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A Component Unit of
the City of Fort Pierce
Fort Pierce, Florida
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Fort Pierce Utilities Authority
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015





FORT PIERCE UTILITIES AUTHORITY
A Component Unit of the City of Fort Pierce, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2015

Prepared by
Department of Finance

Nina B. Penick, CPA
Director of Financial Services
npenick@fpu.com

FORT PIERCE UTILITIES AUTHORITY
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2015

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TeamUA - Over 2,800

WILLIAM S ABRAMOWICZ
MARY R ADAMS
JAMES D ADAMS
DALBERT LEE ALEXANDER
CHARLES ALFORD
KATHARINE ANNE ALFORD
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WILLIAM A ANDERSON
TINA ATTEY
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JAMES PATRICK BARRY
RYAN D BASTINE
LORI L BATTIPAGLIA
MEREDITH L BENNETT
KARYL RENEE BERTRAM
LORI BIANCO
JO-ANN BILYK
MARCUS E BOECKEL
RICHARD ARDSON BOZARTH
S LANCE BRICK
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LINDA CLARK
ANDRE DENELL CLEVELAND
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CHRISTOPHER CRUMBLY
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THOMAS M DAROZA
ALDONIO DASILVA
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LUGEY DAWSON
RAE LYNN DE BOER
D WAYNE DEARMAN
DANIEL DEIULIO
JAMES SEAN DENMAN
SCOTT DENNIS
OWEN A DENNIS
GARY DEPASTINO
ANDREW J. DIGIACOMO
SEDDRICK LEVONE DIXON
CHARLES A DONNON
THOMAS A DRISKELL
JASON D DROST
PETER DUNCAN
SCOTT DYKEMA
JASON A ERWIN
CHRISTOPHER L FATZINGER
STEVEN SCOTT FERGUSON
DENISE E FOUNTAIN
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MARY C FRIER
THOMAS A FRYAR
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FREDERICK C GADDIS
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GARY J GILLETTE

KEVIN GILLETTE
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CROSBY GORE
MARTIN CARL GREEN
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EDDIE LEWIS JACKSON
PAUL A JAKUBCZAK
SIDNEY L JERGER
SIDNEY LEVON JERGER
CAROL JOHNSON
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ANA MARIA JOHNSON
TERRY RODNEY JOHNSON
MICHAEL D JONES
ROBERT JONES
WILLIAM R KAEFF
D LELAND KARLSON
TERRY L KECK
ADAM KEE

Years of Dedicated Service

PATRICK J KELLER
CAVILYN KEOWN-SCHAUS
MARTHA ANNE KERR
DIANE BALOGH KIMES
EUGENE D KNIGHT
MARK KOBBE
JENNIFER KRIP
KUPER KRUEGER
ALICE M LADOMIRAK
PAUL LAGUERRE
JOSEPH L LAMMERS
DONALD T. E. LANDIN
DOMINIC F LANE
EDWARD S LEONGOMEZ
CLAYTON W LINDSTROM
BILLY LOCKMILLER
DOROTHY E LONG
THELMA PATRICIA LOPEZ
SCOTT LOVEN
PAUL C LUGARA
ALAN LUNA
KEITH B LYONS
PAUL L MADSEN
WANDA MAGNUSON
WILLIAM H MAIN
TAMMY R MALIN
GLEN P MANCHESTER
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SAL ANTHONY SCIMECA
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STERLING R SIMMONS
IRA SINGH
VALENTIME C SIRMONS
JULIE Z SIZEMORE
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SHAWN SMITH
EILEEN SNOBERGER
CIRO E SOTELO
JOEL SPADES
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KURTIS D STRAND
CHARLES S SWINDLE
TONYA LYNN TARDIF
WILLIAM TAYLOR
DEBRA THERIAULT
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JOSEPH ROBERT TIETZ
DANIEL D TILLMAN
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NICOLE HONESTY TIPTON
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LARRY W TYNDALL
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ROBERT W VAUGHN
EVELYN I WALKER
KARISSA NASTASHIA WARE
PETER WICINSKI
JUDITH ANN WIDMAYER
EDMOND WILLIAMS
STACEY WILLIAMS
ESTELA M WILSON
OLIVER C WINT
ERIC R WINTERSTEIN
LOIS A WOLFE
SHARON WOLKOWICZ

Fort Pierce Utilities Authority

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

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

Agape Senior Citizens Recreational
Center
American Cancer Society
American Diabetes Association
American Legion
American Red Cross - North Treasure
Coast Chapter
Angel Food Ministries
ARC of St. Lucie County
Backus Gallery
Big Brothers/Big Sisters
BlueBird Educational Foundation
Bowling for Kids
Boy Scouts of America
Boys & Girls Club
CA Moore Elementary School
Calvary Chapel
Caret
Castle
Children Home Society's WaveCREST
Shelter
Children's Miracle Network
Christ Family Church
Club Utilitas, Inc. Teen Center
Common Ground Vineyard Church
Conservation Alliance of SLC
Council On Aging of St. Lucie County
Daughters of the American Revolution
Downtown Business Association
Drug Abuse Treatment
Association, Inc. (DATA)
Early Learning Coalition
Exchange Club
Fairlawn Elementary
Family Fun Day Lawnwood Stadium

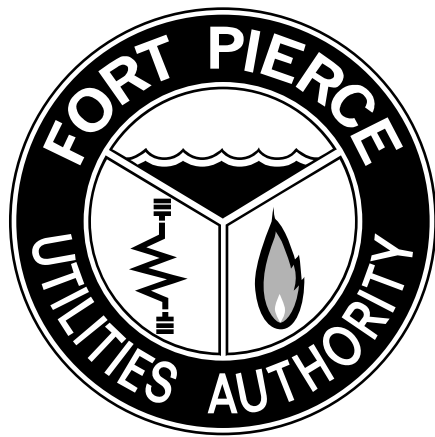
Family Meals, Inc.
First Baptist Church of White City
First United Methodist Church of PSL
Florida Army National Guard
Florida Engineering Society of the Treasure Coast
Florida March of Dimes Foundation
Fort Pierce Central High School
Fort Pierce Christmas Parade
Fort Pierce Oyster Festival
Francis K Sweet Magnet School
Girl Scouts of America
Grace Emmanuel Church
Graceway Village
Great American Cleanup
Green Committee
Habitat for Humanity
Harvest Food & Outreach Center
Healthy Start Coalition of St. Lucie County
Heathcote Botanical Gardens
Hibiscus Children's Center
Hospice of the Treasure Coast
In The Image of Christ, Inc.
Independent Haitian Church
Indian River State College-College
Reach-Out Program (CROP)
Jack and Jill of America
Kids Crossing Playground Build
Kids at Hope
Kiwanis Clubs
Knights of Columbus
Lawnwood Elementary
Leadership Saint Lucie
Lincoln Park Academy
Lincoln Park Main Street
Macedonia 7th Day Adventist Church

Mission Statement

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

by contributing their time and service to the following organizations:

Main Street Focus Magazine	St. Lucie County 4-H
Main Street Fort Pierce	St. Lucie County Coastal Resources
Manatee Observation and Education Center (MOEC)	St. Lucie County Chamber of Commerce
Marine Industries Association of the Treasure Coast Waterway Clean Up	St. Lucie County Economic Development Council
Martin Luther King, Jr. Commemorative Committee of St. Lucie County	St. Lucie County Fair Association
Matthews Café	St. Lucie County Harbor Advisory Committee
Mission Churches International Inc.	St. Lucie County Human Resources Association
Multiple Sclerosis Society	St. Lucie County School Board
Muscular Dystrophy Association	St. Lucie County Sheriff
Mustard Seed Ministries	St. Lucie County Toys for Tots
Nature Fest	St. Lucie County Youth Livestock Organization
Navy UDT-SEAL Museum	St. Lucie Panthers Softball Organization
Northside Bat and Ball Little League	St. Lucie Village
OneBlood of the Treasure Coast	Sea-Life Habitat Improvement Project
Oxbow Eco-Center	Southwestern Port St. Lucie Little League
Parkview Baptist Church	Susan G Komen - Strides Against Breast Cancer
Pilot Club of Fort Pierce	The Royal Palms of St. Lucie
Police Athletic League	The Van Duzer Foundation
Port St. Lucie Athletic Association	The Worship Center International Ministries
Port St. Lucie American Little League	Toastmasters International
Port St. Lucie National Little League	Treasure Coast Crusaders
Port St. Lucie Police Department	Treasure Coast Education & Research Development
Port St. Lucie Power Squadron	Treasure Coast Environmental Education Council
Pregnancy Resources	Treasure Coast Food Bank
Relay for Life	Treasure Coast Manatee Foundation
Rosewood Elementary School	Treasure Coast Youth Football and Cheer Association
Rotary Clubs	Tri County Animal Hospital
Safe Space of St Lucie	United Way of St. Lucie County
Salvation Army Christmas Angels	Waterways Cleanup
Sandy Shoes Festival	Westside Baptist Church
St. Andrews Academy	
St. Lucie Bob Cats (Semi-Pro Football)	





Director of Financial Services

"Committed to Quality"

March 9, 2016

Board Members
Fort Pierce Utilities Authority

The Comprehensive Annual Financial Report (CAFR) of Fort Pierce Utilities Authority (FPUA) for the fiscal year ended September 30, 2015, is submitted herewith pursuant to the City of Fort Pierce Charter, Article XII, Section 176 (12) and the bond covenants of FPUA's outstanding revenue bonds.

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

DiBartolomeo, McBee, Hartley & Barnes, P.A., Certified Public Accountants, have issued an unqualified ("clean") opinion on FPUA's financial statements for the fiscal year ended September 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

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

FPUA PROFILE

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

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

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

The **Electric System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 35 square miles, with an average of 28,221 services billed during the fiscal year ended September 30, 2015. FPUA currently has 16 miles of 69kV and 7.5 miles of 138kV transmission lines. The 69kV lines interconnect six sub-transmission substations and the 138kV lines connect two transmission substations to FPL and the City of Vero Beach. FPUA and the City of Vero Beach jointly own the 138kV line from Indrio Road to County Line Substation. FPUA primary distribution has approximately 266 miles of overhead and 151 miles of underground cable which operates at 13.2kV. FPUA and FPL have a territorial agreement approved by the Florida Public Service Commission.

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

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

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

The **Water System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 32 square miles, with an average of 19,929 services billed during the fiscal year ended September 30, 2015. Water supply is obtained from 36 surficial aquifer wells (shallow) and 11 Floridan aquifer wells (deep). FPUA currently has a Water Use Permit from the South Florida Water Management District to withdraw an annual daily average not to exceed 21.13 million gallons of ground water. Treatment of the raw ground water is presently accomplished through a 20 million gallons per day (MGD) conventional Lime Softening Water Treatment Plant and a 10.3 MGD Reverse Osmosis Water Treatment Plant. FPUA owns and operates a 13.3 MGD air stripping system which services the lime-softening portion of FPUA's Water Treatment Facility. FPUA meets all federal and state drinking water standards. FPUA has 9 million gallons of storage capacity. The water distribution system is composed of 385 miles of water mains, remote pumping facilities, ground storage tanks, hydrants, and valves.

The **Wastewater System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 30 square miles, with an average of 15,038 services billed during the fiscal year ended September 30, 2015. The wastewater collection system consists of 116 lift stations, 172 miles of gravity sewer lines ranging from 4 to 48 inches in diameter, and approximately 97 miles of force mains ranging in size from 1.5 to 24 inches in diameter. The Island Water Reclamation Facility (IWRf) currently has a permitted capacity of 10 MGD for Annual Average Daily Flow and 11.5 MGD for 3-Month Annual Average Daily Flow. On December 11, 2012, the Florida Department of Environmental Protection issued the operating permit, which is anticipated to be adequate through December 10, 2017.

FPUA has one domestic deep injection well at the IWRf plant site. A pumping station injects treated effluent into the 3,300-foot deep injection well for disposal. The IWRf IW-1 well is a twenty-four inch domestic well which is permitted through February 9, 2017. There are two deep injection wells located on the site of the future Mainland Water Reclamation Facility (MWRf), in the southwest corner of the service area. IW-1 is an 18-inch industrial deep injection well and IW-2 is a 24-inch domestic deep injection well. IW-1 accommodates the TCEC's industrial wastewater stream and St. Lucie County landfill leachate, and is permitted through August 4, 2020. The IW-2 well is currently not in operation and therefore is not permitted. Both wells can be utilized for disposal of MWRf effluent when that facility is constructed.

The **Gas System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 27 square miles, with an average of 4,189 services billed during the fiscal year ended September 30, 2015. The Gas System purchases firm gas for resale through Florida Gas Utility (FGU). FGU has a contract with Florida Gas Transmission for the transportation of gas to FPUA's system. Gas purchases are supplied by FGU under an all requirements agreement. The Gas Operations Department is responsible for the installation and maintenance of all gas mains and service lines. The department also employs a staff of qualified gas service technicians to maintain and repair customers' natural gas appliances.

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

FPUA operates the **Manatee Observation & Education Center (MOEC)**, which is located on Moore's Creek east of Indian River Drive. MOEC's mission is to promote understanding and responsible actions for the protection of the fragile ecosystems in the Treasure Coast Region and its inhabitants. It provides a clean and safe facility for viewing manatees and other inhabitants of the Indian River Lagoon. Over 35,000 visitors from all over the world visited the Center during fiscal year 2015. A total of 530 manatees were sighted. Volunteers provided a substantial donation to the Center with a total of 12,444 hours of volunteer time.

FPUA is required to prepare, adopt, and furnish a copy to the City Commission of the City of Fort Pierce an annual budget at least 45 days prior to the beginning of the next fiscal year. The annual budget and any amendments thereto shall be in effect when approved by FPUA and when any line item expense has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission. The budget is prepared on the accrual basis. The budget and amendments thereto for the year ended September 30, 2015, have been approved according to the above procedures.

LOCAL ECONOMY

Fort Pierce is located on Florida's east coast, 120 miles north of Miami and 220 miles south of Jacksonville. The estimated 2015 populations of the City of Fort Pierce and St. Lucie County were 42,119 and 287,749 respectively. Fort Pierce is the commercial center of the county, with approximately 24.5 square miles in land area. Its metropolitan area includes a transportation network comprised of Interstate 95, Florida's Turnpike, U.S. Highway 1, State Roads 68 and 70, Florida East Coast Railway, Treasure Coast International Airport, and the Port of Fort Pierce.

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

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

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

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

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

The real estate market has shown some signs of improvement during fiscal year 2015. Although current development activity in the area is limited, FPUA is optimistic about growth in the long term. Even though many properties remain vacant, sales activity has picked up and some properties are being renovated and subsequently occupied. Improvements such as major roadwork, continued beautification of the downtown area, and private investment make the area attractive to new residents. Reconstruction of the City Marina outer docks damaged in the 2004 hurricanes is expected to provide an economic boost to the downtown area.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Rate Planning

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

Capital Planning

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

Strategic Management Planning

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

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

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

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

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

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

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to FPUA for its CAFR for the fiscal year ended September 30, 2014. This was the 21st consecutive year FPUA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.

