

THE SUNRISE CITY

FORT PIERCE

Florida



Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2016

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



For Fiscal Year Ended September 30, 2016

Prepared by:

**Johnna S. Morris
Director of Finance**

City of Fort Pierce Finance Department

FORT PIERCE CITY HALL



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

Mission Statement

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

I. *INTRODUCTORY SECTION*

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- ◆ City Officials and Department Heads
- ◆ Finance Director's Letter of Transmittal
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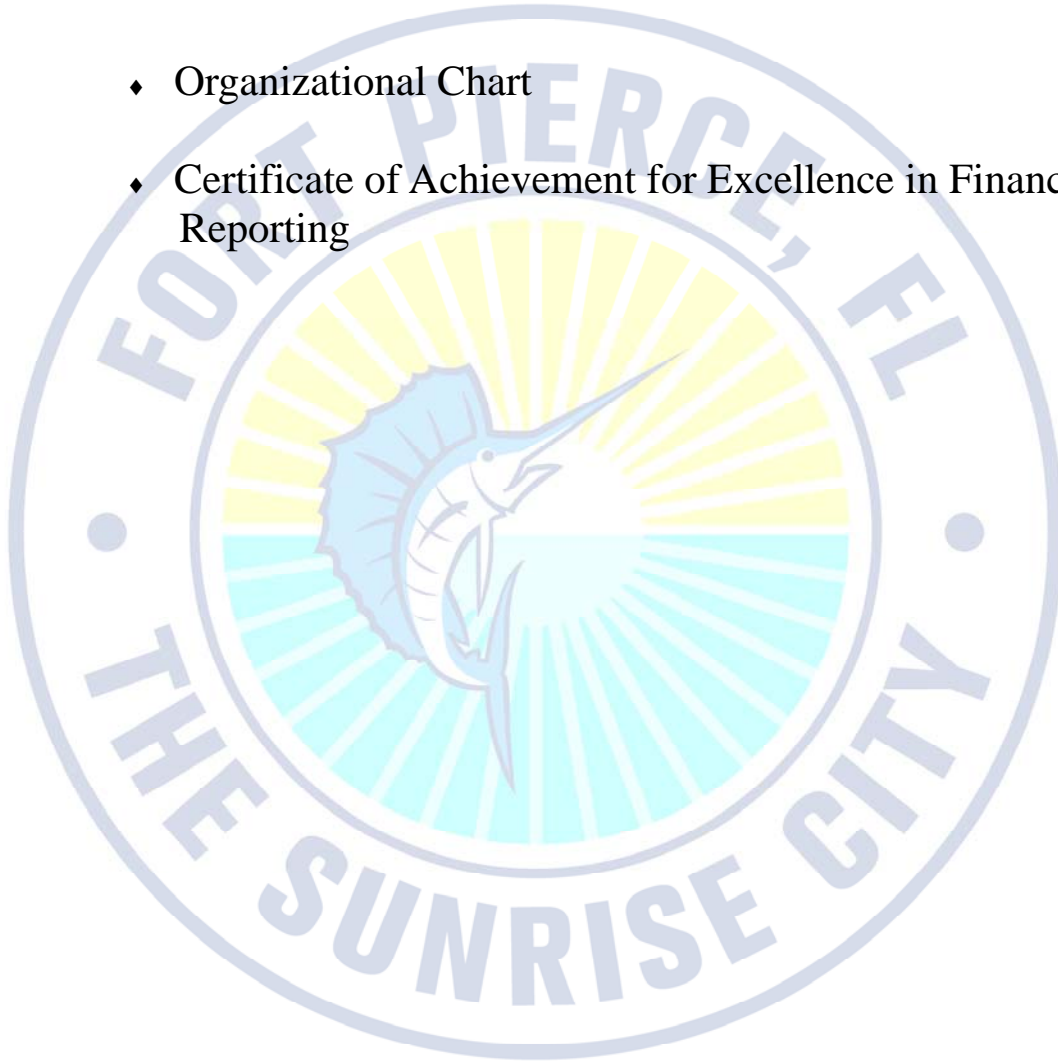




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CITY COMMISSION



Linda Hudson, Mayor



Rufus J. Alexander II



Edward Becht



Thomas K. Perona



Reginald Sessions

CITY OFFICIALS



Nicholas Mimms, City Manager



James Messer
City Attorney

Linda Cox
City Clerk

Samuel L. Barnes, *Director of Purchasing*

Johnna S. Morris, *Director of Finance*

Diane Hobleby-Burney, *Chief of Police*

John R. Andrews, *City Engineer*

DeVoshay Johnson, *Information Technology Manager*

Marc Meyers, *Building Official*

Rebecca Grohall, *Planning & Zoning Manager*

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

Dean Kubitschek, *Marina Manager*

Peggy Arraiz, *Code Compliance Manager*

Lucille Posa, *Golf Course Manager*

John Wilkes, *Director, Sunrise Theatre*

Kevin Browning, *Human Resources Manager*



March 31, 2016

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

Dear Mayor, Commissioners, and Citizens:

It is our pleasure to submit this *Comprehensive Annual Financial Report* for the City of Fort Pierce, Florida for the fiscal year ended September 30, 2016. The report fulfills the requirements set forth in the *City Code of Ordinances, Florida Statutes*, Chapter 166.241; and the *Rules of the Florida Auditor General*, Chapter 10.550. The organization, form and contents of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, the city Code of Ordinances, and the Government Finance Officers Association.

