



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Fiscal Year Ended  
September 30, 2019

### **Fort Pierce Utilities Authority**

A Component Unit of The City of Fort Pierce

206 S. 6th Street  
Fort Pierce, FL 34950  
[www.FPUA.com](http://www.FPUA.com)



**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, 2019

*Prepared by*  
*Department of Finance*

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**FORT PIERCE UTILITIES AUTHORITY**  
**Comprehensive Annual Financial Report**  
 Fiscal Year Ended September 30, 2019

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**Comprehensive Annual Financial Report**  
Fiscal Year Ended September 30, 2019

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# TeamUA - Over 2,600

JAMES D ADAMS  
CHARLES ALFORD  
KATHARINE ANNE ALFORD  
WILLIAM A ANDERSON  
TINA ATTEY  
ANDREW AVERS  
CATHERINE BACK  
CHRISTOPHER A BACK  
MAURICE BACON  
JEFFREY W BAKER  
RAUL L BARRERA  
JAMES PATRICK BARRY  
RYAN D BASTINE  
MEREDITH L BENNETT  
ALAN F BERTONE  
KARYL RENEE BERTRAM  
LORI BIANCO  
JOHN WAYNE BIGGS  
JO-ANN BILYK  
DONALD W BLACK  
CHARLES DAVID BLAIR  
S LANCE BRICK  
DANIEL BROLMANN  
WILLIAM BROOKS  
ROGER CLAUDE BROWN  
VICTOR JOSEPH BURRIS  
TRAVIS LADEREK BUTLER  
ANDREW D BYRD  
JOSHUA CALANDRO  
JOHN C CANARD  
DADE CORY CAPPAR  
JAMES CARNES  
GLYNDA W CAVALCANTI  
MICHAEL PAUL CHIDGEY  
JAVIER CISNEROS  
LINDA CLARK  
ANDRE DENELL CLEVELAND  
RICKY L CLEVINGER  
BRIAN LESTER COLLIER  
CHARLES D CONNELL  
BRETT D CORBETT  
TYLER MORGAN COX  
BRANDY CRAWFORD  
CRAIG A CRAWFORD  
SHILOH VICTORY CRAWFORD  
WILBURN L CRAWFORD

STEVEN TODD CRITES  
CLAYTON BRIAN CROUCH  
CHRISTOPHER CRUMBLEY  
JONATHAN D CRUMBLEY  
JOSEPHER EMANUEL CRUTCHFIELD  
JENNIFFER ADRIANA CUEVAS FERMIN  
MICHAEL W CURRID  
THOMAS M DAROZA  
TYRUS RENARD DARVILLE  
ALDONIO DASILVA  
FELICIA S DAVIS  
JOEL DAVIS  
ROBERT P DAVIS  
LUGEY DAWSON  
RAE LYNN DE BOER  
JAMES SEAN DENMAN  
OWEN A DENNIS  
GARY DEPASTINO  
ANDREW J. DIGIACOMO  
SEDDRICK LEVONE DIXON  
THOMAS A DRISKELL  
JASON D DROST  
PETER DUNCAN  
WILLIAM ANDREW DUPRE  
SCOTT DYKEMA  
CHRISTOPHER LEE ELIASON  
JASON A ERWIN  
ROBERT R ESCHMANN  
TRENT AARON EURY  
STEVEN SCOTT FERGUSON  
CHRISTOPHER JON FITZMAURICE  
OMAR SHERIFF FOOTE  
DENISE E FOUNTAIN  
SHARI G FRANCO  
APRIL D FREDERICK  
THOMAS A FRYAR  
NORIEL FUMERO  
JOSEPH MICHAEL FUORE  
FREDERICK C GADDIS  
JOSHUA PAUL GANG  
STEVEN F GATINS  
BARBARA J GIBSON  
MICHAEL R GIFT  
PATRICK E GILLESPIE  
KEVIN GILLETTE  
MONIQUE NICOLE GILSINAN

PATRICIA L GILSINAN  
JOSEPH T GILSON  
MICHAEL GOLDSMITH  
SONIA V GOMEZ  
ANTONIO GONZALEZ  
WILLIAM GOODWIN  
CROSBY GORE  
RONALD L HAGWOOD  
GEORGE R HALL  
JAMES E HARRIS  
MICHELE S HARRIS  
MATTHEW DAVID HARWARD  
STEVE HERDEMAN  
ADAM R HOFFER  
ESTELA Q HOLMAN  
KYLE HOLMAN  
BRANDON RENE HOULE  
NIKOLAS JOHN HOUTRIDES  
JAMES M HOWES  
LINDA HUDSON  
TIMOTHY J HUGHES  
BRAYAN YOVANI HURTADO ESQUIVEL  
BOWDOIN G HUTCHINSON  
MARCUS T JACKSON  
PAUL A JAKUBCZAK  
JORDEN ROBERT JENNINGS  
SIDNEY LEVON JERGER  
SIDNEY L JERGER  
JUWAN JALEEL JEUNE  
ANA MARIA JOHNSON  
CHONTAE L JOHNSON  
CHRISTOPHER JOHNSON  
TERRY RODNEY JOHNSON  
MICHAEL D JONES  
JOSHUA LEE JORDAN  
KERVANS JOSEPH  
WILLIAM R KAEFF  
ADAM KEE  
MARTHA ANNE KERR  
MARK KOBBE  
JENNIFER KRIP  
KUPER KRUEGER  
ALICE M LADOMIRAK  
PAUL LAGUERRE  
JOSEPH L LAMMERS  
DOMINIC F LANE

# Years of Dedicated Service

WILLIAM COLIN LANFAIR  
MICHAEL JOSEPH LEDOUX  
EDWARD S LEONGOMEZ  
GLEN DARRYL LEPESKA  
KARINA JUDITH LIVINGSTON  
KAREN S LLANAS  
SCOTT LOVEN  
ALAN LUNA  
JOSHUA SIDNEY MACNICHOL  
PAUL L MADSEN  
WANDA MAGNUSON  
WILLIAM H MAIN  
TAMMY R MALIN  
GLEN P MANCHESTER  
FRED MANN  
LAURIE ANN MARTIN  
MELISSA MARTIN  
MICHAEL J MARTIN  
STEPHEN E MASTELLER  
CHARLIE FRANK MATTHEWS  
KENNETH HENRY MAXWELL  
FLORINDA K MAZZARELLA  
TOMMIE V MC CARTHY  
TERRANCE MC MILLON  
KEVIN SERON MCDONALD  
DANIEL MCKINLEY  
GEORGE CLAYTON MCMILLAN  
JOHN W MCMILLIAN  
STONEY X MCPEEK  
ERIC D MEYER  
ROSALINE MICHEL  
BARBARA A MIKA  
GEORGE E MILLER  
JOSHUA J MILLER  
JASON M MITTLER  
KENNETH JERROD MORRIS  
REGINA D MORRIS  
LARRY MIKEL MORRISON  
STEVEN MOSELY  
MICHAEL J MULVANEY  
STEVEN MURTO  
RICHARD WADE MUTTERBACK  
KYLE R MYERS  
CHRISTELLE MYRICK  
CHRISTOPHER CHARLES NASSO

MICHAEL ANDREW NEILL  
DINO G NESSELRODE  
TINA LYNN O'CONNELL  
JAMES J O'CONNOR  
KIMBERLY E OKUBO  
SHANNON ONDERLINDE  
JOHNNY ORTIZ  
SHANE OSTRANDER  
NANCY J PALKA  
PATRICIA CAROL PARKER  
THOMAS E PARKER  
SHELIA LAVERNE PARNELL  
KEVIN W PARRISH  
EDWARD L PATRICK  
DARIN PATTERSON  
ERIC PEARSON OLIVO  
NINA B PENICK  
LAURIE MICHELLE PEPPLER  
RICHARD G PETERSEN  
ROBERT A PIRSON  
BARBARA PLASENCIA  
RONNIE PREBILSKY  
TONY TREMAYNE PRICE  
DOUGLAS A PUPARD  
CHARLES D PUTNAM  
FRANCISCO RAMOS  
STEPHANIE RAULERSON  
SERITTA SADE REEVES  
DILLON RESENDIZ  
J KEVIN RHODEN  
TIMOTHY W RICHARDS  
BRANDON RAY RICHARDSON  
EDWIN RICHBERG  
HEATHER MARIE RICUCCI  
ROBERTO S RIGUAL  
DAVION LEON ROLLE  
WILLIAM ROLLE  
LINDA L ROSADO  
SAMANTHA ROWLAND  
SCOTT MICHAEL RUBY  
LYDIA SANTIAGO  
JAMES R SCHMITT  
SAL ANTHONY SCIMECA  
HARRY SHERVA  
JOSHUA SHOLANDER

CARMELO SIGNORELLI  
STERLING R SIMMONS  
DWAYNE JASON SIMPSON  
VALENTIME C SIRMONS  
JULIE Z SIZEMORE  
SHAWN SMITH  
SANDRA LEE SNELL  
JOEL SPADES  
RYAN J SPENCE  
CHARLES J STANG  
KENNETH FRANKLIN STEPHAN  
ANGELA M STEPHENS  
BRIAN KEITH STEPHENS  
KURTIS D STRAND  
CHARLES S SWINDLE  
TONYA LYNN TARDIF  
WILLIAM TAYLOR  
RACHEL REBECCA TENNANT  
DEBRA THERIAULT  
MARY E THOMAS  
DARRYL R THOMAS-BEY  
JOSEPH ROBERT TIETZ  
DANIEL D TILLMAN  
NICOLE HONESTY TIPTON  
ROBERT ERROL TIPTON  
JOHN K TOMPECK  
ANDREA L TRASFERINI-SLOWN  
MASON TERRELL URSO  
OSVALDO VALDES  
ROBERT W VAUGHN  
CHRISTOPHER JAMES VELARDO  
ANDREW JASON WARE  
KARISSA NASTASHIA WARE-CURRY  
JABAREY DEMOND WARREN  
JUDITH ANN WIDMAYER  
EDMOND WILLIAMS  
STACEY WILLIAMS  
CAROL ANN WILSON  
OLIVER C WINT  
ERIC R WINTERSTEIN  
DALTON T WOLFE  
LOIS A WOLFE  
SHARON WOLKOWICZ  
TERRANCE A YEARBY  
RAY ERIC YOUNG

# 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

Alzheimer's Community Care	Friends of Miami-Dade Detainees
American Cancer Society	Friends of St. Lucie County Public Health, Inc
American Red Cross	Girl Scouts of South Florida- Treasure Coast
Bluebird Educational Foundation	H.A.L.O. Rescue
Boys & Girls Clubs of St. Lucie County	Habitat for Humanity
Brennity Assisted Living	Heathcote Botanical Gardens
C.A.S.T.L.E.	Hibiscus Children's Center
Child Fund International	Hibiscus Park Neighborhood Association & Crime Watch
Christ Family Church	Highwaymen Festival
Christ Fellowship Church	IRL Science Festival
Christian FM	Keep Fort Pierce Beautiful
City of Fort Pierce	Kiwanis Club of Fort Pierce-Sunrise
Conservation Foundation	Lindsay School of the Arts
Conservation Kidz	Lincoln Park Main Street
Council on Aging of St. Lucie County	Main Street Fort Pierce
Dogs & Cats Forever	Marine Clean-up Initiative
Early Learning Coalition	Marine Corps Toys for Tots
Eco Divers Foundation	MMPS Environmental
Family Meals	Manatee Observation & Education Center
Florida Engineering Society	Moore's Creek Cleanup
Florida State Christian Academy	Mustard Seed Ministries
Fort Pierce Rotary	Northside Bat & Ball Little League

## Mission Statement

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

community" by contributing their time and service to the following organizations:

One Florida Foundation	St. Lucie County Economic Development Council
Oxbow Eco-Center	St. Lucie County Schools
Oyster Fest	St. Lucie County Fair
PACE Center for Girls	St. Lucie County Education Foundation
Parkview Baptist Church Food Pantry	Stuff the Bus
Pilot Club of Ft. Pierce	Surfrider Foundation Treasure Coast
PSL Police Department	Susan G. Komen-Strides Against Breast Cancer
PSL Predators - FL Youth Football League	Sword Outreach Mentoring & Resource Center
Reef Environmental Education Foundation	The Lighthouse Foundation
Restoring the Village	The Momentum Foundation
Roundtable of St. Lucie County	The VanDuzer Foundation
Salvation Army Christmas Angels	Treasure Coast Blood Bank
Sandy Shoes Festival	Treasure Coast Food Bank
Sarah's Kitchen	Treasure Coast Manatee Foundation
Scubanuts International	Treasure Coast Waterway Cleanup
Shark Whisperer Organization	Treasure Coast Youth Football & Cheer
Smithsonian Institute	United Against Poverty, Inc.
Sponsor Me, Inc	United Way of St. Lucie County
St. Andrews Episcopal Academy	Vero Beach Baseball Club, Inc.
St. Helen's Catholic Church	We Leap, Inc.
St. Lucie County Chamber of Commerce	Wild over Wildlife





Fort Pierce Utilities Authority  
Director of Finance  
500 Boston Avenue (PO Box 3191)  
Fort Pierce, FL 34950 (34948)

March 11, 2020

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, 2019, is submitted herewith pursuant to the City of Fort Pierce Charter, Article XII, Section 176 (12) and the bond covenants of FPUA's outstanding revenue bonds.

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

DiBartolomeo, McBee, Hartley & Barnes, P.A., Certified Public Accountants, have issued an unmodified ("clean") opinion on FPUA's financial statements for the fiscal year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

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

## FPUA PROFILE

FPUA was established in accordance with provisions of the City Charter, confirmed by an election held on May 30, 1972. The City Charter, Article XII, Section 169, states that FPUA shall be responsible for the development, production, purchase, distribution, and collection of all electricity, water, wastewater, natural gas, and such other utility services as may be designated by resolution by the City Commission. Accordingly, FPUA manages and operates the Manatee Observation and Education Center (MOEC) for the City, and operates the Treasure Coast Energy Center (TCEC) for the Florida Municipal Power Agency (FMPA) on a contract basis, utilizing FPUA employees. FPUA is a component unit of the City of Fort Pierce, Florida and this report includes all systems of FPUA. This report does not include information on the financial activities of the City of Fort Pierce, which is instead contained in the City's CAFR, published separately.



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

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

The **Electric System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 35 square miles, with an average of 28,527 services billed during the fiscal year ended September 30, 2019. 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 Florida Power & Light Company (FPL). FPUA primary distribution has approximately 265 miles of overhead and 145 miles of underground primary cable, which operates at 13.2kV. FPUA and FPL have a territorial agreement approved by the Florida Public Service Commission.

On December 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 20,725 services billed during the fiscal year ended September 30, 2019. 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 393 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 15,316 services billed during the fiscal year ended September 30, 2019. The wastewater collection system consists of 118 lift stations, 174 miles of gravity sewer lines ranging from four to 48 inches in diameter, and approximately 97 miles of force mains ranging in size from 1.5 to 30 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. The Florida Department of Environmental Protection has issued an operating permit, which will be adequate through December 10, 2022.

FPUA has one domestic deep injection well at the IWRf plant site. A pumping station injects treated effluent into the 3,300-foot deep injection well for disposal. The permit for the IWRf IW-1 well, a twenty-four inch domestic well, has been renewed and will be adequate through 2022. 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 4,111 services billed during the fiscal year ended September 30, 2019. The system consists of 171 miles of gas main and 81 miles of service lines. 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 services such as Dedicated Fiber Internet Access, Bandwidth Connections, and Dark Fiber to businesses and institutions. FPUAnet services also include point-to-point Wireless Broadband Internet and Wireless Bandwidth Connections, for applications with less stringent requirements, which extend FPUA's fiber through wireless communications.

FPUA manages the **Manatee Observation & Education Center (MOEC)**, which is located on Moore's Creek east of Indian River Drive. The Manatee Center represents FPUA's longtime commitment to community engagement and environmental stewardship. The Manatee Center's mission is to promote understanding and responsible actions for the protection of the Treasure Coast's fragile ecosystems and their inhabitants. The Manatee Center provides environmental education and community involvement through an active education outreach program and a group of nearly 150 volunteers who staff the Exhibit Hall, Vanishing Mermaid Gift Shop, and community events. The Manatee Center Exhibit Hall, a museum of aquatic tanks and

environmental information, provides a clean and safe facility for viewing manatees in the wild and other inhabitants of the Indian River Lagoon. During fiscal year 2019, Manatee Center staff counted 315 manatee sightings in Moore's Creek while hosting over 56,845 visitors and students from all over the world. Volunteers provided critical and active support to the Center with a total of 12,972 hours of service.

FPUA is required to prepare, adopt, and furnish a copy of a budget to the City Commission of the City of Fort Pierce at least 45 days prior to the beginning of the next fiscal year. The budget and any amendments thereto shall be in effect when approved by FPUA and when any line item expense has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission. The budget is prepared on the accrual basis. The budget and amendments thereto for the year ended September 30, 2019, 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 2019 populations of the City of Fort Pierce and St. Lucie County were 43,653 and 309,359 respectively. Fort Pierce is the county seat, 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 80% of the system revenues are derived from services provided within the City of Fort Pierce, and 20% 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.