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

FPUA also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document dated July 29, 2015. To qualify for the Distinguished Budget Presentation Award, FPUA’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Nina B. Penick, CPA
Director of Financial Services



Government Finance Officers Association

**Certificate of
Achievement
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Presented to

**Fort Pierce Utilities Authority
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

FPUA Leadership

Board Members



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Vice Chairman



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Darryl Thomas-Bey
Deputy Secretary



Linda Hudson
Mayor

Management Team

Clayton W. Lindstrom, P.E., Director of Utilities
Paul A. Jakubczak, P.E., Director of Electric & Gas Systems
Timothy E. Perkins, P.E., Director of Water/Wastewater Systems
Evelyn I. Walker, Director of Shared Services
Nina B. Penick, CPA, Director of Financial Services

Counsel

R.N. Koblegard, III, Esquire

Independent Certified Public Accountants

DiBartolomeo, McBee, Hartley & Barnes

Fort Pierce Utilities Authority ORGANIZATION CHART





INDEPENDENT AUDITOR'S REPORT

Board Members
Fort Pierce Utilities Authority
Fort Pierce, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Fort Pierce Utilities Authority ("FPUA"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise FPUA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to FPUA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FPUA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of FPUA, as of September 30, 2015, and the respective changes in financial position and the cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of GASB Statement No. 68

As discussed in Note A to the basic financial statements, GASB issued GASB statement No. 68, *Accounting and Financial Reporting for Pension Plans*. This statement requires state and local government agencies to display the actuarially determined Net Pension Liability in its financial statements effective with fiscal year 2014-2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2016, on our consideration of FPUA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FPUA's internal control over financial reporting and compliance.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
February 19, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fort Pierce Utilities Authority (FPUA), we offer readers of FPUA's financial statements this narrative overview and analysis of the financial activities of FPUA for the fiscal year ended September 30, 2015 (FY 2015). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

FINANCIAL HIGHLIGHTS

- Operating revenues decreased \$2,976,000 over last year, and operating expenses decreased \$4,846,000. Operating income of \$11,025,000 was up \$1,870,000 from \$9,155,000, which was reported for the previous year.
- The ability to adjust rates in order to ensure that FPUA's electric, water, wastewater and natural gas utilities each generate sufficient revenue to cover their respective expenses is critical to FPUA's financial health. A water rate adjustment was implemented in March 2015, and has been proposed again this year. An economic development electric rate was implemented in November 2015. These adjustments are described in detail on page 20. Rates will continue to be reviewed on an annual basis to ensure that FPUA's rate structure properly reflects the recovery of the cost of operating and maintaining each utility system.
- Natural gas prices remain at historically low levels. As a result, Purchases for Resale were down \$3.0 million or 6.7% in FY 2015, with similar reduced levels of cost recoveries recognized as revenue.
- Water operating revenues were up 2.2% from FY 2014. Excluding the recovery of purchased power and gas costs, operating revenues from the electric system were up 1.7%, and flat in the gas system. Operating revenues from the wastewater system were also flat. Units billed by the electric, wastewater, and gas systems increased by 3.4%, 1.6%, and 1.4% respectively. The number of gallons of water sold, as well as the average number of services billed in all utility systems, were flat.
- Based upon current estimates for the cost of remediation of the former site of the H.D. King Power Plant, no additional cost has been accrued to cover the costs associated with testing and cleanup of the site. An estimated liability in the amount of \$797,000 is recorded as of September 30, 2015 related to the remediation. See Note O for details. The cleanup is expected to be completed in FY 2016.
- The Distribution to the City of Fort Pierce increased \$130,000 over last year. This was primarily a result of increased revenue being subject to the 6% distribution calculation multiplier.
- FPUA implemented Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) in FY 2015. As a result, net position as of October 1, 2014 has been reduced by \$1,750,000, and additional disclosures have been added. See Note I for details.
- Adjustments to the estimated useful lives of capital assets are substantially complete, so depreciation expense was down \$2.5 million or 16.9% in FY 2015, and is expected to remain at a similar level in the years ahead.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The **Notes to the Financial Statements** provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The notes can be found on pages 28-49 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents **Required Supplementary Information** concerning FPUA's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 50-51 of this report.

FINANCIAL ANALYSIS OF FPUA AS A WHOLE

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. FPUA's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$181,975,000 at the close of the most recent fiscal year.

Table 1
Net Position
(Dollars in Thousands)

	<u>9/30/2015</u>	<u>9/30/2014</u>	Increase (Decrease)	
			<u>\$</u>	<u>%</u>
Current Assets	\$ 68,891	\$ 69,516	\$ (625)	(0.9%)
Capital Assets	216,840	215,496	1,344	0.6%
Other Noncurrent Assets	9,215	9,275	(60)	(0.6%)
Total Assets	<u>294,946</u>	<u>294,287</u>	659	0.2%
Total Deferred Outflows of Resources	4,940	1,250	3,690	295.2%
Current Liabilities	27,466	27,373	93	0.3%
Noncurrent Liabilities	<u>84,751</u>	<u>85,835</u>	<u>(1,084)</u>	(1.3%)
Total Liabilities	<u>112,217</u>	<u>113,208</u>	<u>(991)</u>	(0.9%)
Total Deferred Inflows of Resources	5,694	3,204	2,490	77.7%
Net Position:				
Net Investment in Capital Assets	132,770	125,879	6,891	5.5%
Restricted	12,734	12,680	54	0.4%
Unrestricted	<u>36,471</u>	<u>40,566</u>	<u>(4,095)</u>	(10.1%)
Total Net Position	<u>\$ 181,975</u>	<u>\$ 179,125</u>	<u>\$ 2,850</u>	1.6%

The largest portion of FPUA's net position (73%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. FPUA uses these capital assets to provide a variety of services to its customers. Accordingly, these assets are not available for future spending. Although FPUA's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of FPUA's net position (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$36,471,000 is unrestricted and may be used to meet FPUA's ongoing obligations to its customers and creditors.

Deferred outflows of resources have increased due to the deferred pension outflow recorded in accordance with GASB 68. Deferred inflows of resources have increased due to the increase in the purchased power and gas over-collection. Capital assets, as well as the net investment in capital assets, have increased primarily due to numerous rehabilitation projects underway at the water treatment plant. The increase in liabilities due to recording a net pension liability in accordance with GASB 68 has been more than offset by the decrease due to the annual repayment of principal on revenue bonds payable.

Table 2
Changes in Net Position
(Dollars in Thousands)

	FY 2015	FY 2014	Increase (Decrease)	
			\$	%
Operating Revenues				
Electric	\$ 62,844	\$ 65,801	\$ (2,957)	(4.5%)
Water	14,804	14,488	316	2.2%
Wastewater	12,234	12,264	(30)	(0.2%)
Natural Gas	4,848	5,201	(353)	(6.8%)
MOEC	390	350	40	11.4%
FPUAnet Communications	438	430	8	1.9%
Nonoperating Revenues				
Investment and Other Income	2,171	2,232	(61)	(2.7%)
Grant Revenue	81	6	75	1250.0%
Total Revenues	<u>97,810</u>	<u>100,772</u>	<u>(2,962)</u>	<u>(2.9%)</u>
Operating Expenses				
Purchases for Resale	42,304	45,347	(3,043)	(6.7%)
Plant Operations	5,325	5,247	78	1.5%
Field Operations	8,641	8,716	(75)	(0.9%)
General and Administrative	15,802	15,078	724	4.8%
Depreciation	12,461	14,991	(2,530)	(16.9%)
Nonoperating Expenses				
Distribution to the City of Fort Pierce	5,735	5,605	130	2.3%
Interest and Amortization	3,594	3,582	12	0.3%
TCEC Expenses	1,809	1,667	142	8.5%
Total Expenses	<u>95,671</u>	<u>100,233</u>	<u>(4,562)</u>	<u>(4.6%)</u>
Income (Loss) before Capital Contributions and Extraordinary Expense				
	2,139	539	1,600	296.8%
Capital Contributions	2,471	1,478	993	67.2%
Extraordinary Expense	10	427	(417)	(97.7%)
Increase (Decrease) in Net Position	<u>4,600</u>	<u>1,590</u>	<u>3,010</u>	<u>189.3%</u>
Net Position - Beginning of Year *	<u>177,375</u>	<u>177,535</u>	<u>(160)</u>	<u>(0.1%)</u>
Net Position - End of Year	<u>\$ 181,975</u>	<u>\$ 179,125</u>	<u>\$ 2,850</u>	<u>1.6%</u>

* FY 2015 Beginning of Year Net Position restated to reflect GASB 68 adjustment

Many of the explanations of the changes in net position have been discussed previously in the financial highlights. In addition to lower natural gas costs and depreciation expense, an increase in capital contributions contributed to the improvement in the increase in net position in FY 2015.

The distribution to the City of Fort Pierce, based on FY 2015 revenues, computes to \$5,809,000 and will be paid in April 2016 (see Note E for details). Last year’s distribution, based on FY 2014 revenues, totaled \$5,735,000, and was paid in April 2015. This increase is primarily a result of power cost, in excess of the actual amount paid, being included in the base rate, which is subject to the calculation at 6% of gross revenue.

CAPITAL ASSETS

Major projects, and the costs associated with each during FY 2015, include:

- Water Treatment Plant:
 - Sand Filter Rehabilitation \$2,203,000
 - Lime Softening Unit #2 Rehabilitation 646,000
 - Repump #1 Rehabilitation – Jaycee Park 232,000
- Water Distribution:
 - Main, Service and Valve Replacements 279,000
 - Main Relocation – FPL Discharge Canal 267,000
 - Meter Changeouts 236,000
 - Main Replacement N US 1 – Ave O to N Causeway 235,000
- Electric Transmission and Distribution:
 - System Improvements 440,000
 - Purchase of Digger Derrick 287,000
 - Second Street – Seaway Drive to Taylor Creek 251,000
- Water Reclamation Facility Aerator 2 Rehabilitation 391,000
- Wastewater Main Lining 273,000

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

At the end of FY 2015, FPUA had \$216,840,000 invested in a broad range of net utility capital assets, including its electric and natural gas transmission and distribution systems, water treatment plant, water transmission and distribution mains, water storage facilities, pump stations, water reclamation facility, MWRf deep injection wells, and related wastewater collection plant facilities.

The following tables summarize FPUA's capital assets, net of accumulated depreciation, and changes therein, for the year ended September 30, 2015.

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

	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Electric	\$ 64,504	\$ 66,537	\$ (2,033)	(3.1%)
Water	77,329	73,212	4,117	5.6%
Wastewater	61,004	61,830	(826)	(1.3%)
Shared Services	7,630	7,788	(158)	(2.0%)
Gas	5,563	5,354	209	3.9%
FPUAnet	734	691	43	6.2%
MOEC	76	84	(8)	(9.5%)
Total	<u>\$ 216,840</u>	<u>\$ 215,496</u>	<u>\$ 1,344</u>	0.6%

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

	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Land	\$ 10,046	\$ 10,045	\$ 1	0.0%
Transmission, distribution, and collection systems	158,077	160,707	(2,630)	(1.6%)
Equipment	10,018	9,670	348	3.6%
Structures and improvements	13,931	14,602	(671)	(4.6%)
Construction work in progress	24,768	20,472	4,296	21.0%
Total	<u>\$216,840</u>	<u>\$215,496</u>	<u>\$ 1,344</u>	0.6%

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

DEBT ADMINISTRATION

At September 30, 2015, FPUA had outstanding revenue bonds in the amount of \$84,070,000. Debt service schedules extend to October 1, 2029. Interest rates range from 1.34% to 5.90% on the bonds. Principal payments are due October 1 of each year. Principal on the bonds of \$7,086,000 was due and paid on October 1, 2015.

On December 21, 2012, the bond rating firm, Standard & Poor's, raised its rating on FPUA's revenue bonds to an 'A'. On July 7, 2011, the bond rating firm, Fitch Ratings Inc., affirmed FPUA's 'A+' rating. Both firms also stated that FPUA's rating outlook is stable.

FPUA's debt service coverage ratio was 2.55 times for the twelve months ended September 30, 2015, compared to 2.59 times on September 30, 2014. This coverage ratio remains well above the 1.25 minimum requirement.

On March 4, 2016, FPUA issued Utilities Refunding Revenue Bond, Series 2016 at an interest rate of 2.14% to provide for the redemption of Utilities Revenue Bonds, Series 2002 with an interest rate of 5%. In conjunction with this refunding, FPUA has made the remaining transfers to its Debt Service Reserve account, which was prior to the previously agreed-upon completion date of January 2017. The net present value savings is calculated to be \$2,466,000.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

On March 1, 2015, an increase of 3% was applied to the water customer and volume charges. Current rate schedules and charges are available on FPUA's website, www.fpua.com. Rates will continue to be reviewed on an annual basis to ensure FPUA's rate structure properly reflects the recovery of the cost of operating and maintaining its electric, water, wastewater, and natural gas systems.

CONTACTING FPUA'S FINANCIAL MANAGEMENT

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

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



FORT PIERCE UTILITIES AUTHORITY
Statement of Net Position
September 30, 2015
(With comparative totals for September 30, 2014)
(Dollars in Thousands)

	2015	2014
ASSETS AND DEFERRED OUTFLOWS		
ASSETS		
Current Assets:		
Equity in Pooled Cash and Investments	\$ 27,712	\$ 29,371
Accounts Receivable, Net of Allowance for Uncollectible		
Accounts of \$4,170 in 2015 and \$3,875 in 2014	8,149	7,256
Unbilled Receivables	5,534	5,959
Due from Other Governments	422	447
Inventories and Other Current Assets	5,009	4,877
Restricted Equity in Pooled Cash and Investments	20,757	20,306
Restricted Cash with Fiscal Agent	1,308	1,300
Total Current Assets	68,891	69,516
Noncurrent Assets:		
Capital Assets:		
Utility Plant in Service	423,324	414,941
Construction Work in Progress	24,768	20,472
Less Accumulated Depreciation	(231,252)	(219,917)
Total Capital Assets (net of Accumulated Depreciation)	216,840	215,496
Other Noncurrent Assets:		
FMPA Working Capital Receivable	1,919	1,919
Preliminary Surveys	6	29
Investment in Public Gas Partners Pool	587	624
Restricted Equity in Pooled Cash and Investments	6,703	6,703
Total Other Noncurrent Assets	9,215	9,275
Total Noncurrent Assets	226,055	224,771
Total Assets	294,946	294,287
DEFERRED OUTFLOWS OF RESOURCES		
Advance Distribution to General Fund - City of Fort Pierce	1,251	1,250
Deferred Pension Outflow	3,689	-
Total Deferred Outflows of Resources	4,940	1,250
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 299,886	\$ 295,537

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

FORT PIERCE UTILITIES AUTHORITY
Statement of Net Position
September 30, 2015
(With comparative totals for September 30, 2014)
(Dollars in Thousands)

	2015	2014
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 9,577	\$ 10,066
Due to City of Fort Pierce	781	766
Customer Deposits - restricted assets	7,803	7,445
Revenue Bonds Payable - restricted assets	7,086	6,987
Accrued Interest Payable - restricted assets	1,145	1,197
Accrued Compensated Absences	170	55
Capital Leases Payable	31	26
Other Current Liabilities	873	831
Total Current Liabilities	27,466	27,373
Noncurrent Liabilities:		
Revenue Bonds Payable, Net of Unamortized Discounts	76,764	82,405
Accrued Compensated Absences	1,592	1,878
Other Post Employment Benefit Obligation	681	622
Net Pension Liability	5,528	-
Due to St. Lucie County	137	137
Capital Leases Payable	49	80
Other Noncurrent Liabilities	-	713
Total Noncurrent Liabilities	84,751	85,835
Total Liabilities	112,217	113,208
DEFERRED INFLOWS OF RESOURCES		
Purchased Power and Gas Over-Collection	5,694	3,204
NET POSITION		
Net Investment in Capital Assets	132,770	125,879
Restricted Capital Improvement Charges	6,031	5,977
Restricted for Debt Service	4,930	4,535
Restricted for Emergencies	1,273	1,668
Restricted for Renewals and Replacements	500	500
Unrestricted	36,471	40,566
Total Net Position	181,975	179,125
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 299,886	\$ 295,537

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



FORT PIERCE UTILITIES AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2015
(With comparative totals for the year ended September 30, 2014)
(Dollars in Thousands)

	2015	2014
OPERATING REVENUES		
Sales and charges for services	\$ 93,396	\$ 96,262
Other	2,162	2,272
Total Operating Revenues	95,558	98,534
OPERATING EXPENSES		
Purchases for resale	42,304	45,347
Plant operations	5,325	5,247
Field operations	8,641	8,716
General and administrative	15,802	15,078
Depreciation	12,461	14,991
Total Operating Expenses	84,533	89,379
OPERATING INCOME	11,025	9,155
NONOPERATING REVENUES (EXPENSES)		
Investment and other income	2,171	2,232
Grant revenue	81	6
TCEC expenses	(1,809)	(1,667)
Interest expense	(3,594)	(3,582)
Distribution to General Fund - City of Fort Pierce	(5,735)	(5,605)
Total Nonoperating Revenues (Expenses)	(8,886)	(8,616)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	2,139	539
Capital contributions	2,471	1,478
INCOME BEFORE EXTRAORDINARY ITEMS	4,610	2,017
Extraordinary Income (Expense)	(10)	(427)
CHANGE IN NET POSITION	4,600	1,590
Net Position - Beginning of Year*	177,375	177,535
Net Position - End of Year	\$ 181,975	\$ 179,125

* FY 2015 Beginning of Year Net Position restated to reflect GASB 68 adjustment.

