(427)	(761)
CHANGE IN NET POSITION	1,590	(840)
Net Position - Beginning of Year	177,535	178,375
Net Position - End of Year	\$ 179,125	\$ 177,535

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

FORT PIERCE UTILITIES AUTHORITY
Statement of Cash Flows
Year Ended September 30, 2014
(With comparative totals for the year ended September 30, 2013)
(Dollars in Thousands)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 94,997	\$ 94,286
Receipts from other sources	2,055	2,172
Payments to suppliers for goods and services	(53,836)	(51,653)
Payments to employees for services	(13,389)	(13,159)
Payments for benefits on behalf of employees	(6,393)	(6,083)
Net cash provided by operating activities	23,434	25,563
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase in payable to City of Fort Pierce	34	33
Proceeds received for Grants & Storm damages	6	12
Payments for other non-operating activities	(1,667)	(1,764)
Distribution to General Fund - City of Fort Pierce	(5,605)	(5,366)
Net cash used by noncapital financing activities	(7,232)	(7,085)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(13,239)	(10,346)
Capital contributions	265	1,337
Proceeds from issuance of debt	8,347	28,436
Bond and loan principal payments	(13,680)	(32,164)
Bond and loan interest payments	(3,582)	(5,120)
Proceeds from capital lease obligation	-	144
Payment on capital lease obligation	(21)	(56)
Net cash used by capital and related financing activities	(21,910)	(17,769)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in value of PGP Investment	(34)	(172)
Interest on investments	2,232	1,961
Net cash provided by investing activities	2,198	1,789
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (3,510)	\$ 2,498

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

FORT PIERCE UTILITIES AUTHORITY
Statement of Cash Flows
Year Ended September 30, 2014
(With comparative totals for the year ended September 30, 2013)
(Dollars in Thousands)

	2014	2013
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (3,510)	\$ 2,498
Cash and Cash Equivalents at Beginning of Year	61,190	58,692
Cash and Cash Equivalents at End of Year	\$ 57,680	\$ 61,190
Current equity in investments	\$ 29,371	\$ 32,533
Restricted equity in investments	27,009	21,186
Cash with fiscal agent	1,300	7,471
Total Cash and Cash Equivalents	\$ 57,680	\$ 61,190
RECONCILIATION OF OPERATING INCOME TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 9,155	\$ 8,738
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	14,991	15,300
Inventory adjustment and bad debts	-	338
(Increase) decrease in accounts receivable	(119)	301
(Increase) decrease in unbilled revenue	(579)	(120)
(Increase) decrease in inventories and other current assets	(1,414)	136
Increase (decrease) in accounts payable	771	1,673
Increase (decrease) in compensated absences	103	73
Increase (decrease) in other post employment benefits	58	55
Increase (decrease) in deferred revenues	468	(931)
	\$ 23,434	\$ 25,563
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Contributions of capital assets	\$ 917	\$ 54

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

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The accounts at September 30, 2014, and for the year then ended, of the various utility systems of FPUA are included as a discretely presented component unit of the City of Fort Pierce, Florida, financial statements. FPUA has no component units.

Basis of Presentation

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

GASB Statement No. 63 – GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, implemented for the September 30, 2013 financial reporting period, establishes standards for reporting deferred outflows of resources, deferred inflows of resources and net position in the statement of financial position and the related disclosures.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

GASB Statement No. 65 – During FY 2014 FPUA implemented GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* (GASB 65), that amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets or liabilities. The objective is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues).

The impact of the implementation of GASB 65 on FPUA's financial statements for all periods presented was that certain debt issuance costs are now expensed which were previously recorded as an asset and amortized over the life of the debt. This provision was applied retroactively and resulted in beginning net position as of October 1, 2013 being reduced by \$1,623.

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

Assets, Liabilities, Deferred outflows/inflows of resources, and Net Position

Pooled Cash and Investments - FPUA, for accounting and investment purposes, pools certain cash and investments. Cash and cash equivalents are considered to be cash on hand, certificates of deposit, Local Government Surplus Funds Trust Fund, Overnight Repurchase Agreements, and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with GASB 31 investments are stated at fair value based on per share prices. The Florida PRIME Investment Pool (LGIP) is considered to be a "2a-7 like" investment, and is accounted for at fair value for financial reporting. Florida State Board of Administration Fund B was dissolved on September 5, 2014. The loss recorded on this investment, at September 30, 2014, is \$20 which is noted as net to the interest earned on all investments (See Note B *Investments*). Florida PRIME has a current rating by Standard and Poor's of AAAM. There is a risk of loss on these investments based upon the fluctuation of interest rates and lengths of maturity.

Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

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

Inventories - Inventories of fuel, chemicals, supplies, construction materials, and utility plant replacement parts are recorded at lower of weighted average cost or market.

Utility Plant - Utility plant is stated at historical cost for items constructed or acquired by purchase and at estimated fair market value on the date received for contributed capital. Utility plant assets are defined by FPUA as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of one year or more. (See Note C for interest capitalization.)

Depreciation of all exhaustible utility plant assets, including those acquired through intergovernmental grants externally restricted to capital acquisitions, is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet.

Depreciation is calculated using the straight line method over the following estimated useful lives:

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

Purchased Power and Gas Adjustments - The rate schedules of the Electric and Gas Systems provide that fuel cost increases, decreases, and credits, as computed under formulas adopted by FPUA, will be passed on to the customers. These charges or credits are recorded as a deferred inflow of revenue. At the end of the fiscal year FPUA has recorded deferred inflow of resources in the amount of \$3,204 for these adjustments.

Long-Term Liabilities - Bonds payable are reported net of any applicable discounts. Bond discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs have been recognized as outflows of resources in accordance with GASB No. 65 (see GASB Statement No. 65 in this note).

Deferred outflows/inflows of resources - The financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until the period in which the expense belongs arrives. Similarly, *deferred inflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until FPUA reaches the period to which the resources belong.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

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

- Invested in Capital Assets, Net of Related Debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Capital Improvement Charges – Consists of the unspent Capital Improvement Charges (CIC's) collected in the Electric, Water and Wastewater Systems. The respective balances as of September 30, 2014 are \$380, \$4,794, and \$803. Electric CIC's are used to fund the cash outlay or debt service associated with the expansion of Electric Substations and Electric Transmission & Distribution Systems. In the Water and Wastewater Systems, CIC's are used to fund the cash outlay or debt service associated with specific expansion and growth related projects.
- Restricted for Debt Service – Consists of net position set aside for payment of principal and interest on the 2009 Utilities Revenue Refunding Bonds and additional amounts in accordance with FPUA’s Master Bond Resolution, as revised in 2012.
- Restricted for Emergencies – Consists of \$1,668 in net position, set aside for emergencies which is limited to paying for repairs or replacements of FPUA capital assets damaged or destroyed by a disaster.
- Restricted for Renewals and Replacements – Consists of net position which is limited to paying for the cost of extensions, enlargements or additions to or the replacement of FPUA capital assets.
- Unrestricted – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

Comparative data

Comparative total data for the prior year has been presented in order to provide an understanding of the changes in the financial position and the results of operations of FPUA.

Budget Process

FPUA is required to prepare, adopt, and furnish a copy to the City Commission of the City of Fort Pierce an annual budget at least 45 days prior to the beginning of the next fiscal year. The annual budget and any amendments thereto shall be in effect when approved by FPUA and when any line item expense has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission. The budget is prepared on the accrual basis. The budget and amendments thereto for the year ended September 30, 2014, have been approved according to the above procedures.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to September 30, 2014 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2014. Management has performed their analysis through February 27, 2015.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

NOTE B – CASH AND INVESTMENTS

Cash Deposits - Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a "Qualified Public Depository," which is a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits. FPUA had deposits only with qualifying institutions as of September 30, 2014, or with banks in which depository insurance was sufficient to cover the deposit balance. At year end, FPUA's carrying amount of deposits was \$696 and the bank balance was \$328.

Investments – The following investments are considered cash equivalents for purposes of the Statement of Cash Flows and are shown net of any recorded loss (see Note A, Pooled Cash and Investments). FPUA's investments held throughout the year are principally the same as the investments held as of September 30, 2014. Due to fluctuations in cash flows, FPUA maintains investments in overnight repurchase agreements. The interest income generated on these investments net of any recorded loss, for the year ended September 30, 2014, was \$37.

As of September 30, 2014, FPUA had the following investments:

<u>Investment</u>	<u>Fair Value</u>
Florida State Board of Administration - Florida PRIME Investment Pool LGIP (Standard and Poors rated AAAM)	\$ 5,164
Seacoast National Bank Sweep	42,447
PNC Money Market	7,057
Harbor Community Bank Certificate of Deposit	<u>1,007</u>
Total	<u>\$ 55,675</u>

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, FPUA's investment policy states that when interest rates are at historically low levels, funds will be placed in short maturities and that when interest rates are at historically high levels, funds may be placed into longer maturities to lock into these yields.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

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

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

Concentration of Credit Risk - FPUA places no limit on the amount that may be invested with any one issuer. A combined 76% of FPUA's investments are in overnight repurchase agreements and the Florida PRIME Investment Pool.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

NOTE C – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated:				
Land	\$ 10,219	\$ 9	\$ (183)	\$ 10,045
Construction Work In Progress	15,750	13,450	(8,728)	20,472
Total Utility Plant, not being depreciated	25,969	13,459	(8,911)	30,517
Capital Assets, being depreciated:				
Transmission, distribution and collection systems	319,325	8,289	(3,987)	323,627
Equipment	43,877	2,405	(1,530)	44,752
Structures and improvements	38,140	(920)	(703)	36,517
Total Utility Plant being depreciated	401,342	9,774	(6,220)	404,896
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(155,523)	(11,384)	3,987	(162,920)
Equipment	(33,758)	(2,854)	1,530	(35,082)
Structures and improvements	(21,670)	(753)	508	(21,915)
Total accumulated depreciation	(210,951)	(14,991)	6,025	(219,917)
Total Capital Assets, being depreciated, net	190,391	(5,217)	(195)	184,979
Total Capital Assets, net	<u>\$ 216,360</u>	<u>\$ 8,242</u>	<u>\$ (9,106)</u>	<u>\$215,496</u>

Depreciation expense was charged to the utility systems as follows:

Wastewater	\$ 4,836
Electric	4,721
Water	4,246
Gas	1,088
FPUAnet Communications	91
Manatee Observation and Education Center	<u>9</u>
	<u>\$14,991</u>

Construction work in progress at September 30, 2014, consists principally of expansions and upgrades to the electric transmission and distribution system, water supply and distribution system, wastewater collection system, and gas distribution system.

FPUA capitalizes interest costs on funds borrowed to finance the construction of utility plant in conformity with Statements of Financial Accounting Standards 34, 42, and 62 as applicable.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

Total interest costs for the year ended September 30, 2014, were \$3,582 of which \$178 has been capitalized as plant utility construction costs.

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

<u>Upgrade and Expansion</u>	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>	<u>Required Further Financing</u>
Water	\$ 1,875	\$ 883	\$ 992	None
Wastewater	2,985	2,374	611	None
Gas	84	5	79	None
Electric	164	99	65	None
FPUAnet	55	13	42	None
	<u>\$ 5,163</u>	<u>\$ 3,374</u>	<u>\$ 1,789</u>	

In addition, FPUA enters into unit price contracts for the construction or renovation of system assets. These contracts are not firm commitments, and the contractors are utilized as needed. As of September 30, 2014, there were no remaining unit price contract commitments for the construction or renovation of FPUA system assets.

NOTE D – RESTRICTED ASSETS

Certain assets are restricted by bond resolution; additionally, some assets have been classified as restricted in accordance with governmental accounting standards for enterprise funds and utility industry accounting practices.

