



City of Fort Pierce
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2014

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of the
CITY OF FORT PIERCE, FLORIDA**



For Fiscal Year Ended September 30, 2014

Prepared by:

**Gloria J. Johnson
Director of Finance**

City of Fort Pierce Finance Department

FORT PIERCE CITY HALL



Built in 1991, City Hall serves as the center for government in Fort Pierce, Florida

Mission Statement

“To provide community leadership, quality public service, and a safe environment for all citizens, by an empowered team of employees motivated by pride in themselves and in their work.”

I. *INTRODUCTORY SECTION*

- ◆ Table of Contents
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- ◆ City Officials and Department Heads
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- ◆ Organizational Chart
- ◆ Certificate of Achievement for Excellence in Financial Reporting

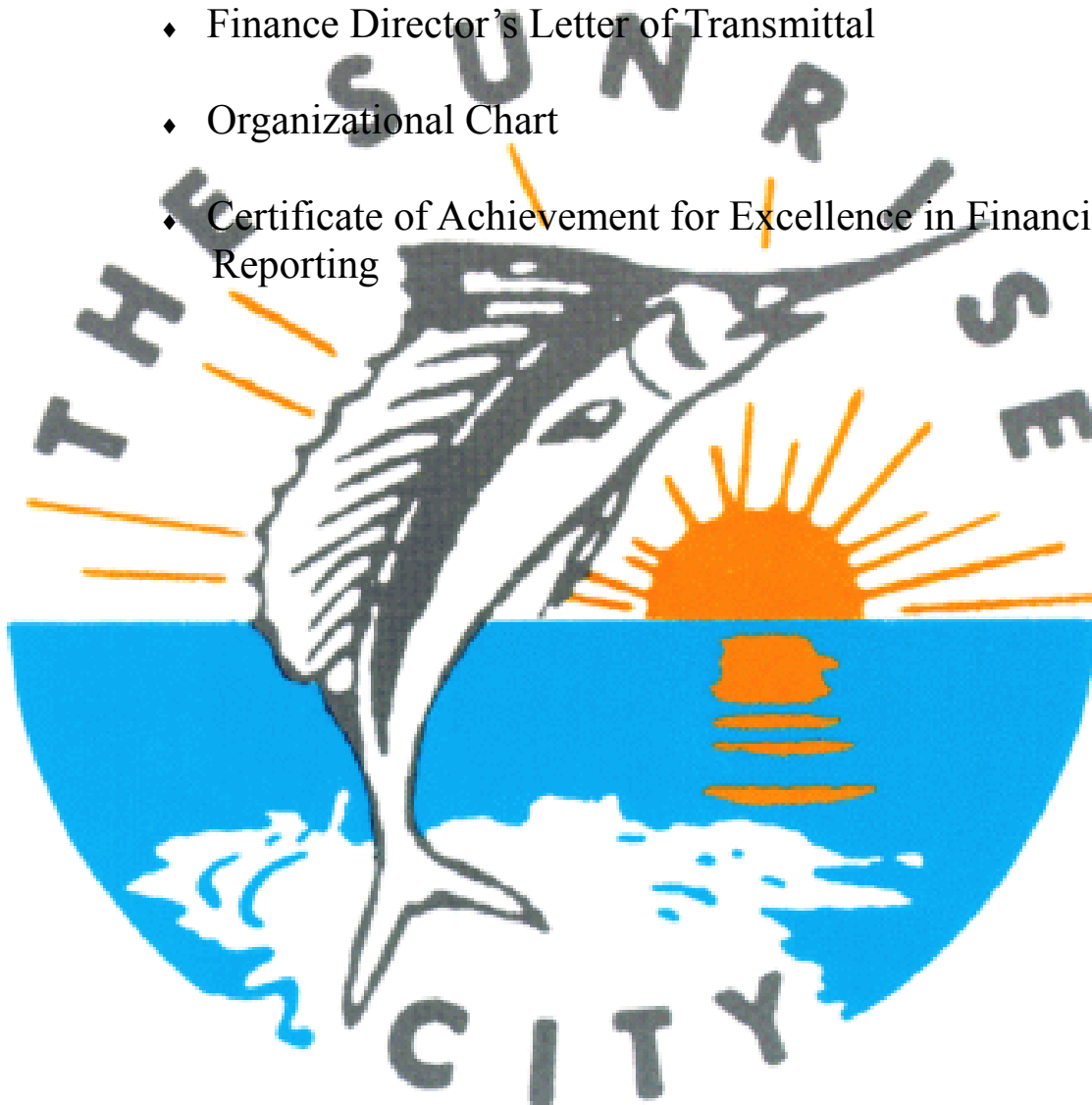




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CITY COMMISSION



Linda Hudson, Mayor



Rufus J. Alexander II



Edward Becht



Thomas K. Perona



Reginald Sessions

CITY OFFICIALS



Robert Bradshaw, City Manager

Nicholas Mimms, Deputy City Manager



Robert V. Schwerer
City Attorney

Linda Cox
City Clerk

Samuel L. Barnes, *Director of Administrative Services*

Gloria J. Johnson, *Director of Finance*

R. Sean Baldwin, *Chief of Police*

John R. Andrews, *City Engineer*

Marjorie B. Gaskin, *Director of Management Information Systems*

Marc Meyers, *Building Official*

Rebecca Grohall, *Planning & Zoning Manager*

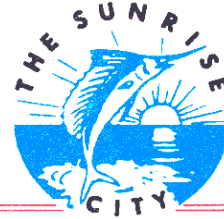
Robert Reals, *Manager of Public Works/Solid Waste*

Dean Kubitschek, *Marina Manager*

Peggy Arraiz, *Code Compliance Manager*

Lucille Posa, *Golf Course Manager*

John Wilkes, *Director, Sunrise Theatre*



OFFICE OF
DIRECTOR OF FINANCE
CITY HALL, 100 NORTH U.S. 1
P.O. BOX 1480
FORT PIERCE, FLORIDA 34954-1480

TEL. (772) 467-3000
FAX (772) 489-2594

March 31, 2015

Honorable Mayor, Members of the
City Commission and Citizens
of the City of Fort Pierce, Florida

Dear Mayor, Commissioners, and Citizens:

It is our pleasure to submit this *Comprehensive Annual Financial Report* for the City of Fort Pierce, Florida for the fiscal year ended September 30, 2014. The report fulfills the requirements set forth in the *City Code of Ordinances, Florida Statutes*, Chapter 166.241; and the *Rules of the Florida Auditor General*, Chapter 10.550. The organization, form and contents of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, the city Code of Ordinances, and the Government Finance Officers Association.

This report consists of management's representations concerning the finances of the City of Fort Pierce. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Florida Statutes and the *City Code of Ordinances* require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed by DiBartolomeo, McBee, Hartley & Barnes. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the

amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The Reporting Entity and Its Services

The City of Fort Pierce, Florida was incorporated in 1901 and covers an area of approximately 34.38 square miles. The City operates under an elected City Commission (5 members) and provides a full range of municipal services including general government, public safety, public improvements, planning and zoning, and related general and administrative services to over 43,074 residents. In addition, the City operates a solid waste enterprise activity, a marina, a golf course, a theatre and a stormwater utility fund. This report includes two component units and one related organization.

Component Units. The financial data of the City's two component units, the Fort Pierce Utilities Authority (FPUA), a proprietary fund, is discreetly presented, and the Community Redevelopment Agency (CRA), a governmental fund, is blended in the Combined Financial Statement. The FPUA is reported in a separate column to emphasize that it is legally separate from the City.

The FPUA provides electric, water, wastewater and natural gas services to residents and businesses of Fort Pierce. The CRA was established for the purpose of carrying out redevelopment activities for areas existing in the City that are defined as slum or blighted. The members of the FPUA governing board are appointed or removed from office by the Fort Pierce City Commission. The members of the governing board of the CRA are the Fort Pierce City Commissioners. The CRA's budget and the FPUA's budget and rates for service are subject to the approval of the City Commission. Complete financial statements of the FPUA can be obtained from its administrative office located at 206 South Sixth Street, Fort Pierce, Florida 34948.

Fort Pierce Retirement and Benefit System and the Municipal Police Officers' Retirement Trust Fund. The accounts of these two retirement plans are included in the financial statements as the General Employees' Pension Trust, and the Police Officers' Pension Trust. Both of the pension trust funds are governed by a separate Board of Trustees subject to the requirements of local ordinances and by applicable provisions of Florida Law which require participation in the respective governing

authorities by certain key City officials. Additional criteria include the scope of public service provided by organizations which exist for the benefit of the employees of the City of Fort Pierce.

Related Organizations. The Mayor of Fort Pierce is responsible for appointing the members of the Board of the Fort Pierce Housing Authority (FPHA), but the City's accountability for this organization does not extend beyond making these appointments. The FPHA's operating and capital expenditures, including debt service, are funded entirely from federal grants and rentals. The City has no involvement in the determination of FPHA's budget or rental rates, and has no obligation for FPHA's outstanding debt.

Economic Condition and Outlook

The City of Fort Pierce, Florida is located on the southeastern coast of the state in an area categorized as the Fort Pierce Metropolitan Statistical Area.

The major factors in the economy of Fort Pierce and surrounding St. Lucie County are agri-business, construction, retail and wholesale trade, light manufacturing, tourism, and sport and commercial fishing.

For years the local economy has counted on construction as the number one industry in the county. However, the downturn of the housing market has created the greatest percentage of the unemployment rate, which is currently 15%.

The slowdown in the real estate market and the construction industry has had a significant impact on the local economy. The unemployment rate has been adversely impacted along with the revenues generated by the businesses associated with the real estate and construction activities.

Local business and community leaders continue to recruit new light industrial activity to the area. It is anticipated this type of activity will assist in improving the unemployment rate and the overall economy.

Emphasis is being made on expanding the capabilities of both the St. Lucie County Airport and the Port of Fort Pierce, and ecotourism are activities which will act as catalysts in promoting future business and industrial growth.

The City continues its pursuit of an aggressive annexation program which in the past has increased the tax base, and also provided additional customers for the City's owned and operated utility systems. The City has annexed mostly agricultural land which was massive in area but provided very little tax base. All of the enhanced activity resultant of the area's growth, while having a positive impact, also presents challenges for the future. The City will need to maintain the high level of service standards that are in effect through effective utilization of both natural and financial resources. A comprehensive plan has been developed to establish goals, objectives and policies for growth management.

Major Initiatives

Reconstruction of the floating dock system and island breakwater protection system is nearing completion for the City Marina. This \$28,000,000 project was primarily funded by FEMA and insurance proceeds for the renovation of damages caused by hurricanes Jeanne and Frances. A

breakwater island design was constructed to mitigate damages that could be caused by future hurricanes. This mitigation project or barrier island was an \$18 million dollar project. The environmental cleanup of the H.D. King power plant downtown continues to be underway. The old plant has been demolished and clean-up of the property has begun using a \$600,000 brownfield grant. This land is contemplated as being used to expand the City's existing Marina and or building a five star hotel. An energy savings performance contract, involving several citywide capital improvements, was executed in order to garner greater operational efficiency; this is estimated to be a \$6.6 million project. Currently, numerous stormwater improvement projects are being managed by the City's Engineering Department.

The 2014 budget had very little funding for capital equipment. The budget, with limited resources, has not been able to support capital equipment purchases in over seven years. The capital improvements constructed were through bond proceeds or grant funding. The City's bonded long-term debt at 9/30/2014 was \$93,565,246.

2014-2015 Budget Issues

The City of Fort Pierce budget for fiscal 2015 is financed at the same level as fiscal 2014. The budget for 2014 was \$34,108,541 and 2015, \$34,267,078, an increase of \$158,537.

The City's taxable valuation is \$1,877,575,360 compared to last year's final valuation of \$1,857,631,568. This represents an increase by approximately 1.07% or \$19,943,797. This increase in property values, as well as appropriating \$.55 million from fiscal 2014, helped ease the task of balancing the budget. Using the roll back millage rate (6.5786) for FY 2015 has helped to stabilize further reduction in tax revenues. The roll back millage rate generated \$.55 million, which was restricted to be used to finance fiscal 2015 budget.

The City will receive from the Utilities Authority approximately \$89,404 in additional transfers under the 6% computation; using the power cost adjustment for electric and gas for twelve months.

The City appropriated \$1.5 million from fund balance to balance General Fund's budget.

The 2015 budget (General Fund) included a 4% pay increase for police officers, as result of the step plan implemented on 2013. Health insurance premiums for employees increased 4%; retirement rates for general members are 15.03%, up from 14.61%, Police officers 13.76% down from 15.33%. These wage and benefit changes equated to a decrease of \$181,125.

General Fund's \$2,051,629 transfer to Fort Pierce Redevelopment Agency, to assist in its operations, is approximately \$362,355 more than last year due to the continual decline of property values.

Reserve Policy

The City adopted a formal policy setting the requirement as to what is the level of unreserved funding that should be set aside for unforeseen expenditures. The policy established and require ten percent (10%) of General Fund's annual budget be set aside and held for any unexpected costs.

Fiscal Year	Budget	10% Reserve	Beginning Fund Balance
2013	32,029,256	3,202,926	4,808,371
2014	34,108,541	3,410,854	4,244,316

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fort Pierce, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of the state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Fort Pierce, Florida has received a Certificate of Achievement for the last twenty-five consecutive years. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

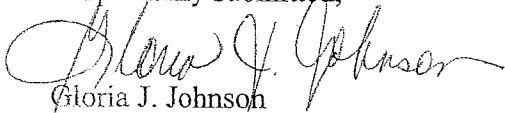
Acknowledgments

I thank the Mayor and members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

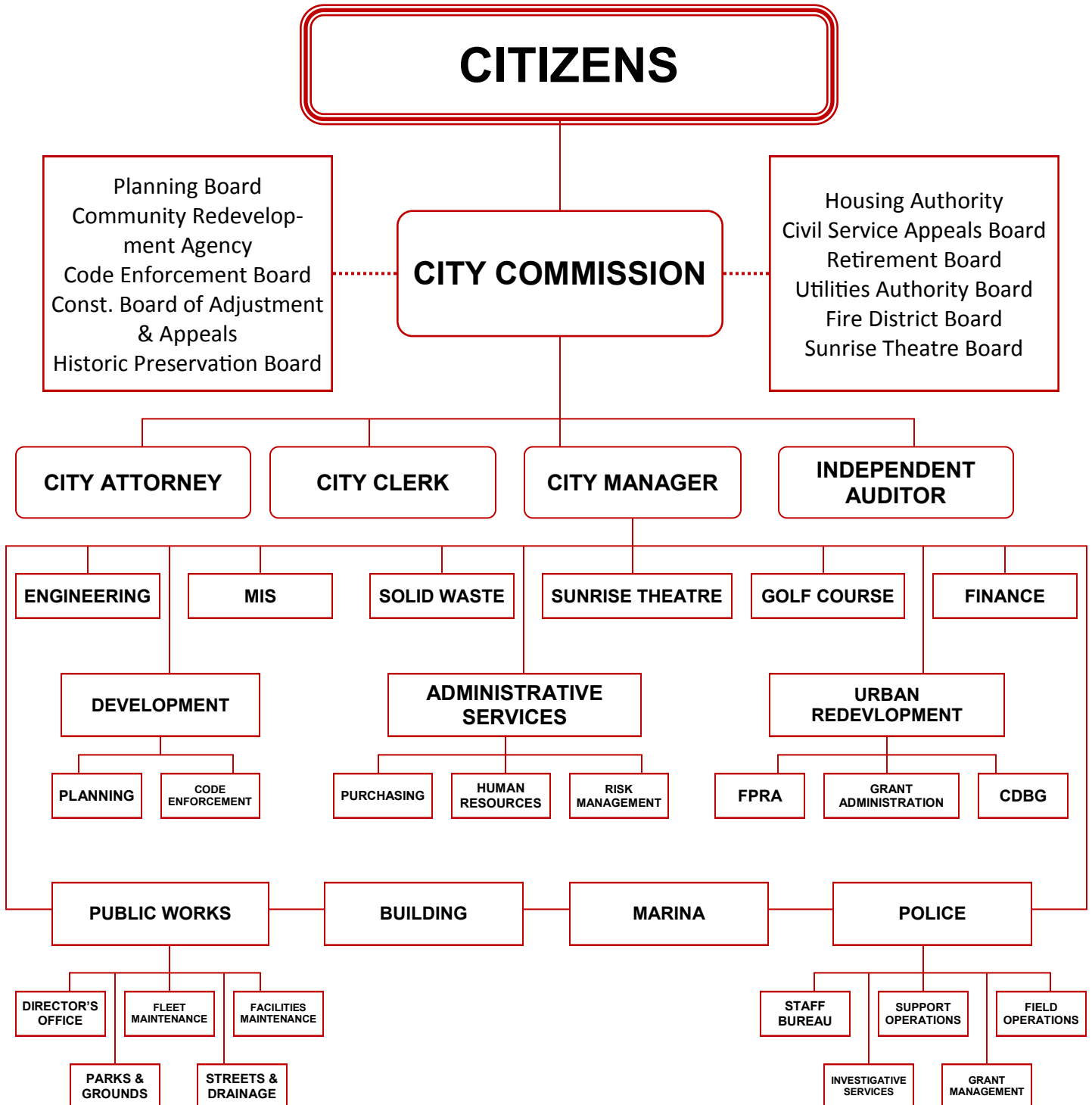
The preparation of the comprehensive financial report was made possible by the dedicated service of the entire staff of the Finance Department. Special recognition is given to the City's Chief Accountant and Accountant.

Sincere appreciation is extended to the firm of DiBartolomeo, McBee, Hartley & Barnes for their professional approach and high standard in the conduct of their independent audit of the City's financial records and transactions.

Respectfully submitted,


 Gloria J. Johnson
 Director of Finance

CITY OF FORT PIERCE , FLORIDA ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Fort Pierce
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

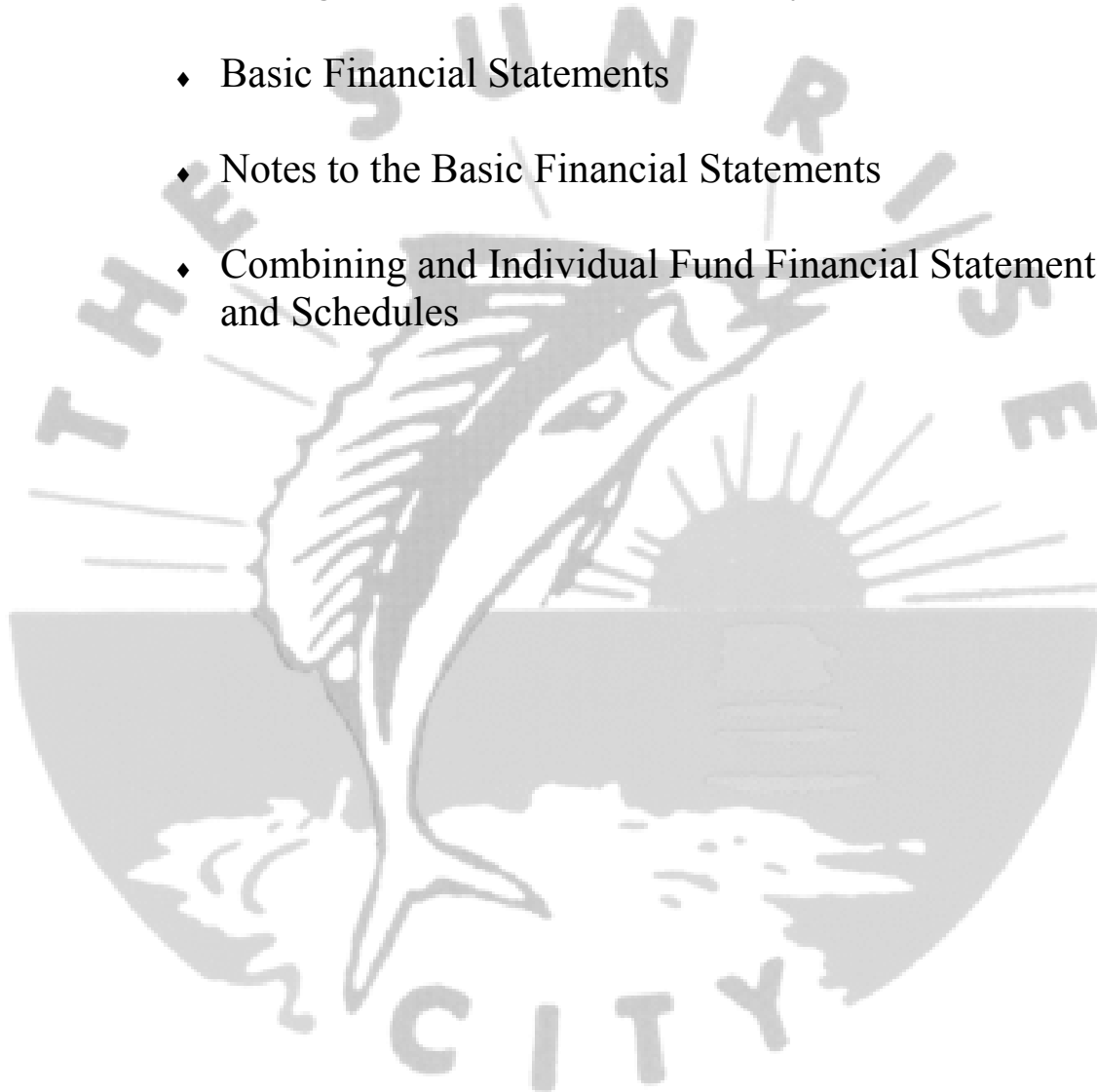
A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director/CEO



I. *FINANCIAL SECTION*

- ◆ Report of Independent Certified Public Accountants
- ◆ Management Discussion and Analysis
- ◆ Basic Financial Statements
- ◆ Notes to the Basic Financial Statements
- ◆ Combining and Individual Fund Financial Statements and Schedules



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Independent Auditors' Report

To the City Commission
Fort Pierce, Florida

March 26, 2015

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida (the "City") as of and for the year ended September 30, 2014, and the related to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statement

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 entity'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 entity'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 governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida as of September 30, 2014, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Community Redevelopment Agency Fund, and Hurricane Housing Recovery Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A to the financials, the City restated its net position balances as of September 30, 2013, when adopting the requirements of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis, and the schedule of funding progress as listed in the table of contents 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 inquires 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

To the City Commission
Fort Pierce, Florida


March 26, 2015

The combining and individual nonmajor fund financial statements, budgetary comparison information, schedule of expenditures of federal awards and state financial assistance, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2015 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 City's internal control over financial reporting and compliance.


Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fort Pierce (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014. Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial positions, (d) identify any material deviations from the financial plans, and (e) identify individual fund issues or concerns. 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 at the front of this report and the City's financial statements which follow this section.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$130,508,741 of which \$50,925,011 is governmental and \$79,583,730 is the total for business-type activities.
- The City's revenues for Governmental Activities at year end were \$39,944,971 a 13.59% increase before transfers in of \$815,531, and expenses were \$37,310,005 a .18% decrease. The revenue exceeded the expenses by \$2.635 million. The revenue increase from 2013 was \$4.778 million; this can be attributed to an increase in operating grants and contributions of \$3.156 million and an increase of \$1.964 million in capital grants; the decrease in charges for services was (\$1.97 million). The decrease in expenses in comparison to last year was (\$.066million), resulting from decreases in transportation (\$.191million) and economic environment (\$.664 million). The expense increases were in general government \$.025 million, public safety \$.448 million, culture and recreation \$.290 million and interest on long-term debt \$.027 million.
- Business-type funds revenues were \$23,548,638 a decrease of 20.47% or \$6,061,507 before transfers out (\$815,531), and expenses were \$20,687,624, 15.99% or a \$2,852,584 increase from the previous year.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$14,615,353, an increase of \$4,436,268; of which there was an increase of \$.53 million in General Fund, an increase of \$2.73 million in debt service reserve, a \$1.16 million increase in restricted revenue and grant funding and finally a \$1.3 million increase in capital project funds.

The long-term bonded debt of the City on 9/30/14 was \$93,563,246, an increase of \$6.86 million or 7.91%. The debt services requirements were met financially.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial

statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation, economic environment, culture and recreation, and interest on long-term debt. The business-type activities include refuse collection, a marina, a golf course, a theatre and a stormwater utility and building and code fund.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Proprietary funds. The City maintains one of the two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City maintains six enterprise funds to account for the following operations; a solid waste collection and disposal system, a marina, a golf course, a theatre and a stormwater utility and a building and code fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s compliance with its General Fund budget and the City’s progress in funding its obligation to provide pension benefits to its employees. The combining and individual fund statements are included along with statistical, historic and trend information about the government’s operations.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$130,508,741 at the close of the most recent fiscal year.

Approximately 67% of the City’s net position reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently these assets are *not* available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental		Business Type		Total	
	Activities		Activities			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other Assets	25,608,303	23,025,809	19,582,115	17,046,443	45,190,418	40,072,252
Capital Assets	111,117,849	105,197,061	86,702,497	82,082,611	197,820,346	187,279,672
Total Assets	136,726,152	128,222,870	106,284,612	99,129,054	243,010,764	227,351,924
Deferred Outflows	538,920	-	-	-	538,920	-
Long-term Liabilities O/S	77,387,788	73,875,083	20,459,061	17,035,134	97,846,849	90,910,217
Other Liabilities	7,702,273	5,778,198	6,241,821	4,437,838	13,944,094	10,216,036
Total Liabilities	85,090,061	79,653,281	26,700,882	21,472,972	111,790,943	101,126,253
Deferred Inflows	1,250,000	-	-	-	1,250,000	-
Net Position:						
Net Invested in Capital Assets	34,114,524	32,136,904	66,234,195	65,104,588	100,348,719	97,241,492
Restricted	7,644,201	3,612,651	-	-	7,644,201	3,612,651
Unrestricted	9,166,286	12,820,034	13,349,535	12,551,494	22,515,821	25,371,528
Total Net Position	50,925,011	48,569,589	79,583,730	77,656,082	130,508,741	126,225,671

The City's net position increased by \$4,283,070 during the fiscal year, the net position of the Governmental Funds increased by \$2.36 million and business type funds increased by \$1.93 million. Assets of the Governmental Funds increased \$8.5 million and liabilities increased by \$5.44 million. In the enterprise funds, the assets had an increase of 7.22% or approximately \$7.16 million and liabilities had an increase of 24% or approximately \$5.23 million.

City of Fort Pierce Statement of Activities- FY 2014 and 2013

	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues						
Charges for Services	5,073,500	7,044,224	16,361,844	16,107,059	24,435,344	23,151,283
Operating grants and Contributions	4,169,400	1,013,850	-	-	4,169,400	1,013,850
Capital Grants and Contributions	3,599,755	1,635,302	7,142,646	13,354,340	10,742,401	14,989,642
General Revenues:						
Ad Valorem Taxes	11,958,161	10,082,823	-	-	11,958,161	10,082,823
Other Taxes	6,298,013	6,639,868	-	-	6,298,013	6,639,868
Unrestricted grants and contributions	-	-	-	-	-	-
Intergovernmental	2,955,573	2,794,797	-	-	2,955,573	2,794,797
Miscellaneous	91,884	346,124	-	84,179	88,780	430,303
Contributions from Component Units	5,605,157	5,365,879	-	-	5,605,157	5,365,879
Unrestricted investment earnings	193,528	243,884	44,148	64,567	237,676	243,884
Total Revenues	39,944,971	35,166,751	23,548,638	29,610,145	63,490,505	64,776,896
Expenses						
General government	9,098,006	9,073,474			9,098,006	9,073,474
Public safety	14,753,228	14,305,679			14,753,228	14,305,679
Transportation	6,071,542	6,263,011			6,071,542	6,263,011
Economic Environment	1,110,448	1,774,472			1,110,448	1,774,472
Culture & recreation	2,522,271	2,231,912			2,522,271	2,231,912
Interest on long-term debt	3,754,510	3,727,940			3,754,510	3,727,940
Solid Waste			5,264,288	4,974,739	5,264,288	4,974,739
Marina			2,610,077	2,605,281	2,610,077	2,605,281
Stormwater			6,130,795	3,368,903	6,130,795	3,368,903
Golf Course			1,587,070	1,658,894	1,587,070	1,658,894
Sunrise Theatre			4,080,883	4,223,143	4,080,883	4,223,143
Building Department			1,014,511	1,004,080	1,014,511	1,004,080
Total Expenses	37,310,005	37,376,488	20,687,624	17,835,040	57,997,629	55,211,528

City of Fort Pierce Statement of Activities- FY 2014 and 2013 (Cont.)

	Governmental		Business Type		Total	
	Activities		Activities			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Increase (Decrease) in net position						
before transfers	2,634,966	(2,209,737)	2,861,014	11,775,105	5,495,980	9,565,368
Transfers In (Out)	815,531	914,408	(815,531)	(914,408)	0	0
Changes in net position	3,450,297	(1,295,329)	2,045,683	10,860,697	5,495,980	9,565,368
Net Position - Beginning	47,474,714	49,864,918	77,538,047	66,795,385	125,012,761	116,660,303
Net Position – Ending	50,925,011	48,569,589	79,583,730	77,656,082	130,508,741	126,225,671

Governmental activities. Governmental activities accounted for a positive growth of \$3,450,297 in net position of the City.

Revenues increased \$4,778,220 or 13.59% in Fiscal Year 2014. There are increases and decreases in a few categories; charges for services decreased (\$1.97) million. Property values continue to recover, resulting in an increase of \$1,875,338 in ad valorem revenue. The .18% or (\$0.66 million) decrease in expenses was attributed to a decrease of (\$.66 million) in economic environment and transportation (\$0.19 million) and the remaining increases of \$.79 million are between the following categories: general government, public safety, interest on debt service cost and culture and recreation.

Business-type activities. The business-type activities include the activities of a stormwater utility program, golf course, city marina, theatre, solid waste and building and code operations. Expenses increased \$2.85 million, which most funds were consistent with 2013; the exceptions being the stormwater utility program and the solid waste, where expenses increased \$2.76 million and \$.59 million. Revenues decreased \$6.06 million, operating and capital grants counted for \$6.2 million of the decrease; charges for services recorded an increase of \$.25 million.

Financial Analysis of the Government’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City’s net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the City’s *governmental funds* reported combined ending fund balances of \$14,615,353 an increase of \$4,436,168 in comparison with the prior year. The non-spendable portion is \$314,250, restricted is \$10,114,707, \$308,889 is committed, \$3,611,691

is assigned and \$265,816 is unassigned and available for spending at the government's discretion.

The *general fund* is the chief operating fund of the City. The ending fund balance in 2014 is \$4,297,233, which increased \$52,917. The debt service reserve fund balance was \$3,722,988, an increase of \$2.73 million. Capital projects fund balance was \$3,921,213, an increase of \$1.3 million, which represent construction of infrastructure and other capital improvements. Finally the fund balance in the special revenue funds at 9/30/2014 is \$2,673,919, an increase of \$351,701 million.

Business Type Funds. The enterprise funds have unrestricted net position of \$13,349,535. Investment in capital assets net of related debt is \$66,234,195 with a combined net asset total of \$79,583,730.

General Fund Budgetary Highlights

The General Fund 2014 budget revenue was \$34,892,907; the amount realized was \$33,942,534, a decrease of (\$950,373) or 2.72%. The expenditure budget was \$34,108,541, and the actual amount was \$33,889,617, a reduction of (\$218,924) or (.64%). All the budget numbers are presented without the netting of transfers in this section. Differences between the original and final revenue and expenditure budget decreased fund balance by (\$518,550); the changes were substantial in some categories and listed below are the major notable amendments:

- \$300,631 or 1.62% decrease in taxes; \$141,356 increase in ad valorem taxes, \$205,522 less in local option taxes and \$236,466 less in utility and other taxes.
- \$2,306 or .70% increase in licenses and permits; \$8,809 less in occupational licenses and \$11,115 more in other permits.
- \$35,277 or 24.44% increase in fines and forfeitures; violation of local ordinances produced \$39,917 more and court fines \$2,640 less in this category.
- \$279,431 or 9.77% increase in intergovernmental revenue; \$86,575 increase in state shared revenue, \$195,885 increase in half cent sales tax and \$3,029 less in other intergovernmental.
- \$96,970 or 5.24% increase in miscellaneous revenue; revenues from the State of Florida \$78,575 less, interest and special assessments and other miscellaneous contractual increased \$318,745. City contractual decreased by \$143,200.
- \$7,826 or .27% increase in interfund transfers; \$14,773 increase from restricted revenue and 6,947 less from FPRA.
- \$150,341 or 1.87% increase in enterprise contributions; increased transfers from Solid Waste \$60,000 and FPUA transfer \$90,341.
- \$518,550 or 66.11% decrease in Fund Balance Appropriation; only \$518,550 was needed for fiscal 2014.
- \$394,410 or 1.16% was from various departments increases in expenditures. The major increases were: Building and Code \$112,314, Parks & Grounds \$72,166 and City Attorney \$68,154.
- All other departments decreased \$613,334.

Capital Asset and Debt Administration

Capital assets. The City's investments in *capital assets* for its governmental and business type activities as of September 30, 2014 amounts to \$197,820,346 (this is net of accumulated depreciation). Significant additions during the year consisted of building improvements for economic development, street reconstruction, park improvement, and traffic calming improvements. See Note H for detail information on the primary government's Capital Assets.