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

FORT PIERCE UTILITIES AUTHORITY**Statement of Cash Flows**

Year Ended September 30, 2015

(With comparative totals for the year ended September 30, 2014)

(Dollars in Thousands)

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 95,927	\$ 94,997
Receipts from other sources	2,162	2,055
Payments to suppliers for goods and services	(53,069)	(53,836)
Payments to employees for services	(13,847)	(13,389)
Payments for benefits on behalf of employees	(6,523)	(6,393)
Net cash provided by operating activities	<u>24,650</u>	<u>23,434</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase in payable to City of Fort Pierce	15	34
Proceeds received for Grants & Storm damages	106	6
Payments for other non-operating activities	(1,809)	(1,667)
Distribution to General Fund - City of Fort Pierce	(5,735)	(5,605)
Net cash used by noncapital financing activities	<u>(7,423)</u>	<u>(7,232)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(12,180)	(13,239)
Capital contributions	784	265
Proceeds from issuance of debt	8,526	8,347
Bond and loan principal payments	(14,099)	(13,680)
Bond and loan interest payments	(3,594)	(3,582)
Proceeds from capital lease obligation	29	-
Payment on capital lease obligation	(27)	(21)
Net cash used by capital and related financing activities	<u>(20,561)</u>	<u>(21,910)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in value of PGP Investment	(37)	(34)
Interest on investments	2,171	2,232
Net cash provided by investing activities	<u>2,134</u>	<u>2,198</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (1,200)</u>	<u>\$ (3,510)</u>

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

FORT PIERCE UTILITIES AUTHORITY
Statement of Cash Flows
Year Ended September 30, 2015
(With comparative totals for the year ended September 30, 2014)
(Dollars in Thousands)

	2015	2014
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (1,200)	\$ (3,510)
Cash and Cash Equivalents at Beginning of Year	57,680	61,190
Cash and Cash Equivalents at End of Year	\$ 56,480	\$ 57,680
Current equity in investments	\$ 27,712	\$ 29,371
Restricted equity in investments	27,460	27,009
Cash with fiscal agent	1,308	1,300
Total Cash and Cash Equivalents	\$ 56,480	\$ 57,680
RECONCILIATION OF OPERATING INCOME TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 11,025	\$ 9,155
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	12,461	14,991
Inventory adjustment and bad debts	151	-
(Increase) decrease in accounts receivable	(893)	(119)
(Increase) decrease in unbilled revenue	425	(579)
(Increase) decrease in inventories and other current assets	(133)	(1,414)
Increase (decrease) in accounts payable	(489)	771
Increase (decrease) in compensated absences	(171)	103
Increase (decrease) in other post employment benefits	59	58
Increase (decrease) in deferred revenues	2,215	468
	\$ 24,650	\$ 23,434
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Contributions of capital assets	\$ 1,687	\$ 917

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

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The accounts at September 30, 2015, and for the year then ended, of the various utility systems of FPUA are included as a discretely presented component unit of the City of Fort Pierce, Florida, financial statements. FPUA has no component units.

Basis of Presentation

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

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

The impact of the implementation of GASB 65 on FPUA's financial statements for all periods presented was that certain debt issuance costs are now expensed which were previously recorded as an asset and amortized over the life of the debt.

GASB Statement No. 68 – Fort Pierce Utilities Authority has implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* (GASB 68) for the fiscal year ended September 30, 2015. This statement establishes standards of accounting and financial reporting for pension plans that are administered through a trust that meet certain criteria. Implementation of GASB 68 replaces the requirements of Statements No. 27 and 50. This provision was applied retroactively resulting in the beginning net position as of October 1, 2014 being reduced by \$1,750.

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

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

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

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

Note A – continued

In accordance with GASB 31 investments are stated at fair value based on per share prices. The Florida PRIME Investment Pool (LGIP) is considered to be a “2a-7 like” investment, and is accounted for at fair value for financial reporting. Florida State Board of Administration Fund B was dissolved on September 5, 2014. A loss of \$20 was recorded on this investment, at that time; however the final settlement of Fund B in FY 2015 allowed FPUA to recognize a gain on this investment of \$34, which is noted as part of the interest earned on all investments (See Note B Investments). Florida PRIME has a current rating by Standard and Poor’s of AAAM. There is a risk of loss on these investments based upon the fluctuation of interest rates and lengths of maturity.

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

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

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

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

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

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

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

Purchased Power and Gas Adjustments - The rate schedules of the Electric and Gas Systems provide that fuel cost increases, decreases, and credits, as computed under formulas adopted by FPUA, will be passed on to the customers. These charges or credits are recorded as a deferred inflow of revenue. At the end of the fiscal year FPUA has recorded deferred inflow of resources in the amount of \$5,694 for these adjustments.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

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

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

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

- Net Investment in Capital Assets – Consists of capital assets, contributed capital assets and capital leases, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Capital Improvement Charges – Consists of the unspent Capital Improvement Charges (CIC's) collected in the Electric, Water and Wastewater Systems. The respective balances as of September 30, 2015 are \$379, \$4,733, and \$919. Electric CIC's are used to fund the cash outlay or debt service associated with the expansion of Electric Substations and Electric Transmission & Distribution Systems. In the Water and Wastewater Systems, CIC's are used to fund the cash outlay or debt service associated with specific expansion and growth related projects.
- Restricted for Debt Service – Consists of net position set aside for payment of principal and interest on the 2009 Utilities Revenue Refunding Bonds and additional amounts in accordance with FPUA’s Master Bond Resolution, as revised in 2012.
- Restricted for Emergencies – Consists of \$1,273 in net position, set aside for emergencies which is limited to paying for repairs or replacements of FPUA capital assets damaged or destroyed by a disaster.
- Restricted for Renewals and Replacements – Consists of net position which is limited to paying for the cost of extensions, enlargements or additions to or the replacement of FPUA capital assets.
- Unrestricted – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

Comparative data

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

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

Note A - continued

Budget Process

FPUA is required to prepare, adopt, and furnish a copy to the City Commission of the City of Fort Pierce an annual budget at least 45 days prior to the beginning of the next fiscal year. The annual budget and any amendments thereto shall be in effect when approved by FPUA and when any line item expense has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission. The budget is prepared on the accrual basis. The budget and amendments thereto for the year ended September 30, 2015, have been approved according to the above procedures.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to September 30, 2015 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2015. Management has performed their analysis through February 19, 2016.

NOTE B – CASH AND INVESTMENTS

Cash Deposits - Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a "Qualified Public Depository," which is a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits. FPUA had deposits only with qualifying institutions as of September 30, 2015, or with banks in which depository insurance was sufficient to cover the deposit balance. At year-end, FPUA's carrying amount of deposits was \$442 and the bank balance was \$157.

Investments – The following investments are considered cash equivalents for purposes of the Statement of Cash Flows (see Note A, Pooled Cash and Investments). FPUA's investments held throughout the year are principally the same as the investments held as of September 30, 2015. Due to fluctuations in cash flows, FPUA maintains investments in overnight repurchase agreements. The interest income generated on these investments including any gain on investment, for the year ended September 30, 2015, was \$87.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

As of September 30, 2015, FPUA had the following investments:

<u>Investment</u>	<u>Fair Value</u>
Florida State Board of Administration - Florida PRIME Investment Pool LGIP (Standard and Poors rated AAAM)	\$ 5,207
Seacoast National Bank Sweep	41,041
PNC Money Market	7,059
Harbor Community Bank Certificate of Deposit	<u>1,414</u>
Total	<u>\$ 54,721</u>

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

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

- (1) Local Government Surplus Funds Trust Funds.
- (2) Negotiable direct obligations of the United States Government, or obligations, the principal and interest of which are unconditionally guaranteed by the United States Government.
- (3) Obligations of the federal farm credit banks, the Federal Home Loan Mortgage Corporation, including Federal Home Loan Corporation participation certificates, or the Federal Home Loan Bank or its district banks, or obligations guaranteed by the Government National Mortgage Association, U.S. Treasury, agencies, and instrumentalities.
- (4) Repurchase agreements secured by the types of investments listed above, restricted as to acquisition, term, and market value.
- (5) Interest-bearing time deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision, or in federal savings and loan associations located in this state and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

Note B – continued

- (6) Deposits and certificates of deposit in out-of-state banks, savings and loan associations, and other regulated financial institutions insured by the FDIC.
- (7) Full faith and credit direct general obligations of any state, or unlimited tax direct obligations of any political subdivision thereof, to the payment of which the full faith and credit of such political subdivision is pledged, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by a nationally recognized rating agency.

Concentration of Credit Risk - FPUA places no limit on the amount that may be invested with any one issuer. A combined 75% of FPUA's investments are in overnight repurchase agreements and the Florida PRIME Investment Pool.

NOTE C – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated:				
Land	\$ 10,045	\$ 1	\$ -	\$ 10,046
Construction Work In Progress	20,472	11,693	(7,397)	24,768
Total Utility Plant, not being depreciated	30,517	11,694	(7,397)	34,814
Capital Assets, being depreciated:				
Transmission, distribution and collection systems	323,627	7,190	(3)	330,814
Equipment	44,752	2,135	(1,069)	45,818
Structures and improvements	36,517	183	(54)	36,646
Total Utility Plant being depreciated	404,896	9,508	(1,126)	413,278
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(162,920)	(9,820)	3	(172,737)
Equipment	(35,082)	(1,787)	1,069	(35,800)
Structures and improvements	(21,915)	(854)	54	(22,715)
Total accumulated depreciation	(219,917)	(12,461)	1,126	(231,252)
Total Capital Assets, being depreciated, net	184,979	(2,953)	-	182,026
Total Capital Assets, net	\$ 215,496	\$ 8,741	\$ (7,397)	\$ 216,840

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

Depreciation expense was charged to the utility systems as follows:

Electric	\$ 4,462
Water	3,872
Wastewater	3,779
Gas	274
FPUAnet Communications	66
Manatee Observation and Education Center	<u>8</u>
	<u>\$12,461</u>

Construction work in progress at September 30, 2015, consists principally of expansions and upgrades to the electric transmission and distribution system, water supply and distribution system, wastewater collection system, and gas distribution system.

FPUA capitalizes interest costs on funds borrowed to finance the construction of utility plant in conformity with Statements of Financial Accounting Standards 34, 42, and 62 as applicable. Total interest costs for the year ended September 30, 2015, were \$3,594 of which \$146 has been capitalized as plant utility construction costs.

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

Upgrade and <u>Expansion</u>	Project <u>Authorization</u>	Expended <u>to Date</u>	Remaining <u>Commitment</u>	Required Further <u>Financing</u>
Water	\$ 5,890	\$ 3,136	\$ 2,754	None
Wastewater	1,327	698	629	None
Gas	80	11	69	None
Electric	14	9	5	None
	<u>\$ 7,311</u>	<u>\$ 3,854</u>	<u>\$ 3,457</u>	

In addition, FPUA enters into unit price contracts for the construction or renovation of system assets. These contracts are not firm commitments, and the contractors are utilized as needed. As of September 30, 2015, there were no remaining unit price contract commitments for the construction or renovation of FPUA system assets.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

NOTE D – RESTRICTED ASSETS

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

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

Principal and interest accounts	\$ 8,231
Capital Improvement Charges	6,031
Customer security deposits	7,803
Debt Service	4,930
Emergency reserve	1,273
Renewal and replacement reserve	<u>500</u>
Total Restricted Assets	<u>\$28,768</u>

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

As provided by an amendment to the Charter of the City of Fort Pierce, Florida, a percentage of FPUA's utility systems revenue is distributed to the City's General Fund on an annual basis. The distribution calculation is based on the preceding fiscal year audited financial statements. The following is the computation of the amounts distributable to the General Fund during the year ending September 30, 2016, based on the 6% distribution formula for the year ended September 30, 2015:

Gross Revenue	\$ 100,281
Plus:	
Power Cost and Purchased Gas Adjustments	1,940
Gas Piping and Appliance Costs	<u>52</u>
	102,273
Less:	
Capital Contributions	2,471
FMPA O&M Contract Income	1,809
FPUAnet Operating Revenue	438
Manatee Observation and Education Center Operating Revenue	390
Revenue for City Billing	187
Grant Revenue	81
Gas Piping and Appliance Revenue	<u>75</u>
Adjusted Gross Revenue	<u>\$ 96,822</u>
Amount distributable to General Fund, City of Fort Pierce at 6% of gross revenues, as defined	<u>\$ 5,809</u>

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

NOTE F – REVENUE BONDS PAYABLE

Bonds Payable at September 30, 2015, consist of:

\$22,445 Utilities Refunding Revenue Bonds, Series 1999A, collateralized by pledge of and first lien on the net revenues of the combined systems, interest of 5.375% on the remaining annual principal amount of \$255 on October 1, 2015.	\$255
\$10,223 Utilities Revenue Capital Appreciation Bonds, Series 1999B, collateralized by pledge of and first lien on the net revenues of the combined systems, yield varying from 5.70% to 5.90%. The accreted value at September 30, 2015 is \$25,719. The bonds mature October 1, 2016 through October 1, 2024, with principal amounts totaling \$34,970 due in those years in annual amounts ranging from \$275 to \$4,340.	25,719
\$9,545 Utilities Revenue Bonds, Series 2002, collateralized by pledge of and first lien on the net revenues of the combined systems, interest at 5.0%. The bonds mature October 1, 2025 through October 1, 2027, with principal amounts ranging from \$3,025 to \$3,340.	9,545
\$34,800 Utilities Refunding Revenue Bonds, Series 2009, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 3.90% to 5.00% on the remaining annual principal amounts ranging from \$1,210 to \$7,285 through October 1, 2029.	34,800
\$20,896 Taxable Utilities Refunding Bond, Series 2012, collateralized by a pledge of and first lien on the net revenues of the combined systems, interest at 1.34% on the remaining annual principal amounts ranging from \$6,831 to \$6,920 through October 1, 2016.	13,751
Total Revenue Bonds Payable at September 30, 2015	\$84,070
Less: Unamortized portion of revenue bond discounts	230
Unamortized deferred charges	(10)
Current portion of revenue bonds payable	<u>7,086</u>
	<u>\$ 76,764</u>

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

Note F – continued

Requirements to amortize all revenue bonds outstanding as of September 30, 2015 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	7,086	2,291	9,377
2017	7,195	2,185	9,380
2018	5,545	2,093	7,638
2019	5,595	2,045	7,640
2020	5,645	1,995	7,640
2021-2024	23,140	7,422	30,562
2025-2028	24,885	5,676	30,561
2029-2030	14,230	1,052	15,282
	<u>93,321</u>	<u>24,759</u>	<u>118,080</u>
Future accretion on capital appreciation bonds	<u>(9,251)</u>	<u>9,251</u>	<u>-</u>
	<u>\$ 84,070</u>	<u>\$ 34,010</u>	<u>\$ 118,080</u>

Significant Bond Covenants for Utilities Revenue Bonds

The Series 1999, 2002, 2009 and 2012 bond issues provide that FPUA accumulate monthly 1/6 of the amount of all interest becoming due on the next semi-annual interest payment date, and 1/12 of the amount of principal which will become due and payable on the next principal maturity date. Additionally, FPUA's Master Bond Resolution require renewal and replacement, emergency reserve and debt service reserve subaccount funds with minimum requirements of \$500, \$900 and \$4,139, respectively. These reserves are funded in the amounts of \$500, \$1,273 and \$4,930 respectively, at September 30, 2015.