FPUA's restricted assets consist of equity in pooled cash and investments and cash with fiscal agent in the following accounts:

Principal and interest accounts	\$ 8,184
Capital Improvement Charges	5,977
Customer security deposits	7,445
Debt Service	4,535
Emergency reserve	1,668
Renewal and replacement reserve	<u>500</u>
Total Restricted Assets	<u>\$28,309</u>

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

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

As provided by an amendment to the Charter of the City of Fort Pierce, Florida, a percentage of FPUA's utility systems revenue is distributed to the City's General Fund on an annual basis. The distribution calculation is based on the preceding fiscal year audited financial statements. The following is the computation of the amounts distributable to the General Fund during the year ending September 30, 2015, based on the 6% distribution formula for the year ended September 30, 2014:

Gross Revenue	\$ 102,250
Plus:	
Gas Piping and Appliance Costs	<u>30</u>
	102,280
Less:	
Power Cost and Purchased Gas Adjustments	2,504
FMPA O&M Contract Income	1,667
Capital Contributions	1,478
FPUA net Operating Revenue	430
Manatee Observation and Education Center Operating Revenue	350
Revenue for City Billing	187
Gas Piping and Appliance Revenue	71
Grant Revenue	<u>6</u>
Adjusted Gross Revenue	<u>\$ 95,587</u>
Amount distributable to General Fund, City of Fort Pierce at 6% of gross revenues, as defined	<u>\$ 5,735</u>

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

NOTE F – REVENUE BONDS PAYABLE

Bonds Payable at September 30, 2014, consist of:

\$22,445 Utilities Refunding Revenue Bonds, Series 1999A, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 5.250% to 5.375% on the remaining annual principal amounts ranging from \$240 to \$255 through October 1, 2015.	\$495
\$10,223 Utilities Revenue Capital Appreciation Bonds, Series 1999B, collateralized by pledge of and first lien on the net revenues of the combined systems, yield varying from 5.70% to 5.90%. The accreted value at September 30, 2014 is \$24,279. The bonds mature October 1, 2016 through October 1, 2024, with principal amounts totaling \$34,970 due in those years in annual amounts ranging from \$275 to \$4,340.	24,279
\$9,545 Utilities Revenue Bonds, Series 2002, collateralized by pledge of and first lien on the net revenues of the combined systems, interest at 5.0%. The bonds mature October 1, 2025 through October 1, 2027, with principal amounts ranging from \$3,025 to \$3,340.	9,545
\$34,800 Utilities Refunding Revenue Bonds, Series 2009, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 3.90% to 5.00% on the remaining annual principal amounts ranging from \$1,210 to \$7,285 through October 1, 2029.	34,800
\$20,896 Taxable Utilities Refunding Bond, Series 2012, collateralized by a pledge of and first lien on the net revenues of the combined systems, interest at 1.34% on the remaining annual principal amounts ranging from \$398 to \$6,920 through October 1, 2016.	20,498
Total Revenue Bonds Payable at September 30, 2014	\$89,617
Less: Unamortized portion of revenue bond discounts	255
Unamortized deferred charges	(30)
Current portion of revenue bonds payable	<u>6,987</u>
	<u>\$ 82,405</u>

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

Requirements to amortize all revenue bonds outstanding as of September 30, 2014 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	6,987	2,394	9,381
2016	7,086	2,291	9,377
2017	7,195	2,185	9,380
2018	5,545	2,093	7,638
2019	5,595	2,045	7,640
2020-2023	22,910	7,651	30,561
2024-2027	24,135	6,428	30,563
2028-2030	20,855	2,067	22,922
	<u>100,308</u>	<u>27,154</u>	<u>127,462</u>
Future accretion on capital appreciation bonds	<u>(10,691)</u>	<u>10,691</u>	<u>-</u>
	<u>\$ 89,617</u>	<u>\$ 37,845</u>	<u>\$ 127,462</u>

Significant Bond Covenants for Utilities Revenue Bonds

The Series 1999, 2002, 2009 and 2012 bond issues provide that FPUA accumulate monthly 1/6 of the amount of all interest becoming due on the next semi-annual interest payment date, and 1/12 of the amount of principal which will become due and payable on the next principal maturity date. Additionally, FPUA's Master Bond Resolution require renewal and replacement, emergency reserve and debt service reserve subaccount funds with minimum requirements of \$500, \$900 and \$4,139, respectively. These reserves are funded in the amounts of \$500, \$1,668 and \$4,535 respectively, at September 30, 2014.

Defeasance of Revenue Bonds Payable

In prior years, FPUA defeased certain outstanding utilities revenue bonds issued for the systems payable out of revenues derived from the operation of the utility systems. These defeasances were achieved by placing the proceeds of refunding bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities (including bond discounts and financing costs) for the defeased bonds are not included in FPUA's financial statements. At September 30, 2014, Utilities Revenue Bonds Series 1991 in the amount of \$27,355, and Utilities Revenue Bonds Series 2003 in the amount of \$19,940, are considered defeased.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

Redemption Options Prior to Maturity

Series 1999A Bonds maturing on or after October 1, 2010 are redeemable prior to their stated dates of maturity, at the option of FPUA, at par plus accrued interest to the redemption date.

The 2002 Bonds maturing on October 1, 2027 are redeemable prior to their stated date of maturity, at the option of FPUA, beginning April 1, 2012 at par plus accrued interest to the redemption date.

The 2003 Bonds maturing on or after October 1, 2014 are redeemable prior to their stated date of maturity, at the option of FPUA, beginning October 1, 2013 at par. On November 14, 2012, FPUA issued Taxable Utilities Refunding Revenue Bonds, Series 2012 in the amount of \$20,896, in order to provide funds for the redemption of \$19,940 of the 2003 Bonds, in accordance with the above provisions.

The Series 2009 Bonds maturing on October 1, 2029 with an interest rate of 4.70% are redeemable prior to their stated date of maturity, at the option of FPUA, on or after October 1, 2014 at par plus accrued interest to the redemption date. The Series 2009 Bonds maturing on or after October 1, 2020 (excluding those maturing on October 1, 2029 with an interest rate of 4.70%) are redeemable prior to their stated date of maturity, at the option of FPUA, on or after October 1, 2019 at par plus accrued interest to the redemption date.

NOTE G – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 94,910	\$ 8,347	\$ (13,640)	\$ 89,617	\$ 6,987
Deferred Amounts	(219)	(221)	215	(225)	-
Due to St Lucie County	177	-	(40)	137	-
Capital Leases	127	-	(21)	106	26
Compensated Absences	1,830	1,476	(1,373)	1,933	55
Other Post Employment Benefits	564	58	-	622	-
Pollution Remediation	1,948	883	(1,188)	1,643	930
Long Term Liabilities	<u>\$ 99,337</u>	<u>\$ 10,543</u>	<u>\$ (16,047)</u>	<u>\$ 93,833</u>	<u>\$ 7,998</u>

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

NOTE H – COMPENSATED ABSENCES

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

Accrued liabilities, based on hourly rates at September 30, 2014, have been reflected in the accounts of FPUA for vested (not contingent on employee future service) vacation and sick leave benefits at September 30, 2014, as follows:

	<u>Total Liability</u>	<u>Due Within One Year</u>
Vacation leave	\$ 724	\$ 55
Sick leave	<u>1,209</u>	<u>-</u>
	<u>\$ 1,933</u>	<u>\$ 55</u>

Annually, FPUA offers its employees the opportunity to receive payment for up to 6 days of unused sick leave, calculated at current hourly rates, providing certain established criteria have been met. This sick leave conversion plan is intended to provide incentive for sick leave to be used only when necessary. During the year ended September 30, 2014, \$68 was paid to employees electing this option.

FPUA also offers its employees the opportunity to sell back a portion of their accumulated sick leave, calculated at current hourly rates, providing certain established criteria have been met. Employees may elect to convert up to a maximum of 90 days of sick leave which will reduce their amount payable upon separation. During the year ended September 30, 2014, \$37 was paid to employees electing this option.

In addition, all employees have two opportunities per fiscal year to convert up to one half of their annual vacation accrual to cash and will reduce their amount payable upon separation. During the year ended September 30, 2014, \$38 was paid to employees electing this option.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

NOTE I – RETIREMENT AND BENEFIT SYSTEM

Plan Description

The City of Fort Pierce Retirement and Benefit System (the System) is a cost-sharing multiple employer Public Employees Retirement System (PERS) defined benefit plan administered by the City of Fort Pierce, covering all municipal employees, including employees of FPUA. The System does not issue a stand-alone financial report; however the financial information is included in the financial statements of the City of Fort Pierce, which can be obtained by submitting a request to 100 North U.S. Highway 1, Fort Pierce, Florida 34950. Except for the Director of Utilities, participation in the System is compulsory for all employees of FPUA. Employees working more than 25 hours per week are required to participate upon employment.

As of September 30, 2014, benefits vest 100% after 5 years of service for members hired prior to October 1, 2012 and benefits vest 100% after 10 years of service for members hired on or after October 1, 2012. Upon retirement, members hired prior to October 1, 2012 are entitled to an annual retirement benefit of, payable for life, total service (years and months) times 3% of final average salary, based upon the highest 5 years out of the last 10 years. The annual retirement benefit for members hired on or after October 1, 2012 shall not exceed 75% of the member's final average salary. Other benefit options are also available on an actuarial equivalent basis. The System also provides death and disability benefits and is governed by state statute and city ordinance. Changes to benefits may be made with the approval of the Fort Pierce City Commission.

Funding Status and Progress

Per the City of Fort Pierce Code of Ordinances, Ch. 13, Art. II, Div. 1, Sec. 13-40, FPUA employees are required to contribute 6.16% of their annual salary to the System. FPUA is required to contribute amounts actuarially determined annually which, together with member contributions, are sufficient to fund the System. The System was 91.8% funded by valuation assets as of September 30, 2014.

For the three years ended 2012, 2013, and 2014 employer contributions to the System, based on the annual covered payroll, all made in accordance with actuarially determined requirements, were \$3,567 (13.80%), \$4,267 (16.93%) and \$4,356 (17.32%) respectively.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

NOTE J – RISK MANAGEMENT

Fort Pierce Utilities Authority Employee Health Plan (the Plan)

FPUA has been a self-insurer for health and accident claims of their employees, retirees and their families since January 1, 2000. Payments of claims under the Plan are administered by Blue Cross Blue Shield of Florida (Florida Blue). Employee contributions to the Plan are made biweekly. Any benefit claims, up to the stop loss amounts, are paid by FPUA. Claims in excess of the stop loss amounts are underwritten by an insurer. The individual stop loss amount is \$110 and \$3,600 in the aggregate for calendar year 2014.

As of September 30, 2014, FPUA had estimated incurred unpaid claims of \$760. This amount has been calculated based on the results of an actuarial analysis of the Plan, plus claims paid by Florida Blue prior to year end and paid by FPUA subsequent to year end.

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

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2013	\$ 690	\$ 4,104	\$ 4,121	\$ 673
2014	673	4,518	4,431	760

Other Risks of Loss

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

NOTE K – POSTEMPLOYMENT HEALTH CARE BENEFITS

Benefit Description - FPUA provides certain health care benefits for retired employees and their families, as a single-employer (see Note J). Substantially all FPUA employees may become eligible for those benefits if they reach normal retirement age while working for FPUA. FPUA establishes the benefits provided to its employees and retirees and may amend the benefits as business conditions and statutory requirements change. In accordance with Florida Statutes, FPUA allows their retirees to participate in the same Plan offered to their active employees.