City of Fort Pierce' Capital Assets- FY 2014 and 2013 (net of depreciation)						
	Governmental <u>Activities</u>		Business Type <u>Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land & CIP	27,143,774	27,989,855	4,763,305	674,008	31,907,079	28,663,863
Buildings	29,723,497	24,131,456	12,439,102	13,028,143	42,162,599	37,159,599
Improvements Other than Buildings	21,589,713	20,571,595	68,021,676	66,953,238	89,611,389	87,524,833
Machinery & Equipment	2,665,066	1,089,613	1,478,414	1,427,222	4,143,480	2,516,835
Infrastructure	29,995,799	31,414,542	-	-	29,995,799	31,414,542
Total	<u>111,117,849</u>	<u>105,197,061</u>	<u>86,702,497</u>	<u>82,082,611</u>	<u>197,820,346</u>	<u>187,279,672</u>

Bonded debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$93,565,246.

City of Fort Pierce Outstanding Debt Revenue Bond, Road Improvement Notes & Intergovernmental Notes						
	Governmental <u>Activities</u>		Business-type <u>Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenue bonds, road improvement notes & intergovernmental notes	73,851,430	70,342,157	19,713,816	16,363,023	93,565,246	86,705,180

The City's bonded debt increased during the year by a net \$6.86 million. The City continues to work on redevelopment projects issued under previous bond issues. The Notes to the Financial Statements (Note K) has additional information on all debt activity.

All bonded debt is insured and carries ratings from Moody's of A1, as of September 30, 2014. No direct ad valorem tax-supported debt exists at this time.

Economic Factors and Next Year's Budgets and Rates

The budget process for the 2015 budget began with a .46% increase or \$158,537 General Fund Budget, of which \$550,000 was restricted, and expenditures exceeding revenues by approximately \$1.5 million dollars; savings from the 2014 budget was used to fund the shortfall.

Some of the significant factors considered in preparing the City's Annual Fund Budget for Fiscal Year 2015, that caused and closed the budget gap are listed below:

- In the General Fund, the City's taxable valuation is \$1,877,575,360 compared to last year's final valuation of \$1,857,631,568. This represents an increase of approximately 1.07% or \$19,943,797. This increase in property values and the City Commission electing to use the rollback millage rate of 6.5786 helped to balance the budget and stabilize further reduction in tax revenues. Using the rollback millage rate generated \$.55 million, which was restricted to be used to finance fiscal 2015 budget.
- The City received from the Utilities Authority approximately \$90,341 in additional transfers under the 6% computation; using of the power cost adjustment for electric and gas for twelve months.
- The City appropriated \$.55 million from fund balance to balance General Fund's budget.
- In the 2015 budget (General Fund) the personnel services included a 4% pay increase for police officers, as result of the step plan. Health insurance premiums for employees increased 4%; retirement rates for general members are 15.03%, up from 14.61%. Police officers 13.76%, down from 15.33%. These wage and benefit changes equated to a decrease of \$181,125.
- The Fort Pierce Redevelopment Agency tax increment financing (TIF) soared to a high of \$8.6 million in 2008 and to a low of \$3.9 million in 2013; 2014 there was a slight increase to \$4.1 million. The housing market appears to be rebounding, seen in a slight increase in property values. The budget is unable, as it has in the past, to support a number of special projects under historic preservation and restoration; funding for neighborhood and business grants; and other cultural and community events and functions.
- As for the business-type activities, the Marina, Solid Waste and Building Department operations had to make up their budget shortfalls by appropriating retained earnings of \$6,537,588, \$617,319 and \$96,728 in 2015. Transfers from other funds were used to balance the budget of the Sunrise Theatre (\$450,000 from Redevelopment Agency).

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Finance Director, 100 North US 1, P. O. Box 1480, Fort Pierce, Florida 34954.



BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Fort Pierce, Florida
STATEMENT OF NET POSITION
September 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
ASSETS				
Current assets:				
Cash and investments	\$ 16,419,410	\$ 10,851,781	\$ 27,271,191	\$ 29,371,475
Receivables (net of allowance for uncollectibles)	1,834,800	1,732,761	3,567,561	13,216,498
Due from component unit	452,303	676,054	1,128,357	-
Internal balances	161,286	(161,286)	-	-
Due from other governments	2,184,060	6,209,008	8,393,068	446,969
Inventories and other current assets	314,250	124,877	439,127	4,904,960
Restricted Assets:				
Temporarily restricted:				
Cash and investments	-	111,997	111,997	28,308,395
Total current assets	21,366,109	19,545,192	40,911,301	76,248,297
Noncurrent assets:				
Prepaid Insurance	519,783	36,923	556,706	-
Notes Receivable	3,722,411	-	3,722,411	-
FMPA working capital receivable	-	-	-	1,918,608
Investment in Public Gas Partners Pool	-	-	-	623,993
Capital assets, not being depreciated:				
Land	27,045,583	674,008	27,719,591	10,045,000
Construction in progress	98,191	4,089,297	4,187,488	20,472,356
Capital assets (net of accumulated depreciation):				
Buildings	42,017,884	17,897,477	59,915,361	-
Improvements other than buildings	39,311,280	84,942,679	124,253,959	-
Equipment	15,083,673	9,752,543	24,836,216	-
Infrastructure	108,924,361	-	108,924,361	404,895,875
Accumulated depreciation	(121,363,123)	(30,653,507)	(152,016,630)	(219,917,411)
Total noncurrent assets	115,360,043	86,739,420	202,099,463	218,038,421
Total assets	\$ 136,726,152	\$ 106,284,612	\$ 243,010,764	\$ 294,286,718
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	538,920	-	538,920	-
Advance Distribution to General Fund	-	-	-	1,250,000
Total deferred outflows of resources	538,920	-	538,920	1,250,000

The accompanying notes are an integral part of this statement.

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 3,460,422	\$ 4,247,720	\$ 7,708,142	\$ 10,102,902
Unearned revenue	280,004	760,310	1,040,314	794,468
Accrued compensated absences	124,345	38,505	162,850	55,000
Capital leases payable	-	-	-	26,114
Due to other governments	-	-	-	766,279
Notes and revenue bonds-current	3,151,895	754,486	3,906,381	6,987,000
Accrued interest payable	677,757	328,803	1,006,560	1,196,907
Liabilities payable from restricted assets:				
Customer deposits	7,850	111,997	119,847	7,444,667
Total current liabilities	<u>7,702,273</u>	<u>6,241,821</u>	<u>13,944,094</u>	<u>27,373,337</u>
Noncurrent liabilities:				
Notes and bonds payable, net	73,851,430	19,713,816	93,565,246	82,542,140
Capital Leases	-	-	-	80,085
Pollution remediation	-	-	-	712,885
Accrued compensated absences	2,787,241	613,587	3,400,828	1,877,667
Other post employment benefits	749,117	131,658	880,775	622,000
Total noncurrent liabilities	<u>77,387,788</u>	<u>20,459,061</u>	<u>97,846,849</u>	<u>85,834,777</u>
Total liabilities	<u>85,090,061</u>	<u>26,700,882</u>	<u>111,790,943</u>	<u>113,208,114</u>
DEFERRED INFLOWS OF RESOURCES				
Payments received in advance	<u>1,250,000</u>	<u>-</u>	<u>1,250,000</u>	<u>3,204,138</u>
Total deferred inflows of resources	<u>1,250,000</u>	<u>-</u>	<u>1,250,000</u>	<u>3,204,138</u>
NET POSITION				
Invested in capital assets, net of related debt	34,114,524	66,234,195	100,348,719	125,763,884
Restricted for:				
Capital projects	3,921,213	-	3,921,213	-
Capital improvement charges	-	-	-	5,977,253
Debt service and other	3,722,988	-	3,722,988	6,703,231
Unrestricted	<u>9,166,286</u>	<u>13,349,535</u>	<u>22,515,821</u>	<u>40,680,098</u>
Total net position	<u>\$ 50,925,011</u>	<u>\$ 79,583,730</u>	<u>\$ 130,508,741</u>	<u>\$ 179,124,466</u>

City of Fort Pierce, Florida
STATEMENT OF ACTIVITIES
Year ended September 30, 2014

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 9,098,006	\$ 489,335	\$ -	\$ 3,599,755
Public safety	14,753,228	391,592	524,029	-
Transportation	6,071,542	87,391	-	-
Economic environment	1,110,448	3,904,780	3,645,371	-
Culture and recreation	2,522,271	200,402	-	-
Interest on long-term debt	3,754,510	-	-	-
Total governmental activities	<u>37,310,005</u>	<u>5,073,500</u>	<u>4,169,400</u>	<u>3,599,755</u>
Business-type activities:				
Solid waste	5,264,288	6,264,167	-	-
Marina	2,610,077	1,737,088	-	5,587,840
Storm Water	6,130,795	2,707,758	-	1,554,806
Golf Course	1,587,070	1,417,093	-	-
Sunrise Theatre	4,080,883	2,959,181	-	-
Building Fund	1,014,511	1,276,557	-	-
Total business-type activities	<u>20,687,624</u>	<u>16,361,844</u>	<u>-</u>	<u>7,142,646</u>
Total primary government	<u>\$ 57,997,629</u>	<u>\$ 21,435,344</u>	<u>\$ 4,169,400</u>	<u>\$ 10,742,401</u>
Component units:				
Fort Pierce Utilities Authority	\$ 94,628,831	\$ 98,534,177	\$ 6,000	\$ 1,477,967
Total component units	<u>\$ 94,628,831</u>	<u>\$ 98,534,177</u>	<u>\$ 6,000</u>	<u>\$ 1,477,967</u>
General revenues:				
Ad valorem taxes				
General sales and use taxes				
Utility service and franchise taxes				
State revenue sharing-unrestricted				
Additional one cent sales taxes				
Insurance premium tax				
Contributions from component unit				
Miscellaneous				
Unrestricted investment earnings				
Extraordinary Item				
Transfers				
Total general revenues, extraordinary items, and transfers				
Change in net position				
Net position - beginning as restated (Note A)				
Net position - ending				

The accompanying notes are an integral part of this statement.

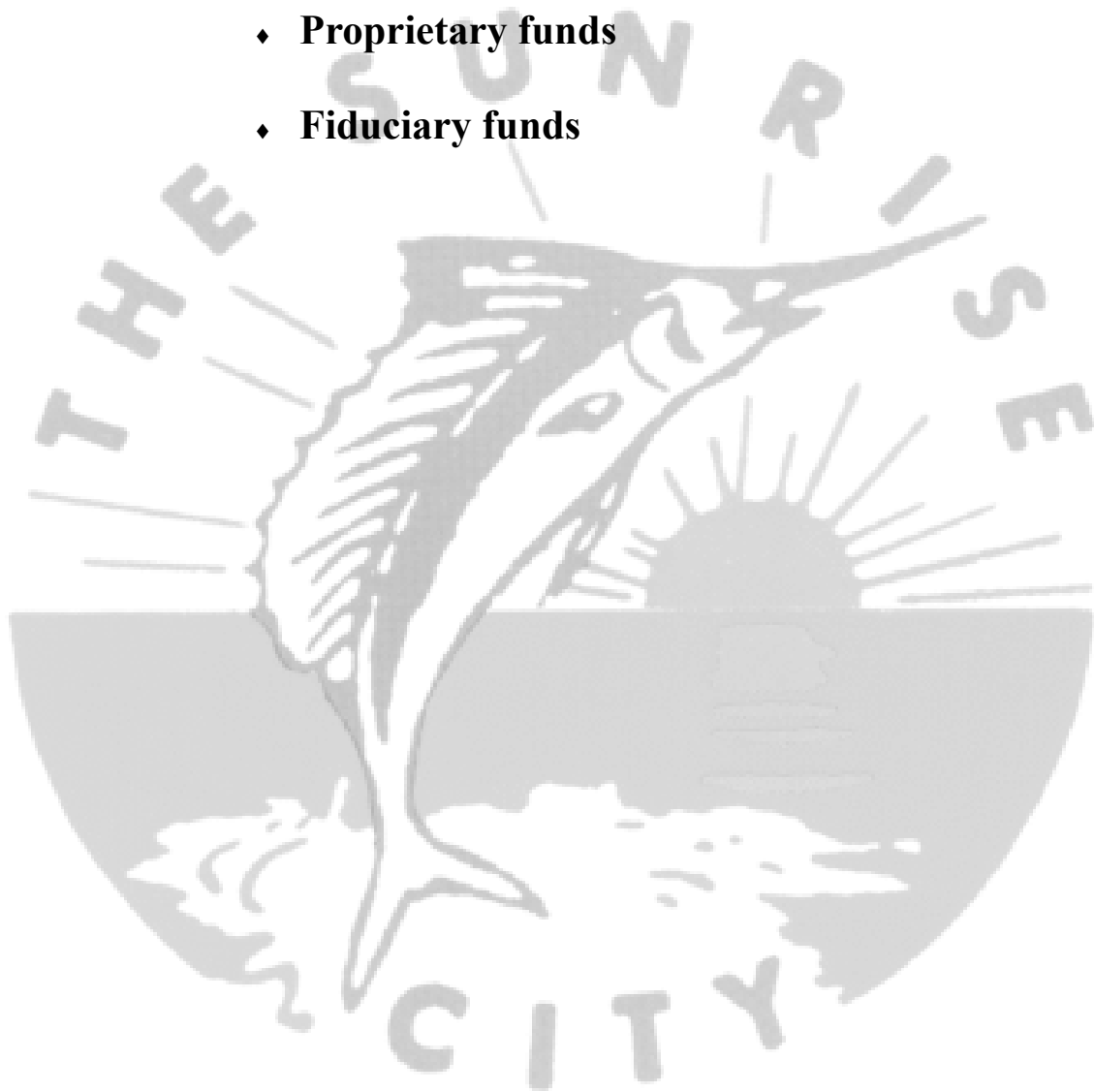
Net (expense) Revenue and Change in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
\$ (5,008,916)	\$ -	\$ (5,008,916)	\$ -
(13,837,607)	-	(13,837,607)	-
(5,984,151)	-	(5,984,151)	-
6,439,703	-	6,439,703	-
(2,321,869)	-	(2,321,869)	-
(3,754,510)	-	(3,754,510)	-
<u>(24,467,350)</u>	<u>-</u>	<u>(24,467,350)</u>	<u>-</u>
-	999,879	999,879	-
-	4,714,851	4,714,851	-
-	(1,868,231)	(1,868,231)	-
-	(169,977)	(169,977)	-
-	(1,121,702)	(1,121,702)	-
-	262,046	262,046	-
-	2,816,866	2,816,866	-
<u>\$ (24,467,350)</u>	<u>\$ 2,816,866</u>	<u>\$ (21,650,484)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 5,389,313
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,389,313</u>
\$ 11,958,161	-	\$ 11,958,161	\$ -
2,084,479	-	2,084,479	-
4,213,534	-	4,213,534	-
1,211,575	-	1,211,575	-
1,495,885	-	1,495,885	-
248,113	-	248,113	-
5,605,157	-	5,605,157	(5,605,157)
91,884	-	91,884	-
193,528	44,148	237,676	2,232,000
-	-	-	(427,000)
815,331	(815,331)	-	-
<u>27,917,647</u>	<u>(771,183)</u>	<u>27,146,464</u>	<u>(3,800,157)</u>
3,450,297	2,045,683	5,495,980	1,589,156
<u>47,474,714</u>	<u>77,538,047</u>	<u>125,012,761</u>	<u>177,535,310</u>
<u>\$ 50,925,011</u>	<u>\$ 79,583,730</u>	<u>\$ 130,508,741</u>	<u>\$ 179,124,466</u>

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FUND FINANCIAL STATEMENTS

- ◆ **Governmental Funds**
- ◆ **Proprietary funds**
- ◆ **Fiduciary funds**



City of Fort Pierce, Florida
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014

	General Fund	Community Redevelopment Agency
ASSETS		
Cash and investments	\$ 4,623,708	\$ 1,496
Accounts receivables	4,684,301	255,605
Liens receivables	3,663,924	-
Due from component unit	238,224	214,079
Due from other funds	1,981,740	-
Due from other governments	65,804	432,000
Prepaid items	224,496	14,360
Inventories	71,325	-
Notes receivable	-	-
Total assets	<u>\$ 15,553,522</u>	<u>\$ 917,540</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,500,181	\$ 39,156
Contracts payable - retainage	-	-
Deposits	7,850	-
Due to other funds	-	631,858
Revenue in advance	202,375	-
Total liabilities	<u>1,710,406</u>	<u>671,014</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	9,545,883	245,727
Total Deferred Inflows	<u>9,545,883</u>	<u>245,727</u>
FUND BALANCES		
Nonspendable	295,821	14,360
Restricted	-	(13,561)
Committed	308,889	-
Assigned	3,426,707	-
Unassigned	265,816	-
Total fund balances	<u>4,297,233</u>	<u>799</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,553,522</u>	<u>\$ 917,540</u>

The accompanying notes are an integral part of this statement.

Hurricane Housing Recovery Grant Fund	Other Governmental Funds	Totals
\$ 152,111	\$ 11,642,095	\$ 16,419,410
100	20,000	4,960,006
-	-	3,663,924
-	-	452,303
-	-	1,981,740
-	1,686,256	2,184,060
-	4,069	242,925
-	-	71,325
3,367,643	354,768	3,722,411
<u>\$ 3,519,854</u>	<u>\$ 13,707,188</u>	<u>\$ 33,698,104</u>

\$ 7,862	\$ 1,668,314	\$ 3,215,513
-	244,909	244,909
-	-	7,850
5	1,188,591	1,820,454
-	77,629	280,004
<u>7,867</u>	<u>3,179,443</u>	<u>5,568,730</u>

3,367,643	354,768	13,514,021
<u>3,367,643</u>	<u>354,768</u>	<u>13,514,021</u>

-	4,069	314,250
144,344	9,983,924	10,114,707
-	-	308,889
-	184,984	3,611,691
-	-	265,816
<u>144,344</u>	<u>10,172,977</u>	<u>14,615,353</u>
<u>\$ 3,519,854</u>	<u>\$ 13,707,188</u>	<u>\$ 33,698,104</u>

City of Fort Pierce, Florida

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES**

September 30, 2014

Total fund balance per this statement	\$	14,615,353
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds. The cost of the assets is \$232,480,972 and the accumulated depreciation is \$121,363,123		111,117,849
Long-term liabilities (capital lease obligations, intergovernmental notes, other post employment benefits, and accrued compensated absences) of \$80,562,075 plus unamortized premiums of \$101,953 are not due and payable and therefore, are not reported in the funds.		(80,664,028)
Governmental funds do not report a liability for accrued interest until it is due and payable. Accrued interest must be reported as a liability in the government-wide financial statements.		(677,757)
Insurance costs related to debt issuances and deferred charges on refundings are financial uses in the fund statement; for full accrual, however these expenses are reported as non-current assets in the government-wide financial statements.		1,058,703
Various receivables, (liens receivable, loans receivable, notes receivable, and due from other governments are not financial resources in the current period and therefore, are reported as unavailable revenue in the funds.		5,474,891
Net position of governmental activities	\$	<u>50,925,011</u>

The accompanying notes are an integral part of this statement.

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City of Fort Pierce, Florida
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
GOVERNMENTAL FUNDS
Year ended September 30, 2013

	General Fund	Community Redevelopment Agency
Revenues		
Taxes	\$ 18,256,174	\$ -
Licenses and permits	333,806	-
Intergovernmental	3,139,431	3,986,652
Charges for services	226,708	-
Fines and forfeitures	189,777	-
Contributions from component unit	5,605,157	-
Investment income	75,376	965
Other	1,871,541	2,472,790
Total revenues	<u>29,697,970</u>	<u>6,460,407</u>
Expenditures		
Current		
General government	10,148,367	-
Public safety	13,353,885	-
Transportation	3,122,509	-
Economic environment	-	375,991
Culture and recreation	2,150,857	-
Capital outlay	75,940	1,969,001
Debt service		
Principal	-	-
Interest and fees	-	1,750
Other	-	-
Total expenditures	<u>28,851,558</u>	<u>2,346,742</u>
Excess of revenues over (under) expenditures	846,412	4,113,665
Other financing sources (uses)		
Transfers in	4,244,564	1,862,005
Proceeds on Notes	-	-
Transfers out	<u>(5,038,059)</u>	<u>(5,978,523)</u>
Total other financing sources (uses)	<u>(793,495)</u>	<u>(4,116,518)</u>
Net change in fund balances	52,917	(2,853)
Fund balances - beginning of year	<u>4,244,316</u>	<u>3,652</u>
Fund balances - end of year	<u>\$ 4,297,233</u>	<u>\$ 799</u>

The accompanying notes are an integral part of this statement.

Hurricane Housing Recovery Grant Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ 18,256,174
-	-	333,806
51,157	7,927,300	15,104,540
-	-	226,708
-	12,500	202,277
-	-	5,605,157
25,608	91,579	193,528
52,518	337,870	4,734,719
<u>129,283</u>	<u>8,369,249</u>	<u>44,656,909</u>
-	3,621	10,151,988
-	679,006	14,032,891
-	-	3,122,509
57,511	599,540	1,033,042
-	-	2,150,857
-	8,140,777	10,185,718
-	2,718,000	2,718,000
-	3,646,012	3,647,762
-	72,534	72,534
<u>57,511</u>	<u>15,859,490</u>	<u>47,115,301</u>
71,772	(7,490,241)	(2,458,392)
-	8,847,985	14,954,554
-	6,079,229	6,079,229
-	(3,122,641)	(14,139,223)
<u>-</u>	<u>11,804,573</u>	<u>6,894,560</u>
71,772	4,314,332	4,436,168
<u>72,572</u>	<u>5,858,645</u>	<u>10,179,185</u>
<u>\$ 144,344</u>	<u>\$ 10,172,977</u>	<u>\$ 14,615,353</u>

City of Fort Pierce, Florida

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES**

Year ended September 30, 2014

Net change in fund balances-total governmental funds	\$ 4,436,168
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures, however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay(\$10,185,718) exceeds depreciation(\$4,146,735) in the current period.	6,038,983
Governmental funds report the sale of general capital assets as financial resources, the deletions of general capital assets is not reflected in the fund statement. This is the net amount of the proceeds and the adjusted basis of the assets deleted.	(118,195)
Repayment of bond and note principal (\$2,718,000) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	2,718,000
Compensated absences of (\$162,013) and other post employment benefits of (\$ 102,741)reported in the Statement of Activities, do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	59,272
Note proceeds of \$6,079,229 are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Assets	(6,079,229)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds interest expenditures are reported when due. This is the net amount between the prior and current year.	8,804
Bond insurance costs and discounts are reported as expenditures when paid. In the Statement of Net Assets these costs are amortized. Current year amortization expense was (\$84,577)	(84,577)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net amount between the prior and current year.	(3,528,929)
Net position of governmental activities	<u>\$ 3,450,297</u>

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida
**STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Taxes	\$ 18,556,805	\$ 18,256,174	\$ 18,256,174	\$ -
Licenses and permits	331,500	333,806	333,806	-
Intergovernmental	2,860,000	3,139,431	3,139,431	-
Charges for services	200,600	226,708	226,708	-
Fines and forfeitures	152,500	189,777	189,777	-
Contributions from component unit	6,764,816	5,605,157	5,605,157	-
Investment income	41,750	75,376	75,376	-
Other	1,808,198	1,871,541	1,871,541	-
Total revenues	<u>30,716,169</u>	<u>29,697,970</u>	<u>29,697,970</u>	-
Expenditures				
General government	10,339,499	10,224,307	10,224,307	-
Public safety	13,415,620	13,353,885	13,353,885	-
Transportation	3,224,822	3,122,509	3,122,509	-
Culture and recreation	2,077,195	2,150,857	2,150,857	-
Total expenditures	<u>29,057,136</u>	<u>28,851,558</u>	<u>28,851,558</u>	-
Excess of revenues over expenditures	1,659,033	846,412	846,412	-
Other financing sources (uses)				
Transfers in	4,176,738	4,244,564	4,244,564	-
Transfers out	<u>(5,051,405)</u>	<u>(5,038,059)</u>	<u>(5,038,059)</u>	-
Total other financing sources (uses)	<u>(874,667)</u>	<u>(793,495)</u>	<u>(793,495)</u>	-
Net change in fund balances	784,366	52,917	52,917	-
Fund balance - beginning of year	<u>3,613,322</u>	<u>4,244,316</u>	<u>4,244,316</u>	-
Fund balance - end of year	<u>\$ 4,397,688</u>	<u>\$ 4,297,233</u>	<u>\$ 4,297,233</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY**

Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 4,008,159	\$ 3,986,652	\$ 3,986,652	\$ -
Investment income	100	965	965	-
Other	532,000	2,472,790	2,472,790	-
Total revenues	<u>4,540,259</u>	<u>6,460,407</u>	<u>6,460,407</u>	<u>-</u>
Expenditures				
Current				
Economic environment	316,500	375,991	375,991	-
Capital outlay	-	1,969,001	1,969,001	-
Debt service	-	1,750	1,750	-
Total expenditures	<u>316,500</u>	<u>2,346,742</u>	<u>2,346,742</u>	<u>-</u>
Excess of revenues over expenditures	4,223,759	4,113,665	4,113,665	-
Other financing sources (uses)				
Transfers in	1,689,274	1,862,005	1,862,005	-
Transfers out	<u>(5,913,033)</u>	<u>(5,978,523)</u>	<u>(5,978,523)</u>	<u>-</u>
Total other financing sources (uses)	(4,223,759)	(4,116,518)	(4,116,518)	-
Net change in fund balances	-	(2,853)	(2,853)	-
Fund balance - beginning of year	<u>3,652</u>	<u>3,652</u>	<u>3,652</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,652</u>	<u>\$ 799</u>	<u>\$ 799</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
HURRICANE HOUSING RECOVERY GRANT FUND**

Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 70,000	\$ 51,157	\$ 51,157	\$ -
Investment income	30,000	25,608	25,608	-
Other	164,382	52,518	52,518	-
Total revenues	<u>264,382</u>	<u>129,283</u>	<u>129,283</u>	<u>-</u>
Expenditures				
Current				
Economic environment	186,458	57,511	57,511	-
Total expenditures	<u>186,458</u>	<u>57,511</u>	<u>57,511</u>	<u>-</u>
Excess of revenues over(under) expenditures	77,924	71,772	71,772	-
Other financing sources (uses)				
Transfers in	22,076	-	-	-
Transfers out	(100,000)	-	-	-
Total other financing sources (uses)	(77,924)	-	-	-
Net change in fund balances	-	71,772	71,772	-
Fund balance - beginning of year	<u>72,572</u>	<u>72,572</u>	<u>72,572</u>	<u>-</u>
Fund balance - end of year	<u>\$ 72,572</u>	<u>\$ 144,344</u>	<u>\$ 144,344</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida
**STATEMENT OF NET POSITION -
 PROPRIETARY FUNDS**
 September 30, 2014

	Business-type Activities		
	Solid Waste	Marina	Storm Water
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 20,616	\$ 3,628,453	\$ 6,069,567
Receivables - net of allowances:			
Accounts	581,918	65,219	892,041
Unbilled services	187,488	-	-
Due from component units	675,688	-	-
Due from other funds	12,644	300,000	-
Due from other governments	-	6,052,898	156,110
Inventories and other current assets	49,617	25,817	-
Restricted Assets			
Cash and investments	-	44,147	-
Total current assets	<u>1,527,971</u>	<u>10,116,534</u>	<u>7,117,718</u>
NON-CURRENT ASSETS			
Prepaid Insurance	-	10,258	26,665
Non-depreciable capital assets			
Land	-	9,197	-
Construction in progress	-	4,089,297	-
Depreciable capital assets			
Buildings	117,258	843,196	-
Improvements other than buildings	47,243	32,632,573	49,488,032
Equipment	8,133,164	133,472	590,866
Accumulated depreciation	<u>(6,970,213)</u>	<u>(7,596,927)</u>	<u>(9,726,139)</u>
Total non-current assets	<u>1,327,452</u>	<u>30,121,066</u>	<u>40,379,424</u>
Total assets	<u>2,855,423</u>	<u>40,237,600</u>	<u>47,497,142</u>

The accompanying notes are an integral part of this statement.

<u>Golf Course</u>	<u>Sunrise Theatre</u>	<u>Building Fund</u>	<u>Business-type Activities Totals</u>
\$ 1,100	\$ 702,837	\$ 429,208	\$ 10,851,781
-	6,095	-	1,545,273
-	-	-	187,488
-	-	366	676,054
-	-	-	312,644
-	-	-	6,209,008
10,903	34,428	4,112	124,877
-	67,850	-	111,997
<u>12,003</u>	<u>811,210</u>	<u>433,686</u>	<u>20,019,122</u>
-	-	-	36,923
314,811	350,000	-	674,008
-	-	-	4,089,297
877,676	16,059,347	-	17,897,477
2,774,831	-	-	84,942,679
525,899	157,762	211,380	9,752,543
<u>(1,535,604)</u>	<u>(4,613,244)</u>	<u>(211,380)</u>	<u>(30,653,507)</u>
<u>2,957,613</u>	<u>11,953,865</u>	<u>-</u>	<u>86,739,420</u>
<u>2,969,616</u>	<u>12,765,075</u>	<u>433,686</u>	<u>106,758,542</u>

City of Fort Pierce, Florida
STATEMENT OF FUND NET ASSETS - (CONTINUED)
PROPRIETARY FUNDS
September 30, 2014

	Business-type Activities		
	Solid Waste	Marina	Storm Water
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 446,704	\$ 2,336,728	\$ 648,002
Contracts payable - retainage	-	379,094	245,238
Due to other funds	306,667	24,922	120,359
Accrued compensated absences	8,112	3,463	-
Revenue bonds - current	-	119,486	635,000
Accrued interest - revenue bonds and notes	-	-	328,803
Liabilities payable from restricted assets			
Customer deposits	-	44,147	-
Revenue in Advance	-	-	-
	<u>761,483</u>	<u>2,907,840</u>	<u>1,977,402</u>
NON-CURRENT LIABILITIES			
Other Post Employment Benefits	62,253	11,804	-
Accrued compensated absences	283,645	103,487	-
Revenue bonds payable, net	-	5,816,675	13,897,141
	<u>345,898</u>	<u>5,931,966</u>	<u>13,897,141</u>
Total liabilities	<u>1,107,381</u>	<u>8,839,806</u>	<u>15,874,543</u>
NET POSITION			
Invested in capital assets, net of related debt	1,327,452	24,174,647	25,820,618
Unrestricted	420,590		5,801,981
Total net position	<u>\$ 1,748,042</u>	<u>\$ 24,174,647</u>	<u>\$ 31,622,599</u>

The accompanying notes are an integral part of this statement.

			Business-type Activities Totals
Golf Course	Sunrise Theatre	Building Fund	
\$ 64,016	\$ 62,961	\$ 64,977	\$ 3,623,388
-	-	-	624,332
14,603	-	7,379	473,930
9,106	15,344	2,480	38,505
-	-	-	754,486
-	-	-	328,803
-	67,850	-	111,997
-	760,310	-	760,310
87,725	906,465	74,836	6,715,751
25,503	18,256	13,842	131,658
79,003	98,856	48,596	613,587
-	-	-	19,713,816
104,506	117,112	62,438	20,459,061
192,231	1,023,577	137,274	27,174,812
2,957,613	11,953,865	-	66,234,195
(180,228)	(212,367)	296,412	6,126,388
\$ 2,777,385	\$ 11,741,498	\$ 296,412	\$ 72,360,583

City of Fort Pierce, Florida
**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS**
Year ended September 30, 2014

	Business-type Activities		
	Solid Waste	Marina	Storm Water
Operating revenues			
Sales and charges for services	\$ 6,223,743	\$ 724,418	\$ 2,690,928
Gas and oil sales	-	622,067	-
Other	40,424	390,603	16,830
Total operating revenues	<u>6,264,167</u>	<u>1,737,088</u>	<u>2,707,758</u>
Operating expenses			
Personal services	1,965,865	340,470	-
General and administrative	80,090	-	250,365
Cost of goods and services sold	1,849,523	605,843	-
Depreciation	327,047	757,784	1,366,099
Other operating expenses	1,041,763	807,410	3,849,497
Total operating expenses	<u>5,264,288</u>	<u>2,511,507</u>	<u>5,465,961</u>
Operating income (loss)	999,879	(774,419)	(2,758,203)
Non-operating revenues (expenses)			
Investment income	2,467	12,282	27,622
Gain/Loss on disposition	-	(2,196)	-
Interest expense	-	(96,374)	(664,834)
Total non-operating revenues (expenses)	<u>2,467</u>	<u>(86,288)</u>	<u>(637,212)</u>
Income (loss) before transfers and capital contributions	1,002,346	(860,707)	(3,395,415)
Capital Contributions	-	5,587,840	1,554,806
Transfers in	-	-	-
Transfers out	<u>(1,418,459)</u>	<u>(51,111)</u>	<u>(12,670)</u>
CHANGE IN NET POSITION	(416,113)	4,676,022	(1,853,279)
Total net position - beginning as restated (Note A)	<u>2,164,155</u>	<u>26,721,772</u>	<u>33,475,878</u>
Total net position - end of year	<u>\$ 1,748,042</u>	<u>\$ 31,397,794</u>	<u>\$ 31,622,599</u>

The accompanying notes are an integral part of this statement.