Defeasance of Revenue Bonds Payable

In prior years, FPUA defeased certain outstanding utilities revenue bonds issued for the systems payable out of revenues derived from the operation of the utility systems. These defeasances were achieved by placing the proceeds of refunding bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities (including bond discounts and financing costs) for the defeased bonds are not included in FPUA's financial statements. At September 30, 2015, Utilities Revenue Bonds Series 1991 in the amount of \$27,355, and Utilities Revenue Bonds Series 2003 in the amount of \$19,940, are considered defeased.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

Redemption Options Prior to Maturity

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

The 2002 Bonds maturing on October 1, 2027 are redeemable prior to their stated date of maturity, at the option of FPUA, beginning April 1, 2012 at par plus accrued interest to the redemption date. On March 4, 2016 FPUA issued Utilities Refunding Revenue Bond, Series 2016, in the amount of \$9,545 at a rate of 2.14%, in accordance with the above provision.

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

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

NOTE G – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 89,617	\$ 8,526	\$ (14,073)	\$ 84,070	\$ 7,086
Deferred Amounts	(225)	(20)	24	(221)	-
Net Pension Liability	-	5,528	-	5,528	-
Due to St Lucie County	137	-	-	137	-
Capital Leases	106	-	(26)	80	31
Compensated					
Absences	1,933	1,317	(1,488)	1,762	170
Other Post					
Employment Benefits	622	59	-	681	-
Pollution Remediation	1,643	-	(846)	797	797
Long Term Liabilities	<u>\$ 93,833</u>	<u>\$ 15,410</u>	<u>\$ (16,409)</u>	<u>\$ 92,834</u>	<u>\$ 8,084</u>

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

NOTE H – COMPENSATED ABSENCES

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

Accrued liabilities, based on hourly rates at September 30, 2015, have been reflected in the accounts of FPUA for vested (not contingent on employee future service) vacation and sick leave benefits at September 30, 2015, as follows:

	<u>Total Liability</u>	<u>Due Within One Year</u>
Vacation leave	\$ 687	\$ 37
Sick leave	<u>1,075</u>	<u>133</u>
	<u>\$ 1,762</u>	<u>\$ 170</u>

Annually, FPUA offers its employees the opportunity to receive payment for up to 6 days of unused sick leave, calculated at current hourly rates, providing certain established criteria have been met. This sick leave conversion plan is intended to provide incentive for sick leave to be used only when necessary. During the year ended September 30, 2015, \$62 was paid to employees electing this option.

FPUA also offers its employees the opportunity to sell back a portion of their accumulated sick leave, calculated at current hourly rates, providing certain established criteria have been met. Employees may elect to convert up to a maximum of 90 days of sick leave which will reduce their amount payable upon separation. During the year ended September 30, 2015, \$30 was paid to employees electing this option.

In addition, all employees have two opportunities per fiscal year to convert up to one half of their annual vacation accrual to cash and will reduce their amount payable upon separation. During the year ended September 30, 2015, \$25 was paid to employees electing this option.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

NOTE I – RETIREMENT AND BENEFIT SYSTEM

Plan Description

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

Per the City of Fort Pierce Code of Ordinances, Ch. 13, Art. II, Div. 1, Sec. 13-40, FPUA employees are required to contribute 6.16% of their annual salary to the System. FPUA is required to contribute amounts actuarially determined annually which, together with member contributions, are sufficient to fund the System. The System also provides death and disability benefits and is governed by state statute and city ordinance. Changes to benefits may be made with the approval of the Fort Pierce City Commission.

Actuarial Methods and Assumptions

GASB Statement No. 68 (GASB 68) identifies the methods and assumptions that should be used to project benefit payments, discount those payments to their present value, and attribute that present value to employee periods of service. The assumptions used in this valuation include the expected rate of return on pension investments to be 8.00%; the long-term municipal bond rate of 3.71%; and the resulting Single Discount Rate of 8.00%. The wage inflation rate assumed was 4.50%. Mortality tables used were the RP-2000 Combined Mortality Tables for males and females with no margin for future improvements. Cost-of-Living Adjustments (COLAs) are granted if the investment return exceeds the investment return assumption and the cumulative actuarial gains and losses since 1995. 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.

Funding Status and Progress

Employer contributions to the System, based upon the annual covered payroll, made in accordance with actuarially determined requirements was \$4,093 (15.66%) for the fiscal year ended September 30, 2015. The two preceding years' contributions to the System and percent of covered payroll were \$4,267 (16.93%) for 2013 and \$4,356 (16.51%) for 2014.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

Note I – continued

At September 30, 2015, FPUA reported a liability of \$5,528 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2014. FPUA’s proportionate share of the net pension liability was based on the FPUA’s present value of projected long-term contributions. At September 30, 2015, the FPUA’s proportionate share was 41.74 %. There were no changes made to the plan benefits for the year ending September 30, 2015. GASB 68 establishes standards for measuring liabilities, deferred inflows and outflows of resources and pension expense. The Net Pension Liability (NPL) is measured by the Total Pension Liability (TPL), less the plan’s Fiduciary Net Position (market value of assets). The System was 92.95% funded by valuation assets as of September 30, 2015. For the fiscal year ended September 30, 2015, FPUA recognized pension expense of \$2,099. FPUA has recorded beginning and ending accruals which may differ from reporting by the System. At September 30, 2015, FPUA reported a payable in the amount of \$24, for outstanding contributions to the Pension Plan. In addition FPUA reported deferred outflows of resources related to pensions as the difference between projected and actual investment earnings of:

<u>Year</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense</u>
2015	\$ 3,689	\$ -	\$ 2,176

The deferred outflows of resources related to the Pension Plan, totaling \$3,689 resulting from FPUA contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Year Ending September 30</u>	<u>Net Deferred Outflows of Resources</u>
2016	\$ 922
2017	922
2018	922
2019	923
2020	-
Thereafter	-
Total	\$ 3,689

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

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

The following represents the FPUA's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the FPUA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%) or one percentage point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
FPUA's proportionate share of the Net Pension Liability	\$ 13,702	\$ 5,528	\$ (1,457)

NOTE J – RISK MANAGEMENT

Fort Pierce Utilities Authority Employee Health Plan (the Plan)

FPUA has been a self-insurer for health and accident claims of their employees, retirees and their families since January 1, 2000. Payments of claims under the Plan are administered by Blue Cross Blue Shield of Florida (Florida Blue). Employee contributions to the Plan are made biweekly. Any benefit claims, up to the stop loss amounts, are paid by FPUA. Claims in excess of the stop loss amounts are underwritten by an insurer. The individual stop loss amount is \$125 and \$3,700 in the aggregate for calendar year 2015.

As of September 30, 2015, FPUA had estimated incurred unpaid claims of \$477. Fiscal Year 2015 liability does not include Dental Claims liability or the Stop Loss premium adjustment which had been accounted for in Fiscal Year 2014. This amount has been calculated based on the results of an actuarial analysis of the Plan, plus claims paid by Florida Blue prior to year-end and paid by FPUA subsequent to year-end.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

Note J – continued

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

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2014	\$ 673	\$ 4,518	\$ 4,431	\$ 760
2015	760	4,462	4,745	477

Other Risks of Loss

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

NOTE K – POSTEMPLOYMENT HEALTH CARE BENEFITS

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

Funding Policy - Contributions to the Plan are made by the 49 participating retirees. The amount of contributions made by retirees is established annually and is an amount equivalent to the contribution made by active employees plus FPUA’s cost, based on a four-tiered benefit structure. During the fiscal year, retirees paid required contributions of \$166 for the year then ended. Claims in excess of the aforementioned rates are funded by FPUA on a pay-as-you-go basis.

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

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

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

Annual required contribution	\$ 94
Interest on Net OPEB Obligation	25
Adjustment on annual required contribution	<u>(35)</u>
Annual OPEB Cost	84
Contributions made	(25)
Interest on contributions	<u>-</u>
Increase in Net OPEB Obligation	59
Net OPEB Obligation - beginning of year	<u>622</u>
Net OPEB Obligation - end of year	<u>\$ 681</u>

FPUA's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, the net OPEB obligation for FY 2015, and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB (Asset)/ Obligation</u>
2013	\$77	28.6%	\$ 564
2014	83	30.1%	622
2015	84	29.8%	681

Funded Status and Funding Progress - The net OPEB obligation was not funded as of October 1, 2014, the most recent actuarial valuation date. As a result, the unfunded actuarial accrued liability (UAAL) for benefits was \$786. The covered payroll (annual payroll of active employees covered) was \$14,430. Therefore, the ratio of the UAAL to the covered payroll was 5.4%.

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

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

Note K – continued

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

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

NOTE L – CAPITAL LEASES

On January 4, 2013, FPUA entered into a lease with Pitney Bowes and committed to a new five-year capital lease for equipment and software used for billing and mailing. The equipment has been capitalized at its fair market value (FMV) of \$142. As of September 30, 2015 the FMV less accumulated amortization was \$64. The effective interest/maintenance expense for the year ended September 30, 2015 was \$18. Future lease payments for this capital lease are as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2016	31
2017	38
2018	<u>11</u>
	<u>\$80</u>

NOTE M – TRANSACTIONS WITH THE CITY OF FORT PIERCE

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

Metered and Non-metered Service Charges - FPUA bills the City on a monthly basis for all non-metered and metered services in the ordinary course of business. Total amounts charged to the City for the year ended September 30, 2015, were \$1,677.

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

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

Current accounts receivable from the City at September 30, 2015, totaled \$402. Disbursements made to the City by FPUA, including payments of utility tax, sanitation charges collected and other routine charges for the year ended September 30, 2015, were \$9,106. In addition, FPUA paid the September 30, 2014 General Fund distribution to the City in the amount of \$5,735. Amounts payable to the City at September 30, 2015, were \$783.

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

Advance Distribution to the General Fund – FPUA entered into an agreement with the City to provide an advance on future distributions to the General Fund. FPUA disbursed \$1,250 during the year ending September 30, 2014. The City will repay this advance through a reduction of future distributions of \$417 in 2017 and 2018 and a final reduction in 2019 of the balance including interest accrued at the average interest rate earned by FPUA on its investments. Through September 30, 2015 interest in the amount of \$1 has been accrued and added to the balance of the advance. The advance distribution is included in “Deferred Outflows of Resources” in the statement of net position.

NOTE N – CONTRACT COMMITMENTS

FMPA All-Requirements Power Supply Project

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

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

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

Note N – continued

FMPA St. Lucie Project

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

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

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

Purchases under these contracts are accounted for as operating expenses by FPUA. Total cost included in operating expenses for FY 2014 and FY 2015 was \$7,033 and \$8,020 respectively. FPUA is committed under the agreements to payments of \$8,274 for the year ending September 30, 2016.

Florida Gas Transmission

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

On July 3, 2012, FPUA acquired additional firm capacity from the City of Sunrise, Florida in order to meet the needs of new industrial customers. This agreement will remain in effect until July 2, 2017 or until cancelled by FPUA. In FY 2015, FPUA will be entitled to firm capacity of 514,912 MMBtu, and will be committed to purchase 207,200 MMBtu of natural gas at an approximate

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2015

(Dollars in Thousands)

cost of \$664. The amounts purchased under these contracts, for FY 2014 and FY 2015 were \$2,237 and \$1,862 respectively.

FMPA Treasure Coast Energy Center

FPUA has entered into an agreement with FMPA to manage and operate their facility located in St Lucie County near Fort Pierce. The Treasure Coast Energy Center (TCEC) is a natural gas fueled power generation site. The initial terms of this agreement(s) commenced on July 24, 2007 and expired on September 30, 2011, after which the agreement became a one-year evergreen. The agreement has been extended for the year ended September 30, 2015.

FPUA has been engaged to manage, operate and maintain the TCEC. TCEC employees are on the payroll of FPUA and all costs associated with them are reimbursed bi-weekly by FMPA. TCEC employee costs and revenue for FY 2014 and FY 2015 totaled \$1,667 and \$1,809 respectively.

NOTE O – EXTRAORDINARY ITEMS

FPUA transferred the ownership of the former site of the Henry D. King Power Plant to the Fort Pierce Redevelopment Agency (FPRA) on October 15, 2009. A grant awarded to the FPRA for the cleanup was not sufficient to cover the cost of remediation. The FPRA's consultant has estimated the cost to completion over the next year to be \$1,097. Voluntary Cleanup Tax Credits have been estimated to cover project costs of \$1,778. The amount expected to be paid by FPUA in FY 2016 is \$797. When the work on this project concludes, the final cost will be reevaluated as to the actual amounts received through tax credits.

NOTE P – NONEXCHANGE FINANCIAL GUARANTEES

At September 30, 2015 FPUA had irrevocable letters of credit with Harbor Community Bank, which serves as security for loans from the Treasure Coast Regional Planning Council (TCRPC) to the Fort Pierce Redevelopment Agency (FPRA) for cleanup of environmental contamination at the H.D. King Plant site (See Note O). The loans total \$1,400 and will begin to come due on August 20, 2018. No additional loans have been taken as of this report date. The recovery of these funds is projected to begin in July 2016 with the proceeds from the sale of the Voluntary Cleanup Tax Credits applied for by the FPRA.