Funding Policy - Contributions to the Plan are made by the 45 participating retirees. The amount of contributions made by retirees is established annually and is an amount equivalent to the contribution made by active employees plus FPUA’s cost, based on a four-tiered benefit

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

structure. During the fiscal year, retirees paid required contributions of \$157 for the year then ended. Claims in excess of the aforementioned rates are funded by FPUA on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - FPUA's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that would cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) using a level-dollar payment method over a 30-year open period. A separate actuarial valuation report for postemployment benefits is available on FPUA's website at www.fpua.com.

The following table shows the components of FPUA's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in FPUA's net OPEB obligation:

Annual required contribution	\$ 91
Interest on Net OPEB Obligation	23
Adjustment on annual required contribution	<u>(31)</u>
Annual OPEB Cost	83
Contributions made	(25)
Interest on contributions	<u>-</u>
Increase in Net OPEB Obligation	58
Net OPEB Obligation - beginning of year	<u>564</u>
Net OPEB Obligation - end of year	<u><u>\$ 622</u></u>

FPUA's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, the net OPEB obligation for FY 2014, and the two preceding years were as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>(Asset)/</u> <u>Obligation</u>
2012	\$75	29.3%	\$ 509
2013	77	28.6%	564
2014	83	30.1%	622

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

Funded Status and Funding Progress - The net OPEB obligation was not funded as of October 1, 2014, the most recent actuarial valuation date. As a result, the unfunded actuarial accrued liability (UAAL) for benefits was \$786. The covered payroll (annual payroll of active employees covered) was \$14,269. Therefore, the ratio of the UAAL to the covered payroll was 5.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2014 actuarial valuation, the projected unit credit cost method was used. Under this method, past service liability is determined on an individual basis by applying the ratio of each individual's past service to his total projected service. The actuarial assumptions included a 4.0% investment rate of return, with 2.75% of this amount being attributed to inflation, based on the expected long-term return on FPUA's surplus funds. The cost of covered medical services has been assumed to increase at the rate of 5.0% per year, compounded annually. The UAAL is being amortized using a 30-year open level-dollar amortization method.

NOTE L – CAPITAL LEASES

On January 4, 2013, FPUA terminated their lease with Pitney Bowes prior to the lease end date and committed to a new five-year capital lease for upgraded equipment and software used for billing and mailing. The equipment has been capitalized at its fair market value (FMV) of \$142. As of September 30, 2014 the FMV less accumulated amortization was \$92. The effective interest/maintenance expense for the year ended September 30, 2014 was \$22. Future lease payments for this capital lease are as follows:

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

<u>Year ending September 30</u>	<u>Amount</u>
2015	26
2016	31
2017	38
2018	<u>11</u>
	<u>\$106</u>

NOTE M – TRANSACTIONS WITH THE CITY OF FORT PIERCE

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

Metered and Non-metered Service Charges - FPUA bills the City on a monthly basis for all non-metered and metered services in the ordinary course of business. Total amounts charged to the City for the year ended September 30, 2014, were \$2,003.

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

Current accounts receivable from the City at September 30, 2014, totaled \$142. Disbursements made to the City by FPUA, including payments of utility tax, sanitation charges collected and remediation charges for the year ended September 30, 2014, were \$9,461. In addition, FPUA paid the September 30, 2013 General Fund distribution to the City in the amount of \$5,605. Amounts payable to the City at September 30, 2014, were \$997.

Vehicle Fuel - The City charges FPUA on a monthly basis for fuel used by FPUA vehicles. FPUA's fueling system reciprocates and can fuel City vehicles at their convenience.

Advance Distribution to the General Fund – FPUA entered into an agreement with the City to provide an advance on future distributions to the General Fund. FPUA disbursed \$1,250 during the year ending September 30, 2014. The City will repay this advance through a reduction of future distributions of \$417 in 2017 and 2018 and a final reduction in 2019 of the balance including interest accrued at the average interest rate earned by FPUA on its investments. The advance is included in "Deferred Outflows of Resources" in the statement of net position.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

NOTE N – CONTRACT COMMITMENTS

FMPA All-Requirements Power Supply Project

As of January 1, 1998, FPUA became a participant in the Florida Municipal Power Agency's (FMPA) All-Requirements Power Supply Project (hereinafter referred to as ARP). FPUA has agreed to purchase its total bulk power requirements, in excess of certain excluded resources, from the ARP through October 1, 2033.

Prior to being involved in the ARP, FPUA had Project Support Contracts and Power Sales Contracts with FMPA regarding Stanton Unit No. 1 (Stanton and Tri-City Projects) and Stanton Unit No. 2, coal-fired plants constructed by the Orlando Utilities Commission. FPUA's resources, which have been assigned, include the contracts with FMPA related to Stanton Unit No. 1 and Stanton Unit No. 2, and to part of the contract with Florida Gas Transmission for the purchase of firm capacity natural gas (See below). The contracts related to the St. Lucie Project, also detailed below, have not been assigned; however, as of January 1, 1998, FPUA's share of transmission costs related to the St. Lucie Project has been assigned to the ARP.

FMPA St. Lucie Project

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

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

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

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

Purchases under these contracts are accounted for as operating expenses by FPUA. Total cost included in operating expenses for FY 2013 and FY 2014 was \$6,662 and \$7,033 respectively. FPUA is committed under the agreements to payments of \$7,948 for the year ending September 30, 2015.

Florida Gas Transmission

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

On July 3, 2012, FPUA acquired additional firm capacity from the City of Sunrise, Florida in order to meet the needs of new industrial customers. This agreement will remain in effect until July 2, 2017 or until cancelled by FPUA. In FY 2015, FPUA will be entitled to firm capacity of 514,912 MMBtu, and will be committed to purchase 210,600 MMBtu of natural gas at a cost of \$891. The amounts purchased under these contracts, for FY 2013 and FY 2014 were \$1,756 and \$2,237 respectively.

FMPA Treasure Coast Energy Center

FPUA has entered into an agreement with FMPA to manage and operate their facility located in St Lucie County near Fort Pierce. The Treasure Coast Energy Center (TCEC) is a natural gas fueled power generation site. The initial terms of this agreement(s) commenced on July 24, 2007 and expired on September 30, 2011, after which the agreement became a one-year evergreen. The agreement has been extended for the year ended September 30, 2014.

FPUA has been engaged to manage, operate and maintain the TCEC. TCEC employees are on the payroll of FPUA and all costs associated with them are reimbursed bi-weekly by FMPA. TCEC employee costs and revenue for FY 2013 and FY 2014 totaled \$1,654 and \$1,667 respectively.

NOTE O – EXTRAORDINARY ITEMS

FPUA transferred the ownership of the former site of the Henry D. King Power Plant to the FPRA on October 15, 2009. A grant awarded to the FPRA for the cleanup was not sufficient to cover the remaining cost of remediation. Based upon current estimates, the FPRA consultant has estimated the cost over the next two years to be \$2,343. Voluntary Cleanup Tax Credits have been estimated to cover costs of \$700. Based on these assumptions, FPUA will be responsible for the remaining \$1,643. The amount expected to be paid in FY 2015 is \$930. The remainder has been recorded as Other Noncurrent Liabilities in the accompanying financial statements. As this project progresses, estimates and the anticipated cost of completion will be reevaluated.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2014

(Dollars in Thousands)

NOTE P – NONEXCHANGE FINANCIAL GUARANTEES

At September 30, 2014 FPUA had irrevocable letters of credit with Harbor Community Bank, which serves as security for loans from the Treasure Coast Regional Planning Council (TCRPC) to the Fort Pierce Redevelopment Agency (FPRA) for cleanup of environmental contamination at the H.D. King Plant site (See Note O). The loans total \$1,000 and will come due on August 20, 2018. On February 19, 2015 additional loans were taken from the TCRPC to the FPRA in the amount of \$400 which will come due on February 1, 2019. The recovery of these funds is projected to begin in July 2016 with the proceeds from the sale of the Voluntary Cleanup Tax Credits applied for by the FPRA.

REQUIRED SUPPLEMENTARY INFORMATION

**FORT PIERCE UTILITIES AUTHORITY
Schedule of Funding Progress
For the Retiree Health Plan
(Dollars in Thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
9/30/2012	\$ -	\$ 709	\$ 709	0.00%	\$ 13,637	5.20%
9/30/2013	-	709	709	0.00%	13,977	5.07%
9/30/2014	-	786	786	0.00%	14,269	5.51%

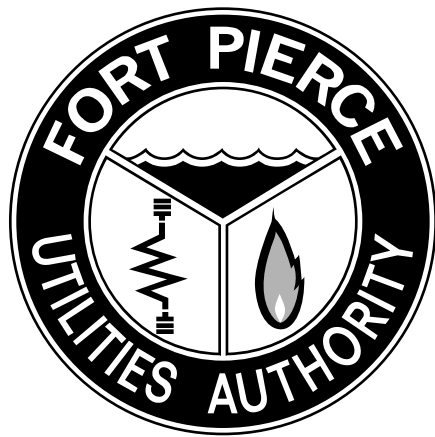


Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how FPUA's financial performance and well being has changed over time.	54-59
Revenue Capacity These schedules contain information to help the reader assess FPUA's local revenue source.	63-70
Debt Capacity These schedules present information to help the reader assess FPUA's debt burden and its ability to issue additional debt in the future.	72-75
Demographic and Economic Information This schedule offers demographic and economic indicators to help the reader understand the environment in which FPUA's financial activities take place.	78-79
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in FPUA's financial report relates to the services FPUA provides and the activities it performs.	82-90

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



Financial Trends

FORT PIERCE UTILITIES AUTHORITY
Statement of Net Position - Assets and Deferred Outflows

Last Ten Fiscal Years
(Dollars in Thousands)

	2014	2013	2012
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 29,371	\$ 32,533	\$ 30,179
Accounts Receivable, Net of Allowance for Uncollectible Accounts	7,256	7,137	7,438
Unbilled Receivables	5,959	5,380	5,260
Due from Other Governments	447	447	547
Inventories and Other Current Assets	4,877	4,716	4,679
Restricted Equity in Pooled Cash and Investments	20,306	14,483	13,991
Restricted Cash with Fiscal Agent	1,300	7,471	7,819
Restricted Accrued Interest Receivable	-	-	-
Total Current Assets	<u>69,516</u>	<u>72,167</u>	<u>69,913</u>
Noncurrent Assets:			
Capital Assets:			
Utility Plant in Service	414,941	411,561	406,146
Construction Work in Progress	20,472	15,750	15,485
Less Accumulated Depreciation	<u>(219,917)</u>	<u>(210,951)</u>	<u>(199,294)</u>
Total Capital Assets (net of Accumulated Depreciation)	215,496	216,360	222,337
Other Noncurrent Assets:			
FMPA Working Capital Receivable	1,919	1,919	1,919
Preliminary Survey	29	29	30
Investment in Public Gas Partners Pool	624	658	830
Restricted Equity in Pooled Cash and Investments	<u>6,703</u>	<u>6,703</u>	<u>6,703</u>
Total Other Noncurrent Assets	<u>9,275</u>	<u>9,309</u>	<u>9,482</u>
TOTAL ASSETS	<u>294,287</u>	<u>297,836</u>	<u>301,732</u>
DEFERRED OUTFLOWS OF RESOURCES			
Advance Distribution to General Fund - City of Fort Pierce	1,250	-	-
Purchased Power and Gas Under-Collection	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS	1,250	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 295,537</u>	<u>\$ 297,836</u>	<u>\$ 301,732</u>

All reporting periods have been retroactively and comparably restated to implement the provisions of GASB 63 and GASB 65.