			Business-type Activities Totals
Golf Course	Sunrise Theatre	Building Fund	
\$ 1,411,339	\$ 2,917,359	\$ 1,269,342	\$ 15,237,129
-	-	-	622,067
5,754	41,822	7,215	502,648
<u>1,417,093</u>	<u>2,959,181</u>	<u>1,276,557</u>	<u>16,361,844</u>
748,870	623,386	668,211	4,346,802
56,148	105,657	-	492,260
41,590	1,093,668	-	3,590,624
140,314	538,179	2,175	3,131,598
600,148	1,719,993	344,125	8,362,936
<u>1,587,070</u>	<u>4,080,883</u>	<u>1,014,511</u>	<u>19,924,220</u>
(169,977)	(1,121,702)	262,046	(3,562,376)
61	985	731	44,148
-	-	-	(2,196)
-	-	-	(761,208)
<u>61</u>	<u>985</u>	<u>731</u>	<u>(719,256)</u>
(169,916)	(1,120,717)	262,777	(4,281,632)
-	-	-	7,142,646
154,459	540,450	-	694,909
<u>(28,000)</u>	<u>-</u>	<u>-</u>	<u>(1,510,240)</u>
(43,457)	(580,267)	262,777	2,045,683
<u>2,820,842</u>	<u>12,321,765</u>	<u>33,635</u>	<u>77,538,047</u>
<u>\$ 2,777,385</u>	<u>\$ 11,741,498</u>	<u>\$ 296,412</u>	<u>\$ 79,583,730</u>

City of Fort Pierce, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2014

	Business-type Activities	
	Solid Waste	Marina
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 6,142,919	\$ 1,540,000
Receipts from rental property	-	209,240
Payments to suppliers for goods and services	(2,686,598)	(530,692)
Payments to employees for services	(1,270,608)	(238,341)
Payments for benefits on behalf of employees	(640,097)	(97,604)
Net cash provided (used) by operating activities	<u>1,545,616</u>	<u>882,603</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	-	-
Transfers (out)	(1,418,459)	(51,111)
Net cash provided (used) by noncapital financing activities	<u>(1,418,459)</u>	<u>(51,111)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(360,744)	(6,447,894)
Receipts from Intergovernmental	-	1,971,875
Bond and loan principal payments	-	-
Bond proceeds	-	4,100,000
Bond and loan interest payments	-	(96,374)
Net cash provided (used) by capital and related financing activities	<u>(360,744)</u>	<u>(472,393)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and investments	2,467	12,282
Net cash provided (used) by investing activities	<u>2,467</u>	<u>12,282</u>
Net increase (decrease) in cash and investments	(231,120)	371,381
Cash and investments at beginning of year	251,736	3,301,219
Cash and investments at end of year	<u>\$ 20,616</u>	<u>\$ 3,672,600</u>
Cash and investments-unrestricted	\$ 20,616	\$ 3,628,453
Cash and investments-restricted	-	44,147
	<u>\$ 20,616</u>	<u>\$ 3,672,600</u>

The accompanying notes are an integral part of this statement.

				Business-type Activities Totals
Storm Water	Golf Course	Sunrise Theatre	Building Fund	
\$ 2,932,772	\$ 1,418,628	\$ 3,343,406	\$ 1,276,270	\$ 16,653,995
-	-	-	-	209,240
(3,984,565)	(797,132)	(2,951,484)	(351,652)	(11,302,123)
-	(412,934)	(409,575)	(457,589)	(2,789,047)
-	(325,202)	(154,055)	(218,091)	(1,435,049)
(1,051,793)	(116,640)	(171,708)	248,938	1,337,016
-	154,459	540,450	-	694,909
(12,670)	(28,000)	-	-	(1,510,240)
(12,670)	126,459	540,450	-	(815,331)
(932,964)	(9,880)	-	-	(7,751,482)
2,380,201	-	-	-	4,352,076
(615,000)	-	-	-	(615,000)
-	-	-	-	4,100,000
(668,470)	-	-	-	(764,844)
163,767	(9,880)	-	-	(679,250)
27,622	61	985	731	44,148
27,622	61	985	731	44,148
(873,074)	-	369,727	249,669	(113,417)
6,942,641	1,100	400,960	179,539	11,077,195
\$ 6,069,567	\$ 1,100	\$ 770,687	\$ 429,208	\$ 10,963,778
\$ 6,069,567	\$ 1,100	\$ 702,837	\$ 429,208	\$ 10,851,781
-	-	67,850	-	111,997
\$ 6,069,567	\$ 1,100	\$ 770,687	\$ 429,208	\$ 10,963,778

City of Fort Pierce, Florida
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
Year ended September 30, 2014

	Business-type Activities	
	Solid Waste	Marina
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 999,879	\$ (774,419)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	327,047	757,784
(Increase) decrease in accounts receivable	(95,740)	(1,977)
(Increase) decrease in due from component unit	(25,508)	-
(Increase) decrease in inventories and other current assets	(49,617)	(23,630)
Increase (decrease) in accounts payable and accrued liabilities	44,505	1,212,454
Increase (decrease) in due to other funds	310,690	(303,194)
Increase (decrease) in customer deposits	-	14,129
Increase (decrease) in other post employment benefits	9,706	1,782
Increase (decrease) in accrued compensated absences	24,654	(326)
Net cash provided (used) by operating activities	<u>\$ 1,545,616</u>	<u>\$ 882,603</u>

The accompanying notes are an integral part of this statement.

<u>Storm Water</u>	<u>Golf Course</u>	<u>Sunrise Theatre</u>	<u>Building Fund</u>	<u>Business-type Activities Totals</u>
\$ (2,758,203)	\$ (169,977)	\$ (1,121,702)	262,046	\$ (3,562,376)
1,366,099	140,314	538,179	2,175	3,131,598
195,699	-	5,208	-	103,190
29,315	-	-	(287)	3,520
-	(10,903)	(34,428)	(4,111)	(122,689)
78,743	(72,796)	11,578	(1,201)	1,273,283
36,554	(7,357)	-	330	37,023
-	1,535	379,017	-	394,681
-	3,086	3,442	3,294	21,310
-	(542)	46,998	(13,308)	57,476
<u>\$ (1,051,793)</u>	<u>\$ (116,640)</u>	<u>\$ (171,708)</u>	<u>\$ 248,938</u>	<u>\$ 1,337,016</u>

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TRUST FUNDS

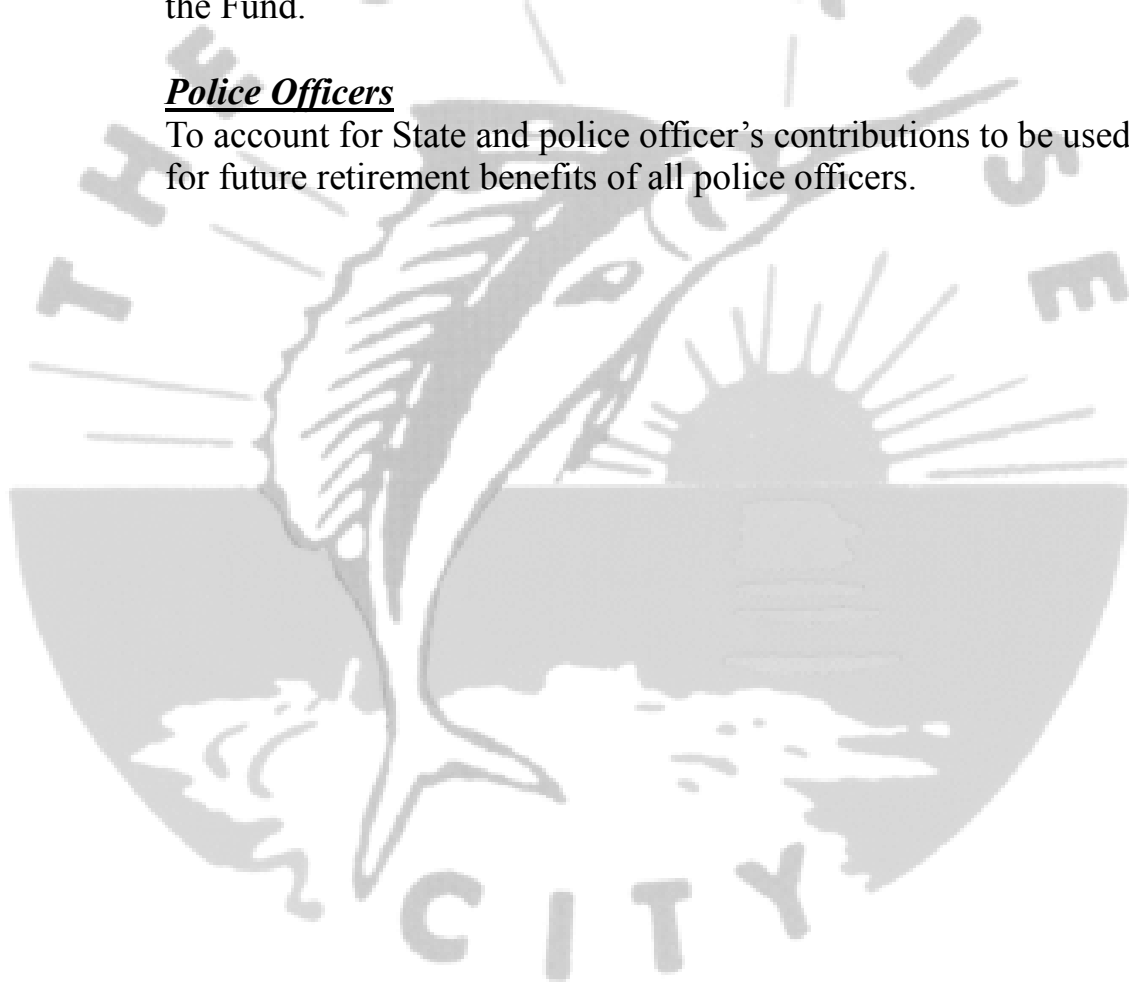
◆ Pension Trust

General Employees

To account for the accumulation of resources to be used for retirement benefits of all City employees. The City has a multi-employer plan; therefore, other governmental units are included in the Fund.

Police Officers

To account for State and police officer's contributions to be used for future retirement benefits of all police officers.



City of Fort Pierce, Florida

STATEMENT OF FIDUCIARY FUNDS NET POSITION

September 30, 2014

	Pension Trusts
ASSETS	
Cash and cash equivalents	\$ 1,772,291
Investments, at fair value:	
U.S. Government Securities	21,426,123
Mutual Funds	104,071,995
Common Stock	18,519,495
Corporate Bonds	29,527,857
Real Estate Trust L.P.	6,794,943
Common Trust Fund	727,355
Money Market	7,796,258
Total investments	<u>188,864,026</u>
Total cash and investments	190,636,317
Accounts receivable	328,014
Accrued interest receivable	4,688,223
	<u>4,688,223</u>
Total assets	<u>195,652,554</u>
 LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	<u>321,660</u>
Total liabilities	<u>321,660</u>
 NET POSITION-RESTRICTED FOR PENSION BENEFITS	
	<u><u>\$ 195,330,894</u></u>

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida

STATEMENT OF CHANGES IN FIDUCIARY FUNDS NET POSITION

Year ended September 30, 2014

	<u>Pension Trusts</u>
ADDITIONS	
Contributions	
Employer	\$ 4,356,127
Employees	1,943,411
State-Via the General Fund	248,113
Total contributions	<u>6,547,651</u>
Investment income	
Interest	2,221,471
Dividends	981,740
Net appreciation in fair value of investments	15,297,095
Total investment income	<u>18,500,306</u>
Investment expenses	<u>(779,114)</u>
Net investment income	17,721,192
Total additions	24,268,843
DEDUCTIONS	
Retirement benefits paid	12,606,823
Refunds of employee contributions	440,758
Administrative expenses	176,528
Insurance expense	20,829
Total deductions	<u>13,244,938</u>
Net Increase	11,023,905
NET POSITION-RESTRICTED FOR PENSION	
BENEFITS	
Beginning of year	<u>180,087,589</u>
End of year	<u>\$ 191,111,494</u>

The accompanying notes are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS



NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Fort Pierce, Florida (City) have been prepared in conformity with accounting principles (“GAAP”) generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting.

1. REPORTING ENTITY

The City of Fort Pierce, Florida was incorporated in 1901 under the general law. This incorporation was validated by Act of the State Legislature, Chapter 5100, Acts 1901. The City covers an area of approximately 20 square miles and is located in St. Lucie County, Florida. The City operates under an elected City Commission (5 members) and provides services to its more than 43,074 residents in the form of law enforcement, street maintenance, solid waste, culture and recreation, planning and zoning, human resources and general administrative services.

The accompanying financial statements present the primary government and its component units. Component units are legally separate entities for which the primary government is financially accountable or entities which should be included in the City’s financial statements because of the nature and significance of their relationship with the primary government.

The decision to include a potential component unit in the City’s reporting entity is based on the criteria stated in GASB Statement No. 14 – *The Financial Reporting Entity*, as amended by GASB 39, “*Determining Whether Certain Organizations are Component Units*” and GASB 61, “*The Financial Reporting Entity; Omnibus an Amendment of GASB Statements No. 14 and No. 34*” which includes the ability to appoint a voting majority of an organization’s governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burden on the City, or the nature and significance of the relationship between the City and the organization is such that exclusion would cause the City’s financial statements to be incomplete.

Blended component units, although legally separate entities, are, in substance, part of the City’s operations. Accordingly, data from these component units are included with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that it is legally separate from the City. The financial activities and balances for each blended and discretely presented component units are as of and for the period ended September 30, 2014.

A. BLENDED COMPONENT UNITS

Community Redevelopment Agency

The Community Redevelopment Agency (CRA) was established for the purpose of carrying out redevelopment activities for certain areas existing in the City of Fort Pierce. The members of the governing board are comprised of the Fort Pierce City Commission. The CRA’s budget is subject to approval by the City Commission.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. REPORTING ENTITY (CONTINUED)

B. DISCRETELY PRESENTED COMPONENT UNIT

Fort Pierce Utilities Authority

The Fort Pierce Utilities Authority (Authority) provides electric, water, wastewater and natural gas services to residents and businesses of Fort Pierce and is responsible for the management and operations of the Manatee Observation and Education Center. The members of the governing board are appointed and/or removed from office by the Fort Pierce City Commission. The budget and rates for services are subject to the approval of the Commission. Complete financial statements of the Authority can be obtained from its administrative office located at 206 South Sixth Street, Fort Pierce, Florida 34948.

C. RELATED ORGANIZATION

Fort Pierce Housing Authority

The Mayor of Fort Pierce is responsible for appointing the members of the Board of the Fort Pierce Housing Authority (FPHA), but the City's accountability for this organization does not extend beyond making these appointments. The FPHA's operating and capital expenditures, including debt service, are financed entirely from federal grants and rentals. The City has no involvement in the determination of FPHA's budget or rental rates, and has no obligation for FPHA's outstanding debt. Hence, the FPHA is not considered a component unit of the City, and no financial information is included in these financial statements.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide financial statements (based on the City as a whole) and fund financial statements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The Government-Wide Statement of Net Position reports all financial and capital resources of the City, excluding those reported in the fiduciary funds. It is displayed in the format of assets and deferred outflows less liabilities and deferred inflows, equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. Restricted assets are those with constraints placed on their use that are either: (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. The unrestricted component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The City chooses to eliminate the general and administrative charges between governmental activities to avoid a “doubling up” effect.

Separate financial statements are provided for governmental funds, propriety funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*, as are the proprietary fund, internal service fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The measurement focus of the governmental funds (in the Fund Financial Statements) is upon determination of financial position and changes in financial position rather than upon net income.

These governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered property taxes as available if they are collected within 60 days after year-end. A six-month availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxpayer-assessed property and other taxes, and charges for regularly billed or routinely provided services, are recorded as revenue when earned, taxpayer liability has been established and collectibility is assured, or losses can be reasonably estimated. Licenses and fees, fines and forfeitures, and miscellaneous revenues are recorded when received in cash, because they are generally not measurable until actually received. Investment income from cash deposits is recorded as revenue when earned, since it is measurable and available.

The city reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *community redevelopment agency-special revenue fund* accounts for the redevelopment of designated areas within the City. Financing is provided by an incremental increase in ad valorem taxes levied each year.

The *hurricane housing recovery grant fund* accounts for the hurricane housing assistance from the state of Florida for down payment assistance and rehabilitation assistance for low income households within the City.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The government reports the following major proprietary funds:

Business type activities

The *solid waste fund* is used to account for the solid waste disposal services provided to the residents of the City.

The *marina fund* is used to account for the activities of a special recreation facility for the residents of the City and the surrounding area.

The *storm water fund* is used to account for the storm water drainage and control services provided to the residents of the City.

The *golf course fund* is used to account for the activities of a special recreation facility for the residents of the City and the surrounding area.

The *sunrise theatre fund* is used to account for the activities of a historic theatre for the residents of the City and the surrounding area.

The *building fund* is used to account for the activities of a building department for the residents of the City.

Governmental activities

Additionally, the government reports the following fund types:

Fiduciary funds

The two pension trust funds account for the activities of the General Employees and the Police Officers' Pension Plans, which accumulate resources for pension benefit payments to qualified employees of the respective plans.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's solid waste disposal function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the solid waste, golf course, sunrise theatre, and marina enterprise funds, are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

a. Deposits and investments

The City has defined cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes and local ordinances authorize the government and the component units to invest in various types of investments as discussed in a subsequent note.

Investments of the City, as well as for its component units, are reported at fair value. The State Board of Administration Pooled Trust Fund operates in accordance with appropriate state laws and regulations. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value based on market indicators regarded as measures of equity or fixed income performance results. The City does not have a significant amount of investments valued at other than quoted market prices. Except in the pension trust funds, amortization of premium and accretion of discount on investments purchased are not recorded over the term of the investment. The effect of this policy on the financial statements of the various funds is not significant. The reported value of the pool is the same as the fair value of the pool shares.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

b. Receivables and payables

All trade receivables are shown net of an allowance for uncollectible accounts. Unbilled service receivables represent the estimated amount of accounts receivable for services that have not yet been billed. The amount represents a timing difference between the end of the financial statement cycle (month end) and the billing cycle (varying dates each billing period).

c. Due to/Due from

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans.) All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

d. Inventories and prepaid items

Inventories are valued at cost (using average cost) in governmental type funds and the lower of cost (weighted average) or market in business-type funds. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when consumed rather than when purchased.

e. Restricted assets

Certain proceeds from bonds, notes, and loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants and restrictions. As a general rule these restricted assets are maintained in separate accounts.

The Fort Pierce Utilities Authority has similar restricted assets.

f. Capital assets

Capital assets, include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), which are reported in the applicable governmental or business-type activities columns on the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

f. Capital assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated lives:

Buildings and improvements	3-55 years
Improvements other than buildings	20-25 years
Equipment	3-20 years
Public domain infrastructure	15-75 years

g. Deferred outflows/inflows of resources

The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. The only item in this category is Deferred Charge on Refunding reported on the Government-wide Statement of Net Position. The deferred charge on refunding is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

The Statement of Net Position also includes a separate section for Deferred Inflows of Resources. This represents the acquisition of net position applicable to future periods and will be recognized as revenue in the future period to which it applies. Currently, the only item in this category is revenue received in advance.

Deferred Inflows of Resources in the Governmental Funds Balance Sheet include unavailable revenue. Unavailable revenue consists primarily of special assessment, loans and notes receivable. The city considers revenues available if they are collected within 60 days of the end of the fiscal year.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION (CONTINUED)

h. Compensated absences

Accumulated unpaid vacation and sick pay and the benefits associated with them are accrued when incurred in all proprietary fund types and in the component units. In governmental and Fiduciary fund types, the cost of vacation and sick pay is recognized when payments are made to employees or when matured, as a result of employee resignation or retirement.

All sick and vacation pay is accrued when incurred in the Government-Wide Financial Statements.

i. Other Post Employment Benefits

The City provides certain health care and life insurance benefits for retired employees. The primary government recognizes the costs associated with providing these benefits as claims are paid. In the Government-Wide Financial Statements and proprietary fund types in the Fund Financial statements, other post employment benefits are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

j. Long-term obligations

In the Government-Wide Financial Statements and propriety fund types in the Fund Financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as insurance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond insurance costs are reported as deferred charges and amortized over the term of the related debt.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

k. Fund equity

The City implemented GASB No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”, for the year ended September 30, 2011. The Statement requires the fund balance of governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION (CONTINUED)

1. New Accounting Standards Adopted

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities provides additional guidance for the items listed in GASB 63 and includes additional changes in accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement specifically addresses the calculation of a deferred outflow or inflow for the refunding of debt, requires that debt issuance costs be expensed in the period in which that debt was issued, and requires that revenue recorded in the governmental funds that is not available be classified as Unavailable Revenue (a deferred inflow). Changes to the government-wide and enterprise fund financial statements, schedules and related disclosures are included in Note A Section 4-Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance and below at Restatement of Prior Year Net Position.

GASB Statement No. 67, Financial Reporting for Pension Plans, improves financial reporting for state and local governmental pension plans. The adoption resulted in additional pension disclosures in Note I.

5. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

6. RESTATEMENT OF PRIOR YEAR NET POSITION

The October 1, 2013 beginning net position has been restated due to the implementation of GASB Statement 65:

	Governmental Activities	Business-type Activities	Proprietary Funds		Component Unit FPUA
			Marina	Stormwater	
Beginning Net Position	\$ 48,569,589	\$ 77,656,082	\$ 26,728,863	\$ 33,586,822	179,158,324
Adjustment to write-off unamortized bond costs	(1,094,875)	(118,035)	(7,091)	(110,944)	(1,623,014)
Beginning Net Position- Restated	<u>\$ 47,474,714</u>	<u>\$ 77,538,047</u>	<u>\$ 26,721,772</u>	<u>\$ 33,475,878</u>	<u>\$ 177,535,310</u>

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

The appropriated budget is the expenditure authority created by the appropriation ordinance which is signed into law along with related estimated revenues for the general fund, and the following major special revenue funds; community redevelopment agency fund, and the hurricane housing recovery grant fund.

The amended budget reflects the appropriated budget for the general fund and special revenue funds. Budgets are not adopted for governmental funds other than the general fund and the major special revenue funds. All annual appropriations lapse at fiscal year end.

The City follows these procedures in establishing the appropriated budget reflected in the financial statement:

- a. Prior to August 15, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. Formal budgetary integration is employed as a management control device during the year for the general fund and major special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternately achieved through general obligation bond indenture provisions.
- e. Budgets for the general fund, and major special revenue funds are adopted on a basis consistent with generally accepted accounting principles. (GAAP).
- f. The level of control (level at which expenditures may not exceed budget) is the department. Department heads may move budget appropriations from one line item to another line item within his/her department with the approval of the Director of Finance. Transfers of budget appropriations between departments must be approved by the Director of Finance and the City Manager. Any increase in budget over what was appropriated must be approved by the City Commission. Unexpended balances of appropriations lapse at year end.
- g. In accordance with past practices, after the close of the year, the budget has been amended to reflect changes in available revenues and transfers of appropriations between departments and programs.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE C – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

“Total fund balances” as reported on the City’s Governmental Funds Balance Sheet \$14,615,353 differs from the “net position” of governmental activities \$50,925,011 that are reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Funds Balance Sheet. The effect of the differences is illustrated below.

Capital related items

When capital assets (land, buildings and improvements, infrastructure, machinery and equipment, and construction in progress that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the city as a whole:

Cost of capital assets, not being depreciated	\$ 27,143,774
Cost of capital assets, being depreciated	205,337,198
Accumulated depreciation	(121,363,123)
Total	<u>\$ 111,117,849</u>

Long-term debt transactions

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2014 were:

Bonds and notes payable	\$ (77,003,325)
Other post employment benefits	(749,117)
Compensated absences	(2,911,586)
Total	<u>\$ (80,664,028)</u>

Accrued interest

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to accrued interest on bonds and revenue notes.

Bond and revenue notes	<u>\$ (677,757)</u>
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NOTE C – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (continued)

Prepaid Insurance and Deferred Charge on Refunding

Bond insurance costs and deferred charge on refunding in the Statement of Net Position differs from the amount reported in governmental funds because bond insurance costs and the difference between the carrying value of refunded debt and its reacquisition price are capitalized and amortized over the term of the bonds, whereas these costs are reported as expenditures in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance.

Net bond insurance costs	\$ 519,783
	<u>519,783</u>
Net Deferred charge on refunding	\$ 538,920
	<u>538,920</u>

Unavailable revenues

Unavailable revenues in the Statement of Net Position differ from the amount reported in governmental funds due to various receivables. Governmental fund financial statements report unearned revenues or revenues which are measurable but not available, as unavailable revenues. However, unavailable revenues in governmental funds are subject to full accrual on the government-wide financial statements.

Liens receivable	\$ 1,736,702
Loans receivable	15,778
Notes receivable	3,722,411
Deferred revenues	<u>\$ 5,474,891</u>

Elimination of inter-fund receivables/payables

Inter-fund receivables and payables in the amount of \$161,286 between governmental funds have been eliminated for the Statement of Net Position.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE C – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The “net change in fund balances” for government funds \$4,436,168 differs from the “change in net position” for governmental activities \$3,450,297 reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets are purchased or constructed for governmental activities, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.

Capital outlay	\$ 10,185,718
Depreciation expense	(4,146,735)
	<u>\$ 6,038,983</u>

In the Statement of Activities, only the gain and loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the adjusted basis of the capital assets sold. Also, governmental funds do not show contributions of capital assets. Thus, the change in net position differs from the change in fund balance by the fair market value of the asset at date of contribution.

Sale of capital assets	<u>\$ (118,195)</u>
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Long-term debt transactions

Repayments of principal on bonds, notes, and capital leases are reported as expenditures in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. Principal payments reduce the liabilities in the Statement of Net Position, but do not result in an expense in the Statement of Activities.

Bond principal payments	<u>\$ 2,718,000</u>
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City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE C – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. The amounts listed below are the net of prior and current fiscal years and are included in the Statement of activities.

Net change in other post employment benefits	\$ <u>(102,741)</u>
Net change in compensated absences	\$ <u>162,013</u>
Net interest adjustment	\$ <u>8,804</u>

In the Statement of Activities, note proceeds increase long-term liabilities. However, in the governmental funds, debt proceeds are treated as other financing sources (uses) since they provide current financial resources to governmental funds.

Note Proceeds	\$ <u>(6,079,229)</u>
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Bond issuance costs

Bond issuance costs are reported as expenditures in the governmental funds. However, in the Statement of Activities, the bond issuance costs are amortized over the terms of the bond agreement.

Amortization expenses	\$ <u>(84,577)</u>
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Deferred revenues

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Net change in Deferred Revenue	\$ <u>(3,528,929)</u>
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Reclassification and Eliminations

The General Fund recognizes revenues in the amount of \$1,064,815 for the general administrative charges to the various functions. These revenues and expenditures must be eliminated to avoid “double counting”. Transfers in and transfers out in the amount of \$14,139,223 between governmental activities are eliminated in the government-wide financial statements.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE D – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments. The carrying amount of these deposits at September 30, 2014 was \$26,819,914 and the bank balance was \$27,140,418. The deposits are insured by federal depository insurance or collateralized under the provisions of Chapter 280, Florida Statutes.

Deposits - Florida statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," 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. The City 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.

Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the City Finance Director. Cash equivalents consist of demand deposits, certificates of deposit, and money market accounts. Investments in the pooled fund consist of Repurchase agreements (overnight), Treasury notes, and Government securities.

The FPUA also invests in the SBA Pooled Trust Funds which are governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA. Investments in the SBA consist of the Florida Prime and the Fund B surplus Trust Fund (Fund B). Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

The Florida PRIME has met the criteria as a "2a7-like" pool; this pool was assigned a rating of AAAM by the Standards and Poor's Rating Service. The FPUA has a \$5,163,523 balance at September 30, 2014. The fair value of the position in the pool is valued the same as the pooled shares.

The Florida Municipal Investment Trust (Municipal Trust) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Municipal Trust 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 like" pool.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE D – CASH AND INVESTMENTS (CONTINUED)

A summary of pooled cash and investments as of September 30, 2014 is as follows:

	Primary Government	Component Unit-FPUA
Cash	\$ 15,640	\$ 2,005,283
Investments:		
Certificates of Deposit	5,500,000	1,006,662
State Board of Administration pooled trust fund	-	5,163,523
Florida Municipal Investment trust	563,274	-
Money market	-	7,057,238
Funds-held in escrow	20,593	-
Repurchase agreements	21,283,681	42,447,164
Total investments	<u>27,367,548</u>	<u>55,674,587</u>
Total pooled cash and investments	<u>\$ 27,383,188</u>	<u>\$ 57,679,870</u>

All investments held in the primary government and component unit at September 30, 2014 have maturity dates less than three months.

A summary of investments held in pension trust funds as of September 30, 2014 is as follows:

	Investment Maturities in Years					total
	under 1	1-5	6-10	10-20	over 20	
U.S. Agencies	\$ -	\$ 685,189	\$ 780,694	\$ 1,346,697	\$ 10,500,009	\$ 13,312,589
U.S. Treasuries	-	3,180,028	2,468,686	-	2,464,821	8,113,535
Corporate obligations	3,096,034	12,719,466	5,034,598	4,793,396	3,884,363	29,527,857
Common stock	18,519,494	-	-	-	-	18,519,494
Mutual funds-equity	104,071,995	-	-	-	-	104,071,995
Real estate trust L.P.	6,794,943	-	-	-	-	6,794,943
Common trust fund	727,355	-	-	-	-	727,355
Money market funds	7,796,258	-	-	-	-	7,796,258
	<u>\$ 141,006,079</u>	<u>\$ 16,584,683</u>	<u>\$ 8,283,978</u>	<u>\$ 6,140,093</u>	<u>\$ 16,849,193</u>	<u>\$ 188,864,026</u>

Fixed income securities have inherent financial risks, including credit risk and interest rate risk. Credit risk for fixed income securities is the risk that the issuer will not fulfill its obligations. Nationally recognized statistical rating organizations (“NSROs”), such as Moody’s and Standard and Poor’s, assign credit ratings to security issuers and issues that indicate a measure of potential credit risk to investors. Fixed income securities considered investment grade are those rated at least Baa by Moody’s and BBB by Standard and Poor’s.

NOTE D – CASH AND INVESTMENTS (CONTINUED)

Credit Risk. State law limits investments in corporate notes to the top two ratings issued by nationally recognized statistical ratings organizations (NRSROs). It is the City's policy to limit its investments in these investment types to A or better, with a maximum 15% discretionary allocation to BBB by Standard and Poor's. Money Market securities rated A1/P1 by Standard and Poor's/Moody's are allowed. The City has certain investments in an unrated 2a7-like investment pool administered by the State of Florida and the Florida League of Cities.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy discourages long-term investments. For the City's pension plans, maturities are significantly longer. The pension system may invest in various mortgaged-backed securities, such as collateralized mortgage obligations. These securities are based on cash flows on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's pension funds consist of uninsured, unregistered investments held by a counterparty's trust department but not in the City's name.

Investments - The primary government, except for the Enterprise Fund and Expendable Pension Trust Funds, is authorized by Ordinance to invest in:

1. Local Governmental Surplus Trust Funds
2. Interest-bearing time deposits or savings accounts in banks organized under the laws of this State or the United States and doing business in this State as detailed in the investment policy of the City.
3. Deposits and certificates of deposit in out-of-state banks, savings and loan associations and other regulated financial institutions as may be required by contractual agreements when approved by the City Commission.
4. Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government at the then prevailing price for such securities.
5. Repurchase Agreements, secured by the type of investment listed above, restricted as to acquisition, term, and market value.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE D – CASH AND INVESTMENTS (CONTINUED)

The FPUA (a component unit) is authorized by resolution to invest in:

1. Local Government Surplus Trust Funds.
2. Negotiable direct obligations of the United States Government, or obligations, the principal and interest 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 type of investment 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, 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 bond rating agency.

The General Employees Pension Trust Fund is authorized by resolution to invest in:

1. Common and preferred stock issues.
2. Publicly traded Government, corporate, and agency bonds.
3. Publicly traded money market securities.

The Police Officers Pension Trust Fund is authorized by resolution to invest in:

1. Common and preferred stock issues. (Limited to holdings of less than five percent of any one entity's stock, and aggregate stock holdings of less than fifty percent of total plan assets.)
2. Publicly traded Government, corporate, and agency bonds.
3. Publicly traded money market securities.
4. Interest-bearing time deposits or savings accounts in banks organized under the laws of this State or the United States and doing business in this State as detailed in the investment policy of the Police Officers' Pension Trust Fund.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE E - PROPERTY TAXES

The City's property tax is levied by St. Lucie County each November 1 on the assessed value listed as of the prior January 1 for real and personal property located in the City. Property taxes become a lien on the first day of the levy year and are due on or before March 31. Assessed values are established by the St. Lucie County Property Appraiser. The assessed value at January 1, 2013, upon which the 2013-2014 levy is based, was \$1,875,262,779.

The City is permitted by State law to levy taxes of up to 10 mills of assessed valuation for the General Fund. Taxes are levied at 5.7131 mills for the General Fund for the fiscal year ended September 30, 2014.