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

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.

The real estate market continues to show signs of improvement. One additional Water/Wastewater Supply Agreement Amendment was executed during fiscal year 2019, in order to take advantage of FPUA's Capacity Reduction Option. Customers exercising this option can apply payments previously made for Capital Improvement Charges (for water and wastewater capacity) toward payment of Guaranteed Revenue Charges (GRCs, for capacity reserved for unconstructed units) incurred since the original agreements were signed. The Capacity Reduction Option is beneficial to the Developer because although future capacity is reduced, they can pay outstanding GRCs and resume construction with little or no out of pocket cost. FPUA continues to be optimistic about growth in the long term. Sales activity has picked up. Improvements such as major roadwork, continued beautification of the downtown area, and private investment make the area attractive to new residents.

## **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

### **Rate Planning**

Rate sufficiency has been projected for the upcoming five years. Rate adjustments will be made 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 are costly and provide no additional revenue, but are expected to have a positive impact on

operations and maintenance expenses. Receipt of contributed capital helps fund the infrastructure needed to support growth in the future. 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 interdepartmental communication and cooperation, as well as encouraging increased employee involvement in achieving company goals that support FPUA's Mission Statement. The Joint Strategic Planning Workshop held with the City of Fort Pierce on June 28, 2019 was focused on the City's top priorities and action plan, a discussion regarding annexation strategies and procedures, and one key result area.

**Building the Utility/Building the City** – FPUA's top goal over the next six years will be to implement an Advanced Metering Infrastructure (AMI) system for the Electric, Water and Gas systems. The cost is expected to be financed. Expansion opportunities will be pursued for the Water, Wastewater, FPUAnet and Gas systems. FPUA will continue to gradually invest in the infrastructure needed to redirect the flow of wastewater toward a future Mainland Water Reclamation Facility.

A strategic expansion of the communication infrastructure will provide high-speed communication to businesses and the local community. As a result, the City will then be able to attract technical businesses, such as industrial and manufacturing, that require reliable communication. This is expected to be a catalyst for higher paying jobs and residents in our community.

Other key result areas are:

**Reliability** – Wastewater pipe lining will be expanded as funding is available. Lining will reduce inflow, infiltration and exfiltration, and therefore reduce washouts, street repairs, and costs associated with treating storm water. Gas reliability will be improved through the replacement or installation of valves, replacing corroded steel mains with polyethylene, looping dead-end mains, and implementation of a SCADA monitoring system, which will detect pressure fluctuations and avoid service interruptions. Electric reliability will be improved with more aggressive tree trimming, increased animal deterrent measures, and installation of devices, which will reduce the frequency and length of service interruptions.

**Competitive Rates** – FPUA will continue to work on electric cost reduction with our wholesale power supplier (FMPA) as well as reducing FPUA's costs of electric transmission and distribution. FPUA will work to stabilize Water and Wastewater rates to the extent possible by reviewing costs and adjusting the bulk water and wastewater rates charged to St. Lucie County, effective December 1, 2019.

**Employee Development and Satisfaction** - FPUA provides opportunities for advancement within the organization and is honest with employees as to expectations and possibilities. On average, more than 3% of employees' time is spent in training. Apprenticeship and internship programs have helped develop the specialized skills needed. As the job market improves, FPUA is enhancing efforts to attract and retain the best-qualified employees for each job. A Pay for Performance plan has been implemented to reward superior job performance.

**FPUA Image** – FPUA will continue to enhance our image in the community by expanding our involvement in community events, increasing our activity on social media and improving the appearance of our physical facilities.

**Customer Service** – FPUA's Business Development Officer concentrates on potential, new and other commercial customers seeking to expand their existing facilities, along with offering streamlined economic incentives.

### **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, 2018. This was the 25th 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 June 27, 2018. 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

# FPUA Leadership

## Board Members



**Darryl Thomas-Bey**  
*Chairman*



**Glynda Cavalcanti, CPA**  
*Vice Chairman*



**Daniel M. Delulio, CPA**  
*Secretary*



**Charlie F. Matthews**  
*Deputy Secretary*



**Linda Hudson**  
*Mayor*

## Management Team

John K. Tompeck, P.E. Director of Utilities

Paul A. Jakubczak, P.E., Director of Electric & Gas Systems

Bowdoin G. Hutchinson, P.E., Director of Water/Wastewater Systems

Javier Cisneros, P.E., Director of Utility Support Services

Nina B. Penick, CPA, Director of Financial Services

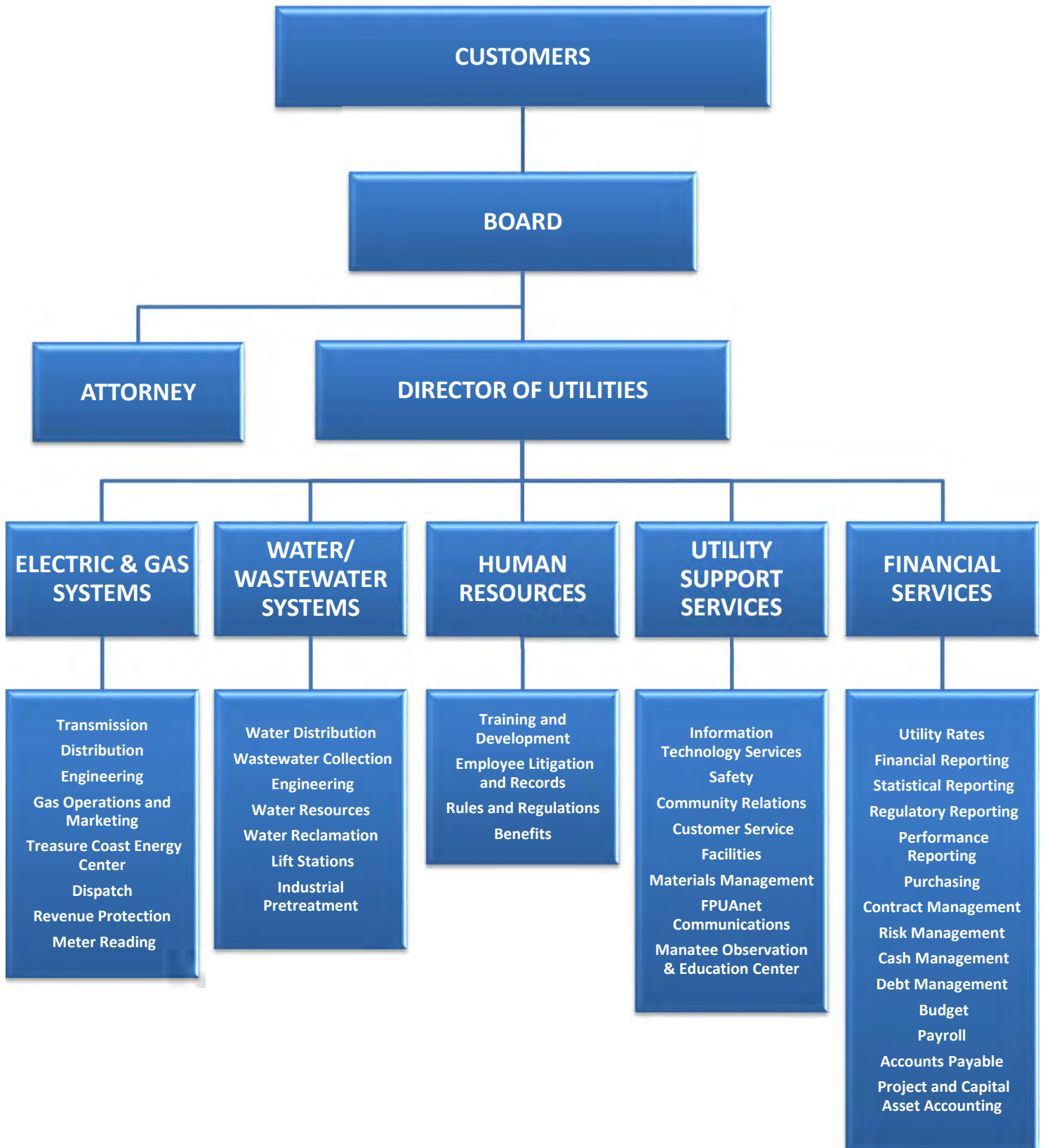
## Counsel

R.N. Koblegard, III, Esquire

## Independent Certified Public Accountants

DiBartolomeo, McBee, Hartley & Barnes

# FPUA Organizational Structure





Government Finance Officers Association

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

Presented to

**Fort Pierce Utilities Authority  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

**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, 2019, 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, 2019, 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.

## **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*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the FPUA's basic financial statements. The introductory section and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 18, 2020, 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 18, 2020

## 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, 2019 (FY 2019). 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 1-7](#) of this report.

### FINANCIAL HIGHLIGHTS

- Operating revenues increased \$1,185,000 compared to last year, and operating expenses increased \$4,215,000. Operating income of \$6,900,000 was down \$3,030,000 from \$9,930,000, 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. The most recent rate adjustments were to water and gas rates effective December 2019, wastewater rate increases effective October 2018, and the addition of LED streetlights and outdoor lights, effective September 2018. 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. The cost of power purchased from FMPA increased \$521,000 or 1.3% and the cost of natural gas purchased for resale was down \$29,000 or 1.6% in FY 2019.
- Operating revenues from the Water system increased 7.9%, and Wastewater operating revenues decreased 0.8% from FY 2018. Excluding the recovery of purchased power and gas costs, operating revenues from the electric system were down 3.0%, and up 7.1% in the gas system.
- Additional water and wastewater operating revenues, as well as corresponding decreases in Capital Improvement Charge revenues, is attributable to recovery of Guaranteed Revenue Charges from Developers who have exercised FPUA's Capacity Reduction Option. See [Note A](#) for details.
- Consumption billed by the gas system increased 8.3%, with contract sales experiencing a 3.2% increase as compared to FY 2018. Consumption billed by the water and electric systems increased by 5.5% and 3.9% respectively. The number of wastewater gallons billed also increased, 3.3% this year. The average number of services billed in the Water and Wastewater systems were up 1.8% and 1.4%, respectively, and flat for the Electric and Gas systems.
- On December 21, 2018, FPUA sold its joint interest in the 138kV line, from Emerson Substation to County Line Substation, to Florida Power & Light (FPL). The proceeds received from this sale was equal to the September 30, 2018 book value of the assets sold, in the amount of \$2,431.
- The remediation of the former site of the H.D. King Power Plant is now complete, and the loans obtained by the Fort Pierce Redevelopment Agency (FPRA) to fund some of the costs have been repaid. No future costs associated with testing and cleanup of the site are anticipated, and the FPRA continues to recover some of the cost through the sale of Voluntary Cleanup Tax Credits. See [Note P](#) for details.

- FPUA continues to be impacted by the implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68). Net position for FY 2019 has been reduced by \$2,210,000 to reflect this accrued cost. See [Note E](#) for details.
- The Distribution to the City of Fort Pierce paid in April 2019 decreased \$14,000 from the amount paid in April 2018. This was primarily a result of slightly less revenue being subject to the 6% distribution calculation multiplier.
- Information on FPUA's revenue bonds payable can be found in [Note L](#).

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The enterprise fund activities of FPUA are intended to recover all or a significant portion of its costs through user fees and charges, and include providing electric, water, wastewater, natural gas, and communication services. FPUA also operates the Treasure Coast Energy Center (TCEC) for the Florida Municipal Power Agency (FMPA), as well as the Manatee Observation and Education Center (MOEC) 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 26-50](#) of this report.

In addition to the basic financial statements and accompanying notes, this report also presents **Required Supplementary Information** concerning FPUA's pension and OPEB liabilities and pension contributions. Required supplementary information can be found on [pages 52-54](#) 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 \$190,109,000 at the close of the most recent fiscal year.

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

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Current Assets	\$ 69,012	\$ 68,637	\$ 375	0.5%
Capital Assets	211,167	213,828	(2,661)	(1.2%)
Other Noncurrent Assets	9,135	9,272	(137)	(1.5%)
Total Assets	289,314	291,737	(2,423)	(0.8%)
Total Deferred Outflows of Resources	6,092	4,887	1,205	24.7%
Current Liabilities	24,766	25,596	(830)	(3.2%)
Noncurrent Liabilities	72,619	72,796	(177)	(0.2%)
Total Liabilities	97,385	98,392	(1,007)	(1.0%)
Total Deferred Inflows of Resources	7,912	8,399	(487)	(5.8%)
Net Position:				
Net Investment in Capital Assets	160,527	161,387	(860)	(0.5%)
Restricted	11,012	11,009	3	0.0%
Unrestricted	18,570	17,437	1,133	6.5%
Total Net Position	<u>\$ 190,109</u>	<u>\$ 189,833</u>	<u>\$ 276</u>	0.1%

The largest portion of FPUA's net position (84.4%) reflects its investment in capital assets, the calculation of which is presented in [Note C on page 33](#). FPUA uses capital assets to provide a variety of services to its customers. Accordingly, these assets are not available for future spending. Although FPUA's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of FPUA's net position (5.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$18,570,000 is unrestricted and is the residual amount of net position not included in net investment in capital assets or restricted net position.

The value of FPUA's capital assets, net of depreciation, has decreased slightly this year. The increase in net investment in capital assets, as well as the decrease in liabilities, is primarily due to the annual repayment of principal on revenue bonds payable.

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

	<u>FY 2019</u>	<u>FY 2018</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Operating Revenues				
Electric	\$ 64,132	\$ 64,286	\$ (154)	(0.2%)
Water	17,634	16,347	1,287	7.9%
Wastewater	13,847	13,961	(114)	(0.8%)
Natural Gas	4,888	4,711	177	3.8%
MOEC	429	435	(6)	(1.4%)
FPUAnet Communications	465	470	(5)	(1.1%)
Nonoperating Revenues				
Investment and Other Income	3,142	2,669	473	17.7%
Grant Revenue	423	457	(34)	(7.4%)
Total Revenues	<u>104,960</u>	<u>103,336</u>	<u>1,624</u>	<u>1.6%</u>
Operating Expenses				
Purchases for Resale	43,796	43,289	507	1.2%
Plant Operations	5,917	5,771	146	2.5%
Field Operations	10,107	9,647	460	4.8%
General and Administrative	20,716	18,580	2,136	11.5%
Depreciation	13,959	12,993	966	7.4%
Nonoperating Expenses				
Distribution to the City of Fort Pierce	6,125	6,139	(14)	(0.2%)
Interest Expense	3,044	3,077	(33)	(1.1%)
TCEC Expenses	2,285	1,828	457	25.0%
Loss on Disposal of Capital Assets	69	137	(68)	(49.6%)
Storm Expenses	264	19	245	1289.5%
Total Expenses	<u>106,282</u>	<u>101,480</u>	<u>4,802</u>	<u>4.7%</u>
Income (Loss) before Capital Contributions and Extraordinary Expense	(1,322)	1,856	(3,178)	(171.2%)
Capital Contributions	2,402	1,666	736	44.2%
Capacity Reductions	(901)	(1,374)	473	(34.4%)
Extraordinary Income (Expense)	97	(1)	98	(9800.0%)
Increase (Decrease) in Net Position	276	2,147	(1,871)	(87.1%)
Net Position - Beginning of Year	<u>189,833</u>	<u>187,686</u>	<u>2,147</u>	<u>1.1%</u>
Net Position - End of Year	<u>\$ 190,109</u>	<u>\$ 189,833</u>	<u>\$ 276</u>	<u>0.1%</u>

In addition to the increases in operating revenues and purchased power, as well as the increase in pension expense discussed previously in the financial highlights, the increase in general and administrative expenses were a result of many factors.

The distribution to the City of Fort Pierce, based on FY 2019 revenues, computes to \$6,276,000 and will be paid in April 2020 (see [Note N](#) for details). Last year’s distribution, based on FY 2018 revenues, totaled \$6,125,000, and was paid in April 2019. This increase is a result of higher sales revenues.

## CAPITAL ASSETS

Major projects, and the costs associated with each during FY 2019, include:

• Island Water Reclamation Facility Emergency Standby Generator	\$1,591,000
• Kings Highway – all Utility Systems	466,000
• Electric Transmission and Distribution:	
• 55-foot Material Handler	486,000
• Distribution Pole Replacement	338,000
• LED Rental Light Replacement	310,000
• Transmission and Distribution System Improvements	255,000
• Carriage Pointe	200,000
• Water and Wastewater:	
• Avenue M	845,000
• Midway Road	444,000
• Wastewater Collection:	
• Wastewater Main Lining	309,000
• Lift Station E Upgrade	691,000
• Mains and Laterals – Renewal and Replacements	391,000
• Water:	
• Savannah Road Repump	334,000
• Iroquois Water MSBU	276,000
• Main, Service and Valve Replacements – Water Distribution	233,000
• Compressed Natural Gas Filling Station	276,000

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 110 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 2019, FPUA had \$211,167,000 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, 2019.