REQUIRED SUPPLEMENTARY INFORMATION

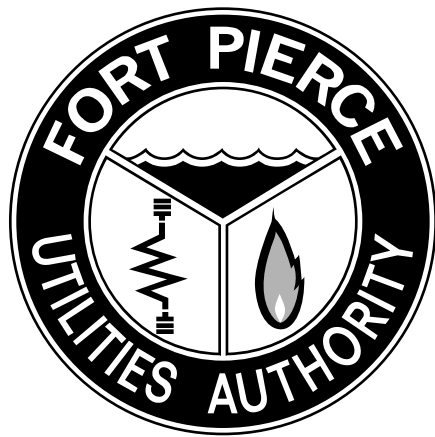
FORT PIERCE UTILITIES AUTHORITY
Schedule of Funding Progress
For the Retiree Health Plan
(Dollars in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
9/30/2013	\$ -	\$ 709	\$ 709	0.00%	\$ 13,977	5.07%
9/30/2014	-	786	786	0.00%	14,269	5.51%
9/30/2015	-	786	786	0.00%	14,430	5.45%

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

Fiscal Year Ending September 30,	FPUA Proportion of the *NPL	FPUA Proportionate Share of the *NPL	FPUA Covered Payroll	*NPL as a % of Covered Payroll	Plan Net Position as a % of Total Pension Liability
2014	41.74%	\$ 1,750	\$ 12,495	14.01%	98.20%
2015	41.74%	5,528	12,552	44.04%	92.95%

* Net Pension Liability



Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how FPUA's financial performance and well being has changed over time.	55-61
Revenue Capacity These schedules contain information to help the reader assess FPUA's local revenue source.	63-72
Debt Capacity These schedules present information to help the reader assess FPUA's debt burden and its ability to issue additional debt in the future.	73-77
Demographic and Economic Information This schedule offers demographic and economic indicators to help the reader understand the environment in which FPUA's financial activities take place.	79-81
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in FPUA's financial report relates to the services FPUA provides and the activities it performs.	83-92

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



Financial Trends

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

Last Ten Fiscal Years
(Dollars in Thousands)

	2015	2014	2013
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 27,712	\$ 29,371	\$ 32,533
Accounts Receivable, Net of Allowance for Uncollectible Accounts	8,149	7,256	7,137
Unbilled Receivables	5,534	5,959	5,380
Due from Other Governments	422	447	447
Inventories and Other Current Assets	5,009	4,877	4,716
Restricted Equity in Pooled Cash and Investments	20,757	20,306	14,483
Restricted Cash with Fiscal Agent	1,308	1,300	7,471
Restricted Accrued Interest Receivable	-	-	-
Total Current Assets	68,891	69,516	72,167
Noncurrent Assets:			
Capital Assets:			
Utility Plant in Service	423,324	414,941	411,561
Construction Work in Progress	24,768	20,472	15,750
Less Accumulated Depreciation	(231,252)	(219,917)	(210,951)
Total Capital Assets (net of Accumulated Depreciation)	216,840	215,496	216,360
Other Noncurrent Assets:			
FMPA Working Capital Receivable	1,919	1,919	1,919
Preliminary Survey	6	29	29
Investment in Public Gas Partners Pool	587	624	658
Restricted Equity in Pooled Cash and Investments	6,703	6,703	6,703
Total Other Noncurrent Assets	9,215	9,275	9,309
Total Assets	294,946	294,287	297,836
DEFERRED OUTFLOWS OF RESOURCES			
Advance Distribution to General Fund - City of Fort Pierce	1,251	1,250	-
Deferred Pension	3,689	-	-
Purchased Power and Gas Under-Collection	-	-	-
Total Deferred Outflows	4,940	1,250	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 299,886	\$ 295,537	\$ 297,836

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

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

2012	2011	2010	2009	2008	2007	2006
\$ 30,179	\$ 27,588	\$ 20,395	\$ 10,499	\$ 11,185	\$ 10,509	\$ 8,586
7,438	7,683	8,089	9,139	8,050	8,289	8,066
5,260	5,352	5,771	6,618	6,297	5,228	4,387
547	547	661	587	1,056	4,413	2,442
4,679	4,672	5,119	5,932	6,440	6,214	5,907
13,991	13,789	13,354	13,648	13,862	12,469	10,704
7,819	7,681	7,666	6,858	7,388	14,896	6,669
-	-	-	-	-	45	24
<u>69,913</u>	<u>67,312</u>	<u>61,055</u>	<u>53,281</u>	<u>54,278</u>	<u>62,063</u>	<u>46,785</u>
406,146	397,577	386,310	376,645	346,425	359,395	330,603
15,485	15,958	22,300	24,307	37,686	33,161	27,089
(199,294)	(184,610)	(171,752)	(157,277)	(146,325)	(179,231)	(164,518)
<u>222,337</u>	<u>228,925</u>	<u>236,858</u>	<u>243,675</u>	<u>237,786</u>	<u>213,325</u>	<u>193,174</u>
1,919	1,919	1,919	1,919	1,919	1,919	2,745
30	80	23	23	2,669	218	218
830	841	864	1,022	-	-	-
6,703	6,703	6,703	3,223	3,223	3,223	3,223
<u>9,482</u>	<u>9,543</u>	<u>9,509</u>	<u>6,187</u>	<u>7,811</u>	<u>5,360</u>	<u>6,186</u>
<u>301,732</u>	<u>305,780</u>	<u>307,422</u>	<u>303,143</u>	<u>299,875</u>	<u>280,748</u>	<u>246,145</u>
-	-	-	-	-	-	-
-	-	-	-	910	-	-
-	-	-	-	910	-	-
<u>\$ 301,732</u>	<u>\$ 305,780</u>	<u>\$ 307,422</u>	<u>\$ 303,143</u>	<u>\$ 300,785</u>	<u>\$ 280,748</u>	<u>\$ 246,145</u>

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

	2015	2014	2013
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 9,577	\$ 10,066	\$ 9,295
Due to City of Fort Pierce	781	766	732
Customer Deposits - restricted assets	7,803	7,445	7,205
Revenue Bonds Payable - restricted assets	7,086	6,987	6,653
Accrued Interest Payable - restricted assets	1,145	1,197	1,356
Accrued Compensated Absences	170	55	-
Capital leases Payable	31	26	22
Other Current Liabilities	873	831	1,312
Total Current Liabilities	<u>27,466</u>	<u>27,373</u>	<u>26,575</u>
Noncurrent Liabilities:			
Revenue Bonds Payable, Net of Unamortized Discounts	76,764	82,405	88,038
Accrued Compensated Absences	1,592	1,878	1,830
Other Post Employment Benefits	681	622	564
Net Pension Liability	5,528	1,750	
Due to St. Lucie County	137	137	177
Capital Leases Payable	49	80	105
Other Noncurrent Liabilities	-	713	757
Total Noncurrent Liabilities	<u>84,751</u>	<u>87,585</u>	<u>91,471</u>
Total Liabilities	112,217	114,958	118,046
DEFERRED INFLOWS OF RESOURCES			
Purchased Power and Gas Over-Collection	5,694	3,204	2,255
NET POSITION			
Net Investment in Capital Assets	132,770	125,879	121,450
Restricted Capital Improvement Charges	6,031	5,977	6,740
Restricted For Debt Service	4,930	4,535	4,139
Restricted For Emergencies	1,273	1,668	2,000
Restricted For Renewals & Replacements	500	500	564
Restricted For Capital Projects	-	-	-
Unrestricted	36,471	38,816	42,642
Total Net Position	<u>181,975</u>	<u>177,375</u>	<u>177,535</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 299,886</u>	<u>\$ 295,537</u>	<u>\$ 297,836</u>

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

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

2012	2011	2010	2009	2008	2007	2006
\$ 7,785	\$ 8,044	\$ 7,020	\$ 8,289	\$ 10,892	\$ 11,617	\$ 8,765
699	689	756	718	810	1,287	1,147
6,869	6,675	6,339	5,866	5,324	5,112	4,635
5,955	5,675	5,655	5,797	5,350	5,138	4,942
1,864	2,006	2,011	1,208	1,316	1,418	1,514
82	80	64	1,294	1,284	1,312	1,264
39	32	27	-	-	-	-
1,351	1,419	1,276	540	458	779	1,690
<u>24,644</u>	<u>24,620</u>	<u>23,148</u>	<u>23,712</u>	<u>25,434</u>	<u>26,663</u>	<u>23,957</u>
92,493	97,460	102,291	102,371	106,694	110,607	94,383
1,675	1,566	1,626	671	864	878	742
509	456	148	13	-	-	-
189	201	234	-	-	-	-
-	39	71	-	-	-	-
700	-	-	-	-	-	-
<u>95,566</u>	<u>99,722</u>	<u>104,370</u>	<u>103,055</u>	<u>107,558</u>	<u>111,485</u>	<u>95,125</u>
120,210	124,342	127,518	126,767	132,992	138,148	119,082
3,147	2,934	1,541	609	-	589	3,315
123,713	125,837	129,259	136,360	127,468	107,203	95,537
7,122	7,114	7,015	7,781	8,538	7,357	6,069
3,744	3,480	3,480	-	-	-	-
2,000	2,000	2,000	2,000	2,000	2,000	2,000
959	1,223	1,223	1,223	1,223	1,223	1,223
-	-	-	-	721	8,386	237
<u>40,837</u>	<u>38,850</u>	<u>35,386</u>	<u>28,403</u>	<u>27,843</u>	<u>15,842</u>	<u>18,682</u>
<u>178,375</u>	<u>178,504</u>	<u>178,363</u>	<u>175,767</u>	<u>167,793</u>	<u>142,011</u>	<u>123,748</u>
<u>\$ 301,732</u>	<u>\$ 305,780</u>	<u>\$ 307,422</u>	<u>\$ 303,143</u>	<u>\$ 300,785</u>	<u>\$ 280,748</u>	<u>\$ 246,145</u>

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

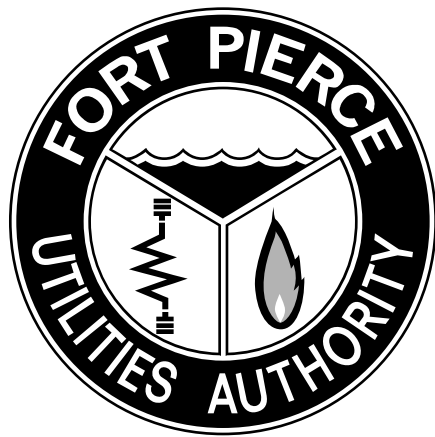
	FY 2015	FY 2014	FY 2013	FY 2012
OPERATING REVENUES				
Residential Sales	\$ 39,558	\$ 39,565	\$ 38,489	\$ 38,275
General Service Sales	52,964	55,899	55,518	55,162
Sales for Resale	874	799	854	882
Other Operating Revenues	2,162	2,272	2,172	2,171
Total Operating Revenues	<u>95,558</u>	<u>98,534</u>	<u>97,033</u>	<u>96,490</u>
OPERATING EXPENSES				
Generation	-	-	-	-
Purchases for Resale	42,304	45,347	44,800	44,356
Plant Operations	5,325	5,247	5,127	5,336
Field Operations	8,641	8,716	8,579	8,236
General and Administrative	15,802	15,078	14,546	14,645
Depreciation	12,461	14,991	15,300	15,253
Total Operating Expenses	<u>84,533</u>	<u>89,379</u>	<u>88,352</u>	<u>87,826</u>
OPERATING INCOME	11,025	9,155	8,681	8,664
NONOPERATING REVENUES (EXPENSES)				
Investment and Other Income	2,171	2,232	1,961	2,211
Grant Revenue	81	6	12	8
TCEC Expenses	(1,809)	(1,667)	(1,654)	(1,642)
Storm Expenses	-	-	-	-
Interest Expense	(3,594)	(3,582)	(5,105)	(4,632)
Property Transfer to FPRA	-	-	-	-
Distribution to City of Fort Pierce	(5,735)	(5,605)	(5,366)	(4,767)
Total Nonoperating Revenues (Expenses)	<u>(8,886)</u>	<u>(8,616)</u>	<u>(10,152)</u>	<u>(8,822)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	2,139	539	(1,471)	(158)
Capital Contributions	2,471	1,478	1,392	1,229
INCOME BEFORE EXTRAORDINARY ITEMS	4,610	2,017	(79)	1,071
Extraordinary Income (Expense)	(10)	(427)	(761)	(1,200)
CHANGE IN NET POSITION	4,600	1,590	(840)	(129)
Net Position - Beginning of Year*	<u>177,375</u>	<u>177,535</u>	<u>178,375</u>	<u>178,504</u>
Net Position - End of Year	<u>\$ 181,975</u>	<u>\$ 179,125</u>	<u>\$ 177,535</u>	<u>\$ 178,375</u>

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

*FY 2015 Beginning of Year Net Position restated to reflect GASB 68 adjustment.

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

	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
\$	40,220	\$ 44,528	\$ 43,422	\$ 42,876	\$ 38,861	\$ 39,326	\$ 36,026
	55,736	60,431	61,908	62,219	53,624	52,613	46,838
	465	747	711	580	631	627	650
	1,663	2,552	2,832	2,602	2,388	2,212	1,604
	<u>98,084</u>	<u>108,258</u>	<u>108,873</u>	<u>108,277</u>	<u>95,504</u>	<u>94,778</u>	<u>85,118</u>
	-	-	1	939	1,602	1,649	1,731
	45,695	53,893	54,812	54,797	44,679	47,916	39,683
	5,275	5,724	5,657	5,756	5,030	5,069	4,361
	8,124	8,827	9,148	8,889	8,579	7,643	7,165
	15,260	14,949	15,482	15,858	15,846	15,308	12,906
	<u>15,558</u>	<u>15,268</u>	<u>14,201</u>	<u>13,756</u>	<u>15,020</u>	<u>13,892</u>	<u>11,456</u>
	<u>89,912</u>	<u>98,661</u>	<u>99,301</u>	<u>99,995</u>	<u>90,756</u>	<u>91,477</u>	<u>77,302</u>
	8,172	9,597	9,572	8,282	4,748	3,301	7,816
	2,277	2,407	2,271	2,404	3,125	1,639	1,159
	-	230	626	5,234	3,541	2,260	5,330
	(1,570)	(1,492)	(1,491)	(480)	-	-	-
	-	-	(87)	(96)	(234)	(1,888)	(4,839)
	(4,894)	(5,688)	(3,990)	(4,160)	(4,916)	(4,237)	(4,584)
	-	(511)	-	-	-	-	-
	<u>(5,125)</u>	<u>(4,853)</u>	<u>(5,046)</u>	<u>(4,952)</u>	<u>(4,209)</u>	<u>(4,652)</u>	<u>(4,585)</u>
	<u>(9,312)</u>	<u>(9,907)</u>	<u>(7,717)</u>	<u>(2,050)</u>	<u>(2,693)</u>	<u>(6,878)</u>	<u>(7,519)</u>
	(1,140)	(310)	1,855	6,232	2,055	(3,577)	297
	<u>1,291</u>	<u>2,982</u>	<u>6,465</u>	<u>19,156</u>	<u>16,208</u>	<u>9,530</u>	<u>5,649</u>
	151	2,672	8,320	25,388	18,263	5,953	5,946
	(10)	(76)	(346)	394	-	-	-
	<u>141</u>	<u>2,596</u>	<u>7,974</u>	<u>25,782</u>	<u>18,263</u>	<u>5,953</u>	<u>5,946</u>
	<u>178,363</u>	<u>175,767</u>	<u>167,793</u>	<u>142,011</u>	<u>123,748</u>	<u>117,795</u>	<u>111,849</u>
\$	<u><u>178,504</u></u>	<u><u>178,363</u></u>	<u><u>175,767</u></u>	<u><u>167,793</u></u>	<u><u>142,011</u></u>	<u><u>123,748</u></u>	<u><u>117,795</u></u>