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

2011	2010	2009	2008	2007	2006	2005
\$ 27,588	\$ 20,395	\$ 10,499	\$ 11,185	\$ 10,509	\$ 8,586	\$ 10,840
7,683	8,089	9,139	8,050	8,289	8,066	7,082
5,352	5,771	6,618	6,297	5,228	4,387	4,617
547	661	587	1,056	4,413	2,442	8,084
4,672	5,119	5,932	6,440	6,214	5,907	4,241
13,789	13,354	13,648	13,862	12,469	10,704	4,432
7,681	7,666	6,858	7,388	14,896	6,669	6,520
-	-	-	-	45	24	-
<u>67,312</u>	<u>61,055</u>	<u>53,281</u>	<u>54,278</u>	<u>62,063</u>	<u>46,785</u>	<u>45,816</u>
397,577	386,310	376,645	346,425	359,395	330,603	316,439
15,958	22,300	24,307	37,686	33,161	27,089	14,764
<u>(184,610)</u>	<u>(171,752)</u>	<u>(157,277)</u>	<u>(146,325)</u>	<u>(179,231)</u>	<u>(164,518)</u>	<u>(151,045)</u>
<u>228,925</u>	<u>236,858</u>	<u>243,675</u>	<u>237,786</u>	<u>213,325</u>	<u>193,174</u>	<u>180,158</u>
1,919	1,919	1,919	1,919	1,919	2,745	2,745
80	23	23	2,669	218	218	213
841	864	1,022	-	-	-	-
6,703	6,703	3,223	3,223	3,223	3,223	3,223
<u>9,543</u>	<u>9,509</u>	<u>6,187</u>	<u>7,811</u>	<u>5,360</u>	<u>6,186</u>	<u>6,181</u>
<u>305,780</u>	<u>307,422</u>	<u>303,143</u>	<u>299,875</u>	<u>280,748</u>	<u>246,145</u>	<u>232,155</u>
-	-	-	-	-	-	-
-	-	-	910	-	-	227
-	-	-	910	-	-	227
<u>\$ 305,780</u>	<u>\$ 307,422</u>	<u>\$ 303,143</u>	<u>\$ 300,785</u>	<u>\$ 280,748</u>	<u>\$ 246,145</u>	<u>\$ 232,382</u>

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

	2014	2013	2012
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 10,066	\$ 9,295	\$ 7,785
Due to City of Fort Pierce	766	732	699
Customer Deposits - restricted assets	7,445	7,205	6,869
Revenue Bonds Payable - restricted assets	6,987	6,653	5,955
Accrued Interest Payable - restricted assets	1,197	1,356	1,864
Accrued Compensated Absences	55	-	82
Loans Payable	-	-	-
Capital leases Payable	26	22	39
Other Current Liabilities	831	1,312	1,351
Total Current Liabilities	<u>27,373</u>	<u>26,575</u>	<u>24,644</u>
Noncurrent Liabilities:			
Revenue Bonds Payable, Net of Unamortized Discounts	82,405	88,038	92,493
Accrued Compensated Absences	1,878	1,830	1,675
Other Post Employment Benefits	622	564	509
Due to St. Lucie County	137	177	189
Capital Leases Payable	80	105	-
Other Noncurrent Liabilities	713	757	700
Total Noncurrent Liabilities	<u>85,835</u>	<u>91,471</u>	<u>95,566</u>
TOTAL LIABILITIES	113,208	118,046	120,210
DEFERRED INFLOWS OF RESOURCES			
Purchased Power and Gas Over-Collection	3,204	2,255	3,147
NET POSITION			
Net Investment in Capital Assets	125,879	121,450	123,713
Restricted Capital Improvement Charges	5,977	6,740	7,122
Restricted For Debt Service	4,535	4,139	3,744
Restricted For Emergencies	1,668	2,000	2,000
Restricted For Renewals & Replacements	500	564	959
Restricted For Capital Projects	-	-	-
Unrestricted	40,566	42,642	40,837
Total Net Position	<u>179,125</u>	<u>177,535</u>	<u>178,375</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 295,537</u>	<u>\$ 297,836</u>	<u>\$ 301,732</u>

All reporting periods have been retroactively and comparably restated to implement the provisions of GASB 63 and GASB 65.

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

2011	2010	2009	2008	2007	2006	2005
\$ 8,044	\$ 7,020	\$ 8,289	\$ 10,892	\$ 11,617	\$ 8,765	\$ 6,246
689	756	718	810	1,287	1,147	740
6,675	6,339	5,866	5,324	5,112	4,635	4,432
5,675	5,655	5,797	5,350	5,138	4,942	4,902
2,006	2,011	1,208	1,316	1,418	1,514	1,618
80	64	1,294	1,284	1,312	1,264	1,137
-	-	-	-	-	-	4,849
32	27	-	-	-	-	-
1,419	1,276	540	458	779	1,690	1,799
<u>24,620</u>	<u>23,148</u>	<u>23,712</u>	<u>25,434</u>	<u>26,663</u>	<u>23,957</u>	<u>25,723</u>
97,460	102,291	102,371	106,694	110,607	94,383	88,028
1,566	1,626	671	864	878	742	836
456	148	13	-	-	-	-
201	234	-	-	-	-	-
39	71	-	-	-	-	-
-	-	-	-	-	-	-
<u>99,722</u>	<u>104,370</u>	<u>103,055</u>	<u>107,558</u>	<u>111,485</u>	<u>95,125</u>	<u>88,864</u>
124,342	127,518	126,767	132,992	138,148	119,082	114,587
2,934	1,541	609	-	589	3,315	-
125,837	129,259	136,360	127,468	107,203	95,537	89,139
7,114	7,015	7,781	8,538	7,357	6,069	-
3,480	3,480	-	-	-	-	-
2,000	2,000	2,000	2,000	2,000	2,000	2,000
1,223	1,223	1,223	1,223	1,223	1,223	1,223
-	-	-	721	8,386	237	-
<u>38,850</u>	<u>35,386</u>	<u>28,403</u>	<u>27,843</u>	<u>15,842</u>	<u>18,682</u>	<u>25,433</u>
<u>178,504</u>	<u>178,363</u>	<u>175,767</u>	<u>167,793</u>	<u>142,011</u>	<u>123,748</u>	<u>117,795</u>
<u>\$ 305,780</u>	<u>\$ 307,422</u>	<u>\$ 303,143</u>	<u>\$ 300,785</u>	<u>\$ 280,748</u>	<u>\$ 246,145</u>	<u>\$ 232,382</u>

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

	FY 2014	FY 2013	FY 2012	FY 2011
OPERATING REVENUES				
Residential Sales	\$ 39,565	\$ 38,489	\$ 38,275	\$ 40,220
General Service Sales	55,899	55,518	55,162	55,736
Sales for Resale	799	854	882	465
Other Operating Revenues	2,272	2,172	2,171	1,663
Total Operating Revenues	<u>98,534</u>	<u>97,033</u>	<u>96,490</u>	<u>98,084</u>
OPERATING EXPENSES				
Generation	-	-	-	-
Purchases for Resale	45,347	44,800	44,356	45,695
Plant Operations	5,247	5,127	5,336	5,275
Field Operations	8,716	8,579	8,236	8,124
General and Administrative	15,078	14,546	14,645	15,260
Depreciation	14,991	15,300	15,253	15,558
Total Operating Expenses	<u>89,379</u>	<u>88,352</u>	<u>87,826</u>	<u>89,912</u>
OPERATING INCOME	9,155	8,681	8,664	8,172
NONOPERATING REVENUES (EXPENSES)				
Investment and Other Income	2,232	1,961	2,211	2,277
Grant Revenue	6	12	8	-
TCEC Expenses	(1,667)	(1,654)	(1,642)	(1,570)
Storm Expenses	-	-	-	-
Interest Expense	(3,582)	(5,105)	(4,632)	(4,894)
Property Transfer to FPRA	-	-	-	-
Distribution to City of Fort Pierce	(5,605)	(5,366)	(4,767)	(5,125)
Total Nonoperating Revenues (Expenses)	<u>(8,616)</u>	<u>(10,152)</u>	<u>(8,822)</u>	<u>(9,312)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	539	(1,471)	(158)	(1,140)
Capital Contributions	1,478	1,392	1,229	1,291
INCOME BEFORE EXTRAORDINARY ITEMS	2,017	(79)	1,071	151
Extraordinary Income (Expense)	(427)	(761)	(1,200)	(10)
CHANGE IN NET POSITION	1,590	(840)	(129)	141
Net Position - Beginning of Year	<u>177,535</u>	<u>178,375</u>	<u>178,504</u>	<u>178,363</u>
Net Position - End of Year	<u>\$ 179,125</u>	<u>\$ 177,535</u>	<u>\$ 178,375</u>	<u>\$ 178,504</u>

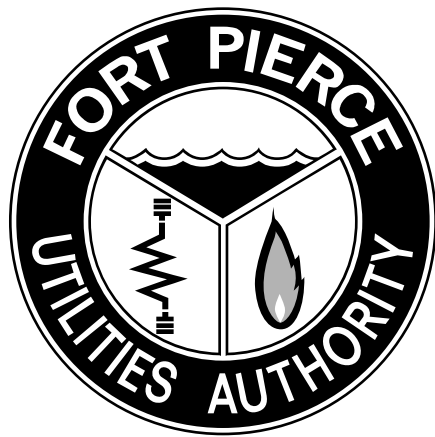
All reporting periods have been retroactively and comparably restated to implement the provisions of GASB 63 and GASB 65.

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

FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
\$ 44,528	\$ 43,422	\$ 42,876	\$ 38,861	\$ 39,326	\$ 36,026
60,431	61,908	62,219	53,624	52,613	46,838
747	711	580	631	627	650
2,552	2,832	2,602	2,388	2,212	1,604
<u>108,258</u>	<u>108,873</u>	<u>108,277</u>	<u>95,504</u>	<u>94,778</u>	<u>85,118</u>
-	1	939	1,602	1,649	1,731
53,893	54,812	54,797	44,679	47,916	39,683
5,724	5,657	5,756	5,030	5,069	4,361
8,827	9,148	8,889	8,579	7,643	7,165
14,949	15,482	15,858	15,846	15,308	12,906
15,268	14,201	13,756	15,020	13,892	11,456
<u>98,661</u>	<u>99,301</u>	<u>99,995</u>	<u>90,756</u>	<u>91,477</u>	<u>77,302</u>
9,597	9,572	8,282	4,748	3,301	7,816
2,407	2,271	2,404	3,125	1,639	1,159
230	626	5,234	3,541	2,260	5,330
(1,492)	(1,491)	(480)	-	-	-
-	(87)	(96)	(234)	(1,888)	(4,839)
(5,688)	(3,990)	(4,160)	(4,916)	(4,237)	(4,584)
(511)	-	-	-	-	-
<u>(4,853)</u>	<u>(5,046)</u>	<u>(4,952)</u>	<u>(4,209)</u>	<u>(4,652)</u>	<u>(4,585)</u>
<u>(9,907)</u>	<u>(7,717)</u>	<u>(2,050)</u>	<u>(2,693)</u>	<u>(6,878)</u>	<u>(7,519)</u>
(310)	1,855	6,232	2,055	(3,577)	297
2,982	6,465	19,156	16,208	9,530	5,649
2,672	8,320	25,388	18,263	5,953	5,946
(76)	(346)	394	-	-	-
2,596	7,974	25,782	18,263	5,953	5,946
<u>175,767</u>	<u>167,793</u>	<u>142,011</u>	<u>123,748</u>	<u>117,795</u>	<u>111,849</u>
<u>\$ 178,363</u>	<u>\$ 175,767</u>	<u>\$ 167,793</u>	<u>\$ 142,011</u>	<u>\$ 123,748</u>	<u>\$ 117,795</u>



Revenue Capacity



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

FISCAL YEAR	ELECTRIC	WATER	NATURAL GAS	WASTEWATER
FY 2014	28,096	19,756	4,223	14,987
FY 2013	27,630	19,248	4,179	14,635
FY 2012	27,765	19,276	4,189	14,450
FY 2011	27,752	19,162	3,904	14,372
FY 2010	27,859	19,048	3,982	14,460
FY 2009	28,413	19,394	4,039	14,842
FY 2008	28,584	19,278	4,171	14,737
FY 2007	26,883	17,711	4,304	13,428
FY 2006	26,662	16,952	4,431	13,099
FY 2005	25,594	16,638	4,503	12,917