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

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Electric	\$ 56,368	\$ 59,065	\$ (2,697)	(4.6%)
Water	79,112	81,040	(1,928)	(2.4%)
Wastewater	60,269	59,139	1,130	1.9%
Shared Services	7,450	7,168	282	3.9%
Gas	7,039	6,591	448	6.8%
FPUAnet	858	743	115	15.5%
MOEC	71	82	(11)	(13.4%)
<b>Total</b>	<u>\$ 211,167</u>	<u>\$ 213,828</u>	<u>\$ (2,661)</u>	<u>(1.2%)</u>

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

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Land	\$ 9,556	\$ 9,947	\$ (391)	(3.9%)
Transmission, distribution, and collection systems	149,852	152,909	(3,057)	(2.0%)
Equipment	18,725	19,092	(367)	(1.9%)
Structures and improvements	15,551	13,828	1,723	12.5%
Construction work in progress	17,483	18,052	(569)	(3.2%)
<b>Total</b>	<u>\$ 211,167</u>	<u>\$ 213,828</u>	<u>\$ (2,661)</u>	<u>(1.2%)</u>

Additional information on FPUA's capital assets can be found in [Note C on pages 32-33](#) of this report.

## **DEBT ADMINISTRATION**

At September 30, 2019, FPUA had outstanding revenue bonds in the amount of \$63,723,000. Debt service schedules extend to October 1, 2029. Interest rates range from 2.14% to 5.90% on the bonds. Principal payments are due October 1 of each year. Principal on the bonds of \$5,953,000 was due and paid on October 1, 2019. FPUA continues to evaluate other refunding opportunities that may remain.

On July 23, 2019, the bond rating firm, Fitch Ratings Inc., affirmed FPUA's 'A+' rating. On October 25, 2019, the bond rating firm, Standard & Poor's, affirmed its 'A' rating on FPUA's revenue bonds. Both firms also stated that FPUA's rating outlook is stable.

FPUA has no general bonded debt. Neither the City of Fort Pierce Charter or Code of Ordinances, nor the Florida Statutes limit the amount of debt FPUA can issue. FPUA's debt service coverage ratio was 2.85 times for the twelve months ended September 30, 2019, compared to 3.12 times on September 30, 2018. This coverage ratio remains well above the 1.25 minimum requirement.

Additional information on FPUA's revenue bonds payable can be found in [Note L on pages 46-48](#) of this report.

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

Local economic factors are discussed at length on [pages 4 and 5](#).

Current rate schedules and charges are available on FPUA's website, [www.fpua.com](http://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](mailto:npenick@fpua.com).

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

**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Net Position**  
September 30, 2019  
(With comparative totals for September 30, 2018)  
(Dollars in Thousands)

	<b>2019</b>	<b>2018</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>ASSETS</b>		
Current Assets:		
Equity in Pooled Cash and Investments	\$ 30,506	\$ 28,616
Accounts Receivable, Net of Allowance for Uncollectible Accounts of \$903 in 2019 and \$3,777 in 2018	7,549	7,820
Unbilled Receivables	5,221	6,306
Due from Other Governments	1,793	1,962
Inventories and Other Current Assets	4,501	4,723
Restricted Equity in Pooled Cash and Investments	13,038	12,831
Restricted Cash with Fiscal Agent	6,404	6,379
Total Current Assets	69,012	68,637
Noncurrent Assets:		
Capital Assets:		
Utility Plant in Service	457,592	455,645
Construction Work in Progress	17,483	18,052
Less Accumulated Depreciation	(263,908)	(259,869)
Total Capital Assets (net of Accumulated Depreciation)	211,167	213,828
Other Noncurrent Assets:		
Restricted Equity in Pooled Cash and Investments	6,857	6,857
FMPA Working Capital Receivable	1,919	1,919
Preliminary Surveys	-	68
Investment in Public Gas Partners Pool	359	428
Total Other Noncurrent Assets	9,135	9,272
Total Noncurrent Assets	220,302	223,100
Total Assets	289,314	291,737
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension Outflow	5,881	4,772
Deferred OPEB Outflow	114	-
Deferred Amount on Debt Refunding	97	115
Total Deferred Outflows of Resources	6,092	4,887
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 295,406</b>	<b>\$ 296,624</b>

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

**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Net Position**  
September 30, 2019  
(With comparative totals for September 30, 2018)  
(Dollars in Thousands)

	<b>2019</b>	<b>2018</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 7,969	\$ 8,977
Due to City of Fort Pierce	858	802
Customer Deposits - restricted assets	8,481	8,280
Revenue Bonds Payable - restricted assets	5,953	5,897
Accrued Interest Payable - restricted assets	853	881
Due to St. Lucie County	-	77
Capital Leases Payable	29	24
Other Current Liabilities	623	658
Total Current Liabilities	24,766	25,596
Noncurrent Liabilities:		
Revenue Bonds Payable, Net of Unamortized Discounts	57,728	62,403
Accrued Compensated Absences	2,211	2,015
Other Postemployment Benefit Obligation	989	856
Net Pension Liability	11,606	7,408
Capital Leases Payable	85	114
Total Noncurrent Liabilities	72,619	72,796
Total Liabilities	97,385	98,392
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Purchased Power and Gas Over-Recovery	4,881	4,482
Deferred Pension Inflow	2,994	3,874
Deferred OPEB Inflow	37	43
Total Deferred Inflows of Resources	7,912	8,399
<b>NET POSITION</b>		
Net Investment in Capital Assets	160,527	161,387
Restricted Capital Improvement Charges	4,155	4,152
Restricted for Debt Service	5,457	5,457
Restricted for Emergencies	900	900
Restricted for Renewals and Replacements	500	500
Unrestricted	18,570	17,437
Total Net Position	190,109	189,833
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 295,406</b>	<b>\$ 296,624</b>

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



**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Net Position**  
Year Ended September 30, 2019  
(With comparative totals for the year ended September 30, 2018)  
(Dollars in Thousands)

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Sales and charges for services	\$ 97,993	\$ 96,605
Other	3,402	3,605
Total Operating Revenues	<u>101,395</u>	<u>100,210</u>
<b>OPERATING EXPENSES</b>		
Purchases for resale	43,796	43,289
Plant operations	5,917	5,771
Field operations	10,107	9,647
General and administrative	20,716	18,580
Depreciation	13,959	12,993
Total Operating Expenses	<u>94,495</u>	<u>90,280</u>
<b>OPERATING INCOME</b>	6,900	9,930
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment and other income	3,044	2,654
Grant revenue	423	457
Distribution to General Fund - City of Fort Pierce	(6,125)	(6,139)
Interest expense	(3,044)	(3,077)
TCEC expenses	(2,285)	(1,828)
Gain (Loss) on Disposal of Capital Assets	29	(122)
Storm expenses	(264)	(19)
Total Nonoperating Revenues (Expenses)	<u>(8,222)</u>	<u>(8,074)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	(1,322)	1,856
Capital contributions	2,402	1,666
Capacity reductions	(901)	(1,374)
Total Contributed Capital	<u>1,501</u>	<u>292</u>
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	179	2,148
Extraordinary Income (Expense)	97	(1)
<b>CHANGE IN NET POSITION</b>	276	2,147
<b>Net Position - Beginning of Year</b>	<u>189,833</u>	<u>187,686</u>
<b>Net Position - End of Year</b>	<u>\$ 190,109</u>	<u>\$ 189,833</u>

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

**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Cash Flows**  
Year Ended September 30, 2019  
(With comparative totals for the year ended September 30, 2018)  
(Dollars in Thousands)

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 99,949	\$ 97,537
Receipts from other sources	3,373	3,605
Payments to suppliers for goods and services	(56,097)	(55,319)
Payments to employees for services	(14,305)	(12,998)
Payments for benefits on behalf of employees	(8,679)	(7,440)
Net cash provided by operating activities	24,241	25,385
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Increase (decrease) in payable to City of Fort Pierce	56	56
Proceeds received for Grants and Storm damages	159	561
Payments for other non-operating activities	(2,466)	(1,828)
Distribution to General Fund - City of Fort Pierce	(6,125)	(6,139)
Net cash used by noncapital financing activities	(8,376)	(7,350)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(13,765)	(13,795)
Proceeds from sale of assets	2,427	-
Capital contributions	2,334	1,203
Proceeds from issuance of debt	-	138
Bond principal payments	(5,897)	(5,846)
Bond interest payments	(1,793)	(1,607)
Payment on capital lease obligation	(24)	127
Net cash used by capital and related financing activities	(16,718)	(19,780)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in value of PGP Investment	(69)	(58)
Interest on investments and other non-operating income	3,044	2,669
Net cash provided by investing activities	2,975	2,611
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 2,122	\$ 866

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

**FORT PIERCE UTILITIES AUTHORITY**  
**Statement of Cash Flows**  
Year Ended September 30, 2019  
(With comparative totals for the year ended September 30, 2018)  
(Dollars in Thousands)

	<b>2019</b>	<b>2018</b>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 2,122	\$ 866
Cash and Cash Equivalents at Beginning of Year	54,683	53,817
Cash and Cash Equivalents at End of Year	\$ 56,805	\$ 54,683
Current equity in pooled cash and investments	\$ 30,506	\$ 28,616
Restricted equity in pooled cash and investments	19,895	19,688
Restricted cash with fiscal agent	6,404	6,379
Total Cash and Cash Equivalents	\$ 56,805	\$ 54,683
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>		
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 6,900	\$ 9,930
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	13,959	12,993
Inventory adjustment / gain assets / pension expense	2,067	397
(Increase) decrease in accounts receivable	271	669
(Increase) decrease in unbilled revenue	1,085	(680)
(Increase) decrease in inventories and other current assets	290	(182)
Increase (decrease) in liabilities deferred & customer deposits	600	2,317
Increase (decrease) in accounts payable	(1,008)	4
Increase (decrease) in compensated absences	196	47
Increase (decrease) in other post employment benefits	(7)	114
Increase (decrease) in deferred revenues	(112)	(224)
	\$ 24,241	\$ 25,385
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>		
Accretion of Capital Appreciation Bonds	\$ 1,273	\$ 1,443
Contributions of capital assets	68	463
Amortization of deferred loss on refunding and bond discounts	23	23

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

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Reporting Entity*

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

The accounts at September 30, 2019, and for the year then ended, of the various utility systems of FPUA are included as a discretely presented component unit of the City of Fort Pierce, Florida, financial statements. FPUA has no component units.

*Basis of Presentation*

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

*Measurement Focus and Basis of Accounting*

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

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

Accounting Standards Adopted

During fiscal year 2018, the following new accounting standard was implemented:

GASB Statement No. 75 – Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions This Statement establishes standards for governmental employer recognition, measurement, and presentation of information about OPEB. It also establishes requirements for reporting information about financial support provided by certain nonemployer entities for OPEB that is provided to the employees of other entities.

During fiscal year 2019, the following new accounting standard was implemented:

GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of the capital asset.

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, 2019, have been approved according to the above procedures.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Pooled Cash and Investments - FPUA, for accounting and investment purposes, pools its cash and investments. Cash and cash equivalents are considered to be cash on hand, demand deposits, deposits with Insured Cash Sweep and Florida PRIME, a money market account, and certificates of deposit with original maturities of twelve months or less from the date of acquisition.

In accordance with GASB 31, investments are stated at fair value based on per share prices. The State Board of Administration (SBA) Florida PRIME Local Government Surplus Fund is considered to be a “2a-7 like” investment, and is accounted for at fair value for financial reporting ([See Note B](#)). Florida PRIME has a current rating by Standard and Poor’s of AAAM. There is a risk of loss on these investments based upon the fluctuation of interest rates and lengths of maturity. Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund.

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

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

Inventories - Inventories of fuel, supplies, construction materials, and utility plant replacement parts are recorded at weighted average cost. The cost of such inventories is recorded on the consumption method as expenses or additions to Construction Work in Progress when used rather than when purchased.

Utility Plant - Utility plant is stated at historical cost for items constructed or acquired by purchase. Donated or contributed capital assets are recorded at the value of acquisition on the date received as contributed capital. Utility plant assets are defined by FPUA as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of three years or more.

Depreciation of all exhaustible utility plant assets, including those acquired through intergovernmental grants externally restricted to capital acquisitions, is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation is calculated using the straight line method over the following estimated useful lives:

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

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. Similarly, *deferred inflows of resources*, represents an accumulation 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.

FPUA has the following items reported under this section:

- Deferred Pension Outflows and Inflows in accordance with GASB No. 68.
- Deferred Amount on Debt Refunding resulted from the difference in the carrying value of refunded Revenue Bonds Series 2002 and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Purchased Power and Gas Over-Recovery. Purchased power and gas costs greater or less than the amount included in the base rates are charged or credited to FPUA's customers. At the end of the fiscal year, FPUA has recorded a deferred inflow of resources for the balance of these over-recoveries.
- Deferred Inflows for Other Post Employment Benefits in accordance with GASB No. 75.

## FORT PIERCE UTILITIES AUTHORITY

### Notes to Financial Statements

September 30, 2019

(Dollars in Thousands)

City of Fort Pierce Retirement and Benefit System – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Fort Pierce Retirement and Benefit System (the System) and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

- Net Investment in Capital Assets – Consists of capital assets, contributed capital assets and capital leases, net of accumulated depreciation and reduced by the outstanding balances of any bonds, and related debt that is attributable to the acquisition, construction, or improvement of those assets. [See Note C.](#)
- Restricted Capital Improvement Charges – Consists of the unspent Capital Improvement Charges (CICs) collected in the Electric, Water and Wastewater Systems. The respective balances as of September 30, 2019 are \$380, \$2,453, and \$1,322. Electric CIC’s are used to fund the cash outlay or debt service associated with the expansion of Electric Substations and Electric Transmission & Distribution Systems. In the Water and Wastewater Systems, CICs are used to fund the cash outlay or debt service associated with specific expansion and growth related projects.
- Restricted for Debt Service – Consists of \$5,457 in 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 \$900 in net position, set aside for emergencies which is limited to paying for repairs or replacements of FPUA capital assets damaged or destroyed by a disaster.
- Restricted for Renewals and Replacements – Consists of \$500 in net position which is limited to paying for the cost of extensions, enlargements or additions to or the replacement of FPUA capital assets.
- Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

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

## FORT PIERCE UTILITIES AUTHORITY

### Notes to Financial Statements

September 30, 2019

(Dollars in Thousands)

Capacity Reductions – Water and wastewater service capacity is obtained through payment of Capital Improvement Charges. Property developers in the FPUA service territory have executed amended supply agreements in order to take advantage of FPUA's Capacity Reduction Option. Customers exercising this option can apply payments previously made for Capital Improvement Charges toward payment of Guaranteed Revenue Charges (GRCs, for capacity reserved for unconstructed units) incurred since the original agreements were signed. The Capacity Reduction Option is beneficial to the Developer because although future capacity is reduced, they can pay outstanding GRCs and resume construction with little or no out of pocket cost, while bringing customer growth to FPUA. Any future need for additional capacity must be obtained through payment of Capital Improvement Charges at prevailing rates.

These transactions are recorded in the accompanying financial statements as an increase in operating revenue along with the corresponding reduction in capital contributions in the amount of \$901.

#### Comparative data

Certain reclassifications have been made in order to provide a consistent and comparative understanding of the changes in the financial position and the results of operations of FPUA.

#### Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to September 30, 2019 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2019. Management has performed their analysis through February 18, 2020.

### NOTE B – POOLED CASH AND INVESTMENTS

Cash Deposits with Financial Institutions - Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a "Qualified Public Depository". A Qualified Public Depository is defined as a bank or savings association that has a branch office authorized to receive deposits in Florida, is FDIC insured, meets the requirements of Chapter 280 of the Florida Statutes, and has been so designated by the office of Florida's Chief Financial Officer. FPUA had cash deposits only with qualifying institutions as of September 30, 2019. At year-end, FPUA's carrying amount of deposits was \$1,219 and the bank balance was \$311.

Investments – The following investments are considered cash equivalents for purposes of the Statement of Cash Flows ([see Note A](#)). FPUA's investments held throughout the year are principally the same as the investments held as of September 30, 2019. Due to fluctuations in

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

cash flows, FPUA maintains investments in an Insured Cash Sweep account. The interest income generated on these investments including any gain on investment, for the year ended September 30, 2019, was \$503.

As of September 30, 2019, FPUA had the following investments:

<u>Investment</u>	<u>Fair Value</u>
Seacoast Bank Sweep	\$ 33,120
PNC Money Market	7,196
State Board of Administration - Florida PRIME	5,532
CenterState Bank Certificates of Deposit	1,776
Seacoast Bank Certificate of Deposit	<u>1,546</u>
Total	<u>\$ 49,170</u>

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, FPUA's investment policy permits a shifting in the maturity of debt obligations based upon the historical trend in interest rates.

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

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

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

- (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 79% of FPUA's investments are in Insured Cash Sweep and Florida PRIME.