Revenue Capacity



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

FISCAL YEAR	ELECTRIC	WATER	NATURAL GAS	WASTEWATER
FY 2015	28,221	19,929	4,189	15,038
FY 2014	28,096	19,756	4,223	14,987
FY 2013	27,630	19,248	4,179	14,635
FY 2012	27,765	19,276	4,189	14,450
FY 2011	27,752	19,162	3,904	14,372
FY 2010	27,859	19,048	3,982	14,460
FY 2009	28,413	19,394	4,039	14,842
FY 2008	28,584	19,278	4,171	14,737
FY 2007	26,883	17,711	4,304	13,428
FY 2006	26,662	16,952	4,431	13,099

FORT PIERCE UTILITIES AUTHORITY

Operating Revenues By System

Last Ten Fiscal Years

(Dollars in Thousands)

	FY 2015	FY 2014	FY 2013	FY 2012
ELECTRIC				
Residential				
Inside the City	\$ 21,434	\$ 21,724	\$ 21,325	\$ 21,460
Outside the City	5,255	5,282	5,281	5,378
General Service				
Inside the City	28,423	30,507	31,515	32,280
Outside the City	4,958	5,235	5,254	5,393
Other Retail	1,750	1,979	2,012	1,895
Other Operating Revenues	1,024	1,074	1,115	1,051
Total Electric Operating Revenues	62,844	65,801	66,502	67,457
WATER				
Residential				
Inside the City	4,546	4,351	4,054	3,855
Outside the City	1,597	1,494	1,367	1,277
General Service				
Inside the City	5,305	5,169	4,813	4,807
Outside the City	2,381	2,519	2,249	2,348
Sales for Resale	874	799	854	882
Other Operating Revenues	101	156	119	124
Total Water Operating Revenues	14,804	14,488	13,456	13,293
GAS				
Sales Revenue				
Residential	1,240	1,293	1,251	1,215
Heat Only	12	13	13	11
General Service	3,511	3,813	3,331	2,400
Other Operating Revenues	85	82	53	75
Total Gas Operating Revenues	4,848	5,201	4,648	3,701
WASTEWATER				
Residential				
Inside the City	4,826	4,763	4,564	4,459
Outside the City	574	570	555	541
General Service				
Inside the City	5,280	5,305	4,973	4,918
Outside the City	1,428	1,446	1,449	1,198
Other Operating Revenues	126	180	143	234
Total Wastewater Operating Revenues	12,234	12,264	11,684	11,350
MANATEE OBSERVATION AND EDUCATION CENTER				
Total MOEC Operating Revenues	390	350	348	337
FPUAnet COMMUNICATIONS				
Total FPUAnet Operating Revenues	438	430	395	352
TOTAL OPERATING REVENUES	\$ 95,558	\$ 98,534	\$ 97,033	\$ 96,490

FORT PIERCE UTILITIES AUTHORITY

Operating Revenues By System

Last Ten Fiscal Years

(Dollars in Thousands)

FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
\$ 22,936	\$ 26,327	\$ 25,398	\$ 25,084	\$ 22,077	\$ 22,058
5,921	6,882	6,821	6,922	6,503	6,958
32,822	36,501	38,192	37,642	31,253	29,992
5,558	6,458	6,945	7,460	6,275	5,957
1,663	1,657	1,651	1,632	1,531	1,394
1,148	1,192	1,189	1,171	1,091	1,093
<u>70,048</u>	<u>79,017</u>	<u>80,196</u>	<u>79,911</u>	<u>68,730</u>	<u>67,452</u>
3,819	3,749	3,729	3,580	3,453	3,427
1,263	1,225	1,207	1,194	1,216	1,203
4,956	4,697	4,616	4,343	4,268	4,220
2,288	2,336	2,033	2,062	1,981	2,144
466	747	711	580	630	627
(45)	254	345	299	265	212
<u>12,747</u>	<u>13,008</u>	<u>12,641</u>	<u>12,058</u>	<u>11,813</u>	<u>11,833</u>
1,306	1,462	1,367	1,443	1,366	1,566
21	24	19	16	13	14
2,580	2,827	2,566	3,213	2,767	3,204
120	92	82	100	91	102
<u>4,027</u>	<u>4,405</u>	<u>4,034</u>	<u>4,772</u>	<u>4,237</u>	<u>4,886</u>
4,337	4,251	4,233	3,980	3,607	3,490
551	540	577	577	529	507
4,745	4,686	4,665	4,718	4,371	4,434
1,188	1,337	1,311	1,230	1,276	1,372
(245)	356	657	503	526	341
<u>10,576</u>	<u>11,170</u>	<u>11,443</u>	<u>11,008</u>	<u>10,309</u>	<u>10,144</u>
362	359	362	407	347	409
324	299	197	121	68	54
<u>\$ 98,084</u>	<u>\$ 108,258</u>	<u>\$ 108,873</u>	<u>\$ 108,277</u>	<u>\$ 95,504</u>	<u>\$ 94,778</u>

FORT PIERCE UTILITIES AUTHORITY

Unit Sales By System

Last Ten Fiscal Years

	FY 2015	FY 2014	FY 2013	FY 2012
ELECTRIC SALES (MWh)				
General Service				
Inside the City	267,525	265,950	264,278	271,001
Outside the City	43,850	42,305	41,000	41,285
Total General Service	311,375	308,255	305,278	312,286
Residential				
Inside the City	184,261	172,628	164,672	165,063
Outside the City	43,522	40,445	39,293	39,657
Total Residential	227,783	213,073	203,965	204,720
Total Sales	539,158	521,328	509,243	517,006
WATER SALES - 1,000 GALLONS				
General Service				
Inside the City	896,997	891,635	863,507	925,939
Outside the City	442,529	498,887	460,394	527,997
Total General Service	1,339,526	1,390,522	1,323,901	1,453,936
Residential				
Inside the City	664,402	644,116	636,431	652,425
Outside the City	179,748	169,702	164,871	167,297
Total Residential	844,150	813,818	801,302	819,722
Sales for Resale	320,144	302,486	340,834	367,595
Total Sales	2,503,820	2,506,826	2,466,037	2,641,253
NATURAL GAS SALES (ccf)				
General Service	2,091,516	2,006,259	2,254,172	2,142,737
Residential	453,139	450,403	480,393	473,387
Heat Only				
General Service	128	173	258	215
Residential Service	1,605	1,215	1,333	1,272
Compressed Natural Gas				-
Contract Natural Gas	1,642,320	1,670,980	1,259,670	63,230
Total Sales	4,188,708	4,129,030	3,995,826	2,680,841
WASTEWATER BILLED - 1,000 GALLONS				
General Service				
Inside the City	687,268	682,611	655,667	680,739
Outside the City	177,356	178,122	185,993	149,452
Total General Service	864,624	860,733	841,660	830,191
Residential				
Inside the City	568,243	552,000	545,418	558,685
Outside the City	49,849	47,286	47,361	49,426
Total Residential	618,092	599,286	592,779	608,111
Total Sales	1,482,716	1,460,019	1,434,439	1,438,302

FORT PIERCE UTILITIES AUTHORITY

Unit Sales By System

Last Ten Fiscal Years

FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
271,831	276,163	274,364	296,830	288,386	294,615
<u>40,909</u>	<u>42,713</u>	<u>44,028</u>	<u>52,065</u>	<u>51,024</u>	<u>51,692</u>
312,740	318,876	318,392	348,895	339,410	346,307
174,586	182,246	167,567	177,989	182,701	193,428
<u>42,763</u>	<u>45,037</u>	<u>42,652</u>	<u>46,510</u>	<u>51,439</u>	<u>58,757</u>
217,349	227,283	210,219	224,499	234,140	252,185
<u>530,089</u>	<u>546,159</u>	<u>528,611</u>	<u>573,394</u>	<u>573,550</u>	<u>598,492</u>
943,061	943,673	968,125	992,802	1,064,195	1,147,146
<u>511,172</u>	<u>489,094</u>	<u>447,579</u>	<u>486,689</u>	<u>518,064</u>	<u>616,027</u>
1,454,233	1,432,767	1,415,704	1,479,491	1,582,259	1,763,173
671,797	664,130	675,421	690,728	764,785	821,552
<u>173,431</u>	<u>169,817</u>	<u>170,748</u>	<u>174,995</u>	<u>204,754</u>	<u>221,092</u>
845,228	833,947	846,169	865,723	969,539	1,042,644
<u>355,607</u>	<u>331,747</u>	<u>304,839</u>	<u>228,150</u>	<u>256,842</u>	<u>247,998</u>
<u>2,655,068</u>	<u>2,598,461</u>	<u>2,566,712</u>	<u>2,573,364</u>	<u>2,808,640</u>	<u>3,053,815</u>
2,199,004	2,166,792	2,126,758	2,211,306	2,174,979	2,307,075
<u>527,745</u>	<u>577,206</u>	<u>566,475</u>	<u>555,342</u>	<u>575,464</u>	<u>619,787</u>
6,027	6,210	5,672	3,740	41	178
4,238	5,160	3,498	2,527	3,021	4,020
-	-	-	-	1,357	2,211
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,737,014</u>	<u>2,755,368</u>	<u>2,702,403</u>	<u>2,772,915</u>	<u>2,754,862</u>	<u>2,933,271</u>
682,993	683,051	718,280	787,510	817,915	906,109
<u>156,973</u>	<u>186,910</u>	<u>200,068</u>	<u>200,696</u>	<u>235,321</u>	<u>256,254</u>
839,966	869,961	918,348	988,206	1,053,236	1,162,363
572,258	570,145	579,037	596,635	645,632	689,035
<u>53,014</u>	<u>53,949</u>	<u>59,280</u>	<u>63,994</u>	<u>68,932</u>	<u>74,685</u>
625,272	624,094	638,317	660,629	714,564	763,720
<u>1,465,238</u>	<u>1,494,055</u>	<u>1,556,665</u>	<u>1,648,835</u>	<u>1,767,800</u>	<u>1,926,083</u>

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

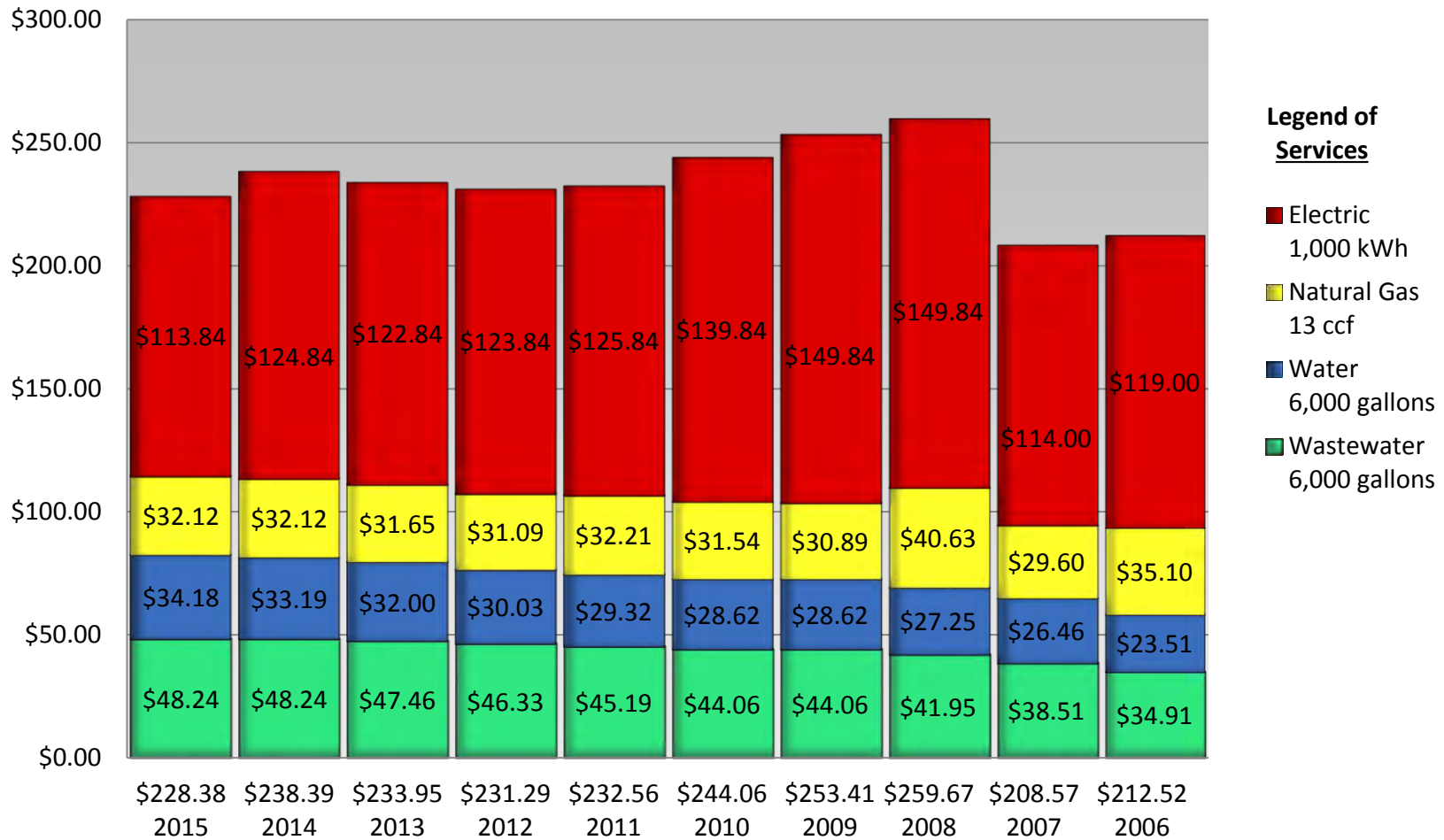
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ELECTRIC										
Customer Charge ⁽¹⁾	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 5.77	\$ 5.35
Rate Per kWh (up to 750 kWh)	0.10822	0.10822	0.10922	0.11322	0.08322	0.08722	0.08722	0.08722	0.08373	0.08277
PCA Per kWh ⁽²⁾	(0.00300)	0.00800	0.00500	0.00200	0.03400	0.04400	0.05400	0.05400	\$0.02200	0.03088
GAS										
Customer Charge ⁽¹⁾	\$ 13.14	\$ 13.14	\$ 12.93	\$ 12.63	\$ 12.32	\$ 12.02	\$ 12.02	\$ 11.17	\$ 10.00	\$ 10.00
Rate Per CCF (up to 100 CCF)	1.46	1.46	1.44	1.42	1.23	1.20	1.20	1.12	1.00	1.00
PGA Per CCF ⁽³⁾	(0.05000)	0.10000	-	-	0.30000	0.30000	0.25000	1.15000	0.50800	0.19500
WATER										
Customer Charge ⁽¹⁾	\$ 13.48	\$ 13.09	\$ 12.62	\$ 11.85	\$ 11.56	\$ 11.28	\$ 11.28	\$ 10.75	\$ 10.44	\$ 16.40
Rate Per 1,000 Gallons (up to 10,000 gallons)	3.45	3.35	3.23	3.03	2.96	2.89	2.89	2.75	2.67	2.37
WASTEWATER										
Customer Charge ⁽¹⁾	\$ 15.30	\$ 15.30	\$ 15.06	\$ 14.71	\$ 14.35	\$ 14.00	\$ 14.00	\$ 13.33	\$ 12.23	\$ 11.09
Rate Per 1,000 Gallons	5.49	5.49	5.40	5.27	5.14	5.01	5.01	4.77	4.38	3.97

(1) Customer Charge reflects the Readiness-to-Serve charge.