NOTE F - ACCOUNTS RECEIVABLE/NOTES RECEIVABLE

Accounts Receivable

Accounts receivable held by the primary government's enterprise funds and the FPUA (a component unit) are stated net of allowances for estimated uncollectibles of \$15,639 for the marina, \$27,235 for sanitation, \$0 for storm water, \$0 for golf course, and \$3875,211 the FPUA, respectively. The general fund accounts receivable is stated net of allowance for estimated uncollectibles of \$6,789,130. No other allowance is provided for receivables held by governmental or fiduciary fund types because, in the opinion of management, all such accounts are collectible.

Notes Receivable

On October 15, 2009, the city entered into a Mortgage Note Receivable for \$3,795,000 with a developer for the construction of a shopping center. The City used proceeds from a Section 108 loan from the US Department of Housing and Urban Development. The developer paid the balance owed to the city in 2014. The city placed the funds in a debt service fund to pay-off the outstanding debt.

The remaining balance in Notes Receivable is comprised of various down payment assistance loans and Mortgage receivables on City constructed homes as part of the City's redevelopment plan. The terms of the mortgages and notes range from 5 to 30 years with interest rates from 0% to 5% based on the recipient's income level.

NOTE G - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments include \$87,716 from U.S. Department of Housing & Urban Development, \$159,058 from Florida Department of Transportation, \$7,707 from the State of Florida, \$473,333 due from St. Lucie County, \$5,131 due from St. Lucie County Housing Authority, \$173,408 due from the Department of Justice, \$3,352 from the Department of Law Enforcement and \$7,483,363 from the Florida Executive Office of the Governor.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE H - CAPITAL ASSETS

Capital asset activity of the **primary government** for the year ended September 30, 2014 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 27,165,338	\$ -	\$ (119,755)	\$ -	\$ 27,045,583
Construction in Progress	824,517	47,365	-	(773,691)	98,191
Total capital assets, not being depreciated	27,989,855	47,365	(119,755)	(773,691)	27,143,774
Capital assets, being depreciated:					
Buildings	35,368,321	6,649,563	-	-	42,017,884
Improvements other than buildings	36,689,761	1,921,636	-	699,883	39,311,280
Equipment	13,547,094	1,548,028	(26,847)	15,398	15,083,673
Infrastructure	108,831,427	19,126	-	73,808	108,924,361
Total	194,436,603	10,138,353	(26,847)	789,089	205,337,198
Less accumulated depreciation for:					
Buildings	(11,236,865)	(692,533)	-	(364,989)	(12,294,387)
Improvements other than buildings	(16,118,166)	(1,603,401)	-	-	(17,721,567)
Equipment	(12,457,481)	(339,124)	28,407	349,591	(12,418,607)
Infrastructure	(77,416,885)	(1,511,677)	-	-	(78,928,562)
Total accumulated depreciation	(117,229,397)	(4,146,735)	28,407	(15,398)	(121,363,123)
Total capital assets, being depreciated, net	77,207,206	5,991,618	1,560	773,691	83,974,075
Total capital assets, net	<u>\$ 105,197,061</u>	<u>\$ 6,038,983</u>	<u>\$ (118,195)</u>	<u>\$ -</u>	<u>\$ 111,117,849</u>

Depreciation expense charged to functions/programs of the **primary government** (governmental activities) for the year ended September 30, 2014 was as follows:

Governmental activities:

General government	\$ 171,619
Public safety	667,882
Transportation	2,941,863
Economic environment	73,159
Culture and recreation	292,212
Total	<u>\$ 4,146,735</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE H - CAPITAL ASSETS (CONTINUED)

Business-type activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 674,008	\$ -	\$ -	\$ -	\$ 674,008
Construction in Progress	-	4,089,297	-	-	4,089,297
Total capital assets, not being depreciated	674,008	4,089,297	-	-	4,763,305
Capital assets, being depreciated:					
Buildings	17,897,477	-	-	-	17,897,477
Improvements other than buildings	81,725,489	3,284,424	(67,234)	-	84,942,679
Equipment	9,390,180	377,761	-	(15,398)	9,752,543
Total	109,013,146	3,662,185	(67,234)	(15,398)	112,592,699
Less accumulated depreciation for:					
Buildings	(4,869,334)	(589,041)	-	-	(5,458,375)
Improvements other than buildings	(14,772,251)	(2,148,752)	-	-	(16,921,003)
Equipment	(7,962,958)	(393,805)	67,236	15,398	(8,274,129)
Total accumulated depreciation	(27,604,543)	(3,131,598)	67,236	15,398	(30,653,507)
Total capital assets, being depreciated, net	81,408,603	530,587	2	-	81,939,192
Total capital assets, net	<u>\$ 82,082,611</u>	<u>\$ 4,619,884</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 86,702,497</u>

Additions to accumulated depreciation and depreciation expense charged to functions/programs of the **primary government** (business-type activities) for the year ended September 30, 2014 was as follows:

Solid waste	\$ 327,047
Marina	757,784
Stormwater	1,366,099
Golf course	140,314
Sunrise Theatre	538,179
Building Fund	2,175
Total	<u>\$ 3,131,598</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE H - CAPITAL ASSETS (CONTINUED)

Capital asset activity of the **FPUA** (a component unit) for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Utility Plant, not being depreciated:				
Land	\$ 10,219,000	\$ 9,000	\$ (183,000)	\$ 10,045,000
Construction Work in Progress	15,749,745	13,450,611	(8,728,000)	20,472,356
Total Utility Plant, not being depreciated	25,968,745	13,459,611	(8,911,000)	30,517,356
Utility Plant, being depreciated:				
Transmission, distribution and collection systems	319,325,121	8,288,621	(3,987,000)	323,626,742
Equipment	43,877,133	2,405,000	(1,530,000)	44,752,133
Structures and improvements	38,140,000	-	(1,623,000)	36,517,000
Total Utility Plant being depreciated	401,342,254	10,693,621	(7,140,000)	404,895,875
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(155,544,843)	(11,384,568)	3,987,000	(162,942,411)
Equipment	(33,736,000)	(2,854,000)	1,530,000	(35,060,000)
Structures and improvements	(21,670,000)	(753,000)	508,000	(21,915,000)
Total accumulated depreciation	(210,950,843)	(14,991,568)	6,025,000	(219,917,411)
Total Utility Plant, being depreciated, net	190,391,411	(4,297,947)	(1,115,000)	184,978,464
Total Utility Plant, net	\$ 216,360,156	\$ 9,161,664	\$ (10,026,000)	\$ 215,495,820

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 the utility plant in conformity with the Statements of Financial Accounting Standards 34, 42, and 62 as applicable. Total interest costs for the year ended September 30, 2014, were \$3,582,000 of which \$178,000 was capitalized as plant utility construction costs.

The **FPUA** has entered into contracts for the construction or expansion of various system assets as follows.

	Project Total	Expended to Date	Remaining Commitment	Required Further Financing
Water	\$ 1,875,000	\$ 883,000	\$ 992,000	None
Wastewater	2,985,000	2,374,000	611,000	None
Gas	84,000	5,000	79,000	None
Electric	164,000	99,000	65,000	None
FPUAnet	55,000	13,000	42,000	None
	\$ 5,163,000	\$ 3,374,000	\$ 1,789,000	

NOTE H - CAPITAL ASSETS (CONTINUED)

In addition, the component unit has entered into unit price contracts for the construction and 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 and renovation of FPUA system assets.

NOTE I - EMPLOYEE RETIREMENT SYSTEMS

The City participates in two retirement and benefit plans. The General Employees' Retirement and Benefit System covers all primary government and component unit employees. The Municipal Police Officers' Retirement Trust Fund covers the City's police officers. The City and The Utilities Authority, a component unit, offer a Deferred Retirement Option Plan (DROP).

The General Employees' Retirement and Benefit System

Plan Description

The General Employees' Retirement and Benefit System (the System) is a cost-sharing multiple-employer PERS defined benefit plan administered by the City covering all municipal employees, including the Fort Pierce Utilities authority employees (FPUA). The System does not issue a stand-alone financial report but is included in the Pension Trust Fund of the City's financial statements. Participation in the Plan is compulsory for all full-time employees of the City, who are eligible upon employment.

Upon retirement, members are entitled to an annual retirement benefit, payable for life, of total service times 3.0% of final average salary, based upon the highest five consecutive years of the last ten years for General Employees and Utilities Authority.

Plan Changes effective for October 1, 2012

For members hired prior to October 1, 2012:

- Benefits vest 100% after five years of service.
- Overtime hours included in compensation are limited to 300 hours per year.
- Payments for unused sick/vacation time are limited to the September 30, 2012 balance.
- Maximum pension benefit paid is \$100,000 per year.

For members hired after October 1, 2012:

- Benefits vest 100% after ten years of service.
- Overtime hours included in compensation are limited to 300 hours per year.
- Maximum pension benefit paid is the lesser of \$100,000 or 5% of final five year average.

Police receive 3.0% of final average salary, based upon the highest five years out of the last ten years. (Optional benefit forms are available on an actuarial equivalent basis.) The system also provides death and disability benefits. These benefit provisions and all other requirements are established and may be amended by State Statute and City ordinance. Ad hoc increases in benefits may be granted periodically by a decision of the Retirement Board with the approval of the City Commission.

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Funding Policy

Per City Code Section 13-39 and 13-40, as amended by Ordinance K-121, the City and FPUA employees are required to contribute 5.16% and 6.16% respectively of their annual salary to the System whether or not they are subject to collective bargaining. The employer is required to contribute actuarially determined amounts which, together with member contributions, are sufficient to fund the System. Administrative costs are financed through investment earnings.

The System funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an attained age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized at a level percent of payroll over periods of 1-30 years.

Membership

At September 30, 2014, the Plan's membership consisted of: (1) 489 retirees and beneficiaries currently receiving benefits and 31 terminated employees entitled to benefits but not yet receiving them; (2) 361 vested active employees; and (3) 165 non-vested active employees.

Benefits

The plan provides retirement, termination, disability, and death benefits to all full time police officers.

Normal Retirement- Eligibility occurs at 25 years of service regardless of age, or at age 60(55 for police officers) with 5 years of service. Retirees receive of 3% of final average salary times total service with a maximum of \$100,000 per year.

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

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

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

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

Deferred Retirement Option Plan-Eligibility is based on normal retirement. The maximum participation period is 5 years, but not beyond 30 years of service. The benefit is calculated as normal retirement but based on service and final average salary at the date of the DROP election. Member contributions cease and monthly benefits accumulate in a self-directed DROP account and are payable upon termination of employment.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contributions

For the Three years ended 2012, 2013 and 2014, employer contributions to the Plan, all made in accordance with actuarially determined requirements, were \$3,566,751, \$4,266,803 and \$4,356,127 which was 13.46%, 17.29% and 16.57% respectively, of annual covered payroll. The total payroll for employees covered by the System for the year ended September 30, 2014 was \$25,150,361 which includes \$11,071,951 for Fort Pierce Utilities Authority employees. One hundred percent of required contributions were actually made for 2012, 2013 and 2014.

Investments

Investments are reported at fair value and are managed by third party money managers. Investments that do not have established market values are reported at estimated fair market value.

Best estimates of real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Allocation-weighted Long-term Expected Real Rate of Return</u>
Large Cap Equity	33%	5.25%	1.73%
Small/Mid Cap Equity	15%	5.60%	0.84%
Global Ex-US Equity	15%	5.55%	0.83%
Domestic Fixed Income	27%	0.75%	0.20%
Real Estate	10%	3.90%	0.39%
	<u>100%</u>		<u>3.99%</u>

For the year ended September 30, 2014, the annual money-weighted rate of return, net of investment expenses was 10.48%.

Net Pension Liability

The components of the net pension liability of the City at September 30, 2014, were as follows:

Total Pension Liability	\$ 182,407,351
Plan Fiduciary Net Position	<u>(179,120,149)</u>
Net Pension Liability	<u>\$ 3,287,202</u>
Net Pension Liability as a Percentage of Covered Employee Payroll	<u>13.07%</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

The annual required contribution for the current year was determined as part of the September 30, 2014 actuarial valuation of the Plan. The following methods and assumptions were used to determine the contribution rates:

Valuation date	September 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	1-30 years as of September 30, 2014
Asset valuation method	4-year smoothed market
Wage Inflation	4.5%
Salary increases	General & Utilities Authority; 4.5% to 8.7%, including inflation Police; 4.5% to 8.5%
Investment rate of return	8.00%
Long-term municipal bond rate	4.11%
Retirement Age	Age and service-based tables that are specific to the type of eligibility
Mortality	RP-2000 Combined Mortality Table for males and females. No margin for future mortality improvement are included in these tables.
Cost-of-living Adjustment	COLA's are granted if the investment return exceeds the investment return assumption and the cumulative actuarial gains and losses since 1995 are positive. Because the cumulative gains and losses are (32) million, the COLA provision is assumed to not operate for the indefinite future.

Discount Rate

A single discount rate of 8.00% is used to measure the total pension liability. This single rate was based on the expected rate of return on pension plan investments of 8.00%. The projection of cash flows used to determine this single discount rate assumes that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Sensitivity of Pension Liability

The following presents the plan's net pension liability, calculated using a single discount rate of 8.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

	1% Decrease 7.00%	Current Single Discount Rate Assumption 8.00%	1% Decrease 9.00%
\$	22,388,672	\$ 3,287,202	\$ (13,021,252)

Schedule of funding Progress

The annual required contribution for the current year was determined as part of the September 30, 2014 actuarial valuation of the Plan using the individual entry age actuarial cost method. Significant actuarial assumptions included (a) a rate of return on the investment (net of administrative expenses) of 8.0%; (b) projected salary increases of 4.5% to 8.7% per year; and (c) the assumption that benefits will not increase after retirement. Assumption (a) includes an inflation component of 4.5%. The unfunded actuarial accrued liability was financed at a level percent of member payroll, closed.

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 % of Covered Payroll ((b-a)/c)
9/30/2014	167,451,000	182,407,000	14,956,000	92	25,150,000	59

Municipal Police Officers' Retirement Trust Fund

Plan Description

The Municipal Police Officers' Retirement Trust Fund (the Fund) is a single employer defined benefit plan administered by the City for the benefit of its police officers. The Fund is established under the provisions of Chapter 185 Florida Statutes. The Fund does not issue a stand-alone financial report, but is included in the Pension Trust Fund of the City's financial statements. Participation in the Plan is compulsory for all police officers of the City, who are eligible upon employment.

Police officers with ten or more years of continuous service with the police department are eligible for benefits. On April 15, 1985, the Fort Pierce City Commission approved an amendment to the benefit provisions of the Pension Trust. Prior to the amendment, all police officers who were eligible for benefits had the option to accept a lump sum in cash or the purchase of an annuity equal to the value of the lump sum payment at the date of retirement.

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The amendment allows lump sum payments only to participants hired prior to December 17, 1984.

These benefit provisions and all other requirements are established and may be amended by State Statute and City Ordinance. Ad hoc increases in benefits may be granted periodically by a decision of the Police Retirement Board with approval by the City Commission.

Membership

As of September 30, 2014, Plan membership consisted of: (1) 25 retirees and beneficiaries currently receiving benefits and 2 terminated employees entitled to benefits but not yet receiving them; (2) 65 vested active employees; and (3) 44 non-vested active employees.

Funding Policy

Contribution requirements for the Plan are established and may be amended by State law and City ordinance. Contributions for the Plan are financed principally by contributions from the State of Florida, which are financed by a .85% excise tax on casualty insurance premiums on policies covering property within the corporate limits of City of Fort Pierce, as provided under provisions of Chapter 185, Florida Statutes. Current year contributions to the plan from the State of Florida were \$249,113. The revenue and corresponding expense are recorded in the general fund. In accordance with City Code Section 13-169 each Plan member is required to make contributions of 7 percent of their salaries to the Plan. The funding policy for the Plan is actuarially determined in that an annual actuarial valuation is made to determine if State and employee contributions are sufficient to fund the Plan. The City is not required to contribute in any way to the Plan. Administrative costs are financed through investment earnings.

The actuarial valuation as of September 30, 2014 found anticipated revenues to be sufficient to fund the current year benefits provided by the Plan in accordance with the provisions of Chapter 185, Florida Statutes.

Benefits

The plan provides retirement, termination, disability, and death benefits to all full time police officers.

Normal Retirement- Benefits occur at age 55 with 10 years of service, or 25 years of service. Retirees receive the greater of 2% of final average salary times total service with a maximum of \$1,000 per month, or 1% of final average salary times credited service up to 30 years. Maximum

Early Retirement-Benefits occur at age 45 with 10 years of service. Retirees receive 2% of final average salary times total service, with a maximum benefit of \$1,000 per month. The pension is reduced by 3% for each complete year retirement age precedes 55.

Disability Retirement- Benefits occur after 10 years of service. A lump sum payment equal to the actuarial equivalent of pension benefit the member accrued as of the date of disability.

Pre-Retirement Death Benefit- Benefits occur after 10 years of service. A lump sum payment equal to the actuarial equivalent of pension benefits to which the deceased member would have been entitled at normal retirement age.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Deferred Retirement Option Plan-Eligibility is based on normal retirement. The maximum participation period is 5 years, but not beyond 30 years of service. The monthly pension is calculated with normal retirement based on frozen years of service and final average salary at the time the member elects to participate in DROP.

Investments

Investments are reported at fair value and are managed by third party money managers. Investments that do not have established market values are reported at estimated fair market value.

Best estimates of real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Allocation-weighted Long-term Expected Real Rate of Return</u>
Large Cap Equity	15%	8.50%	1.30%
Small/Mid Cap Equity	14%	8.90%	1.20%
Global Ex-US Equity	15%	4.10%	0.60%
Domestic Fixed Income	30%	3.60%	1.10%
MLP	6%	14.10%	0.80%
High Yield	6%	6.50%	0.40%
Convertible Bonds	8%	6.70%	0.50%
Real Estate	5%	6.90%	0.30%
Cash	1%	1.30%	0.00%
	<u>100%</u>		<u>6.20%</u>

For the year ended September 30, 2014, the annual money-weighted rate of return, net of investment expenses was 9.3%.

Net Pension Obligation

Following is the annual pension cost and net pension obligation for the current and prior two years:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Annual Pension Costs (APC)	\$ 652,995	\$ 722,876	\$ 735,234
Actual Contribution	\$ 642,881	\$ 689,878	\$ 697,994
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	-	-	-

The difference between the annual pension costs and actual contributions was funded with the excess contribution reserve.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Net Pension Liability

The components of the net pension liability of the City at September 30, 2014, were as follows:

Total Pension Liability	\$ 12,486,742
Plan Fiduciary Net Position	<u>(11,991,346)</u>
Net Pension Liability	<u><u>\$ 495,396</u></u>
Net Pension Liability as a Percentage of Covered Employee Payroll	<u><u>7.71%</u></u>

Actuarial Assumptions

The annual required contribution for the current year was determined as part of the September 30, 2014 actuarial valuation of the Plan. The following methods and assumptions were used to determine the contribution rates:

Valuation date	September 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	18 years
Asset valuation method	4-year smoothed market
Inflation rate	2.5%
Salary increases	3.5% to 6.5%
Investment rate of return	7.25%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Discount Rate

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

Sensitivity of Pension Liability

The following presents the plan's net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Decrease 6.25%
\$ 2,250,376	\$ 495,396	\$ (962,603)

Schedule of Funding Progress

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability was financed at a level percent of member payroll, closed.

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 % of Covered Payroll ((b-a)/c)
9/30/2014	11,102,171	11,799,196	697,025	94	6,179,327	11

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Currently an annual actuarial evaluation is performed for both Plans. The most recent actuarial valuations were performed for the year ended September 30, 2014. Other information regarding contributions and funding progress is included as supplementary information to this report.

The City accounts for both plans as pension trust funds; therefore, they are accounted for in substantially the same manner as proprietary funds with an economic resources measurement focus and the accrual basis of accounting. Plan member contributions, employer contributions and contributions from other entities are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the plans. Plan assets are valued at fair market value for financial statement purposes.

The defined benefit plans do not issue stand-alone financial reports and are not included in any other retirement system's or entity's financial report. Financial statements for the individual pension plans are presented below since separate GAAP financial reports have not been issued for the individual plans.

City of Fort Pierce, Florida
COMBINING STATEMENT OF
FIDUCIARY FUNDS NET POSITION
September 30, 2014

	Pension Trusts		Total
	General Employees	Police Officers	
ASSETS			
Cash and cash equivalents	\$ 955,869	\$ 816,422	\$ 1,772,291
Investments, at fair value:			
U.S. Government Securities	19,924,052	1,502,071	21,426,123
Mutual Funds	100,643,576	3,428,419	104,071,995
Common Stock	14,718,711	3,800,784	18,519,495
Corporate Bonds	28,115,588	1,412,269	29,527,857
Real Estate Trust L.P.	6,794,943	-	6,794,943
Common Trust Fund	-	727,355	727,355
Money Market	7,256,599	539,659	7,796,258
Total investments	<u>177,453,469</u>	<u>11,410,557</u>	<u>188,864,026</u>
Total cash and investments	178,409,338	12,226,979	190,636,317
Accounts receivable	308,942	19,072	328,014
Accrued interest receivable	449,293	19,530	468,823
Total assets	<u>\$ 179,167,573</u>	<u>\$ 12,265,581</u>	<u>\$ 191,433,154</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 47,425	\$ 274,235	\$ 321,660
NET POSITION-RESTRICTED FOR			
PENSION BENEFITS	<u>\$ 179,120,148</u>	<u>\$ 11,991,346</u>	<u>\$ 191,111,494</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

City of Fort Pierce, Florida
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY FUNDS NET POSITION
Year ended September 30, 2014

	Pension Trusts		Total
	General Employees	Police Officers	
ADDITIONS			
Contributions			
Employer	\$ 4,356,127	\$ -	\$ 4,356,127
Employees	1,493,530	449,881	1,943,411
State-via the general fund	-	248,113	248,113
Total contributions	5,849,657	697,994	6,547,651
Investment income			
Interest	2,113,042	108,429	2,221,471
Dividends	874,680	107,060	981,740
Net appreciation in fair value of investments	14,499,203	797,892	15,297,095
Total investment income	17,486,925	1,013,381	18,500,306
Investment expenses	(604,302)	(174,812)	(779,114)
Net investment income	16,882,623	838,569	17,721,192
Total increases	22,732,280	1,536,563	24,268,843
DEDUCTIONS			
Retirement benefits paid	11,877,047	729,776	12,606,823
Refunds of employee contributions	307,836	132,922	440,758
Administrative expenses	170,447	6,081	176,528
Insurance expense	19,501	1,328	20,829
Total deductions	12,374,831	870,107	13,244,938
Net Increase	10,357,449	666,456	11,023,905
NET POSITION-RESTRICTED FOR PENSION BENEFITS			
Beginning of year	168,762,699	11,324,890	180,087,589
End of year	\$ 179,120,148	\$ 11,991,346	\$ 191,111,494

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE J - DEFERRED COMPENSATION PLAN

The primary government (the City) and the component unit (the Authority) offer employees a deferred compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation assets are not available to employees until termination, retirement, death, or unforeseeable emergency.

During the year ended September 30, 1997, the assets in the plan were transferred into trust funds. The assets are protected by the trust agreement from any claims on the employer and from any use by the employer other than paying benefits to employees and their beneficiaries in accordance with the plan. In accordance with GASB Statement No. 32, the plan's assets and related liability were removed from the City and the Authority balance sheets as of September 30, 1997.

NOTE K – LOANS AND BONDS PAYABLE

Bond and note obligations of the **primary government** as of September 30, 2014 are as follows:

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$5,880,000 Stormwater Utility System Revenue Bonds, Series 2002, payable from and secured by a first lien and pledge upon the Stormwater revenues and the monies on deposit in the various funds and accounts created pursuant to the Resolution, interest ranging from 3.5% to 4.75% payable semi-annually and sinking fund installments ranging from \$210,000 to \$370,000 through October 1, 2027. Proceeds used to finance stormwater system improvements throughout the City. Current portion is \$210,000.	3,955,000	-
\$3,170,000 Capital Improvements Revenue Bonds, Series 2004, payable from non-advallorem revenues appropriated in the annual budget to the extent permitted by law, with interest ranging from 3.75% to 5.0%, payable semi-annually and sinking fund installments ranging from \$80,000 to \$200,000 through December 1, 2034. Proceeds used to reconstruct and improve the city-owned golf course. Current portion is \$80,000.	-	2,695,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

	<u>Business-type Activities</u>	<u>Government Activities</u>
<p>\$20,200,000 Fort Pierce Redevelopment Revenue and Refunding Bonds, Series 2005, payable from and secured by a first lien and pledge upon tax increment revenues, with interest ranging from 3.5% to 5%, payable semi-annually and sinking fund installments ranging from \$700,000 to \$1,310,000 through December 1, 2030. Proceeds will be used to refund the Fort Pierce Redevelopment Bonds, Series 2003, and to acquire and construct redevelopment projects. Current portion is \$700,000.</p>	-	15,485,000
<p>\$20,000,000 Fort Pierce Redevelopment Revenue Bonds, Series 2006, payable from and secured by a first lien and pledge upon tax increment revenues, with interest ranging from 4.0% to 5.0%, payable semi-annually and sinking fund installments ranging from \$595,000 to \$2,600,000 through May 1, 2031. Proceeds will be used to to acquire and construct redevelopment projects. Current portion is \$595,000.</p>	-	16,140,000
<p>\$13,665,000 Stormwater Utility System Revenue Bonds, Series 2006, payable from and secured by a first lien and pledge upon the Stormwater revenues and the monies on deposit in the various funds and accounts created pursuant to the Resolution, interest ranging from 3.5% to 5.00% payable semi-annually and sinking fund installments ranging from \$425,000 to \$865,000 through October 1, 2030. Proceeds used to finance stormwater system improvements throughout the City. Current portion is \$425,000.</p>	10,615,000	-

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

	<u>Business-type Activities</u>	<u>Government Activities</u>
<p>\$23,190,000 Capital Improvement Revenue Refunding Bonds, Series 2008A, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest ranging from 4.0% to 6.0%, payable semi-annually and sinking fund installments ranging from \$125,000 to \$2,225,000 through September 1, 2032 . Proceeds used to refund the 2007 Sunshine State Governmental Financing Commission Non-taxable Revenue Note. Current portion of new bond is \$125,000.</p>	-	22,625,000
<p>\$6,650,000 Taxable Capital Improvement Revenue Refunding Bonds, Series 2008B, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 6.125% interest payable semi-annually and annual sinking fund installments ranging from 775,000 to 925,000 beginning in 2014 through September 1, 2018. Proceeds used to refund the 2007 Sunshine State Governmental Financing Commission Taxable Revenue Note. Current portion of new bond is 775,000.</p>	-	3,395,000
<p>\$6,825,000 Capital Improvement Revenue Refunding Bonds, Series 2010A, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 5% interest payable semi-annually and annual sinking fund installments ranging from 480,000 to 780,000 beginning in 2020 through September 1, 2030. Proceeds used to defease the 1998 and 2001 Capital Improvement bonds. Current portion of bond is 0.</p>	1,846,857	4,978,143
<p>\$2,935,000 Taxable Capital Improvement Revenue Refunding Bonds, Series 2010B, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 5.344% interest payable semi-annually and annual sinking fund installments ranging from 275,000 to 400,000 beginning in 2014 through September 1, 2022. Proceeds used to partially refund the Taxable Capital Improvement Revenue Refunding Bonds, Series 2008. Current portion of bond is 275,000.</p>	-	2,675,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$3,395,000 Section 108 Loan Payable, variable interest only monthly to 2012, annual principal payments beginning in 2012 ranging from 282,000 to 283,000 to 2023, payable from proceeds of a note receivable secured by a shopping center with a pledge of the City's Community Development Block Grant revenues Current portion of note is \$283,000.	-	2,829,000
\$6,079,229 Capital Improvement Revenue Note, Series 2014, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 3.055% interest payable semi-annually and annual principal payments ranging from 290,108 to 535,541 beginning in 2014 through December 1, 2028. Proceeds used to purchase energy conservation equipment. Current portion of note is 318,895.		6,079,229
\$3,920,771 Capital Improvement Revenue Note, Series 2014A, payable from net marina revenues and the half-cent sales tax, 3.19% interest payable semi-annually and annual principal payments ranging from 118,495 to 173,245 beginning in 2016 through December 1, 2029. Proceeds used for construction costs related to the city owned marina. Current portion of note is 0.	3,920,771	
\$179,229 Taxable Capital Improvement Revenue Note, Series 2014B, payable from net marina revenues and the half-cent sales tax, 2.21% interest payable semi-annually and principal due on February 1, 2016. Proceeds used to for construction costs related to the city owned marina. Current portion of note is 118,486.	179,229	
	<u>20,516,857</u>	<u>76,901,372</u>
Less: current portion payable from restricted assets	(754,486)	(3,151,895)
Unamortized items	(48,555)	101,953
	<u>\$ 19,713,816</u>	<u>\$ 73,851,430</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Requirements to pay principal and interest on the **primary government's** obligations in each of the years/periods ending September 30, is as follows

Governmental Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 3,151,895	3,647,188	\$ 6,799,083
2016	3,253,108	3,504,967	6,758,075
2017	3,407,765	3,365,664	6,773,429
2018	3,558,347	3,220,129	6,778,476
2019	3,669,892	3,063,274	6,733,166
2020-2024	18,247,437	12,682,803	30,930,240
2025-2029	24,973,997	7,296,758	32,270,755
2030-2034	16,438,931	1,336,222	17,775,153
2035-2039	200,000	5,000	205,000
	<u>\$ 76,901,372</u>	<u>\$ 38,122,005</u>	<u>\$ 115,023,377</u>

Business-Type Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 754,486	851,910	\$ 1,606,396
2016	894,038	815,572	1,709,610
2017	936,990	780,337	1,717,327
2018	969,619	740,811	1,710,430
2019	1,012,486	699,495	1,711,981
2020-2024	6,438,011	2,709,737	9,147,748
2025-2029	7,605,158	1,132,800	8,737,958
2030-2034	1,906,069	47,310	1,953,379
	<u>\$ 20,516,857</u>	<u>\$ 7,777,972</u>	<u>\$ 28,294,829</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Long-term liability activity of the **primary government** for the year ended September 30, 2014 was as follows:

	Beginning Balance 10/1/2013	Additions	Reductions	Ending Balance 9/30/2014	Amounts Due within One Year	Amounts Due after One Year
<u>Governmental Activities:</u>						
Notes and bonds payable:						
Revenue notes	\$ -	\$ 6,079,229	\$ -	\$ 6,079,229	\$ 318,895	\$ 5,760,334
Revenue bonds	70,428,143	-	2,435,000	67,993,143	2,550,000	65,443,143
Unamortized items	107,705	-	5,752	101,953	-	101,953
	<u>70,535,848</u>	<u>6,079,229</u>	<u>2,440,752</u>	<u>74,174,325</u>	<u>2,868,895</u>	<u>71,305,430</u>
Section 108 Loan	3,112,000	-	283,000	2,829,000	283,000	2,546,000
	<u>73,647,848</u>	<u>6,079,229</u>	<u>2,723,752</u>	<u>77,003,325</u>	<u>3,151,895</u>	<u>73,851,430</u>
Other Liabilities:						
Other post employment benefits	646,376	102,741	-	749,117	-	749,117
Compensated absences	3,073,599	740,845	902,858	2,911,586	124,345	2,787,241
Total governmental activities	<u>\$ 77,367,823</u>	<u>\$ 6,922,815</u>	<u>\$ 3,626,610</u>	<u>\$ 80,664,028</u>	<u>\$ 3,276,240</u>	<u>\$ 77,387,788</u>
<u>Business-type Activities:</u>						
Notes and bonds payable:						
Revenue notes	\$ -	\$ 4,100,000	\$ -	\$ 4,100,000	\$ 119,486	\$ 3,980,514
Revenue bonds	17,031,857	-	615,000	16,416,857	635,000	15,781,857
Unamortized items	(53,834)	-	(5,279)	(48,555)	-	(48,555)
	<u>16,978,023</u>	<u>4,100,000</u>	<u>609,721</u>	<u>20,468,302</u>	<u>754,486</u>	<u>19,713,816</u>
Other Liabilities:						
Other post employment benefits	110,347	21,311	-	131,658	-	131,658
Compensated absences	594,616	227,440	169,964	652,092	38,505	613,587
Total business activities	<u>\$ 17,682,986</u>	<u>\$ 4,348,751</u>	<u>\$ 779,685</u>	<u>\$ 21,252,052</u>	<u>\$ 792,991</u>	<u>\$ 20,459,061</u>

<u>Compensated absences</u>	Beginning Balance 10/1/2013	Additions	Reductions	Ending Balance 9/30/2014
<u>Governmental Activities:</u>				
General Fund	\$ 3,070,423	\$ 730,383	\$ 895,699	\$ 2,905,107
Community Development Block Grant	3,176	10,462	7,159	6,479
	<u>\$ 3,073,599</u>	<u>\$ 740,845</u>	<u>\$ 902,858</u>	<u>\$ 2,911,586</u>

The compensated absence liability and net other postemployment obligation attributed to governmental activities are being liquidated in the General Fund, Community Development Block Grant, and Community Redevelopment Agency .