**NOTE C – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated:				
Land	\$ 9,947	\$ 5	\$ (396)	\$ 9,556
Construction Work In Progress	18,052	12,650	(13,219)	17,483
Total Utility Plant, not being depreciated	27,999	12,655	(13,615)	27,039
Capital Assets, being depreciated:				
Transmission, distribution and collection systems	349,610	9,763	(8,922)	350,451
Equipment	57,637	1,901	(2,925)	56,613
Structures and improvements	38,451	2,597	(76)	40,972
Total Utility Plant being depreciated	445,698	14,261	(11,923)	448,036
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(196,701)	(10,817)	6,919	(200,599)
Equipment	(38,545)	(2,268)	2,925	(37,888)
Structures and improvements	(24,623)	(874)	76	(25,421)
Total accumulated depreciation	(259,869)	(13,959)	9,920	(263,908)
Total Capital Assets, being depreciated, net	185,829	302	(2,003)	184,128
Total Capital Assets, net	\$ 213,828	\$ 12,957	\$ (15,618)	\$ 211,167

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

Construction work in progress at September 30, 2019, consists principally of expansions and upgrades to the electric transmission and distribution system, water supply and distribution system, wastewater collection and treatment system, and gas distribution system.

Depreciation expense was charged to the utility systems as follows:

Water	\$ 5,542
Electric	4,292
Wastewater	3,637
Gas	413
FPUAnet Communications	64
Manatee Observation and Education Center	<u>11</u>
	<u>\$ 13,959</u>

Net Investment in Capital Assets, the primary component of Net Position, is calculated as follows. The balance as of September 30, 2018 has been restated to conform to this methodology.

Total Capital Assets, net of Accumulated Depreciation	\$ 211,167
Principal Balance of Series 2009 Revenue Bonds	(32,335)
Series 2009 Debt Service Reserve funded with Debt	3,480
Principal Balance of Series 2016 Revenue Bonds	(8,776)
Deferred Amount on Series 2016 Debt Refunding	97
Proceeds from Series 1999B Capital Appreciation Bonds	(10,223)
Bond Discounts on Series 2009 and 2016 Bonds	42
Accounts Payable Attributable to Capital Assets	(2,583)
Retainages Payable	(228)
Capital Lease	<u>(114)</u>
Net Investment in Capital Assets	<u>\$ 160,527</u>

**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.

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

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	\$ 6,806
Capital Improvement Charges	4,155
Customer security deposits	8,481
Debt Service reserve	5,457
Emergency reserve	900
Renewal and replacement reserve	500
	<u>\$ 26,299</u>

**NOTE E – RETIREMENT AND BENEFIT SYSTEM**

**General Information about the Plan**

Plan Description

The City of Fort Pierce Retirement and Benefit System (the System) is a cost-sharing multiple employer Public Employees Retirement System (PERS) defined benefit plan administered by the City of Fort Pierce, covering all municipal employees, including employees of FPUA. Except for the Director of Utilities, participation in the System is compulsory for all employees of FPUA. Employees working more than 25 hours per week are required to participate upon employment. A Deferred Retirement Option Plan (DROP) is offered.

Benefits Provided

The plan provides retirement, termination, disability, and death benefits to all full time employees. Upon retirement, members are entitled to an annual retirement benefit (payable monthly), of total service times 3.0% of final average salary, based upon the highest five consecutive years of the last ten years, with a maximum of \$100,000 per year. Benefits may be payable for life or based on one of five options and name a survivor pension beneficiary.

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

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

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

## FORT PIERCE UTILITIES AUTHORITY

### Notes to Financial Statements

September 30, 2019

(Dollars in Thousands)

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

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

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

The September 30, 2018 valuation reflects the restoration of the 5-year vesting requirement from 10 years for members hired after October 1, 2012, resulting in a small increase in Total Pension Liability. Changes to benefits may be made with the approval of the Fort Pierce City Commission.

#### Contributions

Per the City of Fort Pierce Code of Ordinances, Ch. 13, Art. II, Div. 1, Sec. 13-40, FPUA employees are required to contribute 6.16% of their annual salary to the System. FPUA is required to contribute amounts actuarially determined annually which, together with member contributions, are sufficient to fund the System. Contributions to the System by FPUA were \$2,717 for the year ended September 30, 2019.

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

At September 30, 2019, FPUA reported a liability of \$11,606 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2018. The total pension liability was rolled-forward from the valuation date to the plan year ending September 30, 2019. FPUA's proportionate share of the net pension liability was based on FPUA's present value of projected long-term contributions. At September 30, 2019, FPUA's proportionate share was 48.01%, which was a decrease of 0.47% from its proportion measured as of September 30, 2018.

For the fiscal year ended September 30, 2019, FPUA recognized pension expense of \$4,921. FPUA has recorded beginning and ending accruals which may differ from reporting by the System. At September 30, 2019, FPUA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 132	\$ 403
Changes of assumptions	1,733	-
Net difference between projected and actual earnings on pension plan investments	4,016	2,553
Changes in proportion and difference between FPUA contributions and proportionate share of contributions	-	38
	<u>          </u>	<u>          </u>
Total	<u>\$ 5,881</u>	<u>\$ 2,994</u>

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

Year ended September 30:	
2020	\$1,156
2021	329
2022	436
2023	966
Thereafter	-

Actuarial assumptions

Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported. The total pension liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	2-30 years as of September 30, 2017
Asset Valuation Method	4-Year smoothed market
Wage Inflation	4.00%
Salary Increases	4.0% to 6.5% including inflation
Investment Rate of Return	7.75%
Long-Term Municipal Bond Rate	2.75% (3.83% in 2018)

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

The Florida Retirement System (FRS) mortality table, which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB, were used. Based on these assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members.

Investments are reported at fair value and are managed by third party money managers. Investments that do not have established market values are reported at estimated fair market value. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Equity	26%	4.75%
Small/Mid Cap Equity	12%	5.00%
Global Ex-US Equity	25%	5.00%
Domestic Fixed Income	27%	0.50%
Real Estate	10%	4.00%
<b>Total</b>	<b>100%</b>	

Discount Rate

A single discount rate of 7.75% is used to measure the total pension liability. This single rate was based on the expected rate of return on pension plan investments of 7.75%. The projection of cash flows used to determine this single discount rate assumes that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following represents FPUA's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the FPUA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

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	1% Decrease (6.75%)	Current Single Discount Rate (7.75%)	1% Increase (8.75%)
FPUA's proportionate share of the Net Pension Liability	\$ 23,855	\$ 11,606	\$ 1,286

Pension Plan Fiduciary Net Position

Detailed information about the System's fiduciary net position is included in the financial statements of the City of Fort Pierce, which can be found on the city's website, [www.cityoffortpierce.com](http://www.cityoffortpierce.com). The System does not issue a stand-alone financial report.

**Payables to the Pension Plan**

At September 30, 2019, FPUA reported a payable in the amount of \$61, for outstanding contributions to the Pension Plan.

**NOTE F – EMPLOYEE HEALTH PLAN (the Plan)**

FPUA has been a self-insurer for health and accident claims of their employees, retirees and their families since January 1, 2000. Payments of claims under the Plan are administered by Blue Cross Blue Shield of Florida (Florida Blue). Employee contributions to the Plan are made biweekly. Any benefit claims, up to the stop loss amounts, are paid by FPUA. Claims in excess of the stop loss amounts are underwritten by an insurer. The individual stop loss amount is \$125 and \$5,150 in the aggregate for calendar year 2019.

As of September 30, 2019, FPUA had estimated incurred unpaid claims of \$345. This liability does not include Dental Claims liability. This amount has been calculated based on the results of an actuarial analysis of the Plan, plus claims incurred prior to year-end but paid by FPUA subsequent to year-end.

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

Fiscal Year	Beginning of Fiscal Year Liability	Contributions/ Changes in Estimates	Claims/ Fees Payments	Balance at Fiscal Year End
2018	\$ 495	\$ 4,726	\$ 4,696	\$ 525
2019	525	4,917	5,097	345

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**Notes to Financial Statements**

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**NOTE G—POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about OPEB**

*Benefit description.* FPUA provides certain healthcare benefits for all full-time and retired employees and their families, as a single-employer ([see Note F](#)). All FPUA employees are eligible for those benefits while working for FPUA. FPUA establishes the benefits available to its employees and retirees and may amend the benefits as business conditions and statutory requirements change. In accordance with Florida Statutes, FPUA allows their retirees to participate in the same Plan offered to their active employees. Although retirees pay an amount equivalent to the full cost of the benefit, FPUA must account for the implicit cost. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Employees covered by benefit terms.* At September 30, 2019, the following employees were covered by the benefit terms:

Active employees	278
Inactive employees or beneficiaries currently receiving benefits	<u>50</u>
	<u>328</u>

**Total OPEB Liability**

FPUA's total OPEB liability of \$989 was measured as of September 30, 2019, and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	1.50% per annum
Salary increases	2.50% per annum
Discount rate	2.66% per annum (4.24% for 2018)
Healthcare cost trend rates	5.5% for 2019, decreasing 1.0% per year to an ultimate rate of 4.5% (6.5% for 2018)
Retirees' share of benefit-related costs	Retiree pays the \$826.06 monthly premium for individual coverage and \$1,652.11 for retiree plus spouse coverage.

The discount rate was based on the Bond Buyer's 20-Bond GO Index.

Mortality rates were based on the 2017 PPA Mortality Table (RP-2014, base year 2006, adjusted to 2017 with Mortality Improvement Scale MP-2016).

**FORT PIERCE UTILITIES AUTHORITY**

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The actuarial assumptions used in the September 30, 2019 valuation were based on the results of the October 1, 2017 Actuarial Valuation of the Fort Pierce Utilities Authority Retiree Medical Plan.

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at September 30, 2018</b>	\$ 856
<b>Changes for the year:</b>	
Service cost	27
Interest	37
Differences between Expected and Actual Experience	133
Implicit Rate Subsidy	<u>(64)</u>
<b>Net changes</b>	<u>133</u>
<b>Balance at September 30, 2019</b>	<u><u>\$ 989</u></u>

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the FPUA, as well as what FPUA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66%) or 1-percentage-point higher (3.66%) than the current discount rate:

	<b>1% Decrease (1.66%)</b>	<b>Discount Rate (2.66%)</b>	<b>1% Increase (3.66%)</b>
Total OPEB liability	\$1,100	\$989	\$896

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of FPUA, as well as what FPUA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare cost trend rates:

	<b>1% Decrease (4.5%)</b>	<b>Healthcare Cost Trend Rates (5.5%)</b>	<b>1% Increase (6.5%)</b>
Total OPEB liability	\$874	\$989	\$1,128

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

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(Dollars in Thousands)

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

For the year ended September 30, 2019, FPUA recognized an OPEB expense of \$12. At September 30, 2019, FPUA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 133	\$ 50
Current Recognition of Deferred Amounts	<u>(19)</u>	<u>(13)</u>
Total	<u>\$ 114</u>	<u>\$ 37</u>

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

**Year ended September 30:**

2020	\$11
2021	12
2022	11
2023	12
2024	11
Thereafter	20

**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.

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Accrued liabilities, based on hourly rates at September 30, 2019, have been reflected in the accounts of FPUA for vested (not contingent on employee future service) vacation and sick leave benefits. The amount considered payable within one year is determined based upon five-year averages of the amount accrued for use by employees, and the amount actually used. FPUA assumes that leave earned last is used first or LIFO (last in first out). If employees are using, on average, less than they are earning, then the entire liability is considered long-term. Conversely, if the averages indicate that employees are taking more leave than they are earning, then a portion of the liability is considered current.

At September 30, 2019 the liability was:

	Total Liability	Due Within One Year
Vacation leave	\$ 774	\$ -
Sick leave	<u>1,436</u>	<u>-</u>
	<u>\$2,210</u>	<u>\$ -</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, 2019, \$66 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, 2019, \$62 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, 2019, \$26 was paid to employees electing this option.

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(Dollars in Thousands)

**NOTE I – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Upgrade and Expansion</u>	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>	<u>Required Further Financing</u>
Wastewater	\$ 5,332	\$ 2,655	\$ 2,677	None
Water	1,767	694	1,073	None
Electric	315	142	173	None
Gas	290	173	117	None
Administration	59	20	39	None
	<u>\$ 7,763</u>	<u>\$ 3,684</u>	<u>\$ 4,079</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, 2019, costs of \$300 were authorized under these contracts, \$76 had been spent, and authorized amounts of \$224 remained.

*FMPA All-Requirements Power Supply Project*

As of January 1, 1998, FPUA became a participant in the Florida Municipal Power Agency's (FMPA) All-Requirements Power Supply Project (hereinafter referred to as ARP). FPUA has agreed to purchase all capacity and energy necessary for their electric system from FMPA's ARP during the term of the contract. The contract is a 30 year evergreen, automatically renewing on October 1 of each year unless notification is provided one year prior to the automatic extension date.

Prior to being involved in the ARP, FPUA had Project Support Contracts and Power Sales Contracts with FMPA regarding Stanton Unit No. 1 (Stanton and Tri-City Projects) and Stanton Unit No. 2, coal-fired plants constructed by the Orlando Utilities Commission. FPUA's resources, which have 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.

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**Notes to Financial Statements**

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(Dollars in Thousands)

*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 2018 and FY 2019 was \$8,135 and \$8,146 respectively. FPUA is committed under the agreements to payments of \$7,862 for the year ending September 30, 2020.

*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 cancelled by FPUA. In FY 2016, additional firm capacity was made available from Florida Gas Transmission, and FPUA exercised rights to obtain this capacity. An additional 96,800 MMbtu of capacity was obtained. With this additional capacity, the amount of Sunrise capacity was reduced

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

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(Dollars in Thousands)

by 45,300 MMBtu via a revised interlocal agreement with the City of Sunrise. In FY 2019, FPUA will be entitled to firm capacity of 566,412 MMBtu, and will be committed to purchase 305,931 MMBtu of natural gas at an approximate cost of \$712. The amounts purchased under these contracts, for FY 2018 and FY 2019 were \$1,763 and \$1,717 respectively.

*FMPA Treasure Coast Energy Center*

FPUA has entered into an agreement with FMPA to manage, operate, and maintain their facility located in St. Lucie County near Fort Pierce. The Treasure Coast Energy Center (TCEC) is a natural gas fueled power generation site. The initial terms of this agreement commenced on July 24, 2007 and expired on September 30, 2011, after which the agreement became a one-year evergreen. The agreement is extended annually and was for the year ended September 30, 2019.

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 2018 and FY 2019 totaled \$1,828 and \$2,285 respectively.

**NOTE J – RISK MANAGEMENT**

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

**NOTE K – CAPITAL LEASE**

On January 1, 2018, 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 \$154. As of September 30, 2019, the FMV less accumulated amortization was \$100. The effective interest/maintenance expense for the year ended September 30, 2019 was \$21. The following table is a schedule by year of future minimum lease obligations together with the present value of the net minimum lease payments as of September 30, 2019.

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

	<u>Year Ending September 30</u>	<u>Amount</u>
2020		\$ 45
2021		46
2022		46
2023		<u>11</u>
<b>Total minimum lease payments</b>		<b>148</b>
Less amounts representing interest		<u>(34)</u>
 <b>Present Value of Minimum Lease Payments</b>		 <b><u>\$ 114</u></b>

**NOTE L – REVENUE BONDS PAYABLE**

*Revenue Bonds Payable at September 30, 2019, consist of:*

\$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 5.83% to 5.90%. The bonds were issued to finance the cost of acquiring and constructing additions, extensions and improvements to FPUA’s water and wastewater facilities, as well as to fund the increase in required reserves, and pay certain costs associated with the bond issuance. The accreted value at September 30, 2019 is \$22,612. The remaining principal to be paid totals \$26,020, in annual amounts ranging from \$4,335 to \$4,340 through October 1, 2024. \$22,612

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\$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 4.00% to 5.00%. The bonds were issued to pay the cost of refunding FPUA’s outstanding Florida Municipal Power Agency pooled loans, as well as to fund the increase in required reserves, and pay certain costs associated with the bond issuance. The remaining annual principal amounts range from \$1,310 to \$7,285 through October 1, 2029. 32,335

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\$9,545 Utilities Refunding Revenue Bonds, Series 2016, collateralized by pledge of and first lien on the net revenues of the combined systems, interest at 2.14%. The bonds were issued to pay the cost of refunding the outstanding principal amount of FPUA’s Utilities Revenue Bonds Series 2002, as well as to fund the increase in required reserves, and pay certain costs associated with the bond issuance. The remaining annual principal amounts range from \$308 to \$3,451 are due through October 1, 2026. 8,776

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**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

Total Revenue Bonds Payable at September 30, 2019	\$63,723
Less: Unamortized portion of revenue bond discounts	42
Current portion of revenue bonds payable	<u>5,953</u>
	<u>\$57,728</u>

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.