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

Florida Statutes and the *City Code of Ordinances* require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed by DiBartolomeo, McBee, Hartley & Barnes. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial

statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

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

The Reporting Entity and Its Services

The City of Fort Pierce, Florida was incorporated in 1901 and covers an area of approximately 34.8 square miles. The City operates under an elected City Commission (5 members) and provides a full range of municipal services including general government, public safety, public improvements, planning and zoning, and related general and administrative services to over 44,484 residents. In addition, the City operates a solid waste enterprise activity, a marina, a golf course, a theatre and a stormwater utility fund. This report includes two component units and one related organization.

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

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

Fort Pierce Retirement and Benefit System and the Municipal Police Officers' Retirement Trust Fund. The accounts of these two retirement plans are included in the financial statements as the General Employees' Pension Trust, and the Police Officers' Pension Trust. Both of the pension trust funds are governed by a separate Board of Trustees subject to the requirements of local ordinances and by applicable provisions of Florida Law which require participation in the respective governing authorities by certain key City officials. Additional criteria include the scope of public service provided by organizations which exist for the benefit of the employees of the City of Fort Pierce.

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

Economic Condition and Outlook

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

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

The gradual increase in the real estate market and the construction industry has had an impact on the local economy. The unemployment rate has been impacted along with the revenues generated by the businesses associated with the real estate and construction activities, gradual yet steady increases are being experienced.

For years the local economy has counted on construction as the number one industry in the county. The downturn of the housing market, experienced in the prior years, had a significant impact on the percentage of unemployment. The current unemployment rate of 8.4% is down from 10.4% last year.

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

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

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

Major Initiatives

The environmental cleanup of the H.D. King power plant downtown is close to completion. Using a \$1,700,000 brownfield grant the old plant has been demolished and clean-up of the property is in the final stage. This land is contemplated as being used to expand the City's existing Marina and or building a five star hotel. The City completed construction on Melody Lane Fishing Pier, a state of the art fishing area to be utilized by citizens. The total cost for the project is \$630,815; \$312,500 funded by the FIND grant and the remaining \$318,315 from restricted revenue. Construction for Veteran Memorial Park and Indian Hills recreation area are close to completion. The City is using federal, state, and local grants, in addition to restricted revenue, to complete these projects. Currently, numerous stormwater improvement projects are being managed by the City's Engineering Department. The City's Engineering Department is also managing road resurfacing projects throughout the City.

The 2016 budget included funding for capital equipment, which resulted from increasing the millage rate. In the last few years, because of limited resources little was budgeted to capital equipment. In 2016, the City was able to replace some fleet vehicles in the Police and Solid Waste divisions, update some technological equipment, and begin some road resurfacing. The capital improvements constructed were through bond proceeds or grant funding. The City's long-term debt at 9/30/2016 was \$93,886,456.

2016-2017 Budget Issues

The City of Fort Pierce budget for fiscal 2017 decreased slightly from fiscal 2016. The budget for 2017 is \$35,803,121, and 2016 was \$35,853,263, a decrease of \$50,142.

The City's taxable valuation is \$2,109,164,737 compared to last year's final valuation of \$1,987,410,139. This represents an increase of approximately 6.13% or \$121,754,598. The City Commission elected to maintain the millage rate at 6.9000. The gradual increase in property values and maintaining the millage rate helped balance the budget.

City Commission in 2016 established an annual restricted amount to be used for capital projects and approved an interfund loan to fund a new capital improvement plan. The 2017 budget includes \$600,000 restricted revenue; \$400,000 to be used to finance capital improvements and purchases and \$200,000 to be used to repay the interfund loan.

The City will receive from the Utilities Authority approximately \$163,446 in additional transfers under the 6% computation; using the power cost adjustment for electric and gas for twelve months.

The City appropriated \$710,407 from fund balance to balance General Fund’s budget.

The 2017 budget (General Fund) included a 2.5% pay increase for all employees. Retirement rates for general members are 14.89%, down from 15.03%, Police officers increased to 14.61% up from 13.76%. These wage and benefit changes equated to an increase of \$371,947.

The 2017 budget (General Fund) included the addition of 9 new personnel positions, which equate to an increase of \$603,028.

The City and Fort Pierce Redevelopment Agency refunded a portion of their debt resulting in current year debt payment reductions of \$289,657 and \$437,229 respectively.

General Fund’s \$737,543 transfer to Fort Pierce Redevelopment Agency, to assist in its operations, is approximately \$938,879 less than last year due to an increase in property values and favorable debt refunding.