FORT PIERCE UTILITIES AUTHORITY

Operating Revenues By System

Last Ten Fiscal Years

(Dollars in Thousands)

	FY 2014	FY 2013	FY 2012	FY 2011
ELECTRIC				
Residential				
Inside the City	\$ 21,724	\$ 21,325	\$ 21,460	\$ 22,936
Outside the City	5,282	5,281	5,378	5,921
General Service				
Inside the City	30,507	31,515	32,280	32,822
Outside the City	5,235	5,254	5,393	5,558
Other Retail	1,979	2,012	1,895	1,663
Other Operating Revenues	1,074	1,115	1,051	1,148
Total Electric Operating Revenues	65,801	66,502	67,457	70,048
WATER				
Residential				
Inside the City	4,351	4,054	3,855	3,819
Outside the City	1,494	1,367	1,277	1,263
General Service				
Inside the City	5,169	4,813	4,807	4,956
Outside the City	2,519	2,249	2,348	2,288
Sales for Resale	799	854	882	466
Other Operating Revenues	156	119	124	(45)
Total Water Operating Revenues	14,488	13,456	13,293	12,747
GAS				
Sales Revenue				
Residential	1,293	1,251	1,215	1,306
Heat Only	13	13	11	21
General Service	3,813	3,331	2,400	2,580
Other Operating Revenues	82	53	75	120
Total Gas Operating Revenues	5,201	4,648	3,701	4,027
WASTEWATER				
Residential				
Inside the City	4,763	4,564	4,459	4,337
Outside the City	570	555	541	551
General Service				
Inside the City	5,305	4,973	4,918	4,745
Outside the City	1,446	1,449	1,198	1,188
Other Operating Revenues	180	143	234	(245)
Total Wastewater Operating Revenues	12,264	11,684	11,350	10,576
MANATEE OBSERVATION AND EDUCATION CENTER				
Total MOEC Operating Revenues	350	348	337	362
FPUAnet COMMUNICATIONS				
Total FPUAnet Operating Revenues	430	395	352	324
TOTAL OPERATING REVENUES	\$ 98,534	\$ 97,033	\$ 96,490	\$ 98,084

FORT PIERCE UTILITIES AUTHORITY

Operating Revenues By System

Last Ten Fiscal Years

(Dollars in Thousands)

FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
\$ 26,327	\$ 25,398	\$ 25,084	\$ 22,077	\$ 22,058	\$ 19,215
6,882	6,821	6,922	6,503	6,958	6,379
36,501	38,192	37,642	31,253	29,992	25,695
6,458	6,945	7,460	6,275	5,957	5,518
1,657	1,651	1,632	1,531	1,394	1,214
1,192	1,189	1,171	1,091	1,093	894
<u>79,017</u>	<u>80,196</u>	<u>79,911</u>	<u>68,730</u>	<u>67,452</u>	<u>58,915</u>
3,749	3,729	3,580	3,453	3,427	3,404
1,225	1,207	1,194	1,216	1,203	1,137
4,697	4,616	4,343	4,268	4,220	3,802
2,336	2,033	2,062	1,981	2,144	2,068
747	711	580	630	627	651
254	345	299	265	212	135
<u>13,008</u>	<u>12,641</u>	<u>12,058</u>	<u>11,813</u>	<u>11,833</u>	<u>11,197</u>
1,462	1,367	1,443	1,366	1,566	1,617
24	19	16	13	14	17
2,827	2,566	3,213	2,767	3,204	3,256
92	82	100	91	102	123
<u>4,405</u>	<u>4,034</u>	<u>4,772</u>	<u>4,237</u>	<u>4,886</u>	<u>5,013</u>
4,251	4,233	3,980	3,607	3,490	3,680
540	577	577	529	507	484
4,686	4,665	4,718	4,371	4,434	4,098
1,337	1,311	1,230	1,276	1,372	1,281
356	657	503	526	341	156
<u>11,170</u>	<u>11,443</u>	<u>11,008</u>	<u>10,309</u>	<u>10,144</u>	<u>9,699</u>
359	362	407	347	409	254
299	197	121	68	54	41
<u>\$ 108,258</u>	<u>\$ 108,873</u>	<u>\$ 108,277</u>	<u>\$ 95,504</u>	<u>\$ 94,778</u>	<u>\$ 85,119</u>

FORT PIERCE UTILITIES AUTHORITY

Unit Sales By System

Last Ten Fiscal Years

	FY 2014	FY 2013	FY 2012	FY 2011
ELECTRIC SALES (MWh)				
General Service				
Inside the City	265,950	264,278	271,001	271,831
Outside the City	42,305	41,000	41,285	40,909
Total General Service	308,255	305,278	312,286	312,740
Residential				
Inside the City	172,628	164,672	165,063	174,586
Outside the City	40,445	39,293	39,657	42,763
Total Residential	213,073	203,965	204,720	217,349
Total Sales	521,328	509,243	517,006	530,089
WATER SALES - 1,000 GALLONS				
General Service				
Inside the City	891,635	863,507	925,939	943,061
Outside the City	498,887	460,394	527,997	511,172
Total General Service	1,390,522	1,323,901	1,453,936	1,454,233
Residential				
Inside the City	644,116	636,431	652,425	671,797
Outside the City	169,702	164,871	167,297	173,431
Total Residential	813,818	801,302	819,722	845,228
Sales for Resale	302,486	340,834	367,595	355,607
Total Sales	2,506,826	2,466,037	2,641,253	2,655,068
NATURAL GAS SALES (ccf)				
General Service	2,006,259	2,254,172	2,142,737	2,199,004
Residential	450,403	480,393	473,387	527,745
Heat Only				
General Service	173	258	215	6,027
Residential Service	1,215	1,333	1,272	4,238
Compressed Natural Gas			-	-
Contract Natural Gas	1,670,980	1,259,670	63,230	-
Total Sales	4,129,030	3,995,826	2,680,841	2,737,014
WASTEWATER BILLED - 1,000 GALLONS				
General Service				
Inside the City	682,611	655,667	680,739	682,993
Outside the City	178,122	185,993	149,452	156,973
Total General Service	860,733	841,660	830,191	839,966
Residential				
Inside the City	552,000	545,418	558,685	572,258
Outside the City	47,286	47,361	49,426	53,014
Total Residential	599,286	592,779	608,111	625,272
Total Sales	1,460,019	1,434,439	1,438,302	1,465,238

FORT PIERCE UTILITIES AUTHORITY

Unit Sales By System

Last Ten Fiscal Years

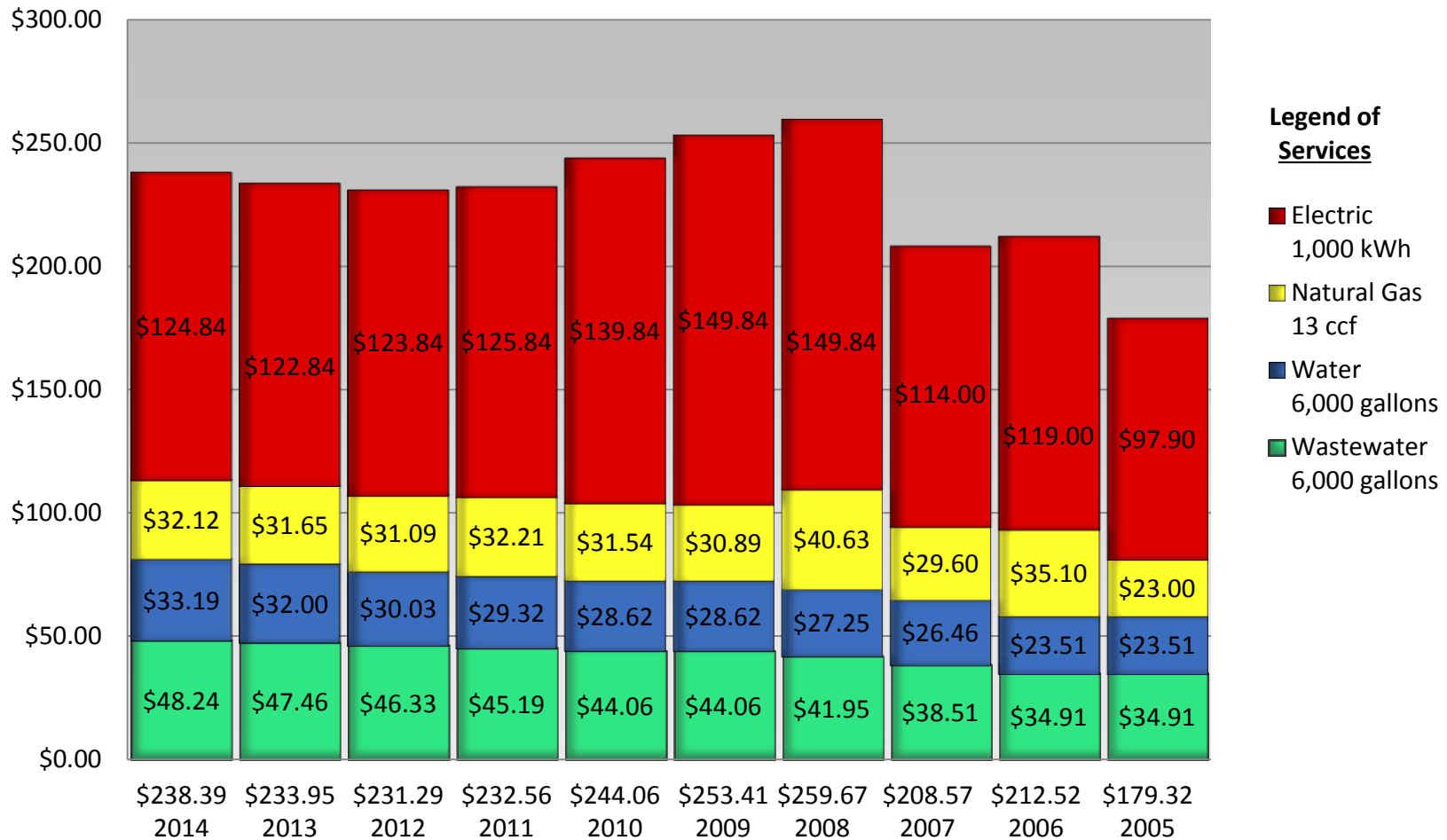
FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
276,163	274,364	296,830	288,386	294,615	289,091
<u>42,713</u>	<u>44,028</u>	<u>52,065</u>	<u>51,024</u>	<u>51,692</u>	<u>55,555</u>
318,876	318,392	348,895	339,410	346,307	344,646
182,246	167,567	177,989	182,701	193,428	191,024
<u>45,037</u>	<u>42,652</u>	<u>46,510</u>	<u>51,439</u>	<u>58,757</u>	<u>61,006</u>
<u>227,283</u>	<u>210,219</u>	<u>224,499</u>	<u>234,140</u>	<u>252,185</u>	<u>252,030</u>
<u>546,159</u>	<u>528,611</u>	<u>573,394</u>	<u>573,550</u>	<u>598,492</u>	<u>596,676</u>
943,673	968,125	992,802	1,064,195	1,147,146	1,081,480
<u>489,094</u>	<u>447,579</u>	<u>486,689</u>	<u>518,064</u>	<u>616,027</u>	<u>649,826</u>
1,432,767	1,415,704	1,479,491	1,582,259	1,763,173	1,731,306
664,130	675,421	690,728	764,785	821,552	835,532
<u>169,817</u>	<u>170,748</u>	<u>174,995</u>	<u>204,754</u>	<u>221,092</u>	<u>211,433</u>
833,947	846,169	865,723	969,539	1,042,644	1,046,965
<u>331,747</u>	<u>304,839</u>	<u>228,150</u>	<u>256,842</u>	<u>247,998</u>	<u>197,557</u>
<u>2,598,461</u>	<u>2,566,712</u>	<u>2,573,364</u>	<u>2,808,640</u>	<u>3,053,815</u>	<u>2,975,828</u>
2,166,792	2,126,758	2,211,306	2,174,979	2,307,075	2,625,092
<u>577,206</u>	<u>566,475</u>	<u>555,342</u>	<u>575,464</u>	<u>619,787</u>	<u>698,933</u>
6,210	5,672	3,740	41	178	81
5,160	3,498	2,527	3,021	4,020	5,310
-	-	-	1,357	2,211	3,380
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,755,368</u>	<u>2,702,403</u>	<u>2,772,915</u>	<u>2,754,862</u>	<u>2,933,271</u>	<u>3,332,796</u>
683,051	718,280	787,510	817,915	906,109	827,037
<u>186,910</u>	<u>200,068</u>	<u>200,696</u>	<u>235,321</u>	<u>256,254</u>	<u>231,228</u>
869,961	918,348	988,206	1,053,236	1,162,363	1,058,265
570,145	579,037	596,635	645,632	689,035	735,459
<u>53,949</u>	<u>59,280</u>	<u>63,994</u>	<u>68,932</u>	<u>74,685</u>	<u>72,098</u>
<u>624,094</u>	<u>638,317</u>	<u>660,629</u>	<u>714,564</u>	<u>763,720</u>	<u>807,557</u>
<u>1,494,055</u>	<u>1,556,665</u>	<u>1,648,835</u>	<u>1,767,800</u>	<u>1,926,083</u>	<u>1,865,822</u>