Requirements to amortize all revenue bonds outstanding as of September 30, 2019 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	5,953	1,645	7,598
2021	6,015	1,584	7,599
2022	6,076	1,519	7,595
2023	6,138	1,449	7,587
2024	6,210	1,377	7,587
2025-2029	29,454	4,278	33,732
2030	7,285	-	7,285
	<u>67,131</u>	<u>11,852</u>	<u>78,983</u>
Future accretion on capital appreciation bonds	<u>(3,408)</u>	<u>3,408</u>	<u>-</u>
	<u>\$ 63,723</u>	<u>\$ 15,260</u>	<u>\$ 78,983</u>

Significant Bond Covenants for Utilities Revenue Bonds

The Series 1999, 2009 and 2016 bond issues provide that FPUA accumulate monthly 1/6 of the amount of all interest due on the next semi-annual interest payment date, and 1/12 of the amount of principal due and payable on the next principal maturity date. Additionally, FPUA's Master Bond Resolution requires renewal and replacement, emergency reserve and debt service reserve subaccount funds with minimum requirements of \$500, \$900 and \$5,457, respectively. These reserves are funded in the amounts of \$500, \$900 and \$5,457 respectively, at September 30, 2019.

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

Redemption Options Prior to Maturity

The Series 2016 Utilities Refunding Revenue Bonds maturing on October 1, 2026 with an interest rate of 2.14% are redeemable anytime at the option of FPUA. Any full or partial prepayment will carry a fee equal to the greater of (i) 1.00% of the principal balance multiplied by the number of years remaining or (ii) a 'Yield Maintenance Fee'.

The Series 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 M – CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended September 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 68,347	\$ 1,273	\$ (5,897)	\$ 63,723	\$ 5,953
Bond Discounts	(48)		6	(42)	-
Net Pension Liability	7,408	4,198	-	11,606	-
Capital Leases	138	-	(24)	114	29
Compensated Absences	2,015	1,575	(1,379)	2,211	-
Other Postemployment Benefits	856	197	(64)	989	-
<b>Long Term Liabilities</b>	<b>\$ 78,716</b>	<b>\$ 7,243</b>	<b>\$ (7,358)</b>	<b>\$ 78,601</b>	<b>\$ 5,982</b>

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

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

As provided by Article XII, Section 178 of the Charter of the City of Fort Pierce, Florida, six percent of FPUA’s utility systems gross revenues, as defined therein, is distributed to the City’s General Fund on an annual basis. The distribution calculation is based on the preceding fiscal year’s audited financial statements. The following is the computation of the amounts distributable to the General Fund during the year ending September 30, 2020:

Gross Revenue	\$ 106,490
Plus:	
Power Cost Adjustment	3,330
Capacity Reductions	901
Gas Piping and Appliance Costs	124
Loss on Disposals	68
	<u>110,913</u>
Less:	
FMPA O&M Contract Income	2,285
Capital Contributions	2,402
Manatee Observation and Education Center Operating Revenue	429
Grant Revenue	423
Purchased Gas Adjustment	303
Revenue for City Billing	187
Gas Piping and Appliance Revenue	183
Extraordinary income	97
	<u>97</u>
Adjusted Gross Revenue	<u>\$ 104,604</u>
Amount distributable to General Fund, City of Fort Pierce	<u>\$ 6,276</u>

**NOTE O – TRANSACTIONS WITH THE CITY OF FORT PIERCE**

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

*Metered and Non-metered Service Charges* - FPUA bills the City on a monthly basis for all metered and non-metered services. Total amounts charged to the City for the year ended September 30, 2019, were \$1,784. Current accounts receivable from the City at September 30, 2019, totaled \$107.

**FORT PIERCE UTILITIES AUTHORITY**

**Notes to Financial Statements**

September 30, 2019

(Dollars in Thousands)

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

Disbursements made to the City by FPUA, including payments of utility tax, sanitation charges collected and other routine charges for the year ended September 30, 2019, were \$10,770. In addition, FPUA paid the September 30, 2018 General Fund distribution to the City in the amount of \$6,125. Amounts payable to the City at September 30, 2019, were \$1,112.

Vehicle Fuel - The City charges FPUA for fuel used by FPUA vehicles. FPUA reciprocates by permitting the City to fuel their vehicles as needed at FPUA pumps and in turn bills the City for fuel used in their vehicles.

**NOTE P – 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. Since then, the cost of the remediation activities was either paid by FPUA, or with loans obtained from the Treasure Coast Regional Planning Council by the FPRA. FPUA provided irrevocable letters of credit to secure these loans. As of November 26, 2018, all the loans have been repaid. The extraordinary income received by FPUA in FY 2019 of \$97 was paid by the FPRA from the net proceeds of the sale of a Voluntary Cleanup Tax Certificate, after repayment of the loans, as set forth in FPRA Resolution No. 18-02.



**Required Supplementary Information**

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

Fiscal Year Ending September 30,	FPUA Proportion of the NPL	FPUA Proportionate Share of the NPL	FPUA Covered Payroll	NPL as a % of Covered Payroll	Plan Net Position as a % of Total Pension Liability
2019	48.01%	\$ 11,606	\$15,007	77.34%	89.42%
2018	48.48%	7,408	13,401	55.28%	93.12%
2017	50.75%	10,090	13,209	76.39%	90.74%
2016	44.84%	6,655	12,508	53.21%	92.51%
2015	41.74%	5,528	12,431	44.47%	92.95%
2014	41.74%	1,750	11,835	14.79%	98.20%

This schedule will show information for 10 years when that information is available.

**Required Supplementary Information**

**FORT PIERCE UTILITIES AUTHORITY**  
**Schedule of Proportionate Share of Employer Contributions**  
**For the City of Fort Pierce Retirement and Benefit System**  
(Dollars in Thousands)

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2019	\$ 2,717	\$ 2,717	\$ -	\$15,007	18.10%
2018	2,402	2,402	-	13,401	17.92%
2017	2,147	2,147	-	13,209	16.25%
2016	2,039	2,039	-	12,508	16.30%
2015	2,087	2,087	-	12,431	16.79%
2014	2,053	2,053	-	11,835	17.35%

This schedule will show information for 10 years when that information is available.

**Required Supplementary Information**

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

	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>		
Service cost	\$ 27	\$ 20
Interest	37	33
Differences between expected and actual experience	133	(51)
Implicit Rate Subsidy	<u>(64)</u>	<u>(41)</u>
<b>Net change in total OPEB liability</b>	133	(39)
<b>Total OPEB liability - beginning</b>	856	895
<b>Total OPEB liability - ending</b>	<u><u>\$ 989</u></u>	<u><u>\$ 856</u></u>
<b>Covered - employee payroll</b>	\$ 16,497	\$ 15,211
<b>Total OPEB liability as a percentage of     covered - employee payroll</b>	6.00%	5.63%

This schedule will show information for 10 years when that information is available.

## Statistical Section Contents

This part of the Fort Pierce Utilities Authority's (FPUA) 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.

<b>Contents</b>	<b>Page</b>
<b><u>Financial Trends</u></b> These schedules contain trend information to help the reader understand how FPUA's financial performance and well being has changed over time.	58-63
<b><u>Revenue Capacity</u></b> These schedules contain information to help the reader assess FPUA's local revenue source.	67-74
<b><u>Debt Capacity</u></b> These schedules present information to help the reader assess FPUA's debt burden and its ability to issue additional debt in the future.	76-79
<b><u>Demographic and Economic Information</u></b> This schedule offers demographic and economic indicators to help the reader understand the environment in which FPUA's financial activities take place.	82-83
<b><u>Operating Information</u></b> 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.	86-94

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)

	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 30,506	\$ 28,616	\$ 26,661
Accounts Receivable, Net of Allowance for Uncollectible Accounts	7,549	7,820	8,489
Unbilled Receivables	5,221	6,306	5,626
Due from Other Governments	1,793	1,962	2,085
Inventories and Other Current Assets	4,501	4,723	4,514
Restricted Equity in Pooled Cash and Investments	13,038	12,831	13,946
Restricted Cash with Fiscal Agent	6,404	6,379	6,353
Total Current Assets	<u>69,012</u>	<u>68,637</u>	<u>67,674</u>
Noncurrent Assets:			
Capital Assets:			
Utility Plant in Service	457,592	455,645	446,447
Construction Work in Progress	17,483	18,052	20,124
Less Accumulated Depreciation	<u>(263,908)</u>	<u>(259,869)</u>	<u>(253,514)</u>
Total Capital Assets (net of Accumulated Depreciation)	211,167	213,828	213,057
Other Noncurrent Assets:			
Restricted Equity in Pooled Cash and Investments	6,857	6,857	6,857
FMPA Working Capital Receivable	1,919	1,919	1,919
Preliminary Survey	-	68	41
Investment in Public Gas Partners Pool	359	428	486
Total Other Noncurrent Assets	<u>9,135</u>	<u>9,272</u>	<u>9,303</u>
Total Assets	<u>289,314</u>	<u>291,737</u>	<u>290,034</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflow	5,881	4,772	7,979
Deferred OPEB Outflow	114	-	-
Deferred Amount on Debt Refunding	97	115	132
Advance Distribution to General Fund - City of Fort Pierce	-	-	-
Total Deferred Outflows	<u>6,092</u>	<u>4,887</u>	<u>8,111</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u><u>\$ 295,406</u></u>	<u><u>\$ 296,624</u></u>	<u><u>\$ 298,145</u></u>

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

2016	2015	2014	2013	2012	2011	2010
\$ 23,163	\$ 27,712	\$ 29,371	\$ 32,533	\$ 30,179	\$ 27,588	\$ 20,395
9,072	8,149	7,256	7,137	7,438	7,683	8,089
5,432	5,534	5,959	5,380	5,260	5,352	5,771
424	422	447	447	547	547	661
4,546	5,009	4,877	4,716	4,679	4,672	5,119
22,349	20,757	20,306	14,483	13,991	13,789	13,354
1,083	1,308	1,300	7,471	7,819	7,681	7,666
<u>66,069</u>	<u>68,891</u>	<u>69,516</u>	<u>72,167</u>	<u>69,913</u>	<u>67,312</u>	<u>61,055</u>
434,848	423,324	414,941	411,561	406,146	397,577	386,310
22,547	24,768	20,472	15,750	15,485	15,958	22,300
<u>(241,651)</u>	<u>(231,252)</u>	<u>(219,917)</u>	<u>(210,951)</u>	<u>(199,294)</u>	<u>(184,610)</u>	<u>(171,752)</u>
215,744	216,840	215,496	216,360	222,337	228,925	236,858
6,857	6,703	6,703	6,703	6,703	6,703	6,703
1,919	1,919	1,919	1,919	1,919	1,919	1,919
41	6	29	29	30	80	23
537	587	624	658	830	841	864
<u>9,354</u>	<u>9,215</u>	<u>9,275</u>	<u>9,309</u>	<u>9,482</u>	<u>9,543</u>	<u>9,509</u>
<u>291,167</u>	<u>294,946</u>	<u>294,287</u>	<u>297,836</u>	<u>301,732</u>	<u>305,780</u>	<u>307,422</u>
4,891	3,689	-	-	-	-	-
-	-	-	-	-	-	-
151	-	-	-	-	-	-
-	1,251	1,250	-	-	-	-
<u>5,042</u>	<u>4,940</u>	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 296,209</u>	<u>\$ 299,886</u>	<u>\$ 295,537</u>	<u>\$ 297,836</u>	<u>\$ 301,732</u>	<u>\$ 305,780</u>	<u>\$ 307,422</u>

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 7,969	\$ 8,977	\$ 8,973
Due to City of Fort Pierce	858	802	746
Customer Deposits - restricted assets	8,481	8,280	8,029
Revenue Bonds Payable - restricted assets	5,953	5,897	5,840
Accrued Interest Payable - restricted assets	853	881	908
Accrued Compensated Absences	-	-	-
Due to St. Lucie County	-	77	-
Capital leases Payable	29	24	11
Other Current Liabilities	623	658	835
Total Current Liabilities	<u>24,766</u>	<u>25,596</u>	<u>25,342</u>
Noncurrent Liabilities:			
Revenue Bonds Payable, Net of Unamortized Discounts	57,728	62,403	66,851
Accrued Compensated Absences	2,211	2,015	1,968
Other Postemployment Benefits	989	856	742
Net Pension Liability	11,606	7,408	10,090
Due to St. Lucie County	-	-	125
Capital Leases Payable	85	114	-
Other Noncurrent Liabilities	-	-	-
Total Noncurrent Liabilities	<u>72,619</u>	<u>72,796</u>	<u>79,776</u>
Total Liabilities	97,385	98,392	105,118
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Purchased Power and Gas Over-Recovery	4,881	4,482	2,416
Deferred Pension Inflow	2,994	3,874	2,925
Deferred OPEB Inflow	37	43	-
Deferred Amount on Debt Refunding	-	-	-
Total Deferred Inflow of Resources	<u>7,912</u>	<u>8,399</u>	<u>5,341</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	160,527	161,387	140,472
Restricted Capital Improvement Charges	4,155	4,152	5,521
Restricted For Debt Service	5,457	5,457	5,457
Restricted For Emergencies	900	900	900
Restricted For Renewals & Replacements	500	500	500
Unrestricted	<u>18,570</u>	<u>17,437</u>	<u>34,836</u>
Total Net Position	<u>190,109</u>	<u>189,833</u>	<u>187,686</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 295,406</u>	<u>\$ 296,624</u>	<u>\$ 298,145</u>

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

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 7,900	\$ 9,577	\$ 10,066	\$ 9,295	\$ 7,785	\$ 8,044	\$ 7,020
913	781	766	732	699	689	756
8,024	7,803	7,445	7,205	6,869	6,675	6,339
7,367	7,086	6,987	6,653	5,955	5,675	5,655
971	1,145	1,197	1,356	1,864	2,006	2,011
24	170	55	-	82	80	64
-	-	-	-	-	-	-
38	31	26	22	39	32	27
859	873	832	1,312	1,351	1,419	1,276
<u>26,096</u>	<u>27,466</u>	<u>27,374</u>	<u>26,575</u>	<u>24,644</u>	<u>24,620</u>	<u>23,148</u>
71,085	76,754	82,375	87,978	92,493	97,460	102,291
1,778	1,592	1,878	1,830	1,675	1,566	1,626
711	681	622	564	509	456	148
6,655	5,528	1,750	-	-	-	-
132	137	137	177	189	201	234
11	49	80	105	-	39	71
-	-	713	757	700	-	-
<u>80,372</u>	<u>84,741</u>	<u>87,555</u>	<u>91,411</u>	<u>95,566</u>	<u>99,722</u>	<u>104,370</u>
106,468	112,207	114,929	117,986	120,210	124,342	127,518
3,516	5,695	3,204	2,255	3,147	2,934	1,541
1,228	-	-	-	-	-	-
-	-	-	-	-	-	-
-	10	30	60	-	-	-
<u>4,744</u>	<u>5,705</u>	<u>3,234</u>	<u>2,315</u>	<u>3,147</u>	<u>2,934</u>	<u>1,541</u>
137,376	132,679	125,879	121,697	123,978	126,120	129,561
7,070	6,031	5,977	6,740	7,122	7,114	7,015
5,457	4,930	4,534	4,139	3,744	3,480	3,480
900	1,273	1,668	2,000	2,000	2,000	2,000
500	500	500	564	959	1,223	1,223
<u>33,694</u>	<u>36,561</u>	<u>40,566</u>	<u>42,395</u>	<u>40,572</u>	<u>38,567</u>	<u>35,084</u>
<u>184,997</u>	<u>181,974</u>	<u>179,124</u>	<u>177,535</u>	<u>178,375</u>	<u>178,504</u>	<u>178,363</u>
<u>\$ 296,209</u>	<u>\$ 299,886</u>	<u>\$ 297,287</u>	<u>\$ 297,836</u>	<u>\$ 301,732</u>	<u>\$ 305,780</u>	<u>\$ 307,422</u>

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

	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>
<b>OPERATING REVENUES</b>				
Residential Sales	\$ 42,205	\$ 41,364	\$ 42,237	\$ 41,432
General Service Sales	54,726	54,347	55,839	53,811
Sales for Resale	1,062	894	953	914
Other Operating Revenues	<u>3,402</u>	<u>3,605</u>	<u>3,621</u>	<u>2,264</u>
Total Operating Revenues	101,395	100,210	102,650	98,421
<b>OPERATING EXPENSES</b>				
Purchases for Resale	43,796	43,289	45,523	43,783
Plant Operations	5,917	5,771	5,577	5,313
Field Operations	10,107	9,647	9,360	9,062
General and Administrative	20,716	18,580	17,740	16,997
Depreciation	<u>13,959</u>	<u>12,993</u>	<u>12,774</u>	<u>13,097</u>
Total Operating Expenses	<u>94,495</u>	<u>90,280</u>	<u>90,974</u>	<u>88,252</u>
<b>OPERATING INCOME</b>	6,900	9,930	11,676	10,169
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment and Other Income	3,044	2,654	2,215	2,011
Grant Revenue	423	457	421	-
Gain (Loss) on Disposal of Capital Assets	29	(122)	20	125
TCEC Expenses	(2,285)	(1,828)	(1,794)	(1,699)
Storm Expenses	(264)	(19)	(297)	-
Interest Expense	(3,044)	(3,077)	(3,325)	(3,445)
Distribution to City of Fort Pierce	<u>(6,125)</u>	<u>(6,139)</u>	<u>(5,969)</u>	<u>(5,809)</u>
Total Nonoperating Revenues (Expenses)	<u>(8,222)</u>	<u>(8,074)</u>	<u>(8,729)</u>	<u>(8,817)</u>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	(1,322)	1,856	2,947	1,352
Capital Contributions	<u>1,501</u>	<u>292</u>	<u>(256)</u>	<u>1,650</u>
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	179	2,148	2,691	3,002
Extraordinary Income (Expense)	<u>97</u>	<u>(1)</u>	<u>(2)</u>	<u>21</u>
<b>CHANGE IN NET POSITION</b>	276	2,147	2,689	3,023
Net Position - Beginning of Year	<u>189,833</u>	<u>187,686</u>	<u>184,997</u>	<u>181,974</u>
Net Position - End of Year	<u>\$ 190,109</u>	<u>\$ 189,833</u>	<u>\$ 187,686</u>	<u>\$ 184,997</u>