(2) "PCA" means Power Cost Adjustment.

(3) "PGA" means Purchased Gas Adjustment.

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



FORT PIERCE UTILITIES AUTHORITY

System Rate Increases

Last Ten Fiscal Years

Fiscal Year	System	Increase (Decrease)
2015	Water	3.0%
2014	Electric	(0.9%)
	Water	3.7%
	Wastewater	1.6%
	Natural Gas	1.6%
2013	Electric	(3.3%)
	Water	6.5%
	Wastewater	2.4%
	Natural Gas	2.4%
2012	Water	2.5%
	Wastewater	2.5%
	Natural Gas	2.5%
2011	Electric	(4.2%)
	Water	2.5%
	Wastewater	2.5%
	Natural Gas	2.5%
2010	-	-
2009	Water	5%
	Wastewater	5%
	Natural Gas	5%
2008	Electric	3%
	Water	3%
	Wastewater	9%
	Natural Gas	9%
2007	Electric	6%
	Water	12%
	Wastewater	10%
2006	-	-

Debt Capacity

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

As of September 30	BUSINESS-TYPE ACTIVITIES								Total All Debt Issues	Ratio to Operating Revenue	Operating ¹ Revenue
	Loans		Leases	Revenue Bonds							
	FMPA	SLC	Capital Equip.	1991 Series	1999 Series	2002 Series	2009 Series	2012 Series			
2006	10,879	-	-	8,376	28,354	9,545	-	-	57,154	60%	94,778
2007	30,752	-	-	9,042	25,608	9,545	-	-	74,947	78%	95,504
2008	30,619	-	-	9,751	22,740	9,545	-	-	72,655	67%	108,277
2009	30,479	-	121	10,504	19,754	9,545	-	-	70,403	65%	108,873
2010	-	234	98	5,445	20,644	9,545	34,800	-	70,766	65%	108,258
2011	-	201	71	-	21,588	9,545	34,800	-	66,205	67%	98,084
2012	-	189	39	-	22,590	9,545	34,800	-	67,163	70%	96,490
2013	-	177	127	-	23,654	9,545	34,800	20,896	89,199	92%	97,033
2014	-	137	106	-	24,774	9,545	34,800	20,498	89,860	91%	98,534
2015	-	137	80	-	25,974	9,545	34,800	13,751	84,287	88%	95,558

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

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

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

Payments Due for FY	Total for All Debt Issues	St. Lucie County	Revenue Bonds			
			1999 Series	2002 Series	2009 Series	2012 Series
2016	7,086	-	255	-	-	6,831
2017	7,195	-	275	-	-	6,920
2018	5,545	-	4,335	-	1,210	-
2019	5,732	137	4,340	-	1,255	-
2020	5,645	-	4,335	-	1,310	-
2021	5,700	-	4,340	-	1,360	-
2022	5,755	-	4,335	-	1,420	-
2023	5,810	-	4,340	-	1,470	-
2024	5,875	-	4,335	-	1,540	-
2025	5,940	-	4,335	-	1,605	-
2026	6,010	-	-	3,025	2,985	-
2027	6,310	-	-	3,180	3,130	-
2028	6,625	-	-	3,340	3,285	-
2029	6,945	-	-	-	6,945	-
2030	7,285	-	-	-	7,285	-
	<u>\$ 93,458</u>	<u>\$ 137</u>	<u>\$ 35,225</u>	<u>\$ 9,545</u>	<u>\$ 34,800</u>	<u>\$ 13,751</u>

FORT PIERCE UTILITIES AUTHORITY
Computation of Debt Service Coverage

Last Ten Years
(Dollars in Thousands)

	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
OPERATING INCOME *	\$ 11,027	\$ 9,236	\$ 8,746	\$ 8,700	\$ 8,175	\$ 9,614	\$ 9,616	\$ 8,276	\$ 4,757	\$ 3,307
ADD:										
Depreciation Expense	12,453	14,982	15,290	15,243	15,547	15,259	14,193	13,747	15,008	13,874
Investment & Other Income	356	484	304	535	703	910	740	1,943	3,117	1,636
Extraordinary Income (Expense)	(10)	(427)	(761)	(1,200)	(9)	(76)	(346)	394	-	-
Net OPEB Expense	58	57	54	53	305	134	13	-	-	-
LESS:										
Interest on Construction Funds	-	-	-	-	-	-	-	238	944	92
NET AVAILABLE INCOME	<u>\$ 23,884</u>	<u>\$ 24,332</u>	<u>\$ 23,633</u>	<u>\$ 23,331</u>	<u>\$ 24,721</u>	<u>\$ 25,841</u>	<u>\$ 24,216</u>	<u>\$ 24,122</u>	<u>\$ 21,938</u>	<u>\$ 18,725</u>
DEBT SERVICE - Bonds & Pooled Loans										
Principal	\$ 7,086	\$ 6,987	\$ 6,653	\$ 5,955	\$ 5,675	\$ 5,655	\$ 5,797	\$ 5,350	\$ 5,138	\$ 4,942
Interest	2,291	2,394	2,762	3,728	4,012	3,573	3,033	3,539	4,197	3,225
NET CASH DEBT SERVICE	<u>\$ 9,377</u>	<u>\$ 9,381</u>	<u>\$ 9,415</u>	<u>\$ 9,683</u>	<u>\$ 9,687</u>	<u>\$ 9,228</u>	<u>\$ 8,830</u>	<u>\$ 8,889</u>	<u>\$ 9,335</u>	<u>\$ 8,167</u>
DEBT SERVICE COVERAGE (TIMES)	<u>2.55</u>	<u>2.59</u>	<u>2.51</u>	<u>2.41</u>	<u>2.55</u>	<u>2.80</u>	<u>2.74</u>	<u>2.71</u>	<u>2.35</u>	<u>2.29</u>

* Excludes the Manatee Observation and Education Center

LEGAL DEBT MARGIN INFORMATION

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



Demographic and Economic Information

FORT PIERCE UTILITIES AUTHORITY
Demographic and Economic Information
 Last Ten Years

Year	City of Fort Pierce Population¹	St. Lucie County Population¹	St. Lucie County Labor Force²	Total Unemployment²	Percentage Rate of Unemployment²	St. Lucie County School Enrollment³	St. Lucie County Per Capita Income⁴	St. Lucie County Personal Income⁴
2015	42,119 *	287,749 *	129,727	8,238	6.4	41,374	***	***
2014	41,188	282,821	129,004	10,198	7.9	41,158	\$34,129	\$9,932,383
2013	41,729	281,151	128,813	12,227	9.5	41,136	31,182	8,943,912
2012	41,646	280,355	123,588	14,519	11.7	40,844	31,742	9,010,473
2011	41,789	279,696	124,115	16,622	13.4	40,433	30,768	8,626,570
2010	41,590	277,789	123,738	17,482	14.1	40,453	29,574	8,243,330
2009	44,251	272,864	123,659	17,619	14.2	41,678	29,526	7,868,831
2008	44,227	276,585	124,155	10,343	8.6	39,346	29,115	7,734,345
2007	41,972	271,961	120,090	8,260	6.9	37,380	28,056	7,297,176
2006	41,102	259,315	115,819	5,706	4.9	38,902	27,540	6,892,505

Sources:

¹ University of Florida, Bureau of Economic & Business Research

² Florida Department of Labor & Employment Security

³ St. Lucie County School Board

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

* Total Estimated

*** Data unavailable

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

Employer	Business Sector	2015 ⁽¹⁾			2008		
		Number of Employees	Rank	% of City Population	Number of Employees	Rank	% of City Population
St. Lucie County School Board	Public	5,416	1	12.86%	4,685	1	10.59%
Indian River State College	Private	2,400	2	5.70%	2,476	2	5.60%
Lawnwood Regional Medical Center	Private	1,339	3	3.18%	1,200	4	2.71%
Convey Health Solutuions	Private	950	4	2.26%	-	-	-
Wal-Mart	Private	890	5	2.11%	1,235	3	2.79%
St. Lucie County	Public	658	6	1.56%	898	6	2.03%
St. Lucie County Fire District	Private	434	7	1.03%	-	-	-
Treasure Coast Hospice	Private	425	8	1.01%	-	-	-
Blue Goose Growers/Construction	Private	400	9	0.95%	-	-	-
New Horizons of the Treasure Coast	Private	360	10	0.85%	398	10	0.90%
City of Fort Pierce	Public	-	-	-	412	8	0.93%
The Home Depot ⁽²⁾	Private	-	-	-	425	7	0.96%
Riverside National Bank of Florida	Private	-	-	-	404	9	0.91%
Publix Super Markets Inc	Private	-	-	-	1,148	5	2.60%
TOTALS		13,272		31.51%	13,281		30.03%

Source:

Economic Development Council of St. Lucie County, St. Lucie County Profile 2015
Indian River State College, Institutional Advancement

⁽¹⁾ Data is as of February 5, 2016

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

Historical data not available for years prior to 2008



Operating Information

FORT PIERCE UTILITIES AUTHORITY

Expenses By System

Last Ten Fiscal Years

(Dollars in Thousands)

	FY 2015	FY 2014	FY 2013	FY 2012
ELECTRIC				
Generation and				
Purchases for Resale	\$ 40,343	\$ 43,006	\$ 42,947	\$ 42,933
Transmission and Distribution	3,927	4,017	4,037	3,783
General and Administrative	6,964	6,696	6,738	6,885
Depreciation	4,463	4,721	4,668	6,477
Total Electric Operating Expenses	<u>55,697</u>	<u>58,440</u>	<u>58,390</u>	<u>60,078</u>
WATER				
Purchases for Resale	7	24	9	-
Plant Operations	3,320	3,185	3,199	3,309
Transmission and Distribution	1,789	1,767	1,732	1,743
General and Administrative	4,426	4,207	4,158	4,183
Depreciation	3,872	4,246	4,044	3,726
Total Water Operating Expenses	<u>13,414</u>	<u>13,429</u>	<u>13,142</u>	<u>12,961</u>
NATURAL GAS				
Purchases for Resale	1,900	2,274	1,816	1,398
Supply and Distribution	1,016	1,018	961	875
General and Administrative	978	892	596	570
Depreciation	274	1,088	304	507
Total Natural Gas Operating Expenses	<u>4,168</u>	<u>5,272</u>	<u>3,677</u>	<u>3,350</u>
WASTEWATER				
Plant Operations	1,766	1,776	1,696	1,779
Pumping and Collection	1,909	1,913	1,849	1,834
General and Administrative	3,113	2,975	2,769	2,755
Depreciation	3,779	4,836	6,194	4,446
Total Wastewater Operating Expenses	<u>10,567</u>	<u>11,500</u>	<u>12,508</u>	<u>10,814</u>
MANATEE OBSERVATION AND EDUCATION CENTER				
Plant Operations	238	286	232	249
General and Administrative	145	136	114	115
Depreciation	8	9	11	11
Total MOEC Operating Expenses	<u>391</u>	<u>431</u>	<u>357</u>	<u>375</u>
FPUAnet COMMUNICATIONS				
Purchases for Resale	55	43	28	25
General and Administrative	175	173	171	137
Depreciation	66	91	79	86
Total FPUAnet Communications Operating Expenses	<u>296</u>	<u>307</u>	<u>278</u>	<u>248</u>
TOTAL OPERATING EXPENSES	<u>\$ 84,533</u>	<u>\$ 89,379</u>	<u>\$ 88,352</u>	<u>\$ 87,826</u>
OTHER REVENUE (EXPENSES) *	<u>\$ (3,511)</u>	<u>\$ (3,012)</u>	<u>\$ (4,786)</u>	<u>\$ (4,147)</u>

* Excludes Distribution to the City of Fort Pierce.

FORT PIERCE UTILITIES AUTHORITY

Expenses By System

Last Ten Fiscal Years

(Dollars in Thousands)

FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
\$ 43,976	\$ 51,832	\$ 52,851	\$ 52,959	\$ 43,958	\$ 46,525
3,814	4,299	4,445	4,423	4,259	3,469
7,423	7,217	7,605	8,051	8,263	8,073
6,420	4,761	4,984	6,960	8,862	8,028
<u>61,633</u>	<u>68,109</u>	<u>69,885</u>	<u>72,393</u>	<u>65,342</u>	<u>66,095</u>
6	-	2	18	-	-
3,331	3,557	3,348	3,223	2,917	2,854
1,567	1,722	1,816	1,575	1,533	1,374
4,268	4,144	4,159	4,116	4,014	3,733
3,825	6,105	4,953	3,617	3,344	3,203
<u>12,997</u>	<u>15,528</u>	<u>14,278</u>	<u>12,549</u>	<u>11,808</u>	<u>11,164</u>
1,676	2,038	1,942	2,744	2,295	3,014
968	981	983	1,056	939	880
650	607	564	525	558	591
303	351	308	288	323	337
<u>3,597</u>	<u>3,977</u>	<u>3,797</u>	<u>4,613</u>	<u>4,115</u>	<u>4,822</u>
1,697	1,906	2,010	2,222	1,885	1,935
1,776	1,825	1,903	1,836	1,847	1,920
2,685	2,747	2,941	2,994	2,883	2,782
4,939	3,985	3,936	2,875	2,481	2,306
<u>11,097</u>	<u>10,463</u>	<u>10,790</u>	<u>9,927</u>	<u>9,096</u>	<u>8,943</u>
246	261	299	310	228	280
109	106	99	97	115	116
11	9	8	9	12	18
<u>366</u>	<u>376</u>	<u>406</u>	<u>416</u>	<u>355</u>	<u>414</u>
37	23	18	15	27	27
125	129	115	74	13	12
60	56	12	8	-	-
<u>222</u>	<u>208</u>	<u>145</u>	<u>97</u>	<u>40</u>	<u>39</u>
<u>\$ 89,912</u>	<u>\$ 98,661</u>	<u>\$ 99,301</u>	<u>\$ 99,995</u>	<u>\$ 90,756</u>	<u>\$ 91,477</u>
<u>\$ (4,277)</u>	<u>\$ (4,366)</u>	<u>\$ (2,702)</u>	<u>\$ 2,850</u>	<u>\$ 1,464</u>	<u>\$ (2,277)</u>