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Stormwater Utility System Revenue Bonds, Series 2002

The Series 2002 Bonds were issued pursuant to Chapter 166, Part II, Florida Statutes, The City Charter and Resolution No. 02-165 as supplemented for the purpose of (i) making certain capital improvements to the City's storm-water utility system and (ii) financing the costs of issuance of the Series 2002 Bonds including the municipal bond insurance premium and reserve policy premium. The resolution provides for the creation and establishment of the following funds:

1. Reserve Fund – For deposit of an amount equal to the reserve requirement to be used only for the purpose of the payment of amortization installments, principal of, or interest on the outstanding bonds when the other monies are insufficient therefore, and for no other purpose. The “reserve account requirement” is defined as the lesser of (i) the maximum debt service requirement, (ii) 125% of the average annual debt service requirement, or (iii) 10% of the proceeds of the Series 2003 Bonds. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through Ambac Assurance Corporation in the amount of \$392,248, which is the maximum bond service requirement.
2. Construction Fund – Proceeds from the bond issuance, after payment of costs and expenses related to issuance of the bonds, shall be deposited into the Construction Fund for purposes of paying project costs.

The Series 2002 Bonds and interest thereon are payable from and secured by a first lien and pledge upon the (i) Storm-water Revenues of the System and(ii) the moneys on deposit in the various funds and accounts created by the resolution, with exception to the Rebate Fund.

The Series 2002 Bonds maturing on or prior to October 1, 2013, are subject to optional redemption on or after October 1, 2012. The Series 2002 Bonds maturing on October 1, 2018 are subject to mandatory sinking fund redemption beginning October 1, 2016. The Series 2002 Bonds maturing on October 1, 2022 are subject to mandatory sinking fund redemption beginning October 1, 2019. The Series 2002 Bonds maturing on October 1, 2027 are subject to mandatory sinking fund redemption beginning October 1, 2023.

Capital Improvement Revenue Bonds, Series 2004

The Series 2004 Bonds were issued pursuant to Chapter 166, Part II, and Chapter 218, Part VI, Florida Statutes, the City Charter and Resolution No. 04-20, as supplemented for the purpose of (i) financing the reconstruction and improvement of a City-owned golf course (ii) to capitalize a portion of the interest accruing on the Series 2004 Bonds, and (iii) finance the costs of issuance of the Series 2004 bonds including the financial guaranty insurance premium and reserve policy premium. The resolution provides for the creation and establishment of the following funds:

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Capital Improvement Revenue Bonds, Series 2004

1. Reserve Fund – For deposit of an amount equal to the reserve requirement to be used only for the purpose of the payment of amortization installments, principal of, or interest on the outstanding bonds when the other monies are insufficient therefore, and for no other purpose. The “reserve account requirement” is defined as the lesser of (i) the maximum bond service requirement, (ii) 125% of the average annual bond service requirement, or (iii) 10% of the proceeds of the Series 2004 Bonds. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through Financial Guaranty Insurance Company in the amount of \$310,777, which is the maximum bond service requirement.
2. Construction Fund – For deposit of all remaining bond proceeds after payment of all costs and expenses in connection with the preparation, issuance and sale of the bonds and funding of the reserve account. Amounts deposited into the construction fund shall be used for the purpose of paying construction costs.

The Series 2004 Bonds and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of, redemption price, if any, and interest on the Series 2004 Bonds when due.

The Series 2004 Bonds maturing on or after to December 1, 2014, are not redeemable prior to their respective maturities. The Series 2004 Bonds maturing in the year 2028 are subject to mandatory redemption.

Redevelopment Revenue and Refunding Bonds, Series 2005

The Series 2005 Bonds were issued under and pursuant to Chapter 163, Part III, Florida Statutes, the City Charter and Resolution No. 05-33, and Fort Pierce Redevelopment Agency as supplemented for the purpose of (i) acquiring and constructing community redevelopments, (ii) make a deposit to the Series 2005 Subaccount within the Reserve Account in an amount equal to the Reserve Account Requirement for the Series 2005 Bonds, (iii) to refund and defease all of the Agency’s Outstanding Redevelopment Revenue Bonds, Series 2003(the “Refunded Bonds”), and (iv) financing the costs of issuance of the Series 2005 Bonds including the municipal bond insurance premium and reserve policy premium. The resolution provides for the creation and establishment of the following funds:

1. Reserve Fund – For deposit of an amount equal to the reserve requirement to be used only for the purpose of the payment of amortization installments, principal of, or interest on the outstanding bonds when the other monies are insufficient therefore, and for no other purpose. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through XL Capital Assurance.

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

2. Construction Fund – Proceeds from the bond issuance, after payment of costs and expenses related to issuance of the bonds, shall be deposited into the Construction Fund for purposes of paying project costs.

The Series 2005 Bonds and interest thereon are payable from and secured by a first lien and pledge upon the Tax Increment Revenues, and until applied in accordance with the provisions of the Debt resolution the City has agreed to appropriate in its annual budget, by amendment, if necessary, from non-ad valorem funds, amounts sufficient to pay principal of and interest on the Series 2005 Bonds to the extent pledged funds are insufficient thereon.

The Series 2005 Bonds maturing on or after May 1, 2016, are subject to optional redemption on or after May 1, 2015. The Series 2005 Bonds maturing on May 1, 2023 are subject to mandatory sinking fund redemption beginning May 1, 2021. The Series 2005 Bonds maturing on May 1, 2026 are subject to mandatory sinking fund redemption beginning May 1, 2024. The Series 2005 Bonds maturing on May 1, 2030 are subject to mandatory sinking fund redemption beginning May 1, 2027.

Redevelopment Revenue Bonds, Series 2006

The Series 2006 Bonds were issued under and pursuant to Chapter 163, Part III, Florida Statutes, the City Charter and Resolution No. 06-04, and Fort Pierce Redevelopment Agency as supplemented for the purpose of (i) acquiring and constructing community redevelopments, (ii) financing the costs of issuance of the Series 2006 Bonds including the municipal bond insurance premium and reserve policy premium. The resolution provides for the creation and establishment of the following funds:

1. Reserve Fund – For deposit of an amount equal to the reserve requirement to be used only for the purpose of the payment of amortization installments, principal of, or interest on the outstanding bonds when the other monies are insufficient therefore, and for no other purpose. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through XL Capital Assurance.
2. Construction Fund – Proceeds from the bond issuance, after payment of costs and expenses related to issuance of the bonds, shall be deposited into the Construction Fund for purposes of paying project costs.

The Series 2006 Bonds and interest thereon are payable from and secured by a first lien and pledge upon the Tax Increment Revenues and certain moneys and investments on deposit in the debt service fund.

The Series 2006 Bonds maturing on or after May 1, 2017, are subject to optional redemption on or after May 1, 2016. The Series 2006 Bonds maturing on May 1, 2031 are subject to mandatory sinking fund redemption beginning May 1, 2022. The Series 2006 Bonds maturing on May 1, 2026 are subject to mandatory sinking fund redemption beginning May 1, 2024.

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Stormwater Utility System Revenue Bonds, Series 2006

The Series 2006 Bonds were issued pursuant to Chapter 166, Part II, Florida Statutes, The City Charter and Resolution No. 06-04 as supplemented for the purpose of (i) making certain capital improvements to the City's storm-water utility system and (ii) financing the costs of issuance of the Series 2006 Bonds including the municipal bond insurance premium and reserve policy premium. The resolution provides for the creation and establishment of the following funds:

1. Reserve Fund – For deposit of an amount equal to the reserve requirement to be used only for the purpose of the payment of amortization installments, principal of, or interest on the outstanding bonds when the other monies are insufficient therefore, and for no other purpose. The “reserve account requirement” is defined as the lesser of (i) the maximum debt service requirement, (ii) 125% of the average annual debt service requirement, or (iii) 10% of the proceeds of the Series 2006 Bonds. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through XL Capital Assurance.
2. Construction Fund – Proceeds from the bond issuance, after payment of costs and expenses related to issuance of the bonds, shall be deposited into the Construction Fund for purposes of paying project costs.

The Series 2006 Bonds and interest thereon are payable from and secured by a first lien and pledge upon the (i) Storm-water Revenues of the System and(ii) the moneys on deposit in the various funds and accounts created by the resolution, with exception to the Rebate Fund.

The Series 2006 Bonds maturing on or prior to October 1, 2016, are subject to optional redemption on or after October 1, 2016. The Series 2006 Bonds maturing on October 1, 2025 are subject to mandatory sinking fund redemption beginning October 1, 2021. The Series 2006 Bonds maturing on October 1, 2030 are subject to mandatory sinking fund redemption beginning October 1, 2026.

Capital Improvement Revenue Refunding Bonds, Series 2008A and 2008B

The Series 2008 Bonds were issued pursuant to Chapter 166, Part II, Florida Statutes, The City Charter, Chapter 159, Part VII, Florida Statutes, and Resolution No. 08-30 as supplemented for the purpose of (i) refinancing the Sunshine State Governmental Financing Commission Revenue Notes including accrued interest (ii) financing the costs of issuance of the Series 2008 Bonds including the municipal bond insurance premium and reserve policy premium. The resolution provides for the creation and establishment of the following funds:

1. Reserve Fund – For deposit of an amount equal to the reserve requirement to be used only for the purpose of the payment of amortization installments, principal of, or interest on the outstanding bonds when the other monies are insufficient therefore, and for no other purpose. The “reserve account requirement” is defined as the lesser of (i) the maximum debt service requirement, (ii) 125% of the average annual debt service requirement, or (iii) 10% of the proceeds of the Series 2008 Bonds. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through Assured Guaranty Corp.

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

The Series 2008 Bonds and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of, redemption price, if any, and interest on the Series 2008 Bonds when due. Since the proceeds of the Series 2008 Bonds were used to refinance Notes for community redevelopment projects, the Fort Pierce Redevelopment Agency has an obligation to repay the Series 2008 Notes.

Capital Improvement Revenue Refunding Bonds, Series 2010A and 2010B

The Series 2010 Bonds were issued pursuant to Chapter 166, Part II, Florida Statutes, The City Charter, Chapter 159, Part VII, Florida Statutes, and Resolution No. 10-34 as supplemented for the purpose of (i) refunding all of the City's outstanding Capital Improvement Revenue Bonds, Series 1998, all of the City's outstanding Capital Improvement Revenue Refunding Bonds, Series 2001 and a portion of the City's outstanding Taxable Capital Improvement Revenue Refunding Bonds, Series 2008B. (ii) financing the costs of issuance of the Series 2010 Bonds including the municipal bond insurance premium and reserve policy premium. The resolution provides for the creation and establishment of the following funds:

1. Reserve Fund – For deposit of an amount equal to the reserve requirement to be used only for the purpose of the payment of amortization installments, principal of, or interest on the outstanding bonds when the other monies are insufficient therefore, and for no other purpose. The “reserve account requirement” is defined as the lesser of (i) the maximum debt service requirement, (ii) 125% of the average annual debt service requirement, or (iii) 10% of the proceeds of the Series 2010 Bonds. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through Assured Guaranty municipal Corp.

The Series 2010 Bonds and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of, redemption price, if any, and interest on the Series 2010 Bonds when due.

Section 108 Note Payable

The City entered into a Loan Guarantee Assistance Contract with the Secretary of Housing and Urban Development in 2009, for the construction of a shopping center by a developer. The City then executed a mortgage receivable with the developer to ensure repayment of the debt. The Note Payable requires quarterly interest payments at .2% above LIBOR. Annual principal payments begin in 2013 and continue to 2023. The loan is secured by future Community Development Block Grant funds in the event that the developer defaults.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Capital Improvement Revenue Note, Series 2014

The Series 2014 Notes were issued for the purpose of: (i) financing the City’s cost of acquiring and installing energy efficient conservation equipment under a guaranteed energy, water and wastewater performance contract(ii) finance the costs of issuance of the Series 2014 notes.

The Series 2014 Notes and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of and interest on the Series 2014 Notes when due.

Capital Improvement Revenue Note, Series 2014A and 2014B

The Series 2014 Notes were issued for the purpose of: (i) financing the construction of improvements and rehabilitation of the city owned and operated marina. (ii) finance the costs of issuance of the Series 2014 notes.

The Series 2014 Notes and interest thereon are payable from net marina revenues and the half-cent sales tax.

Defeasance of Revenue Bonds Payable

In prior years, the city defeased certain outstanding Redevelopment Revenue Bonds payable from tax increment revenues. The city also defeased certain Sunshine Governmental Financing Commission Revenue Notes payable from Non-Ad Valorem Revenues appropriated in the City’s annual budget. For each issue, the City deposited proceeds of the refunding bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City’s financial statements.

At September 30, 2014 the following bonds are considered defeased:

Bond Issue	Beginning Balance 10-1-2013	Additions	Retirement	Ending Balance 9-30-2014
Capital Improvement Bonds, Series 2001	\$ 1,310,000	\$ -	\$ 340,000	\$ 970,000
Redevelopment Revenue Bonds, Series 2003	6,000,000	-	490,000	5,510,000
	\$ 7,310,000	\$ -	\$ 830,000	\$ 6,480,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Component Unit

Bond obligations of the FPUA (a component unit) as of September 30, 2014 are as follows:

	Business-type Activities
<p>\$22,445,000 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 \$240,000 to \$255,000 through October 1, 2015.</p>	495,000
<p>\$10,223,254 Utilities Revenue Capital Appreciation Bonds, Series 1999B, collateralized by pledge of and first lien on the net revenues of the combined systems, yeild varying from 5.70% to 5.90%. The accreted value at September 30, 2014 is \$24,279,000. The bonds mature October 1, 2016, through October 1, 2024, with principal amounts totaling \$34,970,000 due in those years in annual amounts ranging from \$275,000 to \$4,340,000.</p>	24,279,000
<p>\$9,545,000 Utilities Revenue Bonds, Series 2002, collateralized by pledge of and first lien on the net revenues of the combined systems, interest at 5%. The bonds mature October 1, 2025, through October 1, 2027, with principal amounts ranging from \$3,025,000 to \$3,340,000.</p>	9,545,000
<p>\$34,800,000 Utilities Refunding Revenue Bonds, Series 2009, collateralized by pledge of and first lien on the net revenues of</p>	

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

\$34,800,000 Utilities Refunding Revenue Bonds, Series 2009, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 3.9% to 5.00% on the remaining annual principal amounts ranging from \$1,210,000 to \$7,285,000 through October 1, 2029.

34,800,000

\$20,896,000 Taxable Utilities Refunding Revenue Bond, Series 2012, collateralized by a pledge of and a first lien on the net revenues of the combined systems, interest at of 1.34% on the remaining principal amounts ranging from \$398,000 to \$6,920,000 maturing on October 1, 2016.

20,498,000

89,617,000

Less: Unamortized portion of bond premium and discounts

255,000

Unamortized deferred bond loss

(30,000)

Current portion payable from restricted assets

6,987,000

\$ 82,405,000

Long-term liability activity of the **FPUA** (a component unit) for the year ended September 30, 2014 was as follows:

	Beginning Balance 10/1/2013	Additions	Reductions	Ending Balance 9/30/2014	Amounts Due within One Year
Loans and revenue bonds	\$ 95,087,000	\$ 8,347,000	\$ (13,680,000)	\$ 89,754,000	\$ 6,987,000
Deferred Amounts	(219,000)	(221,000)	215,000	(225,000)	-
Capital Leases	127,000	-	(21,000)	106,000	26,000
Other Liabilities:					
Compensated absences	1,830,000	1,476,000	(1,373,000)	1,933,000	55,000
Other Post Employment Benefits	564,000	58,000	-	622,000	-
Pollution Remediation	1,948,000	883,000	(1,188,000)	1,643,000	930,000
Total	<u>\$ 99,337,000</u>	<u>\$ 10,543,000</u>	<u>\$ (16,047,000)</u>	<u>\$ 93,833,000</u>	<u>\$ 7,998,000</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Requirements to pay principal and interest on the **FPUA** (a component unit) obligations in each of the years/periods ending September 30, 2014 are as follows

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 6,987,000	2,394,000	\$ 9,381,000
2016	7,086,000	2,291,000	9,377,000
2017	7,195,000	2,185,000	9,380,000
2018	5,545,000	2,093,000	7,638,000
2019	5,595,000	2,045,000	7,640,000
2020-2023	22,910,000	7,651,000	30,561,000
2024-2027	24,135,000	6,428,000	30,563,000
2028-2030	20,855,000	2,067,000	22,922,000
	<u>100,308,000</u>	<u>27,154,000</u>	<u>127,462,000</u>
Future accretion on capital appreciation bonds	<u>(10,691,000)</u>	<u>10,691,000</u>	<u>-</u>
	<u>\$ 89,617,000</u>	<u>\$ 37,845,000</u>	<u>\$ 127,462,000</u>

Other Requirements

The Series 1999, 2002, 2009, and 2012 bond issues provide that the Authority 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 or sinking fund installment date. Additionally, the issues require renewal and replacement and emergency reserve and reserve subaccount funds with minimum requirements of \$500,000, \$900,000 and \$4,139,000, respectively. These reserves are funded in the amounts of \$500,000, \$1,668,000, and \$4,535,000, respectively, at September 30, 2014.

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

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

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Other Requirements

The 2003 Bonds maturing on or after October 1, 2014 are redeemable prior to their stated date of maturity, at the option of the Authority, beginning October 1, 2013 at par. On November 14, 2012, the Authority issued Taxable Utilities Refunding Revenue Bonds, Series 2012, in the amount of \$20,896,000, in order to provide funds for the redemption of \$19,940,000 of the 2003 bonds, in accordance with the above provisions.

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

In prior years, the Utilities Authority 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 finance costs) for the defeased bonds are not included in the component unit's financial statements. At September 30, 2014, Utilities Revenue Bonds Series 1991, in the amount of \$27,355,000 and the Utilities Revenue Bonds Series 2003 in the amount of 19,940,000 are considered defeased.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE L - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of and for the year ended September 30, 2014, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor	\$ 1,188,591
General	Community Redevelopment Agency	631,858
General	Hurricane Housing	5
General	Solid Waste	6,667
General	Marina	24,922
General	Stormwater	120,359
General	Golf Course	1,959
General	Building Fund	7,379
Solid Waste	Golf Course	12,644
Marina	Solid Waste	300,000
		<u>\$ 2,294,384</u>

Due to/Due from other funds:

Amounts due to the General Fund include general and administrative charges and various reimbursements. Amounts due to the Solid Waste Fund consist of a reimbursement for shared expenses. Amounts due to the Marina Fund relate to a temporary advance.

Due to the primary government and from the component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General fund	FPUA	\$ 238,224
Community Redevelopment Agency	FPUA	214,079
Solid waste fund	FPUA	675,688
Building Fund	FPUA	366
		<u>\$ 1,128,357</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE L - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Inter-fund transfers:

	<u>General</u>	<u>Community Redev. Agency</u>	<u>Golf Course</u>	<u>Sunrise Theatre</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Transfers out:						
General	\$ -	\$ 1,689,274	\$ -	\$ 94,701	\$ 3,254,084	\$ 5,038,059
Community						
Redev. Agency	2,826,680	-	-	445,749	2,706,094	5,978,523
Solid Waste	1,264,000	-	154,459	-	-	1,418,459
Stormwater	-	-	-	-	12,670	12,670
Marina	51,111	-	-	-	-	51,111
Golf Course	28,000	-	-	-	-	28,000
Nonmajor	74,773	172,731	-	-	2,875,137	3,122,641
	<u>\$ 4,244,564</u>	<u>\$ 1,862,005</u>	<u>\$ 154,459</u>	<u>\$ 540,450</u>	<u>\$ 8,847,985</u>	<u>\$ 15,649,463</u>

Transfers into the Nonmajor funds were for debt service payments made from the various debt service funds. The transfer into the Sunrise Theatre from the Community Redevelopment Agency special revenue fund and general fund were to provide support for operations. The General Fund received a transfer from the Community Redevelopment Agency Fund to subsidize projects in the redevelopment district. The General Fund also received an annual transfer from the Solid Waste Fund, Marina Fund, and Golf Course. The General Fund received a transfer from a Nonmajor fund for reimbursement of debt service funds.

NOTE M - TRANSACTIONS WITH COMPONENT UNITS

Fort Pierce Utilities Authority (a discretely presented component unit)

Transactions occur throughout the year in the ordinary course of operations between the City and the Fort Pierce Utilities Authority (FPUA) (a proprietary fund and component unit of the City). A summary of significant transactions follows:

Vehicle Maintenance - The City charges the FPUA, on a monthly basis, for fuel used by FPUA vehicles.

Non-metered and Metered Service Charges - The FPUA bills the City, on a monthly basis, for all nonmetered and metered services.

Charges to City residents for sanitation and utility taxes are included on the FPUA's monthly billing statements to customers as a service to the City. The FPUA acts only as an agent with all cash collections relating to the charges forwarded directly to the City. The City is charged \$187,000 annually by the FPUA for performance of these services.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE M - TRANSACTIONS WITH COMPONENT UNITS (CONTINUED)

Total charges to the City for nonmetered and metered services for the year ended September 30, 2014 were approximately \$2,003,000 of which approximately \$1,861,000 was paid. Total disbursements made to the City by the FPUA, including payments of utility tax and sanitation charges collected during year ended September 30, 2014, were approximately \$15,066,000. Amounts receivable from the FPUA at September 30, 2014 were \$997,000.

The Fort Pierce City Charter, Article X, Section 140 (as amended by referendum on October 4, 1995), provides that each year the Utility Authority shall pay to the City of Fort Pierce a sum equal to six percent of gross revenues derived from the operation of the utilities for the preceding fiscal year. The city commission, by majority vote, may agree to accept a lesser percentage. For purposes of this section the Charter defines gross revenues as all income derived from retail sales of electricity, gas, and wastewater disposal; wholesale and retail sales of water; gains on sales of assets, interest, rents, royalties, dividends, and management fees. Where a power cost adjustment or purchase gas adjustment is utilized, gross income shall mean the amount billed based upon the applicable rate without a debit or credit for the cost adjustment. For the year ended September 30, 2014, the amount transferred to the General Fund under this provision was \$5,605,000.

The City entered into an agreement with the Utility Authority to receive an advance on future distributions of revenue. The City received \$1,250,000 during the year ending September 30, 2014. The City will repay this advance through a reduction of future revenue of \$416,668 in 2017 and 2018 and a final reduction in 2019 of the balance including interest at the average interest rate earned by the Utility Authority on its pooled cash accounts during their most recent fiscal year. The advance is included in deferred inflows of resources in the statement of net position.

NOTE N - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program mainly encompasses obtaining property and liability insurance through commercial insurance carriers. During the year ended September 30, 2014, the City paid premiums of approximately \$1,344,000 to commercial insurance carriers for provisions of various liability, property, casualty and workers compensation insurance. The City has various deductible amounts ranging from \$500 to \$25,000 on various policies. At year-end, the City did not have any significant claims. There were no significant changes in coverage retention, or limits during the fiscal year. The General Fund handles property claims for the City and absorbs the loss for any amounts below the deductible amounts.

NOTE N - RISK MANAGEMENT (CONTINUED)

The City contracted with Blue Cross and Blue Shield of Florida for health insurance for its employees, effective June 1, 2008. Prior to June 1, 2008, the City was a self-insurer for the health and accident claims of its employees. The City closed the Internal Service Fund as of September 30, 2009 and accordingly, no current claims liability is reported.

The City adopted the provisions of GASB No. 49, *Accounting and Reporting for Pollution Remediation Obligations*, in the fiscal year ending September 30, 2011. Fort Pierce Utilities Authority transferred property to the Fort Pierce Redevelopment Agency, for which there is a dual responsibility for post remediation monitoring. The estimated cost related to the cleanup is discussed in Note W.

NOTE O - POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care and life insurance benefits for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. The primary government recognizes the costs associated with providing these benefits as premiums are paid. The FPUA (a component unit) recognizes the cost as it is incurred. Premiums paid by retirees for the primary government and for the FPUA total approximately \$81,285 and \$157,000, respectively.

Section 112.0801, Florida Statutes, as amended by Sections 1 and 2 of Chapter 87-373, Laws of Florida, requires all public employers to allow their retirees to participate in the same health group plan or self-insurance plan offered to their active employees. There are currently 22 City retirees and 45 Utilities Authority retirees participating in the health insurance plan.

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 relative to the actuarial accrued liabilities for benefits over time.

The Other Post Employment Benefit plan is a single-employer benefit plan administered by the City. Retiree's are charged the same rate by the insurance company as active employees. Premiums charged by the insurance company are a blended rate based on the experience of younger active employees and older retired employees. Since retirees actually have higher costs yet pay the same rate as younger active employees, the city actually subsidizes the cost of the retirees' health insurance coverage.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE O - POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

	<u>City</u>	<u>FPUA</u>
Annual Required Contribution	164,797	91,000
Interest on Net OPEB Obligation	35,463	23,000
Adjustment on Annual Required Distribution	<u>(26,269)</u>	<u>(31,000)</u>
	173,991	83,000
Contributions made	<u>(81,285)</u>	<u>(25,000)</u>
Increase in Net OPEB Obligation	92,706	58,000
Net OPEB Obligation-beginning of year	<u>788,067</u>	<u>564,000</u>
Net OPEB Obligation-end of year	\$ <u>880,773</u>	\$ <u>622,000</u>

The City's and FPUA's annual OPEB cost, employer contributions toward that cost, percentage of OPEB cost contributed, and the net OPEB obligation for 2014 and two preceding years were as follows:

	<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u> <u>Toward</u> <u>OPEB Cost</u>	<u>% of</u> <u>Annual OPEB</u> <u>Cost</u> <u>Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
City	9/30/2012	127,992	75,163	59%	732,117
	9/30/2013	134,011	78,062	58%	788,067
	9/30/2014	173,991	81,285	47%	880,773
FPUA	9/30/2012	75,000	22,000	29.3%	509,000
	9/30/2013	77,000	22,000	28.6%	564,000
	9/30/2014	83,000	25,000	30.1%	622,000

Other information regarding funding progress is included as supplementary information to this report.

Funding Policy

As of September 30, 2014, the most recent actuarial valuation date, the plans were unfunded. The unfunded actuarial accrued liability was \$1,880,650 and 786,000 for the City and FPUA respectively.

The covered payroll for active employees covered by the plan was \$15,691,500 and 14,269,000 for the City and FPUA. The ratio of the UAAL to covered payroll was 12% for the City and 5.5% for the FPUA. As of September 30, 2014, the plan remains unfunded.

NOTE O - POST-EMPLOYMENT HEALTH CARE BENEFITS(CONTINUED)

Actuarial Methods and Assumption

In any long-term actuarial valuation, certain demographics, economic and behavioral assumptions must be made concerning the population, investment discount rates, and the benefits provided. These actuarial assumptions form the basis for the actuarial model which is used to project the future population, benefits to be provided, and contributions to be collected. The investment return rate assumption is used to discount the future benefits to a present value on the valuation date. While assumptions such as future rates of retirement and mortality are similar for both OPEB and pension plans, there are some additional assumptions. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2014 actuarial valuation, the Individual Entry Age Normal Actuarial Cost Method was used. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The entry age method then provides a systematic funding for the anticipated payments. The yearly Annual Required Contribution(ARC) is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. The Amortization method is Level Percent Open with a 30 year Amortization period.

The actuarial assumptions include a 8.7% to 4.5% salary increase assumption, with an annual healthcare cost trend rate initially at 9%, reduced annually to a 4.5% rate after ten years. The assumed rate of investment return is 4.5% per year with 2.75% of this amount attributed to inflation, compounded annually, net of expenses and assumes no real rate of return. The growth rate for amortizing the Unfunded Actuarial Accrued Liabilities was also assumed to be 4.5%.

NOTE P - CONTRACT COMMITMENTS

FPUA, the “Authority” (a component unit)

FMPA All-requirements Power Supply Project

As of January 1, 1998, the Authority became a participant in Florida Municipal Power Agency’s (FMPA) All-Requirements Power Supply Project (hereinafter referred to as ARP). The Authority 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, the Authority 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. The Authority’s resources which have been assigned include the contracts with FMPA related to Stanton Unit No. 1 and Stanton Unit No. 2, and 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, detailed below, have not been assigned; however, as of January 1, 1998, the Authority’s share of transmission costs related to the St. Lucie Project has been assigned to the ARP.

NOTE P - CONTRACT COMMITMENTS(CONTINUED)

FMPA St. Lucie Project

The Authority has entered into agreements with the Florida Municipal Power Agency (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 Company's St. Lucie Unit No. 2 (the Unit), which is located on South Hutchinson Island near Fort Pierce, and through a reliability exchange agreement in St. Lucie Unit No. 1, located on the same site. Pursuant to a Power Sales Contract and a Project Support Contract, the Authority 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 monthly statements from FMPA to the Authority.

The Power Sales Contract will remain in effect until the latest of (i) the date principal of, premium, if any, and interest on all bonds of the Unit 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 Participation Agreement or otherwise disposed of, or (iii) the date all obligations or 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 the Authority, payment is made to FMPA under a Project Support Contract in a like amount as would have been due under the Power Sales Contract.

Purchases under these contracts are accounted for as operating expenses by the Authority. Total cost included in operating expenses for the year ended September 30, 2014 is \$6,662,000. The Authority is committed under the agreements to payments totaling \$7,948,000 for the year ending September 30, 2015.

Florida Gas Transmission

The Authority executed an All Requirements Gas Service Agreement with Florida Gas Utility (FGU) on January 15, 2002. As a member of the All Requirements project, the Authority 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 the Authority. This agreement will remain in effect until cancelled by the Authority.

On July 3, 2012, the Authority 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 the Authority. In fiscal 2015, the Authority will be entitled to firm capacity of 514,912 MMBtu, and will commit to purchase 210,600 MMBtu of natural gas at a cost of \$891,000. The amounts purchased under these contracts for fiscal 2013 and fiscal 2014 were \$1,756,000 and 2,237,000, respectively.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE P - CONTRACT COMMITMENTS (CONTINUED)

FMPA Treasure Coast Energy Center

The Authority has entered into an agreement with FMPA to manage and operate their newly developed 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 becomes a one-year evergreen protecting both parties from a long term commitment. The agreement has been extended for the year ended September 30, 2014.

The Authority has been engaged to manage, operate, and maintain the TCEC. TCEC employees are on the payroll of the Authority and all costs associated with them are reimbursed bi-weekly by FMPA. TCEC employee costs and revenue for Fiscal 2014 totaled \$1,667,000.

NOTE Q - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE R - LEASES

Operating Leases:

The City entered into a 25 year lease agreement, effective October 2012, with the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida. The City, as lessee, agrees to certain conditions for the use of sovereign submerged land for the purpose of operating the Marina under an operating lease expiring September 23, 2037. Per the agreement, annual lease payments may be adjusted due to a change in the 5 year average consumer price index. Minimum future rental payments under the operating lease for each of the years/period ending September 30 are as follows:

2015	\$	30,564
2016		30,564
2017		30,564
2018		30,564
2019		30,564
Thereafter		550,152
		<u>\$ 834,452</u>

Rent expense for the above referenced lease was \$30,564 for the year ended September 30, 2014.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE R – LEASES(CONTINUED)

Capital Leases:

FPUA(component unit) entered into a five-year capital lease on January 4, 2013 for equipment capitalized at \$142,000. The interest/maintenance costs for 2014 were \$22,000. The Future minimum lease payments for this capital lease are as follows:

	<u>Amount</u>
2015	26,000
2016	31,000
2017	38,000
2018	11,000
	<u>\$ 106,000</u>

NOTE S - OPERATING LESSOR

On August 18, 1998, the City, as lessor, entered into an agreement with the Tiki Bar and Restaurant of Fort Pierce, Inc. (the “tenant”), the lessee, to rent the restaurant facility located at the City’s public marina and docking facility. The lease calls for an initial term of fifteen years commencing September 1, 1998 to and including August 31, 2013. The tenant shall have the option to renew this lease for an additional five-year term. Rent is payable monthly on the last day of each month. Currently the lease terms call for rent payments equal to a certain percentage of the tenant’s gross revenues. Until the tenant’s calendar year-to-date revenues exceed \$1,000,000, rent is equal to 10% of the tenant’s gross revenues. For the remainder of the calendar year, rent is equal to 4% of the tenant’s gross revenues. The City collected \$178,498 from the tenant for the year ended September 30, 2014. The minimum future rental payments beyond that date cannot be determined.

On December 15, 2005 the City, as a lessor, entered into an agreement with Ianco, LLC (the “tenant”), the lessee, to rent the restaurant facility located on the western side of the City’s public marina and docking facility. The lease calls for an initial term of six months commencing January 1, 2006 to and including June 30, 2006. Both parties are continuing to operate under the terms of this lease as of September 30, 2014, on a month to month basis. Rent is payable monthly within five business days of the closing of any monthly period. Rent is the computed at the greater of 7.25% of all gross revenues or \$6,500 per month. The City collected \$126,649 from the tenant for the year ended September 30, 2014.

On January 24, 2008 the City, as a lessor, entered into an agreement with the Boys & Girls Club of St. Lucie County, Inc (the “tenant”), the lessee, to rent the gymnasium known as the Human Development & Resources Center Gymnasium, Phase 2, located at the corner of 29th Street and Avenue D. The lease calls for an initial term of fifteen years commencing January 1, 2008 to and including December 31, 2022. Rent in the amount of \$10 is payable annually. The City collected \$10 from the tenant for the year ended September 30, 2014.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE T-FUND BALANCE

The City implemented GASB No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”, for the year ended September 30, 2011. The Statement requires the fund balance of governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

As of September 30, 2014, the fund balances of the governmental funds are classified as follows:

Non-spendable-Amounts that cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

Restricted- Amounts can be used only for specific purposes because of a constitutional provision, enabling legislation, or externally imposed constraints by creditors, grantors, contributors, or other governments.