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

<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>
\$ 39,558	\$ 39,565	\$ 38,489	\$ 38,275	\$ 40,220	\$ 44,528
52,964	55,899	55,518	55,162	55,736	60,431
874	799	854	882	465	747
<u>2,162</u>	<u>2,272</u>	<u>2,172</u>	<u>2,171</u>	<u>1,663</u>	<u>2,552</u>
95,558	98,534	97,033	96,490	98,084	108,258
42,304	45,347	44,800	44,356	45,695	53,893
5,325	5,247	5,127	5,336	5,275	5,724
8,641	8,716	8,579	8,236	8,124	8,827
15,802	15,078	14,546	14,645	15,260	14,949
<u>12,461</u>	<u>14,991</u>	<u>15,300</u>	<u>15,253</u>	<u>15,558</u>	<u>15,268</u>
<u>84,533</u>	<u>89,379</u>	<u>88,352</u>	<u>87,826</u>	<u>89,912</u>	<u>98,661</u>
11,025	9,155	8,681	8,664	8,172	9,597
2,150	1,972	1,913	2,149	2,226	2,407
81	6	12	8	-	230
21	260	48	62	51	(511)
<u>(1,809)</u>	<u>(1,668)</u>	<u>(1,654)</u>	<u>(1,642)</u>	<u>(1,570)</u>	<u>(1,492)</u>
-	-	-	-	-	-
<u>(3,594)</u>	<u>(3,582)</u>	<u>(5,105)</u>	<u>(4,632)</u>	<u>(4,894)</u>	<u>(5,688)</u>
<u>(5,735)</u>	<u>(5,605)</u>	<u>(5,366)</u>	<u>(4,767)</u>	<u>(5,125)</u>	<u>(4,853)</u>
<u>(8,886)</u>	<u>(8,617)</u>	<u>(10,152)</u>	<u>(8,822)</u>	<u>(9,312)</u>	<u>(9,907)</u>
2,139	538	(1,471)	(158)	(1,140)	(310)
<u>2,471</u>	<u>1,478</u>	<u>1,392</u>	<u>1,229</u>	<u>1,291</u>	<u>2,982</u>
4,610	2,016	(79)	1,071	151	2,672
<u>(10)</u>	<u>(427)</u>	<u>(761)</u>	<u>(1,200)</u>	<u>(10)</u>	<u>(76)</u>
4,600	1,589	(840)	(129)	141	2,596
<u>177,374</u>	<u>177,535</u>	<u>178,375</u>	<u>178,504</u>	<u>178,363</u>	<u>175,767</u>
<u>\$ 181,974</u>	<u>\$ 179,124</u>	<u>\$ 177,535</u>	<u>\$ 178,375</u>	<u>\$ 178,504</u>	<u>\$ 178,363</u>



# Revenue Capacity



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

<b>FISCAL YEAR</b>	<b>ELECTRIC</b>	<b>WATER</b>	<b>NATURAL GAS</b>	<b>WASTEWATER</b>	<b>INTERNET SERVICES</b>
FY 2019	28,527	20,725	4,111	15,316	70
FY 2018	28,265	20,356	4,099	15,107	70
FY 2017	28,287	20,221	4,128	15,084	71
FY 2016	28,299	20,079	4,166	15,069	76
FY 2015	28,221	19,929	4,189	15,038	77
FY 2014	28,096	19,756	4,223	14,987	78
FY 2013	27,630	19,248	4,179	14,635	76
FY 2012	27,765	19,276	4,189	14,450	75
FY 2011	27,752	19,162	3,904	14,372	57
FY 2010	27,859	19,048	3,982	14,460	54

**FORT PIERCE UTILITIES AUTHORITY**

**Operating Revenues By System**

Last Ten Fiscal Years

(Dollars in Thousands)

	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
<b>ELECTRIC</b>				
Residential				
Inside the City	\$ 22,671	\$ 22,387	\$ 23,105	\$22,718
Outside the City	5,589	5,527	5,641	5,600
General Service				
Inside the City	29,025	29,487	30,038	29,077
Outside the City	5,307	5,312	5,171	5,039
Other Retail	515	508	1,711	1,680
Sales for Resale				
Other Operating Revenues	<u>1,025</u>	<u>1,065</u>	<u>1,022</u>	<u>1,042</u>
<b>Total Electric Operating Revenues</b>	<b>64,132</b>	<b>64,286</b>	<b>66,688</b>	<b>65,156</b>
<b>WATER</b>				
Residential				
Inside the City	5,067	4,877	4,876	4,710
Outside the City	1,965	1,837	1,790	1,680
General Service				
Inside the City	5,970	5,793	5,868	5,498
Outside the City	2,880	2,515	2,638	2,625
Sales for Resale	1,061	894	953	914
Other Operating Revenues	<u>691</u>	<u>431</u>	<u>689</u>	<u>110</u>
<b>Total Water Operating Revenues</b>	<b>17,634</b>	<b>16,347</b>	<b>16,814</b>	<b>15,537</b>
<b>GAS</b>				
Sales Revenue				
Residential	1,203	1,212	1,196	1,192
Heat Only	8	9	9	11
General Service	3,610	3,429	3,367	3,106
Interruptible and Other Contract Gas				
Other Operating Revenues	<u>67</u>	<u>61</u>	<u>73</u>	<u>69</u>
<b>Total Gas Operating Revenues</b>	<b>4,888</b>	<b>4,711</b>	<b>4,645</b>	<b>4,378</b>
<b>WASTEWATER</b>				
Residential				
Inside the City	5,104	4,929	4,963	4,874
Outside the City	601	587	582	572
General Service				
Inside the City	5,518	5,640	5,688	5,547
Outside the City	1,726	1,507	1,433	1,314
Other Operating Revenues	<u>898</u>	<u>1,298</u>	<u>928</u>	<u>141</u>
<b>Total Wastewater Operating Revenues</b>	<b>13,847</b>	<b>13,961</b>	<b>13,594</b>	<b>12,448</b>
<b>MANATEE OBSERVATION AND EDUCATION CENTER</b>				
<b>Total MOEC Operating Revenues</b>	<b>429</b>	<b>435</b>	<b>444</b>	<b>410</b>
<b>FPUAnet COMMUNICATIONS</b>				
<b>Total FPUAnet Communications Operating Revenues</b>	<b>465</b>	<b>470</b>	<b>465</b>	<b>492</b>
<b>TOTAL OPERATING REVENUES</b>	<b><u>\$101,395</u></b>	<b><u>\$100,210</u></b>	<b><u>\$102,650</u></b>	<b><u>\$98,421</u></b>

**FORT PIERCE UTILITIES AUTHORITY**

**Operating Revenues By System**

Last Ten Fiscal Years

(Dollars in Thousands)

<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>
\$ 21,434	\$21,724	\$21,325	\$21,460	\$22,936	\$ 26,327
5,255	5,282	5,281	5,378	5,921	6,882
28,423	30,507	31,515	32,280	32,822	36,501
4,958	5,235	5,254	5,393	5,558	6,458
1,750	1,979	2,012	1,895	1,663	1,657
					-
<u>1,024</u>	<u>1,074</u>	<u>1,115</u>	<u>1,051</u>	<u>1,148</u>	<u>1,192</u>
<u>62,844</u>	<u>65,801</u>	<u>66,502</u>	<u>67,457</u>	<u>70,048</u>	<u>79,017</u>
4,546	4,351	4,054	3,855	3,819	3,749
1,597	1,494	1,367	1,277	1,263	1,225
5,305	5,169	4,813	4,807	4,956	4,697
2,381	2,519	2,249	2,348	2,288	2,336
874	799	854	882	466	747
<u>101</u>	<u>156</u>	<u>119</u>	<u>124</u>	<u>(45)</u>	<u>254</u>
<u>14,804</u>	<u>14,488</u>	<u>13,456</u>	<u>13,293</u>	<u>12,747</u>	<u>13,008</u>
1,240	1,293	1,251	1,215	1,306	1,462
12	13	13	11	21	24
3,511	3,813	3,331	2,400	2,580	2,827
					-
					-
<u>85</u>	<u>82</u>	<u>53</u>	<u>75</u>	<u>120</u>	<u>92</u>
<u>4,848</u>	<u>5,201</u>	<u>4,648</u>	<u>3,701</u>	<u>4,027</u>	<u>4,405</u>
4,826	4,763	4,564	4,459	4,337	4,251
574	570	555	541	551	540
5,280	5,305	4,973	4,918	4,745	4,686
1,428	1,446	1,449	1,198	1,188	1,337
<u>126</u>	<u>180</u>	<u>143</u>	<u>234</u>	<u>(245)</u>	<u>356</u>
<u>12,234</u>	<u>12,264</u>	<u>11,684</u>	<u>11,350</u>	<u>10,576</u>	<u>11,170</u>
390	350	348	337	362	359
438	430	395	352	324	299
<u>\$ 95,558</u>	<u>\$98,534</u>	<u>\$97,033</u>	<u>\$96,490</u>	<u>\$98,084</u>	<u>\$108,258</u>

**FORT PIERCE UTILITIES AUTHORITY**

**Unit Sales By System**

Last Ten Fiscal Years

	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>
<b>ELECTRIC SALES (MWh)</b>				
General Service				
Inside the City	274,339	268,973	273,618	272,166
Outside the City	47,597	44,915	43,915	44,243
Total General Service	321,936	313,888	317,533	316,409
Residential				
Inside the City	199,503	188,706	190,973	193,198
Outside the City	47,204	44,725	44,912	45,883
Total Residential	246,707	233,431	235,885	239,081
<b>Total Sales</b>	<b>568,643</b>	<b>547,319</b>	<b>553,418</b>	<b>555,490</b>
<b>WATER SALES - 1,000 GALLONS</b>				
General Service				
Inside the City	977,228	953,524	961,850	907,134
Outside the City	519,213	448,681	478,576	485,639
Total General Service	1,496,441	1,402,205	1,440,426	1,392,773
Residential				
Inside the City	687,026	678,972	694,146	665,354
Outside the City	207,312	195,718	195,685	181,754
Total Residential	894,338	874,690	889,831	847,108
Sales for Resale	343,496	314,748	335,494	327,819
<b>Total Sales</b>	<b>2,734,275</b>	<b>2,591,643</b>	<b>2,665,751</b>	<b>2,567,700</b>
<b>NATURAL GAS SALES (ccf)</b>				
General Service	2,538,305	2,224,479	2,114,141	2,024,641
Residential	430,370	440,858	427,855	436,048
Heat Only				
General Service	8	738	104	181
Residential Service	580	278	494	857
Contract Natural Gas	1,688,760	1,635,710	1,624,410	1,593,130
<b>Total Sales</b>	<b>4,658,023</b>	<b>4,302,063</b>	<b>4,167,004</b>	<b>4,054,857</b>
<b>WASTEWATER BILLED - 1,000 GALLONS</b>				
General Service				
Inside the City	730,146	725,643	740,121	712,513
Outside the City	218,172	182,984	170,391	158,987
Total General Service	948,318	908,627	910,512	871,500
Residential				
Inside the City	586,400	577,746	592,358	567,945
Outside the City	49,668	47,981	49,491	46,633
Total Residential	636,068	625,727	641,849	614,578
<b>Total Sales</b>	<b>1,584,386</b>	<b>1,534,354</b>	<b>1,552,361</b>	<b>1,486,078</b>

**FORT PIERCE UTILITIES AUTHORITY**

**Unit Sales By System**

Last Ten Fiscal Years

<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>
267,525	265,950	264,278	271,001	271,831	276,163
<u>43,850</u>	<u>42,305</u>	<u>41,000</u>	<u>41,285</u>	<u>40,909</u>	<u>42,713</u>
311,375	308,255	305,278	312,286	312,740	318,876
184,261	172,628	164,672	165,063	174,586	182,246
<u>43,522</u>	<u>40,445</u>	<u>39,293</u>	<u>39,657</u>	<u>42,763</u>	<u>45,037</u>
<u>227,783</u>	<u>213,073</u>	<u>203,965</u>	<u>204,720</u>	<u>217,349</u>	<u>227,283</u>
<u>539,158</u>	<u>521,328</u>	<u>509,243</u>	<u>517,006</u>	<u>530,089</u>	<u>546,159</u>
896,997	891,635	863,507	925,939	943,061	943,673
<u>442,529</u>	<u>498,887</u>	<u>460,394</u>	<u>527,997</u>	<u>511,172</u>	<u>489,094</u>
1,339,526	1,390,522	1,323,901	1,453,936	1,454,233	1,432,767
664,402	644,116	636,431	652,425	671,797	664,130
<u>179,748</u>	<u>169,702</u>	<u>164,871</u>	<u>167,297</u>	<u>173,431</u>	<u>169,817</u>
844,150	813,818	801,302	819,722	845,228	833,947
<u>320,144</u>	<u>302,486</u>	<u>340,834</u>	<u>367,595</u>	<u>355,607</u>	<u>331,747</u>
<u>2,503,820</u>	<u>2,506,826</u>	<u>2,466,037</u>	<u>2,641,253</u>	<u>2,655,068</u>	<u>2,598,461</u>
2,091,516	2,006,259	2,254,172	2,142,737	2,199,004	2,166,792
<u>453,139</u>	<u>450,403</u>	<u>480,393</u>	<u>473,387</u>	<u>527,745</u>	<u>577,206</u>
128	173	258	215	6,027	6,210
1,605	1,215	1,333	1,272	4,238	5,160
<u>1,642,320</u>	<u>1,670,980</u>	<u>1,259,670</u>	<u>63,230</u>	<u>-</u>	<u>-</u>
<u>4,188,708</u>	<u>4,129,030</u>	<u>3,995,826</u>	<u>2,680,841</u>	<u>2,737,014</u>	<u>2,755,368</u>
687,268	682,611	655,667	680,739	682,993	683,051
<u>177,356</u>	<u>178,122</u>	<u>185,993</u>	<u>149,452</u>	<u>156,973</u>	<u>186,910</u>
864,624	860,733	841,660	830,191	839,966	869,961
568,243	552,000	545,418	558,685	572,258	570,145
<u>49,849</u>	<u>47,286</u>	<u>47,361</u>	<u>49,426</u>	<u>53,014</u>	<u>53,949</u>
<u>618,092</u>	<u>599,286</u>	<u>592,779</u>	<u>608,111</u>	<u>625,272</u>	<u>624,094</u>
<u>1,482,716</u>	<u>1,460,019</u>	<u>1,434,439</u>	<u>1,438,302</u>	<u>1,465,238</u>	<u>1,494,055</u>