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
ELECTRIC										
Customer Charge ⁽¹⁾	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 5.77	\$ 5.35	\$ 5.35
Rate Per kWh (up to 750 kWh)	0.10822	0.10922	0.11322	0.08322	0.08722	0.08722	0.08722	0.08373	0.08277	0.08277
PCA Per kWh ⁽²⁾	0.00800	0.00500	0.00200	0.03400	0.04400	0.05400	0.05400	\$0.02200	0.03088	0.00978
GAS										
Customer Charge ⁽¹⁾	\$ 13.14	\$ 12.93	\$ 12.63	\$ 12.32	\$ 12.02	\$ 12.02	\$ 11.17	\$ 10.00	\$ 10.00	\$ 10.00
Rate Per CCF (up to 100 CCF)	1.46	1.44	1.42	1.23	1.20	1.20	1.12	1.00	1.00	1.00
PGA Per CCF ⁽³⁾	0.10000	-	-	0.30000	0.30000	0.25000	1.15000	0.50800	0.19500	0.67600
WATER										
Customer Charge ⁽¹⁾	\$ 13.09	\$ 12.62	\$ 11.85	\$ 11.56	\$ 11.28	\$ 11.28	\$ 10.75	\$ 10.44	\$ 16.40	\$ 16.40
Rate Per 1,000 Gallons (up to 10,000 gallons)	3.35	3.23	3.03	2.96	2.89	2.89	2.75	2.67	2.37	2.37
WASTEWATER										
Customer Charge ⁽¹⁾	\$ 15.30	\$ 15.06	\$ 14.71	\$ 14.35	\$ 14.00	\$ 14.00	\$ 13.33	\$ 12.23	\$ 11.09	\$ 11.09
Rate Per 1,000 Gallons	5.49	5.40	5.27	5.14	5.01	5.01	4.77	4.38	3.97	3.97

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

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



FORT PIERCE UTILITIES AUTHORITY

System Rate Increases

Last Ten Fiscal Years

Fiscal Year	System	Increase (Decrease)
2014	Electric	(0.9%)
	Water	3.7%
	Wastewater	1.6%
	Natural Gas	1.6%
2013	Electric	(3.3%)
	Water	6.5%
	Wastewater	2.4%
	Natural Gas	2.4%
2012	Water	2.5%
	Wastewater	2.5%
	Natural Gas	2.5%
2011	Electric	(4.2%)
	Water	2.5%
	Wastewater	2.5%
	Natural Gas	2.5%
2010	-	-
2009	Water	5%
	Wastewater	5%
	Natural Gas	5%
2008	Electric	3%
	Water	3%
	Wastewater	9%
	Natural Gas	9%
2007	Electric	6%
	Water	12%
	Wastewater	10%
2006	-	-
2005	Natural Gas	9%

Debt Capacity

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

As of September 30	BUSINESS-TYPE ACTIVITIES									Total All Debt Issues	Ratio to Operating Revenue	Operating ¹ Revenue	
	Loans		Revenue Bonds						2009 Series				2012 Series
	FMPA	SLC	1991 Series	1994 Series	1999 Series	2002 Series	2003 Series						
2005	\$ 6,000	\$ -	\$ 7,748	\$ 3,295	\$ 27,697	\$ 9,545	\$ 27,697	\$ -	\$ -	\$ 96,140	113%	\$ 85,119	
2006	10,879	-	8,376	-	28,354	9,545	10,720	-	-	67,874	72%	94,778	
2007	30,752	-	9,042	-	25,608	9,545	39,650	-	-	114,597	120%	95,504	
2008	30,619	-	9,751	-	22,740	9,545	38,385	-	-	111,040	103%	108,277	
2009	30,479	-	10,504	-	19,754	9,545	37,180	-	-	107,462	99%	108,873	
2010	-	234	5,445	-	20,644	9,545	37,165	34,800	-	107,833	100%	108,258	
2011	-	201	-	-	21,588	9,545	37,155	34,800	-	103,289	105%	98,084	
2012	-	189	-	-	22,590	9,545	31,690	34,800	-	98,814	102%	96,490	
2013	-	177	-	-	23,654	9,545	6,015	34,800	20,896	95,087	98%	97,033	
2014	-	137	-	-	24,774	9,545	-	34,800	20,498	89,754	91%	98,534	

Note: Details regarding Fort Pierce Utilities Authority's outstanding debt can be found in the notes to the financial statements

¹ See the schedule of Operating Revenues By System on page 66 for more detailed data.

FORT PIERCE UTILITIES AUTHORITY
Principal Payments Payable on All Debt Issues
Through Fiscal Year 2030
(Dollars in Thousands)

Payments Due for FY	Total for All Debt Issues	St. Lucie County	Revenue Bonds			
			1999 Series	2002 Series	2009 Series	2012 Series
2015	\$ 6,987	\$ -	\$ 240	\$ -	\$ -	\$ 6,747
2016	7,086	-	255	-	-	6,831
2017	7,195	-	275	-	-	6,920
2018	5,545	-	4,335	-	1,210	-
2019	5,732	137	4,340	-	1,255	-
2020	5,645	-	4,335	-	1,310	-
2021	5,700	-	4,340	-	1,360	-
2022	5,755	-	4,335	-	1,420	-
2023	5,810	-	4,340	-	1,470	-
2024	5,875	-	4,335	-	1,540	-
2025	5,940	-	4,335	-	1,605	-
2026	6,010	-	-	3,025	2,985	-
2027	6,310	-	-	3,180	3,130	-
2028	6,625	-	-	3,340	3,285	-
2029	6,945	-	-	-	6,945	-
2030	7,285	-	-	-	7,285	-
	<u>\$ 100,445</u>	<u>\$ 137</u>	<u>\$ 35,465</u>	<u>\$ 9,545</u>	<u>\$ 34,800</u>	<u>\$ 20,498</u>

FORT PIERCE UTILITIES AUTHORITY
Computation of Debt Service Coverage

Last Ten Years
(Dollars in Thousands)

	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
OPERATING INCOME *	\$ 9,236	\$ 8,746	\$ 8,700	\$ 8,175	\$ 9,614	\$ 9,616	\$ 8,276	\$ 4,757	\$ 3,307	\$ 7,922
ADD:										
Depreciation Expense	14,982	15,290	15,243	15,547	15,259	14,193	13,747	15,008	13,874	11,444
Investment & Other Income	484	304	535	703	910	740	1,943	3,117	1,636	1,157
Extraordinary Income (Expense)	(427)	(761)	(1,200)	(9)	(76)	(346)	394	-	-	-
Net OPEB Expense	57	54	53	305	134	13	-	-	-	-
LESS:										
Interest on Construction Funds	-	-	-	-	-	-	238	944	92	4
NET AVAILABLE INCOME	<u>\$ 24,332</u>	<u>\$ 23,633</u>	<u>\$ 23,331</u>	<u>\$ 24,721</u>	<u>\$ 25,841</u>	<u>\$ 24,216</u>	<u>\$ 24,122</u>	<u>\$ 21,938</u>	<u>\$ 18,725</u>	<u>\$ 20,519</u>
DEBT SERVICE - Bonds & Pooled Loans										
Principal	\$ 6,987	\$ 6,653	\$ 5,955	\$ 5,675	\$ 5,655	\$ 5,797	\$ 5,350	\$ 5,138	\$ 4,942	\$ 4,902
Interest	2,394	2,762	3,728	4,012	3,573	3,033	3,539	4,197	3,225	3,432
NET CASH DEBT SERVICE	<u>\$ 9,381</u>	<u>\$ 9,415</u>	<u>\$ 9,683</u>	<u>\$ 9,687</u>	<u>\$ 9,228</u>	<u>\$ 8,830</u>	<u>\$ 8,889</u>	<u>\$ 9,335</u>	<u>\$ 8,167</u>	<u>\$ 8,334</u>
DEBT SERVICE COVERAGE (TIMES)	<u>2.59</u>	<u>2.51</u>	<u>2.41</u>	<u>2.55</u>	<u>2.80</u>	<u>2.74</u>	<u>2.71</u>	<u>2.35</u>	<u>2.29</u>	<u>2.46</u>

* Excludes the Manatee Observation and Education Center

LEGAL DEBT MARGIN INFORMATION

Neither the City of Fort Pierce Charter or Code, nor the Florida Statutes limit the amount of debt the Fort Pierce Utilities Authority can issue.