Committed-Amounts can be used only for specific purposes because of a formal action of the City Commission such as ordinances.

Assigned- Amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes as determined by the City Commission.

Unassigned- Residual amount retained in the general fund that has not been otherwise classified.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first from committed, second from assigned, and lastly from unassigned balances.

Through a resolution, the City Commission established a minimum fund balance of ten percent of annual operating budgeted expenditures in the general fund to be held for unexpected unforeseen expenditures. The Commission reviews the policy annually to determine if adjustments are necessary.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE T-FUND BALANCE (CONTINUED)

As of September 30, 2014, the fund balances of the governmental funds are:

<i>FUND BALANCES</i>	General Fund	Community Redevelopment Agency	Hurricane Housing Recovery Grant Fund	Other Governmental Funds	Totals
Nonspendable:					
Inventories	\$ 71,325	\$ 14,360	\$ -	\$ 4,069	\$ 89,754
Prepaid Items	224,496				224,496
Restricted for:					
Law Enforcement	-	-	-	28,804	28,804
Debt Service	-	-	-	3,722,924	3,722,924
Grant-CDBG	-	-	-	764,058	764,058
Redevelopment Projects	-	(13,561)	-	-	(13,561)
State Housing Initiatives	-	-	-	130,053	130,053
Grant-Administration	-	-	144,344	-	144,344
Impact Fees-Capital Improv.	-	-	-	450,110	450,110
PSFRD-Capital Improv.	-	-	-	71,729	71,729
Park Improvements	-	-	-	785,853	785,853
Special Projects	-	-	-	109,180	109,180
Capital Improvement:					
Heathcote	-	-	-	2,435,524	2,435,524
Energy Conservation	-	-	-	1,485,689	1,485,689
Committed to:					
Budget Appropriations	308,889	-	-	-	308,889
Assigned to:					
10% Reserve Policy	3,426,707	-	-	-	3,426,707
Art in Public Places	-	-	-	184,984	184,984
Unassigned:	265,816	-	-	-	265,816
	<u>\$ 4,297,233</u>	<u>\$ 799</u>	<u>\$ 144,344</u>	<u>\$ 10,172,977</u>	<u>\$ 14,615,353</u>

NOTE U - RESTRICTED ASSETS

Certain assets are restricted by bond resolution and some have been classified as restricted in accordance with governmental accounting standards for enterprise funds.

The restricted assets of the **primary government** as of September 30, 2014 are as follows:

Business-type activities:

Cash and investments:	
Customer deposits	<u>\$ 119,847</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE U - RESTRICTED ASSETS(CONTINUED)

The restricted assets of the **FPUA** (a component unit) as of September 30, 2014, are as follows:

Cash and investments:	
Principal and interest on debt service	\$ 8,183,244
Capital Improvement charges	5,977,253
Debt service	4,535,000
Emergency reserve	1,668,231
Renewal and replacement reserve	500,000
Customer security deposits	7,444,667
	<u>\$ 28,308,395</u>

NOTE V – CONDUIT DEBT OBLIGATIONS

The City issued Capital Improvement Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public’s interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the facilities transfers to the private-sector entity served by the bond issuance. The City, the State, and any political subdivisions thereof are not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2014, there were two series of Capital Improvement Revenue Bonds outstanding. The aggregate principal amount payable for the three series issued after October 1, 1996, is \$9,238,021.

NOTE W- EXTRAORDINARY ITEM

The Authority transferred the ownership of the former site of the Henry D. King Power Plant to the city on October 15, 2009. A grant awarded to the city for cleanup, will not be sufficient to cover the remaining cost of remediation. Based upon current estimates, an independent consultant has estimated the cost over the next two years, to be approximately \$2,343,000. Voluntary Cleanup Tax Credits and government backed loans have been estimated at \$700,000. Based on these assumptions, the Authority will be responsible for the remaining \$1,643,000. The amount expected to be paid in fiscal 2015 is \$1,643,000. The remainder has been recorded as a long term liability in the accompanying financial statements. As this project progresses, estimates and the anticipated cost of completion will be reevaluated.

NOTE X– 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 March 17, 2015, the date the financial statements were available for issuance.

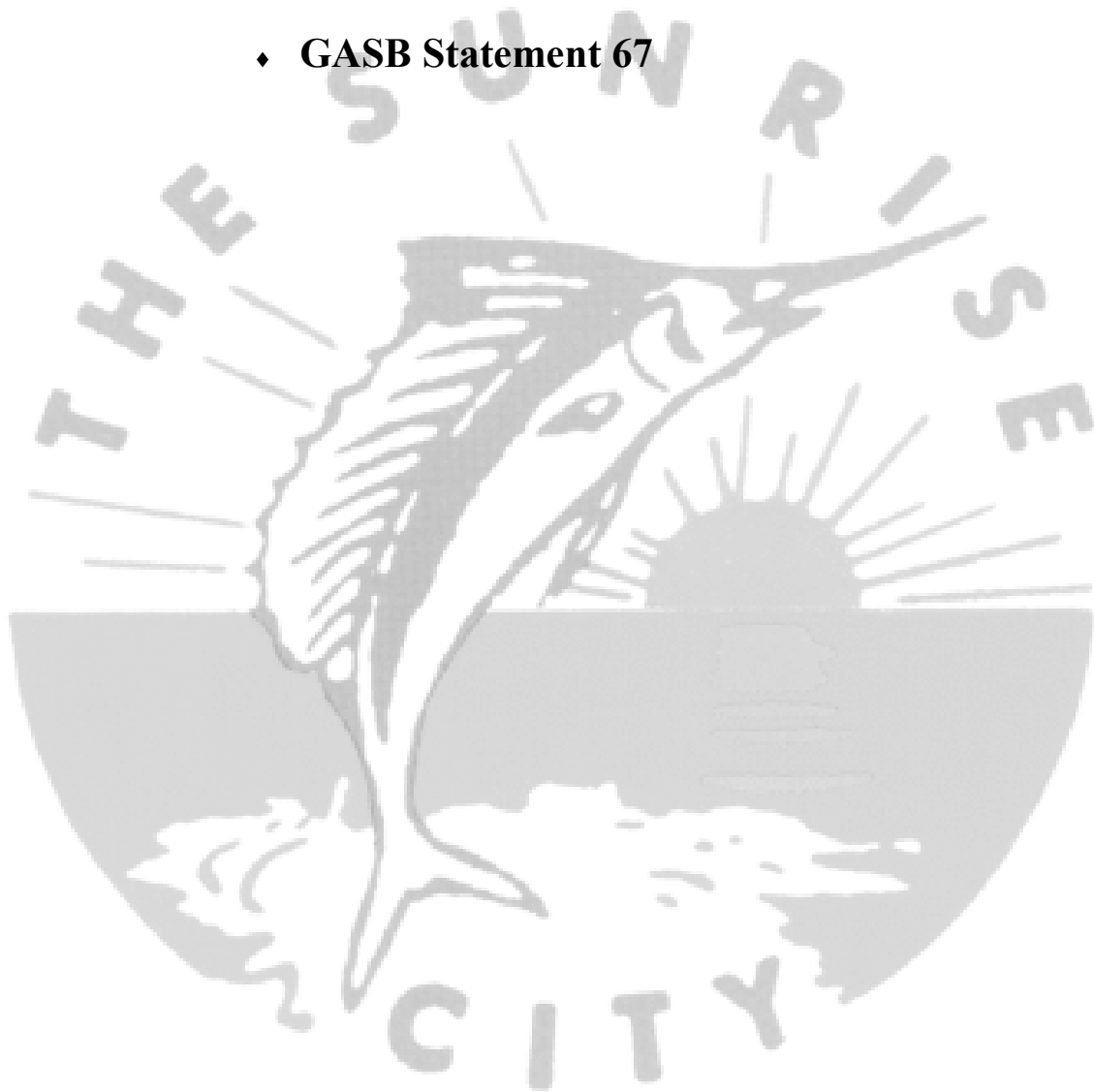
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REQUIRED SUPPLEMENTARY INFORMATION

- ◆ **GASB Statement 45**

- ◆ **GASB Statement 67**



City of Fort Pierce, Florida
GASB STATEMENT 45 REQUIREMENT SUPPLEMENTARY INFORMATION
City of Ft. Pierce Other Post Employment Benefits
September 30, 2014
(Unaudited)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
City of Ft. Pierce						
9/30/2008	- \$	3,848,898 \$	3,848,898 \$	0%	\$ 17,923,099	21%
9/30/2009	- \$	3,848,898 \$	3,848,898 \$	0%	\$ 17,151,291	22%
9/30/2010	- \$	2,899,180 \$	2,899,180 \$	0%	\$ 14,962,156	19%
9/30/2011	- \$	2,899,180 \$	2,899,180 \$	0%	\$ 13,850,285	21%
9/30/2012	- \$	1,460,763 \$	1,460,763 \$	0%	\$ 14,041,070	10%
9/30/2013	- \$	1,460,763 \$	1,460,763 \$	0%	\$ 14,672,918	10%
9/30/2014	- \$	1,880,650 \$	1,880,650 \$	0%	\$ 15,691,500	12%
FPUA(a discretely presented component unit)						
9/30/2008	- \$	2,094,000 \$	2,094,000 \$	0%	\$ 14,591,000	14%
9/30/2009	- \$	2,094,000 \$	2,094,000 \$	0%	\$ 14,711,000	14%
9/30/2010	- \$	2,274,000 \$	2,274,000 \$	0%	\$ 14,700,000	15%
9/30/2011	- \$	2,274,000 \$	2,274,000 \$	0%	\$ 14,023,000	16%
9/30/2012	- \$	709,000 \$	709,000 \$	0%	\$ 13,637,000	5%
9/30/2013	- \$	738,000 \$	738,000 \$	0%	\$ 13,977,000	5%
9/30/2014	- \$	786,000 \$	786,000 \$	0%	\$ 14,269,000	6%

City of Fort Pierce, Florida
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
General Employees Retirement and Benefits System
September 30, 2014

Total Pension Liability:	
Service cost	\$ 4,049,351
Interest	13,874,945
Benefit change	-
Difference between actual & expected experience	(500,696)
Assumption changes	(335,946)
Benefit payments	(11,877,048)
Refunds	(307,836)
Net Change in Total Pension Liability	<u>4,902,770</u>
Total Pension Liability-Beginning	<u>177,504,581</u>
Total Pension Liability-Ending (a)	<u><u>\$ 182,407,351</u></u>

Plan Fiduciary Net Position:	
Contributions-employer	\$ 4,356,127
Contributions-member	1,493,529
Net investment income	16,939,786
Benefit payments	(11,877,048)
Refunds	(307,836)
Administrative expense	(199,552)
Other	(47,555)
Net Change in Plan Fiduciary Net Position	<u>10,357,451</u>
Plan Fiduciary Net Position-Beginning	<u>168,762,698</u>
Plan Fiduciary Net Position-Ending (b)	<u><u>\$ 179,120,149</u></u>

Net Pension Liability-Ending (a) - (b) 3,287,202

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.20%
Covered Employee Payroll	25,150,361
Net Pension Liability as a Percentage of Covered Employee Payroll	13.07%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present those years for which information is available.

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
 General Employee's Retirement and Benefit System
 September 30, 2014
 (Unaudited)

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
9/30/2014	285,353	248,113	37,240	6,426,871	3.86%

Notes to Schedule of Contributions:

Valuation date	September 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	1-30 years as of September 30, 2014
Asset valuation method	4-year smoothed market
Wage Inflation	4.5%
Salary increases	General & Utilities Authority; 4.5% to 8.7%, including inflation Police; 4.5% to 8.5%
Investment rate of return	8.00%
Long-term municipal bond rate	4.11%
Retirement Age	Age and service-based tables that are specific to the type of eligibility
Mortality	RP-2000 Combined Mortality Table for males and females. No margin for future mortality improvement are included in these tables.
Cost-of-living Adjustment	COLA's are granted if the investment return exceeds the investment return assumption and the cumulative actuarial gains and losses since 1995 are positive. Because the cumulative gains and losses are (32) million, the COLA provision is assumed to not operate for the indefinite future.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present those years for which information is available.

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
General Employee's Retirement and Benefit System
September 30, 2014
(Unaudited)

SCHEDULE OF INVESTMENT RETURNS MULTIYEAR*

	<u>9/30/14</u>
Annual money-weighted rate of return, net of investment expense	10.48%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
 General Employee's Retirement and Benefit System
 September 30, 2014
 (Unaudited)

Schedule of Funding Progress

(\$ in millions)							
Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial		Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
			Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)			
9/30/2005		185.8	216.5	30.7	86	48.9	63
9/30/2006	**	120	130.9	10.9	92	30.56	36
9/30/2007	**	136	139	3	98	31.0	10
9/30/2008		143	150	7	95	33.0	21
9/30/2009		147	158.7	11.7	93	31	38
9/30/2010	**	149	165	16	90	27	59
9/30/2011	**	142	167	25	85	26	96
9/30/2012	**	147	172	25	85	26	96
9/30/2013		157	177	20	89	25	80
9/30/2014		167	182	15	92	25	60

** After changes in benefit provisions and/or actuarial assumptions.

City of Fort Pierce, Florida
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Municipal Police Officers' Retirement Trust Fund
September 30, 2014

Total Pension Liability:	
Service cost	\$ 592,432
Interest	861,104
Benefit change	-
Difference between actual & expected experience	(9,847)
Assumption changes	305,956
Benefit payments	(729,776)
Refunds	(132,922)
Net Change in Total Pension Liability	<u>886,947</u>
Total Pension Liability-Beginning	<u>11,599,795</u>
Total Pension Liability-Ending (a)	<u><u>\$ 12,486,742</u></u>
Plan Fiduciary Net Position:	
Contributions-employer	\$ -
Contributions-Non-employer contributing entity	248,113
Contributions-member	449,881
Net investment income	896,529
Benefit payments	(729,776)
Refunds	(132,922)
Administrative expense	(65,371)
Other	-
Net Change in Plan Fiduciary Net Position	<u>666,454</u>
Plan Fiduciary Net Position-Beginning	<u>11,324,892</u>
Plan Fiduciary Net Position-Ending (b)	<u><u>\$ 11,991,346</u></u>
Net Pension Liability-Ending (a) - (b)	495,396
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.03%
Covered Employee Payroll	6,426,871
Net Pension Liability as a Percentage of Covered Employee Payroll	7.71%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
Municipal Police Officers' Retirement Trust Fund
September 30, 2014
(Unaudited)

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
9/30/2014	285,353	248,113	37,240	6,426,871	3.86%

Notes to Schedule of Contributions

Valuation date	September 30, 2013
Measurement date	September 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	18 years
Asset valuation method	4-year smoothed market
Inflation rate	2.5%
Salary increases	3.5% to 6.5%
Investment rate of return	7.25%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
Municipal Police Officers' Retirement Trust Fund
September 30, 2014
(Unaudited)

SCHEDULE OF INVESTMENT RETURNS MULTIYEAR*

	<u>9/30/14</u>
Annual money-weighted rate of return, net of investment expense	9.3%

*This schedule is presented to illustrate the requirement to show information for those years for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
Municipal Police Officers' Retirement Trust Fund
September 30, 2014
(Unaudited)

Schedule of Funding Progress

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 % of Covered Payroll ((b-a)/c)
9/30/2005	7,487,837	8,936,741	1,448,904	84	5,943,309	24
9/30/2006	7,561,205	9,446,757	1,885,552	80	6,838,249	28
9/30/2007 **	7,883,635	8,940,664	1,057,029	88	6,323,737	17
9/30/2008	8,449,679	9,668,809	1,219,130	87	6,992,600	17
9/30/2009	9,062,193	10,060,601	998,408	90	6,754,679	15
9/30/2010	9,093,257	9,952,866	859,609	91	6,393,190	13
9/30/2011	9,433,638	10,081,314	647,676	94	5,696,599	11
9/30/2012	10,146,881	10,771,458	624,577	94	5,422,508	12
9/30/2013	10,574,340	11,160,024	585,684	95	6,149,728	10
9/30/2014	11,102,171	11,799,196	697,025	94	6,179,327	11

**Reflects plan changes under Ordinance No. L-34

Schedule of Employer and Other Contributing Entities Contributions

- This schedule is not applicable to the aggregate actuarial cost method -

Fiscal Year Ended September 30	Actuarial Valuation Date	Annual Calculated Contribution	* State Contribution	Percentage Contributed
2005	9/30/2004	518,466	294,190	56.7
2006	9/30/2005	450,068	294,190	65.4
2007	9/30/2006	530,485	294,190	55.5
* 2008	9/30/2007	456,784	303,324	66.4
2009	9/30/2008	520,905	276,943	53.2
2010	9/30/2009	530,943	262,634	49.5
** 2011	9/30/2010	433,051	241,312	55.7
*** 2012	9/30/2011	295,499	241,799	81.8
2013	9/30/2012	291,730	249,148	85.4
2014	9/30/2013	285,353	248,113	86.9

The City does not contribute to this plan, all contributions are from the state and the employees

* Reflects plan changes under Ordinance No. L-34

** Reflects plan changes under Ordinance No. L-212

*** This is the required contribution amount determined as a percentage of the actual payroll for the fiscal year.

COMBINING AND INDIVIDUAL FUND STATEMENTS



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GENERAL FUND

The General Fund is used to account for all sources and uses of financial resources applicable to the general operations of the City of fort pierce. All general operating revenue which are not restricted as to use are recorded in the General Fund.



City of Fort Pierce, Florida
**SCHEDULE OF GENERAL FUND REVENUES AND
OTHER FINANCING SOURCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**
Year ended September 30, 2014

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Taxes			
Ad valorem	\$ 11,816,805	\$ 11,958,161	\$ 11,958,161
General sales and use	2,290,000	2,084,479	2,084,479
Franchise	4,450,000	4,213,534	4,213,534
	<u>18,556,805</u>	<u>18,256,174</u>	<u>18,256,174</u>
Licenses and permits			
Occupational licenses	270,000	261,191	261,191
Other	61,500	72,615	72,615
	<u>331,500</u>	<u>333,806</u>	<u>333,806</u>
Intergovernmental revenue			
State shared revenue	2,562,000	2,837,020	2,837,020
State retirement contribution	240,000	248,113	248,113
County shared revenue	58,000	54,298	54,298
	<u>2,860,000</u>	<u>3,139,431</u>	<u>3,139,431</u>
Charges for services			
General government	155,600	191,995	191,995
Physical environment	45,000	34,713	34,713
	<u>200,600</u>	<u>226,708</u>	<u>226,708</u>
Fines and forfeitures			
Court cases	78,500	75,860	75,860
Code violation	74,000	113,917	113,917
	<u>152,500</u>	<u>189,777</u>	<u>189,777</u>
Other			
Contributions from component unit	6,764,816	5,605,157	5,605,157
Investment income	41,750	75,376	75,376
Rents	25,440	30,995	30,995
Administrative and contractual services	498,858	466,044	466,044
Reimbursements by other funds	1,246,500	1,016,184	1,016,184
Special assessments	2,000	20,246	20,246
Impact fees	-	11,914	11,914
Miscellaneous	35,400	326,158	326,158
	<u>8,614,764</u>	<u>7,552,074</u>	<u>7,552,074</u>
Total revenues	30,716,169	29,697,970	29,697,970
Other financing sources			
Transfers in	4,176,738	4,244,564	4,244,564
Total other financing sources	<u>4,176,738</u>	<u>4,244,564</u>	<u>4,244,564</u>
Total revenues, other financing sources,	<u>\$ 34,892,907</u>	<u>\$ 33,942,534</u>	<u>\$ 33,942,534</u>

City of Fort Pierce, Florida
**SCHEDULE OF GENERAL FUND EXPENDITURES
AND OTHER FINANCING USES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**
Year ended September 30, 2014

	Budgeted Amounts		Actual
	Original	Final	
Expenditures			
General Government			
Legislative			
City Commission	\$ 230,636	\$ 245,215	\$ 245,215
Executive			
City Manager	616,936	526,543	526,543
City Clerk	280,774	307,942	307,942
Financial and administrative			
General administration	4,276,269	4,208,998	4,208,998
Finance	692,818	699,027	699,027
MIS	907,960	939,472	939,472
Administrative services	622,163	637,108	637,108
Legal counsel			
City Attorney	605,108	673,262	673,262
Comprehensive planning			
Planning	486,894	380,166	380,166
Public works			
Director	171,468	188,862	188,862
Garage	496,459	437,225	437,225
Building maintenance	952,014	980,487	980,487
	<u>10,339,499</u>	<u>10,224,307</u>	<u>10,224,307</u>
Public safety			
Law enforcement			
Police	4,804,103	4,829,726	4,829,726
Police- Operations	6,858,292	6,556,898	6,556,898
Police- Support Operations	974,778	1,076,500	1,076,500
Code Enforcement	778,447	890,761	890,761
	<u>13,415,620</u>	<u>13,353,885</u>	<u>13,353,885</u>
Transportation			
Road and street facilities			
Engineering	1,030,594	991,658	991,658
Street maintenance	2,194,228	2,130,851	2,130,851
	<u>3,224,822</u>	<u>3,122,509</u>	<u>3,122,509</u>
Culture and recreation			
Parks and recreation	1,923,125	1,995,291	1,995,291
Riverwalk Center	154,070	155,566	155,566
	<u>2,077,195</u>	<u>2,150,857</u>	<u>2,150,857</u>
Total expenditures	29,057,136	28,851,558	28,851,558
Other financing uses			
Transfers out	5,051,405	5,038,059	5,038,059
Total expenditures and other financing uses	<u>\$ 34,108,541</u>	<u>\$ 33,889,617</u>	<u>\$ 33,889,617</u>

NONMAJOR GOVERNMENTAL FUNDS



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The City does not have an appropriated budget for special revenue funds.

◆ **The Law Enforcement Trust Fund**

This fund is used to account for the assets confiscated by the Police Department. The money generated from the sale of confiscated property is used solely for the City's law enforcement system and is legally restricted for that purpose.

◆ **Police Grant Fund**

This fund is used to account for all Federal and State Grants received for the purpose of Law Enforcement.

◆ **State Housing Initiative Program (SHIP)**

This fund is used to record assistance received from the State of Florida for housing assistance for the City's low and moderate income citizens.

◆ **Federal Major Grant Program**

This fund is used to account for major grants administered by Urban Redevelopment; to record grant income and related eligible expenditures.

◆ **Restricted Revenue Fund**

This fund is used to account for all revenue that is restricted as to the purpose the money generated can be utilized.

NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The City does not have an appropriated budget for debt service funds.

- ◆ **Capital Improvement Revenue Refunding Bond Fund, Series 2008
A&B**

This fund is used to account for the accumulation of monies to pay \$23,190,00 2008 Series A and \$6,650,000 2008 Series B of the Capital Improvement Revenue Refunding Bonds, Series 2008 issue. FPRA TIF funds are pledged for the payments of principal and interest due from 2009-2034.

- ◆ **Capital Improvement Revenue Refunding Bond Fund, Series 2010
A&B**

This fund is used to account for the accumulation of monies to pay \$6,825,000 2010 Series A and \$2,935,000 2010 Series B of the Capital Improvement Revenue Refunding Bonds, Series 2010 issue. FPRA TIF funds are pledged for the payments of principal and interest due from 2014-2030.

- ◆ **Capital Improvement Revenue Fund, Series 2004**

This fund is used to account for the accumulation of monies to pay \$3,170,000 Capital Improvements Bonds for reconstruction of the City's golf course. Non-ad Valorem Revenues are pledged for the payment of principal and interest due from 2004-2034.

NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

DEBT SERVICE FUNDS (CONT'D.)

◆ Fort Pierce Redevelopment Bonds, Series 2006

This fund is used to account for the accumulation of monies to pay \$20,000,000 of capital improvements. Tax increment revenues are pledged for the payment of principal and interest due from 2006-2031.

Fort Pierce Redevelopment Bonds, Series 2005

This fund is used to account for the accumulation of monies to pay \$20,200,000 of capital improvements. Tax increment revenues are pledged for the payment of principal and interest due from 2005-2030.

CAPITAL PROJECT FUNDS

◆ Capital Improvement Fund, Redevelopment

This fund is used to account for the sources and uses of TIF funds to construct various capital improvements within the City including improvements to roads and buildings, and construction of infrastructure, land and other improvements.

◆ Special Capital Projects Fund

This fund is used to account for the sources and uses of funds to account for the construction of various capital improvement of the City.

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 2,594,819	\$ 3,722,988	\$ 5,324,288	\$ 11,642,095
Accounts Receivable	20,000	-	-	20,000
Due from other governments	1,686,256	-	-	1,686,256
Prepays	4,069	-	-	4,069
Notes Receivable	354,768	-	-	354,768
Total assets	<u>\$ 4,659,912</u>	<u>\$ 3,722,988</u>	<u>\$ 5,324,288</u>	<u>\$ 13,707,188</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 491,793	\$ -	\$ 1,176,521	\$ 1,668,314
Contracts payable - retainage	18,355	-	226,554	244,909
Due to other funds	1,188,591	-	-	1,188,591
Revenue in Advance	77,629	-	-	77,629
Total liabilities	<u>1,776,368</u>	<u>-</u>	<u>1,403,075</u>	<u>3,179,443</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>354,768</u>	<u>-</u>	<u>-</u>	<u>354,768</u>
FUND BALANCES				
Nonspendable	4,069	-	-	4,069
Restricted	2,339,723	3,722,988	3,921,213	9,983,924
Assigned	184,984	-	-	184,984
Total fund balances	<u>2,528,776</u>	<u>3,722,988</u>	<u>3,921,213</u>	<u>10,172,977</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,659,912</u>	<u>\$ 3,722,988</u>	<u>\$ 5,324,288</u>	<u>\$ 13,707,188</u>

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
Year ended September 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental	\$ 7,897,014	\$ -	\$ 30,286	\$ 7,927,300
Fines and forfeitures	12,500	-	-	12,500
Investment income	69,519	7,490	14,570	91,579
Miscellaneous	337,870	-	-	337,870
Total revenues	8,316,903	7,490	44,856	8,369,249
Expenditures				
Current				
General Government	2,524	-	1,097	3,621
Public safety	679,006	-	-	679,006
Economic environment	599,540	-	-	599,540
Capital Outlay	3,590,578	-	4,550,199	8,140,777
Debt service				
Principal	283,000	2,435,000	-	2,718,000
Interest and fees	61,551	3,584,461	-	3,646,012
Other	-	6,034	66,500	72,534
Total expenditures	5,216,199	6,025,495	4,617,796	15,859,490
Excess of revenues over (under) expenditures	3,100,704	(6,018,005)	(4,572,940)	(7,490,241)
Other financing sources (uses)				
Transfers in	85,425	8,749,890	12,670	8,847,985
Transfers out	(2,903,347)	-	(219,294)	(3,122,641)
Note Proceeds	-	-	6,079,229	6,079,229
Total other financing sources (uses)	(2,817,922)	8,749,890	5,872,605	11,804,573
Net change in fund balances	282,782	2,731,885	1,299,665	4,314,332
Fund balance - beginning of year	2,245,994	991,103	2,621,548	5,858,645
Fund balance - end of year	\$ 2,528,776	\$ 3,722,988	\$ 3,921,213	\$ 10,172,977

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2014

	Police Grants Fund	Law Enforcement Trust Fund	State Housing Initiatives Program (S.H.I.P.)
ASSETS			
Cash and investments	\$ 1,842	\$ 34,062	\$ 219,094
Accounts Receivable	20,000	-	-
Due from other funds	-	-	-
Due from other governments	168,075	-	-
Prepaid Expenses	4,005	-	-
Notes receivable	-	-	26,949
	<u>193,922</u>	<u>34,062</u>	<u>246,043</u>
Total assets	<u>\$ 193,922</u>	<u>\$ 34,062</u>	<u>\$ 246,043</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 38,113	\$ 2,062	\$ 11,364
Contracts payable - retainage	-	-	-
Due to other funds	155,000	-	48
Revenue in advance	-	-	77,629
	<u>193,113</u>	<u>2,062</u>	<u>89,041</u>
Total liabilities	<u>193,113</u>	<u>2,062</u>	<u>89,041</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	26,949
	<u>-</u>	<u>-</u>	<u>26,949</u>
FUND BALANCES			
Nonspendable	4,005	-	-
Restricted	(3,196)	32,000	130,053
Assigned	-	-	-
Total fund balances	<u>809</u>	<u>32,000</u>	<u>130,053</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 193,922</u>	<u>\$ 34,062</u>	<u>\$ 246,043</u>

Community Development Block Grant	Federal Major Grant Program	Restricted Revenue Fund	Disaster Relief	Total Nonmajor Special Revenue Funds
\$ 693,034	\$ -	\$ 1,646,787	\$ -	\$ 2,594,819
-	-	-	-	20,000
-	-	-	-	-
87,716	-	-	1,430,465	1,686,256
64	-	-	-	4,069
327,819	-	-	-	354,768
<u>\$ 1,108,633</u>	<u>\$ -</u>	<u>\$ 1,646,787</u>	<u>\$ 1,430,465</u>	<u>\$ 4,659,912</u>
\$ 16,688	\$ -	\$ 44,995	\$ 378,571	\$ 491,793
-	-	-	18,355	18,355
4	-	-	1,033,539	1,188,591
-	-	-	-	77,629
<u>16,692</u>	<u>-</u>	<u>44,995</u>	<u>1,430,465</u>	<u>1,776,368</u>
<u>327,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>354,768</u>
64	-	-	-	4,069
764,058	-	1,416,808	-	2,339,723
-	-	184,984	-	184,984
<u>764,122</u>	<u>-</u>	<u>1,601,792</u>	<u>-</u>	<u>2,528,776</u>
<u>\$ 1,108,633</u>	<u>\$ -</u>	<u>\$ 1,646,787</u>	<u>\$ 1,430,465</u>	<u>\$ 4,659,912</u>

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
NONMAJOR SPECIAL REVENUE FUNDS
Year ended September 30, 2014

	Police Grants Fund	Law Enforcement Trust Fund	State Housing Initiatives Program (S.H.I.P.)
Revenues			
Intergovernmental	\$ 524,029	\$ -	\$ 74,449
Fines and forfeitures	-	12,500	-
Investment income	3	123	498
Miscellaneous	117,000	-	-
Total revenues	641,032	12,623	74,947
Expenditures			
Current			
General Government	-	-	-
Public safety	660,593	18,413	-
Economic environment	-	-	21,518
Capital outlay	-	-	-
Debt Service			
Principal			
Interest and fees			-
Total expenditures	660,593	18,413	21,518
Excess of revenues over (under) expenditures	(19,561)	(5,790)	53,429
Other financing sources (uses)			
Transfers in	19,286	-	-
Transfers out	-	-	-
Total other financing sources (uses)	19,286	-	-
Net change in fund balances	(275)	(5,790)	53,429
Fund balance - beginning of year	1,084	37,790	76,624
Fund balance - end of year	\$ 809	\$ 32,000	\$ 130,053

<u>Community Development Block Grant</u>	<u>Federal Major Grant Program</u>	<u>Restricted Fund</u>	<u>Disaster Relief</u>	<u>Total Non-Major Special Revenue Funds</u>
\$ 3,522,008	\$ -	\$ 176,773	\$ 3,599,755	\$ 7,897,014
-	-	-	-	12,500
64,495	-	4,400	-	69,519
19,712	-	201,158	-	337,870
<u>3,606,215</u>	<u>-</u>	<u>382,331</u>	<u>3,599,755</u>	<u>8,316,903</u>
-	-	2,524	-	2,524
-	-	-	-	679,006
557,933	10,912	-	9,177	599,540
-	-	-	3,590,578	3,590,578
-	-	-	-	-
283,000	-	-	-	283,000
61,551	-	-	-	61,551
<u>902,484</u>	<u>10,912</u>	<u>2,524</u>	<u>3,599,755</u>	<u>5,216,199</u>
2,703,731	(10,912)	379,807	-	3,100,704
-	-	-	-	-
22,076	-	44,063	-	85,425
<u>(2,832,074)</u>	<u>-</u>	<u>(71,273)</u>	<u>-</u>	<u>(2,903,347)</u>
(2,809,998)	-	(27,210)	-	(2,817,922)
(106,267)	(10,912)	352,597	-	282,782
870,389	10,912	1,249,195	-	2,245,994
<u>\$ 764,122</u>	<u>\$ -</u>	<u>\$ 1,601,792</u>	<u>\$ -</u>	<u>\$ 2,528,776</u>

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2014

	Fort Pierce Redevelopment Bonds	Golf Course Improvement Bonds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 718,527	\$ 36,623
Total Assets	<u>\$ 718,527</u>	<u>\$ 36,623</u>
 LIABILITIES AND FUND BALANCES		
FUND BALANCES		
Restricted	<u>718,527</u>	<u>36,623</u>
Total fund balance	<u>718,527</u>	<u>36,623</u>
Total liabilities and fund balance	<u>\$ 718,527</u>	<u>\$ 36,623</u>

Capital Improvement Revenue 2008	Capital Improvement Refunding 2010	Section 108 Loan	Total Nonmajor Debt Service Funds
\$ 135,764	\$ -	\$ 2,832,074	\$ 3,722,988
<u>\$ 135,764</u>	<u>\$ -</u>	<u>\$ 2,832,074</u>	<u>\$ 3,722,988</u>
135,764	-	2,832,074	3,722,988
<u>135,764</u>	<u>-</u>	<u>2,832,074</u>	<u>3,722,988</u>
<u>\$ 135,764</u>	<u>\$ -</u>	<u>\$ 2,832,074</u>	<u>\$ 3,722,988</u>

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE**
NONMAJOR DEBT SERVICE FUNDS
 Year Ended September 30, 2014

	Fort Pierce Redevelopment Bonds	Golf Course Improvement Bonds
Revenues		
Investment income	\$ 3,308	\$ 101
Expenditures		
Debt service		
Principal	1,250,000	75,000
Interest and fees	1,479,406	132,520
Other	2,221	828
Total expenditures	2,731,627	208,348
Excess of revenues over (under) expenditures	(2,728,319)	(208,247)
Other financing sources (uses)		
Transfers in	2,706,094	149,588
Total other financing sources (uses)	2,706,094	149,588
Net change in fund balances	(22,225)	(58,659)
Fund balances - beginning of year	740,752	95,282
Fund balances - end of year	\$ 718,527	\$ 36,623

Capital Improvement Revenue 2008	Capital Improvement Refunding 2010	Section 108 Loan	Total Nonmajor Debt Service Funds
\$ 3,550	\$ 531	\$ -	\$ 7,490
850,000	260,000	-	2,435,000
1,566,781	405,754	-	3,584,461
1,551	1,434	-	6,034
2,418,332	667,188	-	6,025,495
(2,414,782)	(666,657)	-	(6,018,005)
2,416,781	645,353	2,832,074	8,749,890
2,416,781	645,353	2,832,074	8,749,890
1,999	(21,304)	2,832,074	2,731,885
133,765	21,304	-	991,103
\$ 135,764	\$ -	\$ 2,832,074	\$ 3,722,988

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2014

	<u>Capital Project Fund Redevelopment</u>	<u>Capital Project Fund Special Capital Projects Fund</u>	<u>Capital Project Fund Energy Capital Projects Fund</u>	<u>Total Nonmajor Capital Project Funds</u>
ASSETS				
Cash and investments	\$ -	\$ 2,437,783	\$ 2,886,505	\$ 5,324,288
Total assets	<u>\$ -</u>	<u>\$ 2,437,783</u>	<u>\$ 2,886,505</u>	<u>\$ 5,324,288</u>
LIABILITIES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 2,259	\$ 1,174,262	\$ 1,176,521
Contracts Payable-Retainage	-	-	226,554	226,554
Total liabilities	-	2,259	1,400,816	1,403,075
FUND BALANCES				
Restricted	-	2,435,524	1,485,689	3,921,213
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 2,437,783</u>	<u>\$ 2,886,505</u>	<u>\$ 5,324,288</u>

City of Fort Pierce, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**

Year ended September 30, 2014

	Capital Project Fund Redevelopment	Capital Project Fund Special Capital Projects Fund	Capital Project Fund Energy Capital Projects Fund	Total Nonmajor Capital Project Funds
Revenues				
Intergovernmental	\$ -	\$ 30,286	\$ -	\$ 30,286
Investment income	428	5,525	8,617	14,570
Total revenues	428	35,811	8,617	44,856
Expenditures				
Operating Expenses	-	13	1,084	1,097
Capital outlay	-	19,126	4,531,073	4,550,199
Debt service				
Other	-	-	66,500	66,500
Total expenditures	-	19,139	4,598,657	4,617,796
Excess of revenues over (under) expenditures	428	16,672	(4,590,040)	(4,572,940)
Other financing sources (uses)				
Transfers in	-	12,670	-	12,670
Transfers out	(171,732)	(44,062)	(3,500)	(219,294)
Note Proceeds	-	-	6,079,229	6,079,229
Total other financing sources (uses)	(171,732)	(31,392)	6,075,729	5,872,605
Net change in fund balances	(171,304)	(14,720)	1,485,689	1,299,665
Fund balance - beginning of year	171,304	2,450,244	-	2,621,548
Fund balance - end of year	\$ -	\$ 2,435,524	\$ 1,485,689	\$ 3,921,213

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STATISTICAL SECTION



A-1 STATISTICAL TABLES

This section of the City of Fort Pierce's Comprehensive Annual Report contains information to assist the reader in understanding the financial Statements, notes to the financial and other supplemental information.

Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

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

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

MISCELLANEOUS STATISTICS

September 30, 2014

Date of Incorporation:	February 2, 1901	City of Fort Pierce Population:	
Adoption of City Charter:	1957	1940	8,040
Form of Govt:	Commission/City Manager	1950	13,502
Fiscal Year:	October 1, 2013 through September 30, 2014	1960	25,113
Area:	as of 9/30/2014 34.375 square miles	1970	29,721
		1980	33,802
		1990	36,830
		2000	38,401
Number of Employees:	614	2010	41,590
City	343		
Utilities Authority	271		
Police Protection:		Recreation:	
Number of Stations	3	Acres of Public Parks	294.3
Number of Arresting Personnel	118	Baseball Practice Fields	23
		Basketball Courts	11
Fire Protection:		Boat Ramps	10
(County wide)		Football Fields	1
Number of Stations	17	Playgrounds	12
Number of Firemen & Officers	370	Miles of Public Beach	2.3
		Municipal Pools	2
Infrastructure:		Racquetball/Handball Courts	2
Cemeteries (not City owned)	5	Shuffleboard Courts	1
City Bridges	8	Tennis Courts	18
City Buildings	23	Utilities Customers:	
Flashing Caution Lights	30	Electric	27,630
Street Lights	5,313	Water	19,250
Traffic & Caution Lights	177	Wastewater	14,640
Miles of:		Natural Gas	4,180
Streets	178.70	County Schools Enrollment:	
•Paved	171.84	ESE (all grades)	5,292
•Unpaved	6.86	Elementary	19,085
Canals	10.09	Middle	9,608
Curbs and Gutters	121.42	High School	12,258
Seawalls	1.13	Total Enrollment	40,951
Sidewalks	79.72	Solid Waste Customers:	
Storm Sewers	88.13	Commercial	1,685
Building Permits New Construction:	31	Residential	11,611
Construction Valuation	\$ 16,317,422	Public	30

Sources: City of Fort Pierce financial records, St. Lucie County Fire District records, Ft. Pierce Utilities Authority, St. Lucie County School records and Bureau of Business and Economic Research.

City of Fort Pierce, Florida
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year			
	2014	2013	2012	2011
Governmental activities				
Invested in capital assets, net of related debt	\$ 34,114,524	\$ 32,136,904	\$ 30,700,782	\$ 31,066,247
Restricted	7,644,201	3,612,651	4,469,991	7,448,269
Unrestricted	9,166,286	12,820,034	14,694,145	13,854,615
Total governmental activities net Position	\$ 50,925,011	\$ 48,569,589	\$ 49,864,918	\$ 52,369,131
Business type activities				
Invested in capital assets, net of related debt	\$ 66,234,195	\$ 65,104,588	\$ 53,122,423	\$ 44,669,243
Restricted	-	-	-	-
Unrestricted	13,349,535	12,551,494	13,672,962	13,960,371
Total business-type activities net Position	\$ 79,583,730	\$ 77,656,082	\$ 66,795,385	\$ 58,629,614
Primary Government				
Invested in capital assets, net of related debt	\$ 100,348,719	\$ 97,241,492	\$ 83,823,205	\$ 75,735,490
Restricted	7,644,201	3,612,651	4,469,991	7,448,269
Unrestricted	22,515,821	25,371,528	28,367,107	27,814,986
Total primary government net Position	\$ 130,508,741	\$ 126,225,671	\$ 116,660,303	\$ 110,998,745

Source: Statement of Net Position

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 28,668,343	\$ 36,179,711	\$ 39,596,736	\$ 34,683,122	\$ 34,940,179	\$ 23,716,538
7,448,269	6,262,950	8,583,007	8,630,792	5,979,367	14,793,226
18,329,988	13,913,684	9,190,260	8,813,572	8,284,023	9,249,853
\$ 54,446,600	\$ 56,356,345	\$ 57,370,003	\$ 52,127,486	\$ 49,203,569	\$ 47,759,617
\$ 45,408,923	\$ 40,490,367	\$ 28,158,381	\$ 29,329,512	\$ 24,776,985	\$ 6,806,387
-	-	-	-	-	-
10,201,851	12,419,077	18,071,190	10,548,133	11,662,622	9,901,064
\$ 55,610,774	\$ 52,909,444	\$ 46,229,571	\$ 39,877,645	\$ 36,439,607	\$ 16,707,451
\$ 77,472,266	\$ 76,670,078	\$ 67,755,117	\$ 64,012,634	\$ 59,717,164	\$ 30,522,925
7,448,269	6,262,950	8,583,007	8,630,792	5,979,367	14,793,226
25,868,516	26,332,761	27,261,450	19,361,705	19,946,645	19,150,917
\$ 110,789,051	\$ 109,265,789	\$ 103,599,574	\$ 92,005,131	\$ 85,643,176	\$ 64,467,068

City of Fort Pierce, Florida
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year			
	2014	2013	2012	2011
Expenses				
Government activities:				
General government	\$ 9,098,006	\$ 9,073,474	\$ 9,368,691	\$ 9,578,646
Public Safety	14,753,228	14,305,679	13,758,635	13,353,710
Transportation	6,071,542	6,263,011	6,277,776	6,347,717
Economic Environment	1,110,448	1,774,472	3,361,379	2,040,019
Culture and recreation	2,522,271	2,231,912	2,268,586	2,321,424
Interest of long-term debt	3,754,510	3,727,940	3,821,411	3,841,700
Total government activities expenses	<u>\$ 37,310,005</u>	<u>\$ 37,376,488</u>	<u>\$ 38,856,478</u>	<u>\$ 37,483,216</u>
Business-type activities				
Solid Waste	\$ 5,264,288	\$ 4,974,739	\$ 5,440,958	\$ 5,486,548
Marina	2,610,077	2,605,281	2,155,455	2,353,376
Storm Water	6,130,795	3,368,903	3,241,933	3,182,318
Golf Course	1,587,070	1,658,894	1,610,301	1,600,742
Sunrise Theater	4,080,883	4,223,143	4,173,135	3,816,102
Building Fund	1,014,511	1,004,080	951,656	997,636
Total business-type activities	<u>\$ 20,687,624</u>	<u>\$ 17,835,040</u>	<u>\$ 17,573,438</u>	<u>\$ 17,436,722</u>
Total primary government expenses	<u>\$ 57,997,629</u>	<u>\$ 55,211,528</u>	<u>\$ 56,429,916</u>	<u>\$ 54,919,938</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 489,335	\$ 1,578,442	\$ 451,139	\$ 695,767
Public Safety	391,592	434,898	335,806	338,144
Transportation	87,391	28,068	18,850	102,831
Economic Environment	3,904,780	4,876,129	5,021,998	5,565,047
Culture and recreation	200,402	126,687	133,913	132,696
Operating grants and contributions	4,169,400	1,013,850	2,968,721	1,977,408
Capital grants and contributions	3,599,755	1,635,302	1,311,204	659,333
Total governmental activities program revenues	<u>\$ 12,842,655</u>	<u>\$ 9,693,376</u>	<u>\$ 10,241,631</u>	<u>\$ 9,471,226</u>
Business-type activities				
Charges for services:				
Solid Waste	\$ 6,264,167	\$ 6,348,420	\$ 6,139,701	\$ 6,078,244
Marina	1,737,088	1,800,958	1,920,455	1,626,788
Storm Water	2,707,758	2,598,840	2,679,764	2,720,486
Golf Course	1,417,093	1,418,505	1,439,569	1,350,526
Sunrise Theater	2,959,181	2,887,153	3,066,474	2,625,109
Building Fund	1,276,557	1,053,183	845,845	976,606
Operating grants and contributions	-	-	-	-
Capital grants and contributions	7,142,646	13,354,340	10,145,196	4,046,662
Total business-type activities	<u>\$ 23,504,490</u>	<u>\$ 29,461,399</u>	<u>\$ 26,237,004</u>	<u>\$ 19,424,421</u>
Total primary government revenues	<u>\$ 36,347,145</u>	<u>\$ 39,154,775</u>	<u>\$ 36,478,635</u>	<u>\$ 28,895,647</u>
Net (Expense) Revenue				
Governmental activities	\$ (24,467,350)	\$ (27,683,112)	\$ (28,614,847)	\$ (28,011,990)
Business-type activities	2,816,866	11,626,359	8,663,566	1,987,699
Total primary government net expenses	<u>\$ (21,650,484)</u>	<u>\$ (16,056,753)</u>	<u>\$ (19,951,281)</u>	<u>\$ (26,024,291)</u>

Fiscal Year						
2010	2009	2008	2007	2006	2005	
\$ 11,039,863	\$ 12,967,795	\$ 15,157,106	\$ 13,450,017	\$ 13,100,535	\$ 14,741,595	
14,614,487	16,893,985	16,773,117	16,485,679	16,650,512	13,407,321	
7,375,759	6,647,625	7,003,523	7,024,296	6,590,194	6,261,610	
6,075,167	7,863,601	7,758,223	9,475,767	8,894,855	2,994,655	
2,548,710	2,642,486	2,825,114	2,610,912	3,467,988	5,392,943	
3,680,658	4,001,465	3,537,105	2,856,782	1,596,722	1,202,837	
<u>\$ 45,334,644</u>	<u>\$ 51,016,957</u>	<u>\$ 53,054,188</u>	<u>\$ 51,903,453</u>	<u>\$ 50,300,806</u>	<u>\$ 44,000,961</u>	
\$ 5,245,043	\$ 4,747,297	\$ 5,168,303	\$ 5,074,554	\$ 5,237,869	\$ 4,976,786	
2,300,594	2,233,160	2,459,231	2,554,290	2,441,381	1,944,677	
2,648,312	2,578,157	2,499,171	2,475,360	1,861,218	1,376,538	
1,908,161	1,933,926	1,813,631	1,777,562	1,622,928	1,067,884	
3,845,893	4,017,465	3,821,918	3,781,301	563,450	-	
915,411	-	-	-	-	-	
<u>\$ 16,863,414</u>	<u>\$ 15,510,005</u>	<u>\$ 15,762,254</u>	<u>\$ 15,663,067</u>	<u>\$ 11,726,846</u>	<u>\$ 9,365,885</u>	
<u>\$ 62,198,058</u>	<u>\$ 66,526,962</u>	<u>\$ 68,816,442</u>	<u>\$ 67,566,520</u>	<u>\$ 62,027,652</u>	<u>\$ 53,366,846</u>	
\$ 1,320,108	\$ 2,396,587	\$ 3,551,313	\$ 4,249,283	\$ 8,084,053	\$ 5,415,316	
480,040	1,120,931	1,724,209	2,253,572	3,164,892	3,638,404	
124,853	121,646	259,442	501,618	756,794	222,452	
9,151,126	293,568	507,295	349,130	-	-	
721,037	10,167	78,877	110,719	179,282	225,188	
3,228,715	12,358,009	13,141,206	15,710,657	10,569,716	5,533,452	
510,645	2,966,734	2,086,094	100,000	539,500	68,222	
<u>\$ 15,536,524</u>	<u>\$ 19,267,642</u>	<u>\$ 21,348,436</u>	<u>\$ 23,274,979</u>	<u>\$ 23,294,237</u>	<u>\$ 15,103,034</u>	
\$ 6,177,815	\$ 6,079,811	\$ 6,185,722	\$ 6,235,950	\$ 5,359,719	\$ 5,084,531	
1,531,036	1,551,310	1,630,162	1,623,322	1,501,071	1,066,132	
2,608,393	2,599,139	2,498,258	2,471,274	2,314,063	1,238,885	
1,373,150	1,471,253	1,659,221	1,641,172	1,556,868	402,752	
2,156,753	2,211,941	2,254,689	1,554,963	83,489	-	
1,044,916	-	-	-	-	-	
4,727,554	3,825,307	2,544,073	1,459,848	2,521,350	2,893,976	
-	4,208,215	5,164,319	1,524,028	16,423,052	-	
<u>\$ 19,619,617</u>	<u>\$ 21,946,976</u>	<u>\$ 21,936,444</u>	<u>\$ 16,510,557</u>	<u>\$ 29,759,612</u>	<u>\$ 10,686,276</u>	
<u>\$ 35,156,141</u>	<u>\$ 41,214,618</u>	<u>\$ 43,284,880</u>	<u>\$ 39,785,536</u>	<u>\$ 53,053,849</u>	<u>\$ 25,789,310</u>	
\$ (29,798,120)	\$ (31,749,315)	\$ (31,705,752)	\$ (27,006,569)	\$ (28,897,927)	\$ (28,897,927)	
2,756,203	6,436,971	6,174,190	18,032,766	1,320,391	1,320,391	
<u>\$ (27,041,917)</u>	<u>\$ (25,312,344)</u>	<u>\$ (25,531,562)</u>	<u>\$ (8,973,803)</u>	<u>\$ (27,577,536)</u>	<u>\$ (27,577,536)</u>	

General Revenues and Other Changes in Net Position

	Fiscal Year			
	2014	2013	2012	2011
Governmental Activities:				
Taxes				
Ad valorem tax	\$ 11,958,161	\$ 10,082,823	\$ 10,009,972	\$ 11,144,640
General Sales and use tax	2,084,479	2,183,003	2,268,673	2,326,799
Utility service and franchise	4,213,534	4,456,865	4,708,357	4,656,869
State Revenue Sharing	1,211,575	1,166,983	1,153,572	1,149,797
Additional one-cent sales tax	1,495,885	1,378,666	1,330,114	1,387,116
Unrestricted grants and contributions	248,113	249,148	241,799	241,312
Component unit transfer	5,605,157	5,365,879	4,767,268	4,925,280
Investment earnings	193,528	243,884	191,827	194,349
Miscellaneous	91,884	346,124	196,028	202,640
Special Item-Sale of Land			-	-
Transfers	815,331	914,408	1,243,024	(294,281)
Total government activities	<u>\$ 27,917,647</u>	<u>\$ 26,387,783</u>	<u>\$ 26,110,634</u>	<u>\$ 25,934,521</u>
Business-type activities				
Investment earnings	\$ 44,148	\$ 64,567	\$ 79,883	\$ 87,750
Insurance proceeds-unrestricted				-
Miscellaneous		84,179	665,346	654,803
Transfers	(815,331)	(914,408)	(1,243,024)	294,281
Total business-type activities	<u>\$ (771,183)</u>	<u>\$ (765,662)</u>	<u>\$ (497,795)</u>	<u>\$ 1,036,834</u>
Total primary government	<u>\$ 27,146,464</u>	<u>\$ 25,622,121</u>	<u>\$ 25,612,839</u>	<u>\$ 26,971,355</u>
Change in Net Position				
Governmental Activities	\$ 3,450,297	\$ (1,295,329)	\$ (2,504,213)	\$ (2,077,469)
Business-type activities	2,045,683	10,860,697	8,165,771	3,024,533
Total primary government	<u>\$ 5,495,980</u>	<u>\$ 9,565,368</u>	<u>\$ 5,661,558</u>	<u>\$ 947,064</u>

Source: Statement of Activities

							Fiscal Year						
		2010		2009		2008		2007		2006		2005	
\$	11,867,277	\$	14,476,029	\$	15,983,798	\$	15,708,542	\$	12,155,111	\$	11,592,435		
	2,334,521		2,523,926		2,408,440		2,586,791		2,809,910		2,755,281		
	4,771,753		4,886,723		4,729,859		4,361,022		4,553,618		4,699,273		
	1,146,272		1,148,859		1,167,446		1,371,713		1,463,753		1,428,351		
	1,333,339		1,353,418		1,550,221		1,715,029		2,039,174		2,060,923		
	262,634		276,943		345,472		345,742		-		4,585,395		
	4,853,329		5,045,811		4,951,964		4,208,790		4,651,977		-		
	249,136		273,147		1,202,125		1,949,595		115,455		469,309		
	286,804		237,912		521,986		300,424		961,523		194,716		
	-		-		3,207,299		-		-		-		
	783,310		512,889		879,659		(995,257)		(300,000)		(1,682,512)		
\$	27,888,375	\$	30,735,657	\$	36,948,269	\$	31,552,391	\$	28,450,521	\$	26,103,171		
\$	122,060	\$	142,244	\$	620,760	\$	1,141,317	\$	759,369	\$	135,227		
	-		-		-		-		236,345		5,996,876		
	606,377		613,547		436,635		453,974		403,676		455,669		
	(783,310)		(512,889)		(879,659)		995,257		300,000		1,682,512		
\$	(54,873)	\$	242,902	\$	177,736	\$	2,590,548	\$	1,699,390	\$	8,270,284		
\$	27,833,502	\$	30,978,559	\$	37,126,005	\$	34,142,939	\$	30,149,911	\$	34,373,455		
\$	(1,909,745)	\$	(1,013,658)	\$	5,242,517	\$	2,923,917	\$	1,443,952	\$	(2,794,756)		
	2,701,330		6,679,873		6,351,926		20,623,314		3,019,781		9,590,675		
\$	791,585	\$	5,666,215	\$	11,594,443	\$	23,547,231	\$	4,463,733	\$	6,795,919		

City of Fort Pierce, Florida
Fund Balances, Government Funds
Last Ten Fiscal Years

	Fiscal Year			
	2014	2013	2012	*2011
General Fund				
Nonspendable	\$ 295,821	\$ 78,134	\$ 260,206	\$ 415,980
Restricted				-
Committed	308,889	1,219,933	1,219,933	894,680
Assigned	3,426,707	3,232,604	3,232,604	3,222,160
Unassigned	265,816	(286,355)	95,628	565,717
Unreserved		-	-	-
Total General Fund	<u>\$ 4,297,233</u>	<u>\$ 4,244,316</u>	<u>\$ 4,808,371</u>	<u>\$ 5,098,537</u>
All Other Government Funds				
Special Revenue:				
Restricted	\$ 2,470,570	\$ 1,184,459	\$ 1,434,093	\$ 1,867,420
Nonspendable	18,429	1,084	16,437	16,591
Assigned	184,984	190,062	190,062	190,062
Committed	-	946,613	544,490	567,140
Debt Service:				
Restricted	3,722,924	991,103	1,561,513	2,168,777
Capital projects:				
Restricted	3,921,213	2,621,548	2,908,478	3,077,881
Total all other governmental funds	<u>\$ 10,318,120</u>	<u>\$ 5,934,869</u>	<u>\$ 6,655,073</u>	<u>\$ 7,887,871</u>
Total governmental and general funds	<u>\$ 14,615,353</u>	<u>\$ 10,179,185</u>	<u>\$ 11,463,444</u>	<u>\$ 12,986,408</u>

* Implementation of GASB 54 in 2011

Source: Balance Sheet Governmental Funds

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$	-	\$	-	\$	-
-	-	-	-	-	-
-	-	3,000,000	-	-	-
-	-	-	-	-	-
4,149,368	4,525,073	4,868,200	4,837,799	3,399,430	7,528,148
\$ 4,149,368	\$ 4,525,073	\$ 7,868,200	\$ 4,837,799	\$ 3,399,430	\$ 7,528,148
\$ 2,196,502	\$ 662,216	\$ 3,495,240	\$ 3,528,819	\$ 5,201,199	\$ 939,482
3,416,600	2,492,069	6,044,864	6,928,848	2,451,080	2,124,375
4,031,669	8,225,425	7,273,739	13,868,386	23,528,287	12,903,101
\$ 9,644,771	\$ 11,379,710	\$ 16,813,843	\$ 24,326,053	\$ 31,180,566	\$ 15,966,958
\$ 13,794,139	\$ 15,904,783	\$ 24,682,043	\$ 29,163,852	\$ 34,579,996	\$ 23,495,106

City of Fort Pierce, Florida
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2014	2013	2012	2011
Revenues				
Taxes	\$ 18,256,174	\$ 16,722,691	\$ 16,987,002	\$ 18,128,308
Licenses, fees and permits	333,806	327,558	353,390	465,984
Intergovernmental	15,104,540	11,384,520	11,338,211	9,157,273
Charges for services	226,708	215,829	195,748	180,180
Fines and penalties	202,277	222,445	193,114	207,067
Contributions from component units	5,605,157	5,365,879	4,767,268	4,925,280
Investment earnings	193,528	243,884	196,028	202,640
Other revenues	4,734,719	2,977,234	2,799,953	3,490,107
Total revenues	<u>\$ 44,656,909</u>	<u>\$ 37,460,040</u>	<u>\$ 36,830,714</u>	<u>\$ 36,756,839</u>
Expenditures				
General government	\$ 10,151,988	\$ 9,764,941	\$ 10,351,426	\$ 10,158,774
Public safety	14,032,891	13,453,506	12,972,368	12,555,394
Transportation	3,122,509	3,089,871	3,058,459	2,981,763
Economic environment	1,033,042	1,735,007	3,277,492	1,944,850
Culture and recreation	2,150,857	1,968,202	1,943,145	1,988,264
Capital outlay	10,185,718	3,765,513	2,383,608	2,118,083
Debt service:				
Principal	2,718,000	2,168,000	1,820,000	1,695,000
Interest	3,647,762	3,709,460	3,761,440	3,813,474
Other	72,534	4,207	28,763	14,687
Total expenditures	<u>\$ 47,115,301</u>	<u>\$ 39,658,707</u>	<u>\$ 39,596,701</u>	<u>\$ 37,270,289</u>
Excess of Revenues over and (under) expenditures	<u>\$ (2,458,392)</u>	<u>\$ (2,198,667)</u>	<u>\$ (2,765,987)</u>	<u>\$ (513,450)</u>
Other Financing sources (Uses)				
Transfers in	\$ 14,954,554	\$ 11,239,805	\$ 10,639,613	\$ 6,319,305
Transfers out	(14,139,223)	(10,325,397)	(9,396,589)	(6,613,586)
Issuance of debt	6,079,229	-	-	-
Discount on issuance of debt	-	-	-	-
Proceeds from refunding	-	-	-	-
Total other financing	-	-	-	-
Payment on Current Refunding	-	-	-	-
Total sources (uses)	<u>\$ 6,894,560</u>	<u>\$ 914,408</u>	<u>\$ 1,243,024</u>	<u>\$ (294,281)</u>
Net change in fund balances	<u>\$ 4,436,168</u>	<u>\$ (1,284,259)</u>	<u>\$ (1,522,963)</u>	<u>\$ (807,731)</u>
Debt service as a percentage of non capital expenditures	17.2%	16.4%	15.0%	15.7%

SOURCE: Statement of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year						
2010	2009	2008	2007	2006	2005	
\$ 18,973,552	\$ 21,886,678	\$ 23,122,097	\$ 22,656,355	\$ 19,518,639	\$ 19,046,989	
393,408	946,089	1,629,310	1,997,284	2,820,335	3,417,698	
12,180,543	16,068,886	18,493,398	19,422,168	19,535,244	12,404,309	
74,964	93,280	85,260	94,256	101,933	110,669	
350,920	521,193	475,811	536,872	642,792	528,894	
4,853,329	5,045,811	4,951,964	4,208,790	4,651,977	4,585,395	
286,804	237,912	1,202,125	1,949,595	961,523	469,309	
2,970,580	3,844,946	5,272,877	6,168,564	5,085,586	3,547,218	
<u>\$ 40,084,100</u>	<u>\$ 48,644,795</u>	<u>\$ 55,232,842</u>	<u>\$ 57,033,884</u>	<u>\$ 53,318,029</u>	<u>\$ 44,110,481</u>	
\$ 12,178,323	\$ 14,914,645	\$ 16,553,623	\$ 15,393,131	\$ 13,627,277	\$ 15,193,614	
13,918,785	16,191,118	15,842,453	15,659,093	15,593,122	12,667,329	
3,130,854	3,783,786	3,794,313	3,960,131	3,735,841	3,512,083	
6,042,952	7,759,398	7,439,327	9,356,712	8,809,116	2,910,853	
2,144,593	2,389,376	2,729,348	2,317,515	3,184,392	5,121,215	
3,642,606	6,236,137	12,115,028	38,092,574	13,944,562	5,458,921	
1,645,484	1,887,041	1,777,174	4,024,196	1,605,506	1,986,452	
3,644,993	3,821,412	3,501,542	2,522,186	1,404,507	1,241,669	
419,481	912,131	48,800	279,233	238,816	550,139	
<u>\$ 46,768,071</u>	<u>\$ 57,895,044</u>	<u>\$ 63,801,608</u>	<u>\$ 91,604,771</u>	<u>\$ 62,143,139</u>	<u>\$ 48,642,275</u>	
<u>\$ (6,683,971)</u>	<u>\$ (9,250,249)</u>	<u>\$ (8,568,766)</u>	<u>\$ (34,570,887)</u>	<u>\$ (8,825,110)</u>	<u>\$ (4,531,794)</u>	
\$ 13,083,132	\$ 18,338,952	\$ 11,573,501	\$ 11,088,614	\$ 3,164,320	\$ 3,554,512	
(12,313,489)	(17,105,170)	(10,693,843)	(12,083,871)	(3,464,320)	(5,237,024)	
459,099	-	-	30,150,000	20,210,000	20,200,000	
-	(450,795)	-	-	-	(66,164)	
11,308,143	29,840,000	-	-	-	(9,628,821)	
-	-	-	-	-	-	
(7,963,557)	(30,150,000)	-	-	-	-	
<u>\$ 4,573,328</u>	<u>\$ 472,987</u>	<u>\$ 879,658</u>	<u>\$ 29,154,743</u>	<u>\$ 19,910,000</u>	<u>\$ 8,822,503</u>	
		3,207,299				
<u>\$ (2,110,643)</u>	<u>\$ (8,777,262)</u>	<u>\$ (4,481,809)</u>	<u>\$ (5,416,144)</u>	<u>\$ 11,084,890</u>	<u>\$ 4,290,709</u>	
12.3%	11.1%	10.2%	12.2%	6.2%	7.5%	

City of Ft. Pierce, Florida
Changes In Net Position
Last Ten Fiscal Years

	Fiscal Year			
	2014	2013	2012	2011
Additions				
Employer	\$ 4,356,127	\$ 4,266,803	\$ 3,566,751	\$ 3,181,446
Employees	1,943,411	1,920,330	1,874,591	1,738,084
State	248,113	249,148	241,799	241,312
Other	-	-	-	-
Investment income (net of expenses)	17,721,192	21,583,070	26,881,779	1,482,590
Total additions to plan net position	\$ 24,268,843	\$ 28,019,351	\$ 32,564,920	\$ 6,643,432
Deductions				
Benefit payments	\$ 12,606,823	\$ 11,993,098	\$ 10,874,268	\$ 10,413,658
Refunds	440,758	585,930	346,839	274,419
Administrative expenses	176,528	134,550	129,911	141,620
Fire District Asset Withdrawal	-	-	-	-
Other expenses	20,829	19,416	18,992	19,122
Total deductions from plan net position	\$ 13,244,938	\$ 12,732,994	\$ 11,370,010	\$ 10,848,819
Change in net position	\$ 11,023,905	\$ 15,286,357	\$ 21,194,910	\$ (4,205,387)

Source: Combining Statement of Changes in Fiduciary Funds Net Position

Fiscal Year							
2010	2009	2008	2007	2006	2005	2004	
\$ 3,377,350	\$ 3,580,089	\$ 4,053,604	\$ 6,475,387	\$ 8,975,380	\$ 5,634,357	\$ 841,375	
1,929,755	2,168,561	2,122,748	2,045,601	1,973,325	1,791,010	1,717,985	
262,634	276,943	345,472	345,472	369,999	345,472	327,497	
-	-	-	699	291	3,395,780	2,769,870	
14,806,065	4,352,746	(23,183,079)	30,501,473	19,294,520	20,405,068	18,592,851	
\$ 20,375,804	\$ 10,378,339	\$ (16,661,255)	\$ 39,368,632	\$ 30,613,515	\$ 31,571,687	\$ 24,249,578	
\$ 9,727,760	\$ 7,160,364	\$ 6,833,788	\$ 8,751,479	\$ 8,975,796	\$ 7,380,700	\$ 6,869,866	
496,099	443,021	306,553	312,244	208,479	247,846	515,726	
198,932	186,494	126,355	127,238	115,064	159,127	161,006	
-	-	-	98,084,291	-	-	-	
18,218	18,479	19,984	23,403	23,985	22,791	24,886	
\$ 10,441,009	\$ 7,808,358	\$ 7,286,680	\$ 107,298,655	\$ 9,323,324	\$ 7,810,464	\$ 7,571,484	
\$ 9,934,795	\$ 2,569,981	\$ (23,947,935)	\$ (67,930,023)	\$ 21,290,191	\$ 23,761,223	\$ 16,678,094	

**City of Fort Pierce, Florida
Assessed Value and Actual Value of Taxable Property
Last Ten Years**

Fiscal Year Ended September 30,	Real Property	Personal Property	Centrally Assessed Property
2014	\$ 2,369,027,251	\$ 196,294,919	\$ 7,180,208
2013	2,375,689,997	192,499,439	7,381,630
2012	2,463,908,875	209,865,288	7,135,634
2011	2,582,341,713	241,596,029	6,734,681
2010	2,539,072,299	183,522,400	11,900,267
2009	2,873,362,731	205,905,211	18,164,297
2008	3,002,624,903	214,832,817	14,072,164
2007	2,702,985,715	181,290,747	11,355,976
2006	1,646,709,160	170,369,946	9,995,714
2005	1,352,991,854	138,788,961	8,997,426

Note: Property in the City of Fort Pierce is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1000 of assessed value.