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

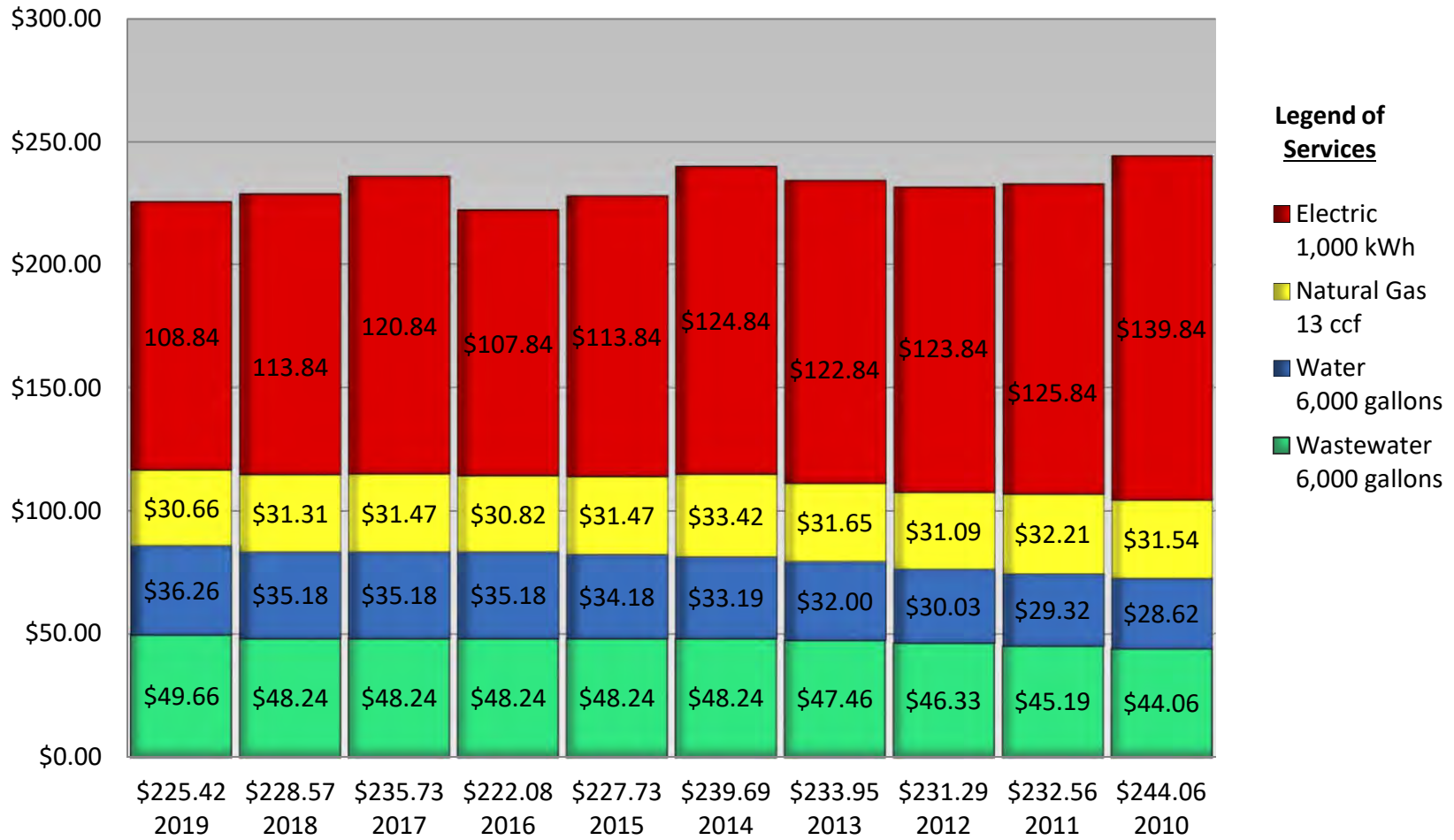
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>ELECTRIC</b>										
Customer Charge <sup>(1)</sup>	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01	\$ 6.01
Rate Per kWh (up to 750 kWh)	0.10822	0.10822	0.10822	0.10822	0.10822	0.10822	0.10922	0.11322	0.08322	0.08722
PCA Per kWh <sup>(2)</sup>	(0.00800)	(0.00300)	0.00400	(0.00900)	(0.00300)	0.00800	0.00500	0.00200	0.03400	0.04400
<b>GAS</b>										
Customer Charge <sup>(1)</sup>	\$ 13.37	\$ 13.37	\$ 13.14	\$ 13.14	\$ 13.14	\$ 13.14	\$ 12.93	\$ 12.63	\$ 12.32	\$ 12.02
Rate Per CCF (up to 100 CCF)	1.48	1.48	1.46	1.46	1.46	1.46	1.44	1.42	1.23	1.20
PGA Per CCF <sup>(3)</sup>	(0.15000)	(0.10000)	(0.05000)	(0.10000)	(0.05000)	0.10000	-	-	0.30000	0.30000
<b>WATER</b>										
Customer Charge <sup>(1)</sup>	\$ 14.30	\$ 13.88	\$ 13.88	\$ 13.88	\$ 13.48	\$ 13.09	\$ 12.62	\$ 11.85	\$ 11.56	\$ 11.28
Rate Per 1,000 Gallons (up to 10,000 gallons)	3.66	3.55	3.55	3.55	3.45	3.35	3.23	3.03	2.96	2.89
<b>WASTEWATER</b>										
Customer Charge <sup>(1)</sup>	\$ 15.76	\$ 15.30	\$ 15.30	\$ 15.30	\$ 15.30	\$ 15.30	\$ 15.06	\$ 14.71	\$ 14.35	\$ 14.00
Rate Per 1,000 Gallons	5.65	5.49	5.49	5.49	5.49	5.49	5.40	5.27	5.14	5.01

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

(2) PCA - Power Cost Adjustment.

(3) PGA - Purchased Gas Adjustment.

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



**FORT PIERCE UTILITIES AUTHORITY**

**System Rate Increases**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>System</b>	<b>Increase (Decrease)</b>
2019	Water	3.0%
	Wastewater	3.0%
2018	Natural Gas	1.76%
2017	-	-
2016	Water	3.0%
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	-	-

# **Debt Capacity**

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

As of September 30	BUSINESS-TYPE ACTIVITIES									Total Outstanding Debt	Population <sup>2</sup>	Debt per Capita
	Revenue Bonds <sup>1</sup>							Loan	Lease			
	1991 Series	1999 Series	2002 Series	2003 Series	2009 Series	2012 Series	2016 Series	SL County	Capital Equip.			
<b>2019</b>	\$ -	\$ 22,601	\$ -	\$ -	\$ 32,304	\$ -	\$ 8,776	\$ -	\$ 114	\$ 63,795	43,653	\$ 1,461
<b>2018</b>	-	25,666	-	-	33,556	-	9,078	77	138	68,515	43,326	1,581
<b>2017</b>	-	28,555	-	-	34,763	-	9,373	124	11	72,826	43,409	1,678
<b>2016</b>	-	27,227	-	-	34,760	6,920	9,545	131	49	78,632	42,489	1,851
<b>2015</b>	-	25,954	9,378	-	34,757	13,751	-	137	80	84,057	42,119	1,996
<b>2014</b>	-	24,747	9,363	-	34,754	20,498	-	137	106	89,605	41,188	2,176
<b>2013</b>	-	23,622	9,348	6,015	34,750	20,896	-	177	127	94,935	41,729	2,275
<b>2012</b>	-	22,552	9,332	31,816	34,748	-	-	189	39	98,676	41,646	2,369
<b>2011</b>	-	21,544	9,317	37,529	34,745	-	-	201	71	103,407	41,789	2,475
<b>2010</b>	5,445	20,595	9,302	37,863	34,741	-	-	234	98	108,278	41,590	2,603

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

<sup>2</sup> City of Fort Pierce Population is disclosed on page 80

**FORT PIERCE UTILITIES AUTHORITY**  
**Computation of Debt Service Coverage**

Last Ten Years  
(Dollars in Thousands)

	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>
<b>OPERATING INCOME</b>	\$ 6,966	\$ 9,960	\$ 11,681	\$ 10,218	\$ 11,027	\$ 9,236	\$ 8,746	\$ 8,700	\$ 8,175	\$ 9,614
<b>ADD:</b>										
Depreciation Expense	13,948	12,985	12,769	13,092	12,453	14,982	15,290	15,243	15,547	15,259
Investment & Other Income	795	835	438	388	356	484	304	535	703	910
Extraordinary Income (Expense)	97	(1)	(2)	21	(10)	(427)	(761)	(1,200)	(9)	(76)
Net OPEB Expense	11	156	31	30	58	57	54	53	305	134
<b>NET AVAILABLE INCOME</b>	<u>\$ 21,817</u>	<u>\$ 23,935</u>	<u>\$ 24,917</u>	<u>\$ 23,749</u>	<u>\$ 23,884</u>	<u>\$ 24,332</u>	<u>\$ 23,633</u>	<u>\$ 23,331</u>	<u>\$ 24,721</u>	<u>\$ 25,841</u>
<b>DEBT SERVICE - Bonds &amp; Pooled Loans</b>										
Principal	\$ 5,953	\$ 5,897	\$ 5,840	\$ 7,367	\$ 7,086	\$ 6,987	\$ 6,653	\$ 5,955	\$ 5,675	\$ 5,655
Interest	1,706	1,762	1,816	2,079	2,291	2,394	2,762	3,728	4,012	3,573
<b>NET CASH DEBT SERVICE</b>	<u>\$ 7,659</u>	<u>\$ 7,659</u>	<u>\$ 7,656</u>	<u>\$ 9,446</u>	<u>\$ 9,377</u>	<u>\$ 9,381</u>	<u>\$ 9,415</u>	<u>\$ 9,683</u>	<u>\$ 9,687</u>	<u>\$ 9,228</u>
<b>DEBT SERVICE COVERAGE (TIMES)</b>	<u>2.85</u>	<u>3.12</u>	<u>3.25</u>	<u>2.51</u>	<u>2.55</u>	<u>2.59</u>	<u>2.51</u>	<u>2.41</u>	<u>2.55</u>	<u>2.80</u>

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



# **Demographic and Economic Information**

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

<b>Year</b>	<b>City of Fort Pierce Population<sup>1</sup></b>	<b>St. Lucie County Population<sup>1</sup></b>	<b>St. Lucie County Labor Force<sup>2</sup></b>	<b>Total Unemployment<sup>2</sup></b>	<b>Percentage Rate of Unemployment<sup>2</sup></b>	<b>St. Lucie County School Enrollment<sup>3</sup></b>	<b>St. Lucie County Per Capita Income<sup>4</sup></b>	<b>St. Lucie County Personal Income<sup>4</sup></b>
<b>2019</b>	43,653*	309,359*	146,710	5,479	3.7	41,225	***	***
<b>2018</b>	43,326	302,432	140,686	5,626	4.0	42,124	\$39,374	\$12,644,172
<b>2017</b>	43,409	297,634	136,063	6,046	4.4	40,678	38,835	12,175,078
<b>2016</b>	42,489	292,826	135,719	7,322	5.4	39,390	36,196	11,094,354
<b>2015</b>	42,119	287,749	129,727	8,238	6.4	41,374	35,829	10,688,079
<b>2014</b>	41,188	282,821	129,004	10,198	7.9	41,158	34,129	9,932,383
<b>2013</b>	41,729	281,151	128,813	12,227	9.5	41,136	31,182	8,943,912
<b>2012</b>	41,646	280,355	123,588	14,519	11.7	40,844	31,742	9,010,473
<b>2011</b>	41,789	279,696	124,115	16,622	13.4	40,433	30,768	8,626,570
<b>2010</b>	41,590	277,789	123,738	17,482	14.1	40,453	29,574	8,243,330

Sources:

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

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

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

<sup>4</sup> U.S. Department of Commerce, Bureau of Economic Analysis

\* Total Estimated

\*\*\* Data unavailable

**FORT PIERCE UTILITIES AUTHORITY**  
**St. Lucie County Principal Employers<sup>(1)</sup>**  
Current Year and Nine Years Ago

<b>Employer</b>	<b>2019<sup>(2)</sup></b>			<b>2010</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>% of City Population</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>% of City Population</b>
St. Lucie County School Board	5,564	1	12.84%	4,000	1	9.62%
Indian River State College	2,338	2	5.40%	1,113	6	2.68%
Lawnwood Regional Medical Center	1,615	3	3.73%	1,140	5	2.74%
Wal-Mart Distribution Center	890	4	2.05%	2,105	2	5.06%
St. Lucie County	797	5	1.84%	1,950	3	4.69%
Convey Health Solutuions	450	6	1.04%	-	-	-
St. Lucie County Fire District	434	7	1.00%	-	-	-
Treasure Coast Hospice	282	8	0.65%	-	-	-
New Horizons of the Treasure Coast	408	9	0.94%	-	-	-
Maverick Boat Co Inc	406	10	0.94%	-	-	-
City of Fort Pierce	337	14	0.78%	428	9	1.03%
Publix Super Markets Inc <sup>(3)</sup>	-	-	-	1,154	4	2.77%
Winn-Dixie Stores, Inc	-	-	-	450	7	1.08%
The Home Depot <sup>(3)</sup>	-	-	-	431	8	1.04%
Riverside National Bank of Florida	-	-	-	420	10	1.01%
<b>TOTALS</b>	<b>13,521</b>		<b>31.21%</b>	<b>13,191</b>		<b>31.72%</b>

Source:

Economic Development Council of St. Lucie County, St. Lucie County Profile 2018

<sup>(1)</sup>Employment information is for St. Lucie County. Specific City only data is not available.

<sup>(2)</sup> Data is as of December 31, 2018. 2019 data is not available at this time.

<sup>(3)</sup> Information is no longer available.



# **Operating Information**

**FORT PIERCE UTILITIES AUTHORITY**

**Expenses By System**

Last Ten Fiscal Years

(Dollars in Thousands)

	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>
<b>ELECTRIC</b>				
Generation and				
Purchases for Resale	\$ 41,924	\$ 41,402	\$ 43,689	\$ 42,179
Transmission and Distribution	4,958	4,372	4,122	4,091
General and Administrative	8,778	7,918	7,863	7,460
Depreciation	4,291	3,538	4,401	4,508
<b>Total Electric Operating Expenses</b>	<b>59,951</b>	<b>57,230</b>	<b>60,075</b>	<b>58,238</b>
<b>WATER</b>				
Purchases for Resale	6	-	2	-
Plant Operations	3,886	3,693	3,481	3,304
Transmission and Distribution	2,045	2,078	1,898	1,743
General and Administrative	6,100	5,498	4,930	4,726
Depreciation	5,542	5,407	4,417	4,454
<b>Total Water Operating Expenses</b>	<b>17,579</b>	<b>16,676</b>	<b>14,728</b>	<b>14,227</b>
<b>NATURAL GAS</b>				
Purchases for Resale	1,788	1,817	1,773	1,556
Supply and Distribution	1,051	989	1,024	1,251
General and Administrative	1,384	1,140	1,016	1,046
Depreciation	413	362	298	313
<b>Total Natural Gas Operating Expenses</b>	<b>4,636</b>	<b>4,308</b>	<b>4,111</b>	<b>4,166</b>
<b>WASTEWATER</b>				
Plant Operations	1,758	1,804	1,823	1,742
Pumping and Collection	2,053	2,209	2,316	1,977
General and Administrative	3,868	3,647	3,530	3,385
Depreciation	3,637	3,613	3,587	3,743
<b>Total Wastewater Operating Expenses</b>	<b>11,316</b>	<b>11,273</b>	<b>11,256</b>	<b>10,847</b>
<b>MANATEE OBSERVATION AND EDUCATION CENTER</b>				
Plant Operations	273	273	272	267
General and Administrative	210	183	171	186
Depreciation	11	8	6	6
<b>Total MOEC Operating Expenses</b>	<b>494</b>	<b>464</b>	<b>449</b>	<b>459</b>
<b>FPUAnet COMMUNICATIONS</b>				
Purchases for Resale	78	69	58	48
General and Administrative	377	195	230	194
Depreciation	64	65	66	73
<b>Total FPUAnet Communications Operating Expenses</b>	<b>519</b>	<b>329</b>	<b>355</b>	<b>315</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 94,495</b>	<b>\$ 90,280</b>	<b>\$ 90,974</b>	<b>\$ 88,252</b>

**FORT PIERCE UTILITIES AUTHORITY**

**Expenses By System**

Last Ten Fiscal Years

(Dollars in Thousands)

<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>
\$ 40,343	\$ 43,006	\$ 42,947	\$ 42,933	\$ 43,976	\$ 51,832
3,927	4,017	4,037	3,783	3,814	4,299
6,964	6,696	6,738	6,885	7,423	7,217
4,463	4,721	4,668	6,477	6,420	4,761
<u>55,697</u>	<u>58,440</u>	<u>58,390</u>	<u>60,078</u>	<u>61,633</u>	<u>68,109</u>
7	24	9	-	6	-
3,320	3,185	3,199	3,309	3,331	3,557
1,789	1,767	1,732	1,743	1,567	1,722
4,426	4,207	4,158	4,183	4,268	4,144
3,872	4,246	4,044	3,726	3,825	6,105
<u>13,414</u>	<u>13,429</u>	<u>13,142</u>	<u>12,961</u>	<u>12,997</u>	<u>15,528</u>
1,900	2,274	1,816	1,398	1,676	2,038
1,016	1,018	961	875	968	981
978	892	596	570	650	607
274	1,088	304	507	303	351
<u>4,168</u>	<u>5,272</u>	<u>3,677</u>	<u>3,350</u>	<u>3,597</u>	<u>3,977</u>
1,766	1,776	1,696	1,779	1,697	1,906
1,909	1,913	1,849	1,834	1,776	1,825
3,113	2,975	2,769	2,755	2,685	2,747
3,779	4,836	6,194	4,446	4,939	3,985
<u>10,567</u>	<u>11,500</u>	<u>12,508</u>	<u>10,814</u>	<u>11,097</u>	<u>10,463</u>
238	286	232	249	246	261
145	136	114	115	109	106
8	9	11	11	11	9
<u>391</u>	<u>431</u>	<u>357</u>	<u>375</u>	<u>366</u>	<u>376</u>
55	43	28	25	37	23
175	173	171	137	125	129
66	91	79	86	60	56
<u>296</u>	<u>307</u>	<u>278</u>	<u>248</u>	<u>222</u>	<u>208</u>
<u>\$ 84,533</u>	<u>\$ 89,379</u>	<u>\$ 88,352</u>	<u>\$ 87,826</u>	<u>\$ 89,912</u>	<u>\$ 98,661</u>