FORT PIERCE UTILITIES AUTHORITY

Performance Indicators

Last Ten Fiscal Years

	FY 2015	FY 2014	FY 2013	FY 2012
SAFETY				
* Frequency Rate (calendar year)	3.96	3.30	4.10	4.90
* Severity Rate (calendar year)	50.90	54.00	48.00	24.00
Workers' Compensation Experience Modification Factor	0.97	0.92	0.92	1.25
FINANCIAL				
Debt Service Ratio (12 months ended)	2.55	2.59	2.51	2.41
Operating Ratio	0.88	0.91	0.91	0.91
COMPONENT COSTS				
Water Treatment Plant				
\$/ 1,000 gallons raw water	\$1.88	\$1.94	\$1.90	\$1.80
Water Reclamation Facility				
\$/ 1,000 gallons effluent	\$2.46	\$2.70	\$1.93	\$2.07
Electric T&D				
\$/ mile of T & D lines	\$15,941.47	\$20,633.15	\$20,516.14	\$23,742.33
\$/ number of services	\$20.71	\$27.11	\$27.41	\$31.57
Water Distribution				
\$/ 1,000 gallons billed	\$1.88	\$1.89	\$1.82	\$1.59
\$/ number of services	\$19.69	\$20.04	\$19.44	\$18.14
Wastewater Collection				
\$/ 1,000 gallons billed	\$2.36	\$2.68	\$3.87	\$2.65
\$/ number of services	\$19.41	\$21.77	\$31.61	\$21.98
Natural Gas Distribution				
\$/ 1,000 ccf billed	\$0.40	\$0.59	\$0.40	\$0.62
\$/ number of services	\$33.16	\$47.71	\$31.89	\$32.90
Lift Stations				
\$/ 1,000 gallons billed	\$0.71	\$0.79	\$0.80	\$0.74
\$/ number of services	\$5.80	\$6.38	\$6.53	\$6.17
Industrial Pre-Treatment				
\$/ Customers	\$985.46	\$903.78	\$698.46	\$793.71
FPUAnet Communications				
\$/ Customers	\$348.35	\$328.03	\$306.83	\$275.98
Administration				
\$/ number of services	\$14.59	\$14.60	\$15.74	\$16.01
HUMAN RESOURCES				
Overtime Ratio	0.046	0.046	0.042	0.040
Sick Leave Ratio	0.038	0.034	0.034	0.034
Overtime vs. Annual Overtime Budget	120.48%	114.96%	107.47%	100.48%
Training Hours vs. Regular Hours Worked	2.93%	2.53%	2.48%	1.52%
Training Dollars vs. Budgeted Salary Dollars	1.92%	1.69%	1.80%	1.23%
*Annual Turnover Rate	8.60%	12.08%	13.25%	6.77%
CUSTOMER SERVICE				
Number of connections	15,663	16,238	16,001	16,360
Number of disconnections	14,800	15,338	15,206	15,419
Number of accounts to collection agency	1,890	1,852	1,584	1,535
Amount of accounts written off				
Electric	\$99,489	\$256,860	\$182,006	\$253,362
Water	\$17,826	\$46,081	\$32,638	\$45,434
Natural Gas	\$1,366	\$3,302	\$2,374	\$3,308
Wastewater	\$16,050	\$41,325	\$29,294	\$40,780
Customer Charges	\$6,141	\$15,770	\$11,181	\$15,563
Communications	\$42	\$371	\$231	\$321
Number of service orders				
Started	44,505	49,837	44,205	50,182
Completed	44,389	49,740	44,224	44,991

* Frequency Rate, Severity Rate and Annual Turnover Rate (2006-2009) indicators are presented on a calendar year basis.

FORT PIERCE UTILITIES AUTHORITY

Performance Indicators

Last Ten Fiscal Years

FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
3.60	1.20	1.50	3.70	4.10	4.40
122.00	61.00	21.00	126.00	18.00	26.00
1.11	1.28	0.95	1.00	1.00	0.89
2.55	2.80	2.74	2.71	2.35	2.29
0.92	0.91	0.91	0.92	0.95	0.97
\$1.79	\$1.92	\$1.79	\$1.85	\$1.40	\$1.40
\$2.45	\$2.56	\$2.40	\$1.99	\$1.94	\$1.71
\$24,841.57	\$20,585.55	\$21,579.20	\$27,765.81	\$24,430.86	\$31,929.00
\$30.95	\$25.99	\$26.71	\$28.17	\$26.35	\$22.91
\$1.54	\$2.46	\$2.20	\$1.67	\$1.44	\$1.17
\$17.79	\$27.92	\$24.24	\$18.58	\$19.08	\$17.60
\$2.86	\$2.11	\$1.78	\$1.32	\$1.13	\$0.96
\$24.34	\$18.20	\$15.55	\$12.29	\$12.53	\$11.73
\$0.57	\$0.57	\$0.58	\$0.64	\$0.92	\$1.54
\$33.36	\$32.89	\$32.21	\$35.51	\$48.96	\$84.86
\$0.76	\$0.71	\$0.69	\$0.62	\$0.52	\$0.51
\$5.97	\$6.14	\$6.02	\$5.80	\$5.74	\$6.30
\$1,246.28	\$793.86	\$614.11	\$779.74	\$840.66	\$1,107.30
\$325.26	\$320.54	\$185.64	\$238.43	\$175.00	N/A
\$17.15	\$18.17	\$16.31	\$16.46	\$17.09	\$18.13
0.036	0.040	0.039	0.050	0.040	0.061
0.039	0.042	0.034	0.036	0.035	0.033
89.65%	80.00%	84.32%	101.53%	99.50%	172.29%
1.62%	2.32%	2.78%	3.14%	5.02%	3.47%
1.31%	1.16%	1.59%	1.45%	1.27%	3.03%
9.09%	6.34%	8.66%	4.76%	10.10%	15.61%
16,077	17,441	17,956	14,820	9,823	12,312
15,038	16,300	16,137	11,734	4,744	1,288
1,888	2,240	2,233	1,880	2,876	1,453
\$197,638	\$390,702	\$360,046	\$340,472	\$226,878	\$391,046
\$35,433	\$70,061	\$64,559	\$61,069	\$40,744	\$46,835
\$2,582	\$5,104	\$4,697	\$4,435	\$2,944	(\$1,954)
\$31,805	\$62,886	\$57,951	\$54,816	\$36,587	\$33,327
\$12,136	\$23,993	\$16,354	\$17,292	\$15,434	\$12,674
\$249	\$495	\$454	\$428	\$318	\$757
56,278	59,489	64,640	61,974	55,217	49,775
48,149	56,799	65,166	61,907	55,706	50,413

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

	FY 2015	FY 2014	FY 2013	FY 2012
ELECTRIC STATISTICS				
Sources of Energy (MWh)				
Total Energy Purchased	559,061	544,751	532,038	537,115
Gross Peak Demand (MW)	107	106	104	103
WATER STATISTICS				
Water Production - 1,000 Gallons				
Raw Water Treated	2,911,231	2,880,512	2,889,435	3,088,102
Water from Distribution System	2,034	14,718	8,657	17,644
Less Deep Well Concentrate	(142,482)	(142,399)	(144,156)	(174,731)
Water Used in Plant	(19,710)	(19,710)	(19,710)	(19,764)
Water from or (left-in) Storage	(1,678)	(308)	61	4,218
FINISHED WATER FROM PLANT	<u>2,749,395</u>	<u>2,732,813</u>	<u>2,734,287</u>	<u>2,915,469</u>
Purchased for Resale (Interconnects)	2,021	10,100	3,943	-
Water Pumped to City	<u><u>2,751,416</u></u>	<u><u>2,742,913</u></u>	<u><u>2,738,230</u></u>	<u><u>2,915,469</u></u>
Water Used in System	169,338	193,590	170,788	193,707
Water Sales	2,503,820	2,506,826	2,466,037	2,641,253
Losses and Unaccounted for Gallonage	78,258	42,497	101,405	80,509
Unaccounted For	0.0284	0.0155	0.0370	0.0276
Average Daily Consumption	7,535	7,489	7,496	7,990
Highest Daily Consumption Date	9,285 2/18/15	9,258 5/19/14	8,950 3/13/13	10,524 4/18/12
Peak Maximum Demand (MG) Date	13,355 5/27/15	14,329 5/5/14	13,932 4/13/13	17,437 7/22/12
Rainfall (inches)	40.08	56.11	51.91	67.10
WATER RECLAMATION FACILITY				
(In Millions of Gallons per Day)				
Average Daily Flow	3.79	4.00	4.72	4.86
Peak Flow	8.75	12.25	8.14	13.03

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

FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
552,427	568,637	553,487	593,686	608,967	616,408
115	124	115	113	124	124
3,101,048	3,023,434	2,993,150	3,013,208	3,455,908	3,566,341
16,648	16,118	N/A	N/A	N/A	N/A
(165,498)	(137,432)	(137,645)	(142,365)	(186,608)	(182,829)
(19,710)	(19,966)	(8,519)	(17,873)	(36,559)	17,988
6,968	1,100	N/A	N/A	N/A	N/A
<u>2,939,456</u>	<u>2,883,254</u>	<u>2,846,986</u>	<u>2,852,970</u>	<u>3,232,741</u>	<u>3,401,500</u>
-	-	-	-	-	-
<u><u>2,939,456</u></u>	<u><u>2,883,254</u></u>	<u><u>2,846,986</u></u>	<u><u>2,852,970</u></u>	<u><u>3,232,741</u></u>	<u><u>3,401,500</u></u>
171,870	175,255	170,369	160,987	132,325	131,791
2,655,068	2,598,461	2,566,712	2,573,364	2,808,640	3,053,815
112,518	109,538	109,905	117,619	291,776	215,894
0.0383	0.0380	0.0386	0.0412	0.0903	0.0635
8,053	7,926	7,827	7,798	8,927	9,357
9,741	9,511	10,403	10,336	11,054	11,885
5/30/11	7/1/10	5/8/09	5/18/08	10/23/06	8/11/06
17,765	17,150	13,304	13,508	17,271	16,702
9/14/11	5/7/10	5/7/09	12/2/07	2/1/07	8/11/06
30.24	40.54	39.89	71.72	42.47	46.47
3.93	4.05	4.95	6.14	5.24	5.91
4.75	5.05	9.57	20.23	7.70	11.19

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

Department	9/30/2015		9/30/2014		9/30/2013
01 Manatee Observation & Education Center	3	P	2	P	2 P
02 Treasure Coast Energy Center	13	D	14	D	14 D
10 Board	5		5		5
11 Director of Utilities	2		2		2
12 Attorney	1		1		1
15 Human Resources	3		3		4
18 Risk Management	4	D	4	D	6 D
21 Finance	13		12		11 D
22 Materials Management	4	P	4	P	3 P
31 Shared Services	1		1		1
32 Information Technology Services	17	D	16	D	16
35 Facilities	5	D	5		5
41 Communications	1		1		1
43 Customer Service	26	D	26	D,P	26 D,P
51 Director of Electric & Gas Systems	1		1	D	1 D
52 Power Generation	-		-		-
54 Electric Transmission and Distribution	21	D	46	D	49 D
55 Electric Operations	25	D			
56 Electric & Gas Engineering	9		9	D	10 D
61 Director of Water/Wastewater Systems	1	D	1	D	1 D
62 Water Resources	23	D	23	D	23 D
64 Water Distribution	29	D	28	D	28 D
66 Water/Wastewater Engineering	11	P	11	D	11 D
74 Gas Operations	15	D	15	D	16 D
82 Water Reclamation	16	D	16	D	14 D
84 Wastewater Collection	19	D	20	D	21 D
93 FPUAnet Communications	2	D	2	D	2
TOTAL	<u>270</u>		<u>268</u>		<u>273</u>

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

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

9/30/2012	9/30/2011	9/30/2010	9/30/2009	9/30/2008	9/30/2007	9/30/2006
2 P	2 P	2 P	2 P	2 P	2 P	2 P
15 D	15 D	15 D	15 D	15 D	-	-
5	5	5	5	5	5	5
2	2	2	2	2 C	2 C	1
1	1	1	1	1	1	1
4	4	4	4	4	4	4
5 D	5	5	5	5	5	4
11 D	10 D	12 D	12 D	13	12	11
3 P	5 P	5 P	5 P	5 P	5 P	5
1	1 H	1 H	1 H	2	7	7
16	16	16	16	14 P	13 P	12 P
5	5	5	5	5	-	-
1	1	1	1	1	3	3
26 D,P	28	29	29	29	29	29 P
1 D	1 D	2 D	2 D	3	3	3
-	-	-	-	1 D	20	21
51 D	52 D,H	53 D,H	55 C,D,H	58 C,D	56 C	50 P
9	9 H	11 H	11 H,P	13 P	14 P	14 P
1 D	1	1	1	2	2	2
23 D	23 D,H	24 H	24 C,H	24 C	24 C	24
25	25 H	28 H	32	32	30	29
11 D	11 D,H	11 D,H	13 H	14	14	13
15 D	14 D,H	14 H	16	16	15	15
13 D	13 D,H	14 D	12 D,H	25	24	24
21 D	21 D,H	22 D	22 D,H	13	13	13
2	1	1	1	1	-	-
<u>269</u>	<u>271</u>	<u>284</u>	<u>292</u>	<u>305</u>	<u>303</u>	<u>292</u>

FORT PIERCE UTILITIES AUTHORITY
Ten Largest Customers
Fiscal Year 2015

Ranking	Customer Name	Utility Service	Unit Sales	Revenues	Total
1	St. Lucie County Board of County Commissioners	Electric (kWh)	14,179,873	\$1,669,660	\$3,927,217
		Water (kgal.)	394,390	1,281,567	
		Wastewater	115,068	954,891	
		Natural Gas (ccf)	13,203	21,098	
2	St. Lucie County School Board	Electric (kWh)	19,828,029	\$2,503,889	\$3,035,794
		Water (kgal.)	30,551	200,277	
		Wastewater	30,312	252,516	
		Natural Gas (ccf)	48,386	79,112	
3	Indian River State College	Electric (kWh)	20,345,792	\$2,267,608	\$2,702,808
		Water (kgal.)	26,188	150,433	
		Wastewater	22,414	170,411	
		Natural Gas (ccf)	101,423	114,356	
4	Lawnwood Regional Medical Center	Electric (kWh)	17,324,924	\$1,749,901	\$2,258,826
		Water (kgal.)	27,449	116,332	
		Wastewater	17,062	108,571	
		Natural Gas (ccf)	307,183	284,022	
5	Fort Pierce Utilities Authority	Electric (kWh)	15,236,282	\$1,681,276	\$1,759,134
		Water (kgal.)	2,346	32,205	
		Wastewater	2,012	31,588	
		Natural Gas (ccf)	8,074	14,065	
6	City of Fort Pierce	Electric (kWh)	9,074,314	\$1,222,049	\$1,676,693
		Water (kgal.)	38,994	374,475	
		Wastewater	6,651	75,873	
		Natural Gas (ccf)	603	4,296	
7	Fort Pierce Housing Authority	Electric (kWh)	5,815,377	\$689,947	\$1,300,693
		Water (kgal.)	27,820	194,437	
		Wastewater	27,997	249,117	
		Natural Gas (ccf)	70,272	167,193	
8	Florida Atlantic University	Electric (kWh)	11,692,702	\$1,259,687	\$1,259,687
		Water (kgal.)			
		Wastewater			
		Natural Gas (ccf)			
9	Waste Pro of Florida	Electric (kWh)	820,812	\$106,309	\$690,344
		Water (kgal.)	291	1,470	
		Wastewater	306	1,864	
		Natural Gas (ccf)	791,349	580,702	
10	Walmart	Electric (kWh)	5,386,382	\$530,383	\$650,734
		Water (kgal.)	8,556	40,359	
		Wastewater	8,565	57,875	
		Natural Gas (ccf)	18,051	22,117	
TOTAL REVENUES BY UTILITY		Electric	\$13,680,710	
		Water	2,391,555	
		Wastewater	1,902,705	
		Natural Gas	1,286,960	
TOTAL COMBINED REVENUES					\$19,261,930

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

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

We have audited the financial statements of Fort Pierce Utilities Authority ("FPUA"), as of and for the year ended September 30, 2015, which collectively comprise of FPUA's basic financial statements and have issued our report thereon dated February 19, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
February 19, 2016