Demographic and Economic Information

FORT PIERCE UTILITIES AUTHORITY
Demographic and Economic Information
Last Ten Years

Year	City of Fort Pierce Population¹	St. Lucie County Population¹	St. Lucie County Labor Force²	Total Unemployment²	Percentage Rate of Unemployment²	St. Lucie County School Enrollment³	St. Lucie County Per Capita Income⁴	St. Lucie County Personal Income⁴
2014	41,188 *	282,821 *	129,004	10,198	7.9	41,158	***	***
2013	41,729	281,151	128,813	12,227	9.5	41,136	\$ 31,182	\$ 8,943,912
2012	41,646	280,355	123,588	14,519	11.7	40,844	31,742	9,010,473
2011	41,789	279,696	124,115	16,622	13.4	40,433	30,768	8,626,570
2010	41,590	277,789	123,738	17,482	14.1	40,453	29,574	8,243,330
2009	44,251	272,864	123,659	17,619	14.2	41,678	29,526	7,868,831
2008	44,227	276,585	124,155	10,343	8.6	39,346	29,115	7,734,345
2007	41,972	271,961	120,090	8,260	6.9	37,380	28,056	7,297,176
2006	41,102	259,315	115,819	5,706	4.9	38,902	27,540	6,892,505
2005	38,569	240,039	108,323	3,678	3.4	36,077	26,575	6,320,969

Sources:

¹ University of Florida, Bureau of Economic & Business Research

² Florida Department of Labor & Employment Security

³ St. Lucie County School Board

⁴ 2005 - 2006 - Florida Legislature, Office of Economic and Demographic Research, and
2007 - Present - U.S. Department of Commerce, Bureau of Economic Analysis

* Total Estimated

*** Data unavailable

FORT PIERCE UTILITIES AUTHORITY
Principal Employers
Current Year and Six Years Prior

Employer	Business Sector	2014 ⁽¹⁾			2008		
		Number of Employees	Rank	% of City Population	Number of Employees	Rank	% of City Population
St. Lucie County School Board	Public	5,273	1	12.80%	4,685	1	10.59%
Indian River State College	Private	1,996	2	4.85%	2,476	2	5.60%
Lawnwood Regional Medical Center	Private	1,339	3	3.25%	1,200	4	2.71%
Wal-Mart	Private	1,111	4	2.70%	1,235	3	2.79%
Convey Health Solutuions	Private	950	5	2.31%	n/a	n/a	n/a
St. Lucie County	Public	606	6	1.47%	n/a	n/a	n/a
St. Lucie County Fire District	Private	434	7	1.05%	n/a	n/a	n/a
New Horizons of the Treasure Coast	Private	360	8	0.87%	398	10	0.90%
City of Fort Pierce	Public	350	9	0.85%	412	8	0.93%
Tropicana Products	Private	330	10	0.80%	n/a	n/a	n/a
SLC Board of County Commissioners	Public	n/a	n/a	n/a	898	6	2.03%
The Home Depot ⁽²⁾	Private	n/a	n/a	n/a	425	7	0.96%
Riverside National Bank of Florida	Private	n/a	n/a	n/a	404	9	0.91%
Publix Super Markets Inc	Private	n/a	n/a	n/a	1,148	5	2.60%
TOTALS		12,749		30.95%	13,281		30.03%

Source:

Economic Development Council of St. Lucie County, St. Lucie County Profile 2014
Indian River State College, Institutional Advancement

⁽¹⁾ Data is as of March 1, 2015

⁽²⁾ 2008 data not available, previous year total shown

Historical data not available for years prior to 2008



Operating Information

FORT PIERCE UTILITIES AUTHORITY

Expenses By System

Last Ten Fiscal Years

(Dollars in Thousands)

	FY 2014	FY 2013	FY 2012	FY 2011
ELECTRIC				
Generation and				
Purchases for Resale	\$ 43,006	\$ 42,947	\$ 42,933	\$ 43,976
Transmission and Distribution	4,017	4,037	3,783	3,814
General and Administrative	6,696	6,738	6,885	7,423
Depreciation	4,721	4,668	6,477	6,420
Total Electric Operating Expenses	58,440	58,390	60,078	61,633
WATER				
Purchases for Resale	24	9	-	6
Plant Operations	3,185	3,199	3,309	3,331
Transmission and Distribution	1,767	1,732	1,743	1,567
General and Administrative	4,207	4,158	4,183	4,268
Depreciation	4,246	4,044	3,726	3,825
Total Water Operating Expenses	13,429	13,142	12,961	12,997
NATURAL GAS				
Purchases for Resale	2,274	1,816	1,398	1,676
Supply and Distribution	1,018	961	875	968
General and Administrative	892	596	570	650
Depreciation	1,088	304	507	303
Total Natural Gas Operating Expenses	5,272	3,677	3,350	3,597
WASTEWATER				
Plant Operations	1,776	1,696	1,779	1,697
Pumping and Collection	1,913	1,849	1,834	1,776
General and Administrative	2,975	2,769	2,755	2,685
Depreciation	4,836	6,194	4,446	4,939
Total Wastewater Operating Expenses	11,500	12,508	10,814	11,097
MANATEE OBSERVATION AND EDUCATION CENTER				
Plant Operations	286	232	249	246
General and Administrative	136	114	115	109
Depreciation	9	11	11	11
Total MOEC Operating Expenses	431	357	375	366
FPUAnet COMMUNICATIONS				
Purchases for Resale	43	28	25	37
General and Administrative	173	171	137	125
Depreciation	91	79	86	60
Total FPUAnet Communications Operating Expenses	307	278	248	222
TOTAL OPERATING EXPENSES	\$ 89,379	\$ 88,352	\$ 87,826	\$ 89,912
OTHER REVENUE (EXPENSES) *	\$ (3,012)	\$ (4,786)	\$ (4,147)	\$ (4,277)

* Excludes Distribution to the City of Fort Pierce.

FORT PIERCE UTILITIES AUTHORITY

Expenses By System

Last Ten Fiscal Years

(Dollars in Thousands)

FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
\$ 51,832	\$ 52,851	\$ 52,959	\$ 43,958	\$ 46,525	\$ 38,475
4,299	4,445	4,423	4,259	3,469	3,192
7,217	7,605	8,051	8,263	8,073	6,747
4,761	4,984	6,960	8,862	8,028	5,697
<u>68,109</u>	<u>69,885</u>	<u>72,393</u>	<u>65,342</u>	<u>66,095</u>	<u>54,111</u>
-	2	18	-	-	-
3,557	3,348	3,223	2,917	2,854	2,576
1,722	1,816	1,575	1,533	1,374	1,310
4,144	4,159	4,116	4,014	3,733	3,202
6,105	4,953	3,617	3,344	3,203	3,208
<u>15,528</u>	<u>14,278</u>	<u>12,549</u>	<u>11,808</u>	<u>11,164</u>	<u>10,296</u>
2,038	1,942	2,744	2,295	3,014	2,913
981	983	1,056	939	880	879
607	564	525	558	591	467
351	308	288	323	337	376
<u>3,977</u>	<u>3,797</u>	<u>4,613</u>	<u>4,115</u>	<u>4,822</u>	<u>4,635</u>
1,906	2,010	2,222	1,885	1,935	1,535
1,825	1,903	1,836	1,847	1,920	1,784
2,747	2,941	2,994	2,883	2,782	2,386
3,985	3,936	2,875	2,481	2,306	2,155
<u>10,463</u>	<u>10,790</u>	<u>9,927</u>	<u>9,096</u>	<u>8,943</u>	<u>7,860</u>
261	299	310	228	280	250
106	99	97	115	116	98
9	8	9	12	18	12
<u>376</u>	<u>406</u>	<u>416</u>	<u>355</u>	<u>414</u>	<u>360</u>
23	18	15	27	27	28
129	115	74	13	12	12
56	12	8	-	-	-
<u>208</u>	<u>145</u>	<u>97</u>	<u>40</u>	<u>39</u>	<u>40</u>
<u>\$ 98,661</u>	<u>\$ 99,301</u>	<u>\$ 99,995</u>	<u>\$ 90,756</u>	<u>\$ 91,477</u>	<u>\$ 77,302</u>
<u>\$ (4,366)</u>	<u>\$ (2,702)</u>	<u>\$ 2,850</u>	<u>\$ 1,464</u>	<u>\$ (2,277)</u>	<u>\$ (2,986)</u>

FORT PIERCE UTILITIES AUTHORITY

Performance Indicators

Last Ten Fiscal Years

	FY 2014	FY 2013	FY 2012	FY 2011
SAFETY				
* Frequency Rate (calendar year)	3.30	4.10	4.90	3.60
* Severity Rate (calendar year)	54.00	48.00	24.00	122.00
Workers' Compensation Experience Modification Factor	0.92	0.92	1.25	1.11
FINANCIAL				
Debt Service Ratio (12 months ended)	2.59	2.51	2.41	2.55
Operating Ratio	0.91	0.91	0.91	0.92
COMPONENT COSTS				
Water Treatment Plant				
\$ / 1,000 gallons raw water	\$1.94	\$1.90	\$1.80	\$1.79
Water Reclamation Facility				
\$ / 1,000 gallons effluent	\$2.70	\$1.93	\$2.07	\$2.45
Electric T&D				
\$ / mile of T & D lines	\$20,633.15	\$20,516.14	\$23,742.33	\$24,841.57
\$ / number of services	\$27.11	\$27.41	\$31.57	\$30.95
Water Distribution				
\$ / 1,000 gallons billed	\$1.89	\$1.82	\$1.59	\$1.54
\$ / number of services	\$20.04	\$19.44	\$18.14	\$17.79
Wastewater Collection				
\$ / 1,000 gallons billed	\$2.68	\$3.87	\$2.65	\$2.86
\$ / number of services	\$21.77	\$31.61	\$21.98	\$24.34
Natural Gas Distribution				
\$ / 1,000 ccf billed	\$0.59	\$0.40	\$0.62	\$0.57
\$ / number of services	\$47.71	\$31.89	\$32.90	\$33.36
Lift Stations				
\$ / 1,000 gallons billed	\$0.79	\$0.80	\$0.74	\$0.76
\$ / number of services	\$6.38	\$6.53	\$6.17	\$5.97
Industrial Pre-Treatment				
\$ / Customers	\$903.78	\$698.46	\$793.71	\$1,246.28
FPUAnet Communications				
\$ / Customers	\$328.03	\$306.83	\$275.98	\$325.26
Administration				
\$ / number of services	\$14.60	\$15.74	\$16.01	\$17.15
HUMAN RESOURCES				
Overtime Ratio	0.046	0.042	0.040	0.036
Sick Leave Ratio	0.034	0.034	0.034	0.039
Overtime vs. Annual Overtime Budget	114.96%	107.47%	100.48%	89.65%
Training Hours vs. Regular Hours Worked	2.53%	2.48%	1.52%	1.62%
Training Dollars vs. Budgeted Salary Dollars	1.69%	1.80%	1.23%	1.31%
*Annual Turnover Rate	12.08%	13.25%	6.77%	9.09%
CUSTOMER SERVICE				
Number of connections	16,238	16,001	16,360	16,077
Number of disconnections	15,338	15,206	15,419	15,038
Number of accounts to collection agency	1,852	1,584	1,535	1,888
Amount of accounts written off				
Electric	\$256,860	\$182,006	\$253,362	\$197,638
Water	\$46,081	\$32,638	\$45,434	\$35,433
Natural Gas	\$3,302	\$2,374	\$3,308	\$2,582
Wastewater	\$41,325	\$29,294	\$40,780	\$31,805
Customer Charges	\$15,770	\$11,181	\$15,563	\$12,136
Communications	\$371	\$231	\$321	\$249
Number of service orders				
Started	49,837	44,205	50,182	56,278
Completed	49,740	44,224	44,991	48,149

* Frequency Rate, Severity Rate and Annual Turnover Rate (2005-2009) indicators are presented on a calendar year basis.