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

	FY 2019	FY 2018	FY 2017	FY 2016
<b>ELECTRIC STATISTICS</b>				
<b>Sources of Energy (MWh)</b>				
Total Energy Purchased	578,051	572,717	569,684	583,207
<b>Gross Peak Demand (MW)</b>	113	112	112	112
<b>WATER STATISTICS</b>				
<b>Water Production - 1,000 Gallons</b>				
Raw Water Treated	3,153,294	3,361,321	3,142,178	3,015,157
Water from Distribution System	84,384	81,215	75,158	34,250
Less Deep Well Concentrate	(154,259)	(202,420)	(174,491)	(155,230)
Water Used in Plant	(19,710)	(33,087)	(23,007)	(20,986)
Water from or (left-in) Storage	(1)	(255)	(2,867)	890
<b>FINISHED WATER FROM PLANT</b>	<u>3,063,708</u>	<u>3,206,774</u>	<u>3,016,971</u>	<u>2,874,081</u>
Purchased for Resale (Interconnects)	2,813	-	1,105	130
<b>Water Pumped to City</b>	<u><u>3,066,521</u></u>	<u><u>3,206,774</u></u>	<u><u>3,018,076</u></u>	<u><u>2,874,211</u></u>
Water Used in System	280,623	267,414	237,965	195,953
Water Sales	2,734,275	2,591,643	2,665,751	2,567,700
Losses and Unaccounted for Gallonage	51,623	347,717	114,360	110,558
<b>% of Unaccounted</b>	1.68%	10.84%	3.79%	3.85%
Average Daily Consumption	8,394	8,793	8,269	7,853
Highest Daily Consumption Date	9,756 5/30/19	11,196 2/26/18	9,992 3/30/17	9,477 3/8/16
Peak Maximum Demand (MG) Date	12,910 6/24/19	20,863 8/3/18	13,668 9/28/17	15,634 3/28/16
Rainfall (inches)	49.27	51.61	58.03	69.65
<b>WATER RECLAMATION FACILITY</b>				
(In Millions of Gallons per Day)				
Average Daily Flow	4.99	5.96	5.33	6.40
Peak Flow	7.72	14.21	13.30	13.83

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

<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>
559,061	544,751	532,038	537,115	552,427	568,637
107	106	104	103	115	124
2,911,231	2,880,512	2,889,435	3,088,102	3,101,048	3,023,434
2,034	14,718	8,657	17,644	16,648	16,118
(142,482)	(142,399)	(144,156)	(174,731)	(165,498)	(137,432)
(19,710)	(19,710)	(19,710)	(19,764)	(19,710)	(19,966)
(1,678)	(308)	61	4,218	6,968	1,100
<u>2,749,395</u>	<u>2,732,813</u>	<u>2,734,287</u>	<u>2,915,469</u>	<u>2,939,456</u>	<u>2,883,254</u>
2,021	10,100	3,943	-	-	-
<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>	<u><u>2,939,456</u></u>	<u><u>2,883,254</u></u>
169,338	193,590	170,788	193,707	171,870	175,255
2,503,820	2,506,826	2,466,037	2,641,253	2,655,068	2,598,461
78,258	42,497	101,405	80,509	112,518	109,538
2.84%	1.55%	3.70%	2.76%	3.83%	3.80%
7,535	7,489	7,496	7,990	8,053	7,926
9,285	9,258	8,950	10,524	9,741	9,511
2/18/15	5/19/14	3/13/13	4/18/12	5/30/11	7/1/10
13,355	14,329	13,932	17,437	17,765	17,150
5/27/15	5/5/14	4/13/13	7/22/12	9/14/11	5/7/10
40.08	56.11	51.91	67.10	30.24	40.54
3.79	4.00	4.72	4.86	3.93	4.05
8.75	12.25	8.14	13.03	4.75	5.05

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

Department	9/30/2019	9/30/2018	9/30/2017	9/30/2016
01 Manatee Observation & Education Center	4 P	4 P	3 P	3 P
02 Treasure Coast Energy Center	17 D	15 D	13	13
10 Board	5	5	5	5
11 Director of Utilities	2	2	2	2
12 Attorney	1	1	1	1
15 Human Resources	3 D	3	3	3
18 Safety	1 P	1 P	1 P	1 P
21 Finance	13	13	13	13
22 Materials Management	6 D,P	6 P	6 P	6 P
31 Director of Utility Support Services	2	2	1	1
32 Information Technology Services	17	17 D	17 D	17 D
35 Facilities	5	5	5	5 D
41 Community Relations	1	1	-	-
43 Customer Service	26 D	26 D	26 D	26 D
51 Director of Electric & Gas Systems	1	1	1	1
54 Electric Transmission and Distribution	25	23	23 D	23 D
55 Electric Operations	24 D	23 D	24 D	24 D
56 Electric & Gas Engineering	13 D,P	11 D	9 P	9
61 Director of Water/Wastewater Systems	1	1	1	1
62 Water Resources	25 D	25 D	24 D	24 D
64 Water Distribution	27 D	27 D	28 D	28 D
66 Water/Wastewater Engineering	13 P	12	11 P	11
74 Gas Operations	15	15 D	15 D	15 D
82 Water Reclamation	16 D	16 D	16 D	16 D
84 Wastewater Collection	20	20 D	19 D	19 D
93 FPUAnet Communications	4	3	3 D	2 D
TOTAL	<u>287</u>	<u>278</u>	<u>270</u>	<u>269</u>

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

<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2011</u>	<u>9/30/2010</u>
3 P	2 P	2 P	2 P	2 P	2 P
13 D	14 D	14 D	15 D	15 D	15 D
5	5	5	5	5	5
2	2	2	2	2	2
1	1	1	1	1	1
3	3	4	4	4	4
4 D	4 D	6 D	5 D	5	5
13	12	11 D	11 D	10 D	12 D
4 P	4 P	3 P	3 P	5 P	5 P
1	1	1	1	1 H	1 H
17 D	16 D	16	16	16	16
5 D	5	5	5	5	5
1	1	1	1	1	1
26 D	26 D,P	26 D,P	26 D,P	28	29
1	1 D	1 D	1 D	1 D	2 D
21 D	46 D	49 D	51 D	52 D,H	53 D,H
25 D	-	-	-	-	-
9	9 D	10 D	9	9 H	11 H
1 D	1 D	1 D	1 D	1	1
23 D	23 D	23 D	23 D	23 D,H	24 H
29 D	28 D	28 D	25	25 H	28 H
11 P	11 D	11 D	11 D	11 D,H	11 D,H
15 D	15 D	16 D	15 D	14 D,H	14 H
16 D	16 D	14 D	13 D	13 D,H	14 D
19 D	20 D	21 D	21 D	21 D,H	22 D
2 D	2 D	2	2	1	1
<u>270</u>	<u>268</u>	<u>273</u>	<u>269</u>	<u>271</u>	<u>284</u>

## FORT PIERCE UTILITIES AUTHORITY

### Performance Indicators

Last Ten Fiscal Years

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
<b>SAFETY</b>					
Frequency Rate	3.10	3.77	5.30	4.11	5.30
DART/Severity Rate *	0.00	213.84	170.84	89.00	79.00
Workers' Compensation Experience Modification Factor	1.28	0.97	0.97	0.97	0.79
<b>FINANCIAL</b>					
Debt Service Ratio (12 months ended)	2.85	3.12	3.25	2.51	2.55
Operating Ratio	0.91	0.92	0.89	0.90	0.88
<b>COMPONENT COSTS</b>					
Water Treatment Plant					
\$ / 1,000 gallons raw water	\$2.48	\$2.21	\$1.99	\$2.02	\$1.88
Water Reclamation Facility					
\$ / 1,000 gallons effluent	\$1.98	\$1.60	\$1.78	\$1.46	\$2.46
Electric T&D					
\$ / mile of T & D lines	\$24,073.82	\$20,530.49	\$21,860.34	\$21,636.69	\$20,112.83
\$ / number of services	\$30.39	\$25.93	\$27.56	\$27.27	\$26.13
Water Distribution					
\$ / 1,000 gallons billed	\$1.97	\$2.11	\$1.92	\$1.88	\$1.88
\$ / number of services	\$21.68	\$22.36	\$21.05	\$20.01	\$19.69
Wastewater Collection					
\$ / 1,000 gallons billed	\$2.30	\$2.47	\$2.60	\$2.39	\$2.36
\$ / number of services	\$19.81	\$20.90	\$22.31	\$19.61	\$19.41
Natural Gas Distribution					
\$ / 1,000 ccf billed	\$0.43	\$0.43	\$0.41	\$0.49	\$0.40
\$ / number of services	\$40.36	\$37.41	\$34.36	\$39.54	\$33.16
Lift Stations					
\$ / 1,000 gallons billed	\$0.68	\$0.72	\$0.66	\$0.75	\$0.71
\$ / number of services	\$5.89	\$6.12	\$5.62	\$6.14	\$5.80
Industrial Pre-Treatment					
\$ / Customers	\$888.13	\$916.33	\$919.02	\$927.50	\$985.46
FPUAnet Communications					
\$ / Customers	\$540.93	\$423.99	\$414.79	\$345.35	\$348.35
Administration					
\$ / number of services	\$14.60	\$14.48	\$14.96	\$14.51	\$14.59
<b>HUMAN RESOURCES</b>					
Overtime Ratio	0.053	0.058	0.073	0.050	0.046
Sick Leave Ratio	0.030	0.043	0.037	0.038	0.038
Overtime vs. Annual Overtime Budget	120.09%	132.07%	176.47%	114.22%	120.48%
Training Hours vs. Regular Hours Worked	3.56%	2.11%	2.10%	2.87%	2.93%
Training Dollars vs. Budgeted Salary Dollars	3.59%	3.12%	1.51%	2.00%	1.92%
Annual Turnover Rate	9.00%	9.00%	10.64%	12.40%	8.60%
<b>CUSTOMER SERVICE</b>					
Number of connections	10,237	12,231	13,534	14,109	15,663
Number of disconnections	12,314	12,818	12,795	13,316	14,800
Number of accounts to collection agency	1,269	1,498	1,353	1,622	1,890
Amount of accounts written off					
Electric	\$28,984	\$112,847	\$184,794	\$200,966	\$99,489
Water	\$5,189	\$20,226	\$33,140	\$36,032	\$17,826
Natural Gas	\$364	\$1,461	\$2,415	\$2,639	\$1,366
Wastewater	\$4,658	\$18,156	\$29,744	\$32,324	\$16,050
Customer Charges	\$1,790	\$6,952	\$11,371	\$12,371	\$6,141
Communications	\$50	\$157	\$232	\$257	\$42
Number of service orders					
Started	42,120	40,193	41,243	45,028	44,505
Completed	41,846	40,524	41,014	44,937	44,389

\* Calculations FY 2015 - current are based on DART rate; Previous years are based on Severity rate.

**FORT PIERCE UTILITIES AUTHORITY**

**Performance Indicators**

Last Ten Fiscal Years

<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>
4.10	4.10	4.90	3.60	1.20
80.00	48.00	24.00	122.00	61.00
0.87	0.92	1.25	1.11	1.28
2.59	2.51	2.41	2.55	2.80
0.91	0.91	0.91	0.92	0.91
\$1.94	\$1.90	\$1.80	\$1.79	\$1.92
\$2.70	\$1.93	\$2.07	\$2.45	\$2.56
\$20,633.15	\$20,516.14	\$23,742.33	\$24,841.57	\$20,585.55
\$27.11	\$27.41	\$31.57	\$30.95	\$25.99
\$1.89	\$1.82	\$1.59	\$1.54	\$2.46
\$20.04	\$19.44	\$18.14	\$17.79	\$27.92
\$2.68	\$3.87	\$2.65	\$2.86	\$2.11
\$21.77	\$31.61	\$21.98	\$24.34	\$18.20
\$0.59	\$0.40	\$0.62	\$0.57	\$0.57
\$47.71	\$31.89	\$32.90	\$33.36	\$32.89
\$0.79	\$0.80	\$0.74	\$0.76	\$0.71
\$6.38	\$6.53	\$6.17	\$5.97	\$6.14
\$903.78	\$698.46	\$793.71	\$1,246.28	\$793.86
\$328.03	\$306.83	\$275.98	\$325.26	\$320.54
\$14.60	\$15.74	\$16.01	\$17.15	\$18.17
0.046	0.042	0.040	0.036	0.040
0.034	0.034	0.034	0.039	0.042
114.96%	107.47%	100.48%	89.65%	80.00%
2.53%	2.48%	1.52%	1.62%	2.32%
1.69%	1.80%	1.23%	1.31%	1.16%
12.08%	13.25%	6.77%	9.09%	6.34%
16,238	16,001	16,360	16,077	17,441
15,338	15,206	15,419	15,038	16,300
1,852	1,584	1,535	1,888	2,240
\$256,860	\$182,006	\$253,362	\$197,638	\$390,702
\$46,081	\$32,638	\$45,434	\$35,433	\$70,061
\$3,302	\$2,374	\$3,308	\$2,582	\$5,104
\$41,325	\$29,294	\$40,780	\$31,805	\$62,886
\$15,770	\$11,181	\$15,563	\$12,136	\$23,993
\$371	\$231	\$321	\$249	\$495
49,837	44,205	50,182	56,278	59,489
49,740	44,224	44,991	48,149	56,799

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

	As of September 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>ELECTRIC</b>										
Miles of transmission and distribution lines	433	428	440	440	440	440	440	440	440	440
<b>WATER</b>										
Miles of water mains	393	390	385	385	385	385	384	384	360	360
Number of hydrants	1,689	1,661	1,645	1,642	1,629	1,622	1,612	1,606	1,515	1,515
Number of surficial wells	36	36	36	36	36	36	36	36	36	41
Number of floridan wells	11	11	11	11	11	11	11	11	11	9
<b>NATURAL GAS</b>										
Miles of main lines	171	171	171	170	167	168	167	165	165	165
Miles of service lines	81	81	81	80	80	80	80	83	83	83
<b>WASTEWATER</b>										
Miles of force mains	97	97	97	97	97	97	97	97	98	88
Miles of gravity sewer lines	174	172	172	172	172	172	171	171	170	168
Number of lift stations	118	117	116	116	116	116	116	116	117	118

Source: Various FPUA departments

**FORT PIERCE UTILITIES AUTHORITY**  
**Ten Largest Customers**  
**Fiscal Year 2019**

Ranking	Customer Name	Utility Service	Unit Sales	Revenues	Total
1	St. Lucie County Board of County Commissioners	Electric (kWh)	13,856,032	\$1,583,701	\$4,289,492
		Water (kgal.)	411,766	1,469,132	
		Wastewater	141,960	1,200,178	
		Natural Gas (ccf)	25,314	36,481	
2	St. Lucie County School Board	Electric (kWh)	20,503,819	\$2,426,149	\$2,991,530
		Water (kgal.)	32,704	223,653	
		Wastewater	31,784	268,074	
		Natural Gas (ccf)	45,676	73,654	
3	Indian River State College	Electric (kWh)	19,726,497	\$2,095,750	\$2,553,838
		Water (kgal.)	29,464	173,253	
		Wastewater	23,574	182,174	
		Natural Gas (ccf)	97,327	102,661	
4	Lawnwood Regional Medical Center	Electric (kWh)	19,450,253	\$1,738,393	\$2,200,623
		Water (kgal.)	23,998	113,073	
		Wastewater	13,816	93,408	
		Natural Gas (ccf)	304,548	255,749	
5	City of Fort Pierce	Electric (kWh)	9,763,355	\$1,129,912	\$1,784,209
		Water (kgal.)	65,987	578,231	
		Wastewater	5,779	69,230	
		Natural Gas (ccf)	1,781	6,836	
6	Fort Pierce Utilities Authority	Electric (kWh)	15,657,539	\$1,629,470	\$1,731,109
		Water (kgal.)	5,388	46,705	
		Wastewater	2,494	33,540	
		Natural Gas (ccf)	16,068	21,394	
7	Florida Atlantic University	Electric (kWh)	11,838,841	\$1,221,871	\$1,221,871
		Water (kgal.)			
		Wastewater			
		Natural Gas (ccf)			
8	Fort Pierce Housing Authority	Electric (kWh)	3,636,705	\$413,940	\$955,416
		Water (kgal.)	30,480	215,524	
		Wastewater	30,983	271,696	
		Natural Gas (ccf)	21,882	54,256	
9	Orchid Island Juice Company	Electric (kWh)	6,191,078	\$661,290	\$914,013
		Water (kgal.)	18,066	70,838	
		Wastewater	17,895	104,644	
		Natural Gas (ccf)	93,481	77,241	
10	Florida Power & Light Company	Electric (kWh)	4,320	\$1,690	\$831,994
		Water (kgal.)	190,085	825,871	
		Wastewater	166	4,433	
		Natural Gas (ccf)			
TOTAL REVENUES BY UTILITY		Electric		\$12,902,166	
		Water		3,716,280	
		Wastewater		2,227,377	
		Natural Gas		628,272	
TOTAL COMBINED REVENUES					\$19,474,095



***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, 2019, which collectively comprise of FPUA's basic financial statements and have issued our report thereon dated February 18, 2020. 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 18, 2020