Less: Exemption	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 707,506,816	\$ 1,864,995,562	6.6050
707,571,187	1,867,999,879	5.7131
707,684,181	1,973,225,616	5.4674
696,878,963	2,133,793,460	5.4674
441,744,364	2,292,750,602	5.4674
286,847,886	2,810,584,353	5.4674
169,294,535	3,062,235,349	5.4674
161,885,441	2,733,746,997	5.9823
157,605,955	1,669,468,865	6.9823
163,126,268	1,337,651,973	7.8305

**City of Fort Pierce, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Fiscal Year	City of Fort Pierce	County Parks MSTU	Co Public Transit MSTU	Erosion District E	Law Enf. Jail, Judicial Sys	Co General Revenue Fund	St. Lucie County Port Bond	Childrens Services Council
2014	6.6050	0.2313	0.1269	0.0925	3.9699	2.9221	0.0154	0.4872
2013	5.7131	0.2313	0.1269	0.0925	3.9699	2.9221	0.0154	0.4872
2012	5.4674	0.2313	0.1269	0.0925	3.9699	2.9221	0.0154	0.4872
2011	5.4674	0.2313	0.1269	0.0925	3.9699	2.8707	0.0154	0.4872
2010	5.4674	0.2313	0.0833	0.0925	3.3957	2.7694	0.0154	0.4872
2009	5.4674	0.2313	0.0833	0.0925	2.5478	3.6173	0.0154	0.3858
2008	5.4674	0.2313	0.0833	0.0925	1.9352	4.2299	0.0144	0.3858
2007	5.9823	0.2500	0.0900	0.1000	2.3778	4.2734	0.0154	0.3915
2006	6.9823	0.2500	0.0900	0.1000	2.9807	4.2619	0.0216	0.3915
2005	7.8305	0.2500	-	0.1000	3.3178	4.1248	-	0.3915

Source: St. Lucie County Property Appraisers Office

St Lucie Co Fire District	FL Inland Navigation Dist	County School District	Mosquito Control	S FL Water Mgmt District	Beach Bond	Environ Signif Land Bond	Everglades Constructio n Project	Total
3.0000	0.0345	7.2570	0.4065	0.4110	-	-	-	25.5593
2.6500	0.0345	7.7710	0.2036	0.4289	-	-	-	
2.6500	0.0345	7.8780	0.2036	0.4363	-	-	-	24.5151
2.4839	0.0345	8.1770	0.2036	0.5346	-	0.0459	0.0894	24.8302
2.2000	0.0345	7.6760	0.2036	0.5346	-	0.0459	0.0894	23.3262
2.2000	0.0345	7.6850	0.2036	0.5346	-	0.0459	0.0894	23.2338
2.2000	0.0345	7.4900	0.2036	0.5340	-	0.0776	0.0894	23.0689
2.4562	0.0385	7.7370	0.2200	0.5970	-	0.0823	0.1000	24.7114
2.7562	0.0385	7.9220	0.2757	0.5970	-	0.1154	0.1000	26.8828
2.7806	0.0385	8.3130	0.1950	0.5970	-	-	0.1000	28.0387

**City of Fort Pierce, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2014	\$ 12,386,111	\$ 11,676,648	94.27%
2013	10,736,076	10,021,382	93.34%
2012	10,846,887	10,009,972	92.28%
2011	11,436,942	10,792,465	94.36%
2010	12,535,385	11,702,832	93.36%
2009	15,366,589	14,264,294	92.83%
2008	16,742,466	15,932,420	95.16%
2007	16,354,095	15,588,897	95.32%
2006	12,757,185	12,095,729	94.82%
2005	11,924,674	11,488,629	96.34%

Sources: City of Fort Pierce Finance Records,
St. Lucie County Tax records DR420

Total Collections to Date

Collections in Subsequent Years	Amount	Percentage of Levy
\$ 279,204	\$ 11,955,852	96.53%
61,442	10,082,823	93.92%
46,554	10,056,526	92.71%
165,634	10,958,099	95.81%
164,012	11,866,843	94.67%
211,647	14,475,940	94.20%
51,378	15,983,798	95.47%
119,645	15,708,542	96.05%
59,382	12,155,111	95.28%
103,806	11,592,435	97.21%

**City of Fort Pierce, Florida
Property Tax Levies and Collections
Current Year and Ten Years Ago**

Taxpayer	2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bellsouth Telecommunications	68,863,365	1	3.69241%
Wal-Mart Stores East Inc	52,625,670	2	2.82176%
HCA	29,041,388	3	1.55718%
Destin Beach Inc	19,608,657	4	1.05141%
Ehden NV	17,007,102	5	0.91191%
Lawnwood Medical Center	16,141,334	6	0.86549%
Landings Fort Pierce LLC	14,677,196	7	0.78698%
Florida East Coast Railroad	9,518,251	8	0.51036%
Morris/Satnick FP Assoc LLC	8,505,523	9	0.45606%
Treasure Cay Properties LLC.	8,079,141	10	0.43320%
Sabel Chase Assoc. Inc			
Grand Savannah Club Ltd.			
P and P Mhe Estates Lp.			
Owen Jr., Jack B.			
Total	<u>\$ 244,067,625</u>		<u>9.39435%</u>

* Total assessed valuation is \$ 1,864,995,562

2005		
Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
37,773,093	1	2.5169%
10,785,053	9	0.7186%
29,655,062	2	1.9760%
15,327,401	4	1.0213%
14,410,016	5	0.9602%
13,900,665	6	0.9262%
12,994,837	7	0.8659%
10,947,162	8	0.7294%
9,693,817	10	0.6459%
17,967,999	3	1.1972%
<u>\$ 173,455,105</u>		<u>11.5577%</u>
\$ 1,500,778,241		

City of Fort Pierce, Florida
State Revenue Sharing Funds
Last Ten Fiscal Years

Fiscal Year	State Revenue Sharing	1/2 Cent Sales Tax	Mobile Home License	Beverage License	Fuel Tax Refund	Total Receipts
2014	\$ 1,211,575	\$ 1,495,885	\$ 36,372	\$ 39,118	\$ 54,071	\$ 2,837,020
2013	1,166,983	1,378,666	36,427	50,183	59,449	2,691,708
2012	1,153,572	1,330,114	37,212	32,681	57,159	2,610,738
2011	1,149,797	1,387,116	32,695	30,989	52,131	2,652,727
2010	1,146,272	1,333,339	30,890	32,418	57,563	2,600,482
2009	1,148,859	1,353,418	28,446	34,100	65,126	2,629,949
2008	1,167,446	1,550,221	24,896	32,598	48,950	2,824,110
2007	1,371,713	1,715,029	28,099	30,407	53,167	3,198,414
2006	1,463,753	2,039,174	30,922	29,585	48,170	3,611,604
2005	1,428,351	2,060,923	32,471	40,445	43,296	3,605,485

Source: City of Fort Pierce Finance Records

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City of Fort Pierce, Florida
Fort Pierce Redevelopment Agency
Taxable Value Of Eeac District
Last Ten Fiscal Years

AGENCY	Fiscal Year			
	2014	2013	2012	2011
City of Fort Pierce				
CRA 1 (Res 82-25) *	49,234,611	51,157,598	54,952,729	56,168,470
CRA 2 (Res 95-89)	2,591,500	2,477,100	2,590,239	2,820,864
CRA 3 (Res 96-15)	3,173,700	3,467,600	3,832,104	3,822,122
CRA 4 (Res 01-98) *	561,639,632	561,948,017	577,410,385	609,706,475
CFP Total	616,639,443	619,050,315	638,785,457	672,517,931
St. Lucie County				
CRA 1 (Res 82-25) **	49,765,511	52,074,098	55,982,929	57,710,070
CRA 2 (Res 95-89)	2,591,500	2,477,100	2,590,239	2,820,864
CRA 3 (Res 96-15)	3,173,700	3,467,600	3,832,104	3,822,122
CRA 4 (Res 01-98) **	558,849,211	559,212,624	574,247,439	606,278,371
SLC Total	614,379,922	617,231,422	636,652,711	670,631,427
SLC Fire District				
CRA 1 (Res 82-25)	-	-	-	-
CRA 2 (Res 95-89)	-	-	-	-
CRA 3 (Res 96-15)	-	-	-	-
CRA 4 (Res 01-98)	-	-	-	-
SLC Fire Total	-	-	-	-

* City with historic but no senior exemption
** County with senior but no historic exemption
*** Last year Fire Department Paid TIF
**** 2007 First Year Collecting Data

Fiscal Year					
2010	2009	2008	2007	2006	2005
70,131,326	62,234,031	65,332,302	64,773,379	-	-
3,011,140	3,468,650	3,646,427	3,490,495	-	-
3,985,240	4,547,200	3,921,700	3,433,700	-	-
705,029,914	869,644,929	1,020,903,984	945,805,234	-	-
782,157,620	939,894,810	1,093,804,413	1,017,502,808	****	****
71,885,126	64,496,546	66,948,502	66,414,579	-	-
3,011,140	3,468,650	3,646,427	3,490,495	-	-
3,985,240	4,547,200	3,921,700	3,433,700	-	-
701,361,001	866,035,908	1,017,625,788	943,199,980	-	-
780,242,507	938,548,304	1,092,142,417	1,016,538,754	****	****
-	-	-	66,414,579	-	-
-	-	-	3,490,495	-	-
-	-	-	3433700	-	-
-	-	-	945,858,934	-	-
-	-	-	1,019,197,708	****	****

City of Fort Pierce, Florida
Legal Debt Margin Information
September 30, 2013

	Fiscal Year			
	2014	2013	2012	2011
Debit Limit	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000
Total Net Debt Applicable to Limit *	61,940,246	53,835,180	59,250,000	60,480,000
Debit Margin	\$ 5,059,754	\$ 13,164,820	\$ 7,750,000	\$ 6,520,000
Total net debt applicable to the limit as a percentage of debt limit	92.448%	80.351%	88.433%	90.269%

* Includes all debt except for debt issued by the Community Redevelopment Agency.

NOTE: The City Charter does not set a limit of bond indebtedness as a percentage of assessed valuation. The Charter does allow the City to borrow an aggregate of \$67,000,000.

City of Fort Pierce
Direct and Overlapping Governmental Activities Debt
As Of September 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
St. Lucie County	\$ 545,000	7.2460%	\$ 39,491
Other Debt			
St. Lucie County	2,705,000	0.00%	-
Subtotal, overlapping debt			\$ 39,491
City direct debt			<u>89,617,000</u>
Total direct and overlapping debt			<u><u>\$ 89,656,491</u></u>

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000
61,655,000	59,002,378	61,054,320	62,741,731	36,894,613	24,978,872
<u>\$ 5,345,000</u>	<u>\$ 7,997,622</u>	<u>\$ 5,945,680</u>	<u>\$ 4,258,269</u>	<u>\$ 30,105,387</u>	<u>\$ 42,021,128</u>
92.022%	88.063%	91.126%	93.644%	55.067%	37.282%

City of Fort Pierce, Florida
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities

Fiscal Year	Redevelopment Bonds	Sales Tax Increment Bonds	Non-ad Valorum	Revenue Sharing
2014	\$ 31,670,000	\$ -	\$ 40,192,143	\$ -
2013	32,875,000	-	40,665,143	-
2012	34,080,000	490,000	41,138,143	-
2011	35,240,000	965,000	41,323,143	-
2010	36,305,000	1,420,000	41,498,143	-
2009	37,260,000	1,865,000	37,843,627	-
2008	38,120,000	2,295,000	38,750,668	-
2007	38,900,000	2,715,000	39,327,842	-
2006	39,780,000	3,125,000	11,673,600	238,438
2005	20,200,000	3,530,000	12,224,419	468,125

Source: City of Fort Pierce Financial Statements

Business-Type Activities

Marina	Storm water	Solid Waste	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 1,846,857	\$ 14,570,000	\$ -	\$ 88,279,000	7.39%	2,049
1,846,857	15,185,000	-	90,572,000	6.72%	2,178
1,846,857	15,775,000	-	93,330,000	7.20%	2,226
1,846,857	16,345,000	-	95,720,000	6.13%	2,270
1,846,857	16,890,000	-	97,960,000	6.25%	2,355
1,846,857	17,420,000	26,894	96,262,377	6.81%	2,188
2,026,292	17,930,000	52,360	99,174,320	6.79%	2,242
2,202,253	18,420,000	76,636	101,641,731	6.54%	2,420
2,677,853	19,080,000	99,722	76,674,613	5.12%	1,917
3,059,472	5,575,000	121,856	45,178,872	3.39%	1,171

Governmental Activities

Non-ad Valorum Bonds

Fiscal Year	Revenue ¹	Less: Operating Expenses ²	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 30,042,740	\$ 15,262,366	\$ 14,780,374	\$ 1,185,000	\$ 2,105,055	4.49
2013	27,430,244	14,139,760	13,290,484	190,000	2,112,561	5.77
2012	25,997,176	14,636,799	11,360,377	185,000	2,119,967	4.93
2011	28,044,024	15,161,178	12,882,846	175,000	2,140,511	5.56
2010	28,489,194	16,775,024	11,714,170	4,948,143	519,172	2.14
2009	30,514,244	23,275,607	7,238,637	525,566	395,178	7.86
2008	35,447,510	21,659,477	13,788,033	509,038	415,115	14.92
2007	36,149,522	20,611,287	15,538,235	2,495,759	350,247	5.46
2006	32,751,374	25,880,436	6,870,938	550,818	636,829	5.79
2005	35,750,278	22,328,760	13,421,518	968,560	680,809	8.14

Revenue Sharing Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***	***
2013	***	***	***	***	***	***
2012	***	***	***	***	***	***
2011	***	***	***	***	***	***
2010	***	***	***	***	***	***
2009	***	***	***	***	***	***
2008	***	***	***	***	***	***
2007	1,371,713	-	1,371,713	238,437	4,828	5.64
2006	1,463,753	-	1,463,753	238,437	9,657	5.90
2005	1,428,351	-	1,428,351	229,688	18,779	5.75
2004	1,212,058	-	1,212,058	218,750	27,261	4.93

Redevelopment Bonds ³

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 8,321,415	\$ 5,173,422	\$ 3,147,993	\$ 1,205,000	\$ 1,479,406	1.17
2013	5,453,289	2,523,697	2,929,592	1,205,000	1,524,331	1.07
2012	5,294,961	2,683,020	2,611,941	1,160,000	1,567,581	0.96
2011	5,771,580	2,501,344	3,270,236	1,065,000	1,610,181	1.22
2010	6,641,872	3,904,610	2,737,262	955,000	1,644,400	1.05
2009	9,653,380	7,081,139	2,572,241	800,000	1,677,713	1.04
2008	9,211,436	5,445,421	3,766,015	780,000	1,704,663	1.52
2007	10,488,287	4,874,975	5,613,312	880,000	1,377,048	2.49
2006	5,181,650	1,310,208	3,871,442	420,000	614,934	3.74
2005	3,114,717	-	3,114,717	375,000	389,362	4.07

Sales Tax Increment Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 1,495,886	\$ -	\$ 1,495,886	\$ -	\$ -	-
2013	1,378,666	-	1,378,666	490,000	9,800	2.76
2012	1,330,144	-	1,330,144	475,000	28,506	2.64
2011	1,387,116	-	1,387,116	455,000	45,375	2.77
2010	1,333,339	-	1,333,339	445,000	60,569	2.64
2009	1,353,418	-	1,353,418	430,000	73,981	2.69
2008	1,550,221	-	1,550,221	420,000	85,412	3.07
2007	1,715,029	-	1,715,029	410,000	94,763	3.40
2006	2,039,174	-	2,039,174	405,000	102,913	4.01
2005	2,060,923	-	2,060,923	395,000	110,913	4.07

Business Activities ⁴

Marina Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 1,749,369	\$ 1,666,599	\$ 82,770	\$ -	\$ 92,343	0.90
2013	1,812,467	1,754,527	57,940	-	92,343	0.63
2012	1,938,537	1,737,132	201,405	-	92,343	2.18
2011	2,038,173	1,751,506	286,667	-	95,421	3.00
2010	1,900,066	1,798,215	101,851	-	42,903	2.37
2009	2,003,613	1,743,047	260,566	189,243	95,082	0.92
2008	2,079,777	1,919,150	160,627	355,396	102,024	0.35
2007	2,345,683	1,935,606	410,077	474,600	106,475	0.71
2006	2,085,081	1,849,926	235,155	392,869	63,373	0.52
2005	1,514,701	1,537,301	(22,600)	379,892	77,469	(0.05)

Storm Water Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 2,718,550	\$ 2,538,854	\$ 179,696	\$ 635,000	\$ 657,605	0.14
2013	2,598,840	1,249,161	1,349,679	615,000	679,336	1.04
2012	2,736,435	1,153,251	1,583,184	590,000	703,935	1.22
2011	2,768,553	1,010,332	1,758,221	570,000	724,835	1.36
2010	2,702,779	899,894	1,802,885	545,000	747,510	1.39
2009	2,704,100	1,136,105	1,567,995	530,000	769,811	1.21
2008	2,905,459	1,034,076	1,871,383	510,000	787,460	1.44
2007	3,159,400	1,040,355	2,119,045	660,000	800,223	1.45
2006	2,803,700	743,209	2,060,491	660,000	633,557	1.59
2005	1,346,603	718,088	628,515	160,000	230,735	1.61
2004	1,892,566	672,092	1,220,474	155,000	234,610	3.13

Solid Waste Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 6,266,635	\$ 4,928,031	\$ 1,338,604	***	***	***
2013	6,369,346	4,579,691	1,789,655	***	***	***
2012	6,798,039	5,017,166	1,780,873	***	***	***
2011	6,085,349	4,792,160	1,293,189	***	***	***
2010	6,187,890	4,765,265	1,422,625	26,894	740	51.48
2009	6,093,789	4,276,617	1,817,172	26,894	2,919	60.95
2008	6,290,401	4,694,220	1,596,181	24,276	3,547	57.37
2007	6,308,113	4,623,832	1,684,281	23,086	2,662	65.42
2006	5,404,618	4,702,450	702,168	22,134	5,854	25.09
2005	5,107,031	4,447,047	659,984	20,944	6,888	23.71

*** No bonds outstanding

¹ Revenues: Less Grants, Capital leases, Transfers. Also, Restricted Revenues, Local Option Gas Tax and Impact Fees

² Expenses: Governmental Expenditures and Public Safety Debt Financed from the Sources, and Ad Valorem Credit which started in 2004

³ Funded by (TIF) Tax Increment Funds

⁴ Statement of Revenues, Expenses and Changes in Fund Net Assets-Proprietary Funds

Total Operating Revenues + Total non-operating revenues (expenses) less

Total operating expenses (less depr)

Note: Non Ad Valorem Debt: 2001 & 2002 the City of Fort Pierce paid before maturity 2.5 million in Long-Term Debt

City of Fort Pierce, Florida
Demographic and Economic Statistics
Last Ten Calendar Year

Calendar Year	City of Ft. Pierce Population	Personal Income	Median Household Income *	School Enrollment**	Unemployment Rate
2014	43,074	\$ 1,193,968,206 \$	27,719	40,951	13.7%
2013	42,645	1,347,496,710	31,598	45,781	10.1%
2012	41,993	1,296,281,917	30,869	46,453	10.9%
2011	42,169	1,561,500,000	37,030	44,294	13.0%
2010	41,590	1,566,650,000	37,669	45,188	14.1%
2009	44,000	1,413,500,000	32,125	41,261	14.1%
2008	44,227	1,460,160,000	33,015	39,994	10.0%
2007	42,000	1,554,000,000	37,000	37,380	6.4%
2006	40,000	1,497,600,000	37,440	38,902	4.2%
2005	38,569	1,333,947,434	34,586	36,077	4.5%

Source:

- * U. S. Department of Commerce, Bureau of Economic Analysis (FRED)
- ** St. Lucie County School Board (Countywide)
- *** Data unavailable

City of Fort Pierce, Florida
Principal Employers
Current Year

2014			
Employer*	Employees*	Rank	Percentage of Total City Employment
School Board of St Lucie County	4,478	1	17.65%
Lawnwood Regional Medical Ctr & Heart Institute	1,350	2	5.32%
Wal-Mart Distribution Center	669	3	2.64%
Indian River State College	625	4	2.46%
St. Lucie County Fire District	434	5	1.71%
City of Fort Pierce	350	7	1.38%
Tropicana Products Inc	330	6	1.30%
Convey Health Solutions	300	8	1.18%
Fort Pierce Utilities Authority	275	9	1.08%
United States Postal Service	275	10	1.08%
Total	9,086		35.81%

*Source: Economic Development Council of St. Lucie County

Total employees in City area of Fort Pierce 25,371

City of Fort Pierce, Florida
Full-time Equivalent City Government Employees by Function/ Program
Last Ten Fiscal Years

Function / Program	Fiscal Year			
	2014	2013	2012	2011
Primary government:				
Government activities:				
General government	71	69	73	70
Public safety	174	167	161	167
Transportation	26	25	24	26
Economic environment	2	3	6	6
Culture and recreation	26	26	26	26
Total governmental activities	299	290	290	295
Business type activities				
Marina	5	5	5	5
Solid Waste	33	31	33	34
Golf Course	13	13	13	16
Sunrise Theatre	6	5	6	7
Total Business type activities	57	54	57	62
Total all activities	356	344	347	357

Source: City of Fort Pierce Budget Document

Fiscal Year					
2010	2009	2008	2007	2006	2005
74	92	94	95	94	90
181	203	217	198	196	182
30	39	39	41	41	40
9	8	12	13	16	10
27	29	29	29	27	27
321	371	391	376	374	349
5	7	9	9	10	13
31	32	34	34	34	35
21	20	31	31	22	33
7	9	9	8	8	-
64	68	83	82	74	81
385	439	474	458	448	430

City of Fort Pierce, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year			
	2014	2013	2012	2011
<u>Function/Program</u>				
Police				
Physical arrests	3189	3,064	2,899	2,510
Parking Violations	298	230	211	336
Traffic Violations	8791	5,619	4,782	171
Fire (County wide)				
Emergency responses	40,033	39,189	34,161	38,989
Fires calls	4,483	4,229	3,629	4,626
Refuse collections				
Refuse collected (tons per day)	130.64	128.57	201.06	122.80
Other public works				
Street resurfacing (miles)	-	-	-	-
Potholes repaired *	428	478	215	200
Parks and recreation				
Athletic fields permits issued	278	218	358	397
River Walk Center permits issued	64	66	69	73
Garden Club permits issued	33	20	19	10
Maravilla permits issued	66	56	47	10

Sources: Various City of Fort Pierce departments

Notes: * Work orders issued

** 2009 First year of collecting data

*** Data not available

**** 2011 First year of collecting data

Fiscal Year					
2010	2009	2008	2007	2006	2005
3,794	3,145	3,032	3,055	3,336	3,209
959	969	860	513	1,471	2,130
720	5,744	6,993	8,618	10,053	11,796
33,906	33,673	32,182	31,512	30,467	29,645
4,430	4,515	4,790	4,604	4,524	4,470
126.12	106.42	169.23	142.00	150.90	64.19
-	-	3.90	6.30	7.53	***
600	380	281	206	240	***
415	447	533	460	631	***
139	57	**	**	**	**
34	17	**	**	**	**
****	****	****	****	****	****

City of Fort Pierce, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	Fiscal Year			
	2014	2013	2012	2011
Police				
Stations	3	3	3	3
Sworn Officers	118	115	107	110
Fire				
Stations	17	18	18	18
Firefighters	370	370	364	370
Refuse collections				
Commerial	1,685	1,695	1,675	1,678
Residential	11,611	11,550	11,427	12,843
Public	30	32	35	36
Other public works				
Streets (miles)	179	152	152	152
Streetlights	5,313	5,313	5,106	5,028
Traffic signals	177	177	177	177
Parks and recreations				
Acreage	294.3	294.3	294.3	294.3 *
Playgrounds	11	12	12	12 *
Baseball/football fields/basketball courts	24	23	23	23
Tennis/handball/racquetball/shuffleboard	21	21	21	21
Community Centers	2	2	2	2
Miles of public beach	2.3	2.3	2.3	2.3
Pools	2	2	2	2
Utility Customers				
Electric	27,630	27,770	28,413	27,697
Water	19,250	19,280	19,394	19,180
Wastewater	14,640	14,450	14,842	14,377
Natural Gas	4,180	4,190	4,039	3,892

Sources: Various City of Fort Pierce departments and Fort Pierce Utilities Authority

* Parks Transferred to the City from St. Lucie County

Fiscal Year					
2010	2009	2008	2007	2006	2005
3	3	3	3	2	2
107	115	117	108	114	114
18	18	15	15	15	15
376	420	402	350	383	368
1,963	1,972	1,978	1,607	1,700	1,668
12,840	12,926	13,180	11,964	21,729	21,492
36	39	30	29	268	268
152	152	166	166	166	166
5,028	5,138	4,798	4,790	4,694	4,578
177	70	70	70	67	66
294.3	116.9	116.9	116.9	116.9	116.9
12	6	7	7	7	7
22	22	26	26	27	27
5	5	5	5	7	7
2	2	2	2	2	2
2.3	2.3	2.3	2.3	2.3	2.3
2	2	2	2	1	1
27,859	28,413	28,584	26,883	26,662	25,594
19,048	19,394	19,278	17,711	16,952	16,638
14,460	14,842	14,737	13,428	13,099	12,917
3,982	4,039	4,171	4,304	4,431	4,503

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AUDITORS' REPORTS



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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 City Commission
City of Fort Pierce, Florida

March 26, 2015

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Fort Pierce, Florida's internal control over financial reporting (internal control) 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 City of Fort Pierce, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Fort Pierce, Florida'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 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 City of Fort Pierce, Florida'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 that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A. Bartolomeo, M. Bee, Hartley & Barnes

Certified Public Accountants

City of Fort Pierce, Florida
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the year ended September 30, 2014

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures	Pass-Through to Sub- Recipients
<u>FEDERAL PROGRAMS:</u>				
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Program:</i>				
Community Development Block Grant				
Entitlement	14.218	B11-MC-12-0031 B12-MC-12-0031	31,554 290,876	- -
			322,430	-
<u>U.S. Department of Homeland Security</u>				
<i>Passed Through Florida Division of Emergency Management:</i>				
Hazard Mitigation	97.039	11HM-2Y-10-66-02-002	3,599,755	-
Hazard Mitigation	97.039	14HM-2Y-10-66-02-144	14,663	-
<i>Passed Through Florida Department of Community Affairs:</i>				
Hazard Mitigation	97.039		5,587,841	-
			9,202,259	-
<u>U.S. Department of Justice</u>				
<i>Direct Program:</i>				
ARRA-COPS Hiring	16.710	2011-UM-WX-0043	256,981	
Public Safety Partnership and Community Policing	16.710	2013-UM-WX-0053	80,857	-
Bullet Proof Vests			8,708	-
<i>Indirect Program:</i>				
<i>Passed through Florida Attorney General:</i>				
Victims of Crime Act	16.575	V10089	19,257	-
<i>Passed through Florida Coalition Against Domestic Violence:</i>				
Stop Violence Against Women Formula Grant	16.588	14-8004-LE-INV	74,654	-
<i>Passed through Florida Department of Law Enforcement:</i>				
Technical Improvement Program	16.738	2014-JAGC-2189	42,276	-
<i>Passed through St. Lucie County, Florida:</i>				
Edward Byrne Memorial Justice asst. grant prog	16.738	2012-DJ-BX-0237	14,805	-
			497,538	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 10,022,227	\$ -
<u>STATE PROJECTS:</u>				
<u>Florida Department of Transportation</u>				
State Highway Project Reimbursement	55.023	JPA230297/1/58/01	\$ 1,309,055	-
<u>Florida Housing Finance Agency:</u>				
State Housing Initiatives Partnership Program	52.901		74,779	-
<u>Florida Division of Cultural Affairs:</u>				
General Program Support Grant		13 6 180 119	15,178	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 1,399,012	\$ -

City of Fort Pierce, Florida
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the year ended September 30, 2014

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects was prepared to include the activity of all federal and state awards of the City of Fort Pierce, Florida and is presented on the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Report of Independent Certified Public Accountants
On Bond Compliance

To the City Commission
City of Fort Pierce, Florida

March 26, 2015

We have audited the financial statements of the City of Fort Pierce, Florida as of and for the year ended September 30, 2014, and have issued our report thereon dated March 26, 2015.

We conducted our audit in accordance with auditing standards and *Government Auditing Standards* generally accepted in the United States of America 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 of material misstatement.

In connection with our audit, nothing came to our attention to indicate that the City of Fort Pierce, Florida had not complied with the covenants of the Utilities Revenue Bonds, Series 2002, Utilities Refunding Revenue Bonds, Series 2003; Stormwater Utility System Revenue Bonds, Series 2002; Capital Improvement Revenue Bonds, Series 2004, Fort Pierce Redevelopment Revenue and Refunding Bonds, Series 2005, Fort Pierce Redevelopment Revenue Bonds, Series 2006, Stormwater Utility System Revenue Bonds, Series 2006, Capital Improvement Revenue Refunding Bonds, Series 2008A, and Taxable Capital Improvement Revenue Refunding Bonds, Series 2008B, Capital Improvement Revenue Refunding Bonds, Series 2010A, and Taxable Capital Improvement Revenue Refunding Bonds, Series 2010B.

DiBartolomeo, McBee, Hartley & Barnes

Certified Public Accountants

Opinion on Each Major Federal Program and State Project

In our opinion, the City of Fort Pierce, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2014.

Report on Internal Control Over Compliance

The management of the City of Fort Pierce, Florida is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Fort Pierce, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Fort Pierce, Florida's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

DiBartolomeo, McBee, Hartley & Barnes

Certified Public Accountants

I. Summary of Auditor Findings

1. The independent certified public accountant's report expresses an unmodified opinion on the combined financial statements of the City of Fort Pierce, Florida.
2. No material weaknesses or significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of non-compliance material to the financial statements were disclosed during the audit.
4. No material weaknesses, however one significant deficiency was disclosed during the audit of the major federal awards programs and no material weaknesses or significant deficiencies were disclosed related to state financial assistance projects.
5. The independent certified public accountant's report on compliance for the major federal awards programs and state financial assistance projects expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards programs or to state financial assistance projects.
7. The programs tested as major programs/projects were as follows:

Federal Programs	
CFDA Number: 97.039	Hazard Mitigation
CFDA Number: 14.218	Community Development Block Grant
CFDA Number: 16.710	ARRA-Cops Hiring
State projects	
CSFA Number: 55.023	State Hwy Project Reimbursement
8. The threshold for distinguishing between Type A and Type B programs was \$300,000 for major federal programs and state projects.
9. The City of Fort Pierce, Florida was determined to be a low risk auditee for federal program testing pursuant to OMB Circular A-133.

II. Financial Statement Findings

There were no financial statement findings required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

III. Federal Program/State Project Findings and Questioned Costs

There were no audit findings that are required to be reported in accordance with Section 510(a) by OMB Circular A-133, Section 510(A) or state projects as defined by Rule 10.654(1)(g)4.

IV. Summary Schedule of Prior Audit Findings

Audit finding 2013-1 was fully corrected in the current year.

Management Letter

To the City Commission
City of Fort Pierce, Florida

March 26, 2015

We have audited the financial statements of the City of Fort Pierce, Florida, as of and for the year ended September 30, 2014, and have issued our report thereon dated March 26, 2015, which was unqualified.

We have issued our Report of Independent Certified Public Accountants on Compliance and Internal Control based on an audit performed in accordance with Government Auditing Standards, Report on Compliance and Internal Control Over Compliance applicable to each major federal program, and Schedule of Findings and Questioned Costs. Those reports and schedule, which are dated March 26, 2015, should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local government entity audits performed in the State of Florida, and require certain items be addressed in this letter.

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)3, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal control. .

Section 10.554(1)(i)3, Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more that inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements,

considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit we did not have any such findings.

Other Matters:

Investment Policy

The City was in compliance with the investment policy requirements as described in Section 218.415 of the Florida Statutes.

Determination of Financial Emergency/Condition

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 281.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 281.503(1), Florida Statutes.

Section 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on the representations made by management and the review of financial information provided by same.

Department of Financial Services

The City has prepared and filed the annual financial report with the Department of Financial Services, which was based on the audited financial statements. The financial report filed with the Department of Financial Services, pursuant to Section 218.32, Florida Statutes, is in material agreement with these audited financial statements.

Legal Authority for Municipality

The City was created, established, and incorporated under the City Charter, as adopted by Laws of Florida Chapter 65-1351 and is further governed by state and local laws and regulations. The City also has two component units, the Fort Pierce Utility Authority (discretely presented) and the Community Redevelopment Agency (blended). The voters of the City of Fort Pierce, Florida authorized the organization of the Fort Pierce Utilities Authority at a special election held May 30, 1972. City Ordinance No. F-399 (as amended by City Ordinances G-295, 296, and 297) defines the powers, duties and responsibilities of the Authority. City Ordinance No. H-239 created the Community Redevelopment Agency and delegated powers to the Agency in accordance with Florida Law and State Statutes Chapter 163.

Concluding Remarks

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

Very truly yours,

A. Bartolomeo, M. Bee, Hartley & Barnes

Certified Public Accountants