FORT PIERCE UTILITIES AUTHORITY

Performance Indicators

Last Ten Fiscal Years

FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
1.20	1.50	3.70	4.10	4.40	3.60
61.00	21.00	126.00	18.00	26.00	27.00
1.28	0.95	1.00	1.00	0.89	0.92
2.80	2.74	2.71	2.35	2.29	2.46
0.91	0.91	0.92	0.95	0.97	0.91
\$1.92	\$1.79	\$1.85	\$1.40	\$1.40	\$1.32
\$2.56	\$2.40	\$1.99	\$1.94	\$1.71	\$1.34
\$20,585.55	\$21,579.20	\$27,765.81	\$24,430.86	\$31,929.00	\$29,473.00
\$25.99	\$26.71	\$28.17	\$26.35	\$22.91	\$21.91
\$2.46	\$2.20	\$1.67	\$1.44	\$1.17	\$1.16
\$27.92	\$24.24	\$18.58	\$19.08	\$17.60	\$17.23
\$2.11	\$1.78	\$1.32	\$1.13	\$0.96	\$0.85
\$18.20	\$15.55	\$12.29	\$12.53	\$11.73	\$10.23
\$0.57	\$0.58	\$0.64	\$0.92	\$1.54	\$1.32
\$32.89	\$32.21	\$35.51	\$48.96	\$84.86	\$81.38
\$0.71	\$0.69	\$0.62	\$0.52	\$0.51	\$0.45
\$6.14	\$6.02	\$5.80	\$5.74	\$6.30	\$5.38
\$793.86	\$614.11	\$779.74	\$840.66	\$1,107.30	\$1,902.05
\$320.54	\$185.64	\$238.43	\$175.00	N/A	N/A
\$18.17	\$16.31	\$16.46	\$17.09	\$18.13	\$23.75
0.040	0.039	0.050	0.040	0.061	0.073
0.042	0.034	0.036	0.035	0.033	0.045
80.00%	84.32%	101.53%	99.50%	172.29%	111.88%
2.32%	2.78%	3.14%	5.02%	3.47%	2.10%
1.16%	1.59%	1.45%	1.27%	3.03%	2.08%
6.34%	8.66%	4.76%	10.10%	15.61%	13.81%
17,441	17,956	14,820	9,823	12,312	10,496
16,300	16,137	11,734	4,744	1,288	7,346
2,240	2,233	1,880	2,876	1,453	2,236
\$390,702	\$360,046	\$340,472	\$226,878	\$391,046	\$255,275
\$70,061	\$64,559	\$61,069	\$40,744	\$46,835	\$59,498
\$5,104	\$4,697	\$4,435	\$2,944	(\$1,954)	\$10,362
\$62,886	\$57,951	\$54,816	\$36,587	\$33,327	\$46,817
\$23,993	\$16,354	\$17,292	\$15,434	\$12,674	\$11,964
\$495	\$454	\$428	\$318	\$757	\$299
59,489	64,640	61,974	55,217	49,775	45,574
56,799	65,166	61,907	55,706	50,413	45,133

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

	FY 2014	FY 2013	FY 2012	FY 2011
ELECTRIC STATISTICS				
Sources of Energy (MWh)				
Total Energy Purchased	544,751	532,038	537,115	552,427
Gross Peak Demand (MW)	106	104	103	115
WATER STATISTICS				
Water Production - 1,000 Gallons				
Raw Water Treated	2,880,512	2,889,435	3,088,102	3,101,048
Water from Distribution System	14,718	8,657	17,644	16,648
Less Deep Well Concentrate	(142,399)	(144,156)	(174,731)	(165,498)
Water Used in Plant	(19,710)	(19,710)	(19,764)	(19,710)
Water from or (left-in) Storage	(308)	61	4,218	6,968
FINISHED WATER FROM PLANT	<u>2,732,813</u>	<u>2,734,287</u>	<u>2,915,469</u>	<u>2,939,456</u>
Purchased for Resale (Interconnects)	10,100	3,943	-	-
Water Pumped to City	<u><u>2,742,913</u></u>	<u><u>2,738,230</u></u>	<u><u>2,915,469</u></u>	<u><u>2,939,456</u></u>
Water Used in System	193,590	170,788	193,707	171,870
Water Sales	2,506,826	2,466,037	2,641,253	2,655,068
Losses and Unaccounted for Gallonage	42,497	101,405	80,509	112,518
Unaccounted For	0.0155	0.0370	0.0276	0.0383
Average Daily Consumption	7,489	7,496	7,990	8,053
Highest Daily Consumption Date	9,258 5/19/14	8,950 3/13/13	10,524 4/18/12	9,741 5/30/11
Peak Maximum Demand (MG) Date	14,329 5/5/14	13,932 4/13/13	17,437 7/22/12	17,765 9/14/11
Rainfall (inches)	56.11	51.91	67.10	30.24
WATER RECLAMATION FACILITY				
(In Millions of Gallons per Day)				
Average Daily Flow	4.00	4.72	4.86	3.93
Peak Flow	12.25	8.14	13.03	4.75

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

FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
568,637	553,487	593,686	608,967	616,408	624,083
124	115	113	124	124	131
3,023,434	2,993,150	3,013,208	3,455,908	3,566,341	3,145,417
16,118	N/A	N/A	N/A	N/A	N/A
(137,432)	(137,645)	(142,365)	(186,608)	(182,829)	N/A
(19,966)	(8,519)	(17,873)	(36,559)	17,988	(6,884)
1,100	N/A	N/A	N/A	N/A	N/A
<u>2,883,254</u>	<u>2,846,986</u>	<u>2,852,970</u>	<u>3,232,741</u>	<u>3,401,500</u>	<u>3,138,533</u>
-	-	-	-	-	-
<u><u>2,883,254</u></u>	<u><u>2,846,986</u></u>	<u><u>2,852,970</u></u>	<u><u>3,232,741</u></u>	<u><u>3,401,500</u></u>	<u><u>3,138,533</u></u>
175,255	170,369	160,987	132,325	131,791	138,372
2,598,461	2,566,712	2,573,364	2,808,640	3,053,815	2,960,794
109,538	109,905	117,619	291,776	215,894	27,333
0.0380	0.0386	0.0412	0.0903	0.0635	0.0870
7,926	7,827	7,798	8,927	9,357	8,598
9,511	10,403	10,336	11,054	11,885	11,105
7/1/10	5/8/09	5/18/08	10/23/06	8/11/06	8/18/05
17,150	13,304	13,508	17,271	16,702	15,273
5/7/10	5/7/09	12/2/07	2/1/07	8/11/06	8/22/05
40.54	39.89	71.72	42.47	46.47	53.85
4.05	4.95	6.14	5.24	5.91	6.51
5.05	9.57	20.23	7.70	11.19	15.41

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

Department	9/30/2014	9/30/2013	9/30/2012
01 Manatee Observation & Education Center	2 P	2 P	2 P
02 Treasure Coast Energy Center	14 D	14 D	15 D
10 Board	5	5	5
11 Director of Utilities	2	2	2
12 Attorney	1	1	1
15 Human Resources	3	4	4
18 Risk Management	5 D	5 D	5 D
21 Finance	12	11 D	11 D
22 Materials Management	4 P	3 P	3 P
31 Shared Services	1	1	1
32 Information Technology Services	16 D	16	16
35 Facilities	5	5	5
41 Communications	1	1	1
43 Customer Service	26 D,P	26 D,P	26 D,P
51 Director of Electric & Gas Systems	1 D	1 D	1 D
52 Power Generation	-	-	-
54 Electric Transmission and Distribution	46 D	49 D	51 D
56 Electric & Gas Engineering	9 D	10 D	9
61 Director of Water/Wastewater Systems	1 D	1 D	1 D
62 Water Resources	23 D	23 D	23 D
64 Water Distribution	28 D	28 D	25
66 Water/Wastewater Engineering	11 D	11 D	11 D
74 Gas Operations	15 D	16 D	15 D
82 Water Reclamation	16 D	14 D	13 D
84 Wastewater Collection	21 D	21 D	21 D
93 FPUAnet Communications	2 D	2	2
TOTAL	<u>270</u>	<u>272</u>	<u>269</u>

C - Includes contract employees
D - Includes D.R.O.P. Participant employees
H - Excludes positions held vacant
P - Excludes part-time employees

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

<u>9/30/2011</u>	<u>9/30/2010</u>	<u>9/30/2009</u>	<u>9/30/2008</u>	<u>9/30/2007</u>	<u>9/30/2006</u>	<u>9/30/2005</u>
2 P	2 P	2 P	2 P	2 P	2 P	3 P
15 D	15 D	15 D	15 D	-	-	-
5	5	5	5	5	5	5
2	2	2	2 C	2 C	1	2
1	1	1	1	1	1	1
4	4	4	4	4	4	4
5	5	5	5	5	4	3
10 D	12 D	12 D	13	12	11	11
5 P	5 P	5 P	5 P	5 P	5	5 P
1 H	1 H	1 H	2	7	7	7
16	16	16	14 P	13 P	12 P	12 P
5	5	5	5	-	-	-
1	1	1	1	3	3	3
28	29	29	29	29	29 P	26 P
1 D	2 D	2 D	3	3	3	2
-	-	-	1 D	20	21	23
52 D,H	53 D,H	55 C,D,H	58 C,D	56 C	50 P	49 P
9 H	11 H	11 H,P	13 P	14 P	14 P	13 P
1	1	1	2	2	2	2
23 D,H	24 H	24 C,H	24 C	24 C	24	23
25 H	28 H	32	32	30	29	28
11 D,H	11 D,H	13 H	14	14	13	12
14 D,H	14 H	16	16	15	15	15
13 D,H	14 D	12 D,H	25	24	24	23
21 D,H	22 D	22 D,H	13	13	13	10
<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>271</u>	<u>284</u>	<u>292</u>	<u>305</u>	<u>303</u>	<u>292</u>	<u>282</u>

FORT PIERCE UTILITIES AUTHORITY
Ten Largest Customers
Fiscal Year 2014

Ranking	Customer Name	Utility Service	Unit Sales	Revenues	Total
1	St. Lucie County Board of County Commissioners	Electric (kWh)	13,927,521	\$1,719,903	\$3,926,412
		Water (kgal.)	375,438	1,184,003	
		Wastewater	120,331	1,007,991	
		Natural Gas (ccf)	8,010	14,515	
2	St. Lucie County School Board	Electric (kWh)	19,125,902	\$2,536,729	\$3,050,974
		Water (kgal.)	29,241	191,099	
		Wastewater	29,095	245,626	
		Natural Gas (ccf)	46,419	77,520	
3	Indian River State College	Electric (kWh)	20,646,450	\$2,407,548	\$2,814,539
		Water (kgal.)	24,652	142,094	
		Wastewater	21,341	163,607	
		Natural Gas (ccf)	92,232	101,290	
4	Lawnwood Regional Medical Center	Electric (kWh)	17,290,043	\$1,812,885	\$2,312,398
		Water (kgal.)	25,546	107,567	
		Wastewater	14,981	96,645	
		Natural Gas (ccf)	308,657	295,301	
5	City of Fort Pierce	Electric (kWh)	9,018,912	\$1,513,279	\$2,003,072
		Water (kgal.)	39,535	411,538	
		Wastewater	6,847	77,034	
		Natural Gas (ccf)	260	1,221	
6	Fort Pierce Utilities Authority	Electric (kWh)	15,979,462	\$1,826,282	\$1,962,226
		Water (kgal.)	9,159	52,868	
		Wastewater	8,637	68,547	
		Natural Gas (ccf)	8,188	14,529	
7	Fort Pierce Housing Authority	Electric (kWh)	5,517,872	\$690,788	\$1,289,115
		Water (kgal.)	25,569	178,788	
		Wastewater	25,811	234,229	
		Natural Gas (ccf)	77,728	185,310	
8	Florida Atlantic University	Electric (kWh)	11,210,737	\$1,276,176	\$1,276,176
		Water (kgal.)			
		Wastewater			
		Natural Gas (ccf)			
9	Florida Power & Light Company	Electric (kWh)	4,406	\$1,711	\$720,894
		Water (kgal.)	187,687	714,898	
		Wastewater	166	4,285	
		Natural Gas (ccf)			
10	Orchid Island Juice Company	Electric (kWh)	4,384,386	\$530,879	\$688,275
		Water (kgal.)	7,709	29,259	
		Wastewater	7,634	44,572	
		Natural Gas (ccf)	88,952	83,565	
TOTAL REVENUES BY UTILITY		Electric		\$14,316,180	
		Water		3,012,114	
		Wastewater		1,942,536	
		Natural Gas		773,251	
TOTAL COMBINED REVENUES					\$20,044,081

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

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

We have audited the financial statements of the Fort Pierce Utilities Authority, as of and for the year ended September 30, 2014, which collectively comprise of the Fort Pierce Utilities Authority's basic financial statements and have issued our report thereon dated February 27, 2015. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fort Pierce Utilities Authority's internal control over financial reporting to determine 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 Fort Pierce Utilities Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fort Pierce Utilities 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 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 may exist that have not been identified

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fort Pierce Utilities 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
February 27, 2015