Reserve Policy

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

| Fiscal Year | Budget | 10% Reserve | Beginning Fund Balance |
|-------------|------------|-------------|------------------------|
| 2015 | 35,853,263 | 3,585,326 | 4,297,233 |
| 2016 | 35,803,121 | 3,580,312 | 4,461,635 |

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fort Pierce, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of the state and local government financial reports.

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

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

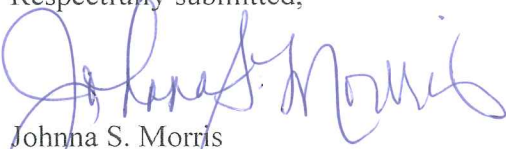
Acknowledgments

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

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

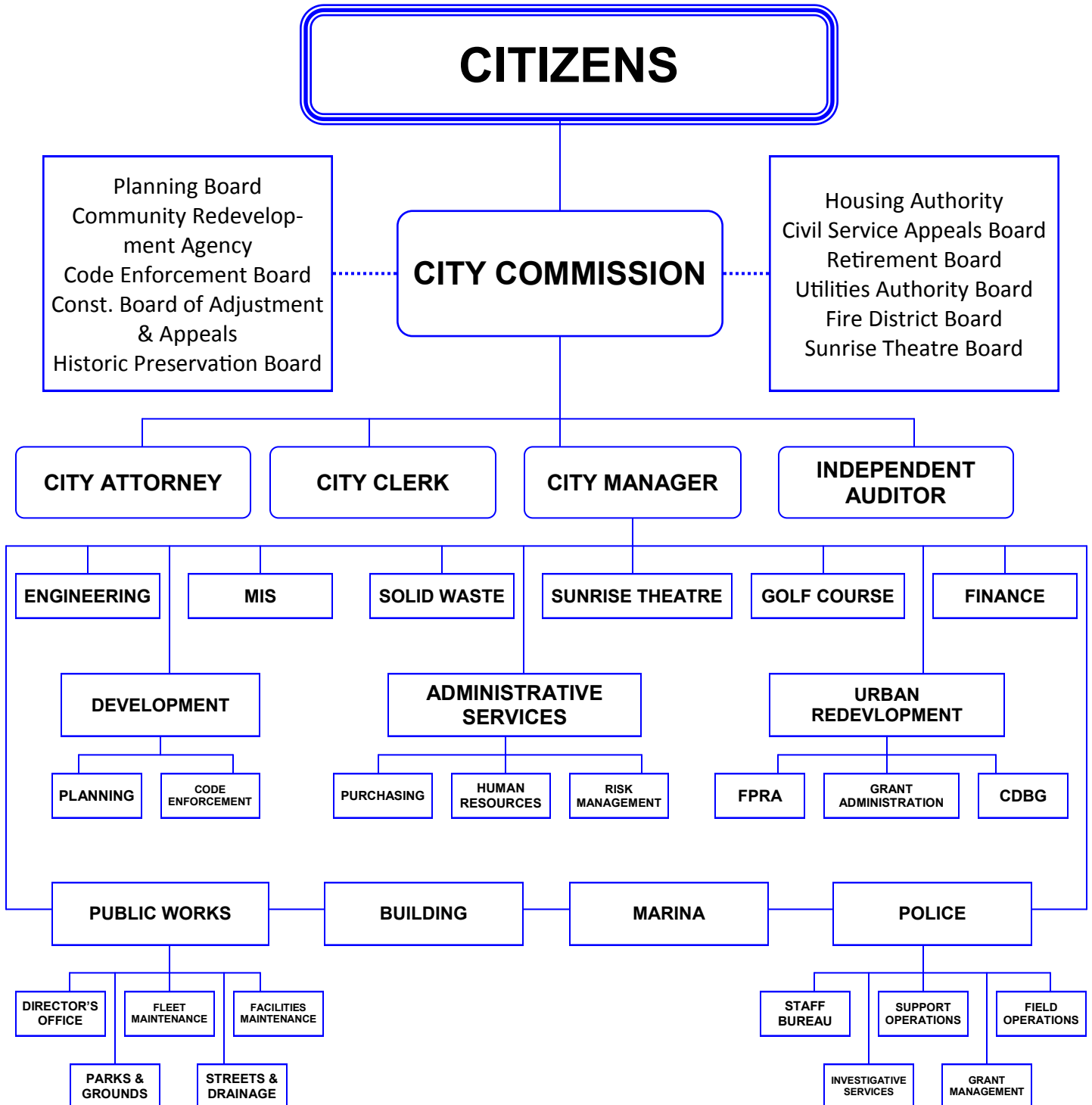
Sincere appreciation is extended to the firm of DiBartolomeo, McBee, Hartley & Barnes for their professional approach and high standard in the conduct of their independent audit of the City's financial records and transactions.

Respectfully submitted,



Johnna S. Morris
Director of Finance

CITY OF FORT PIERCE , FLORIDA ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Fort Pierce
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

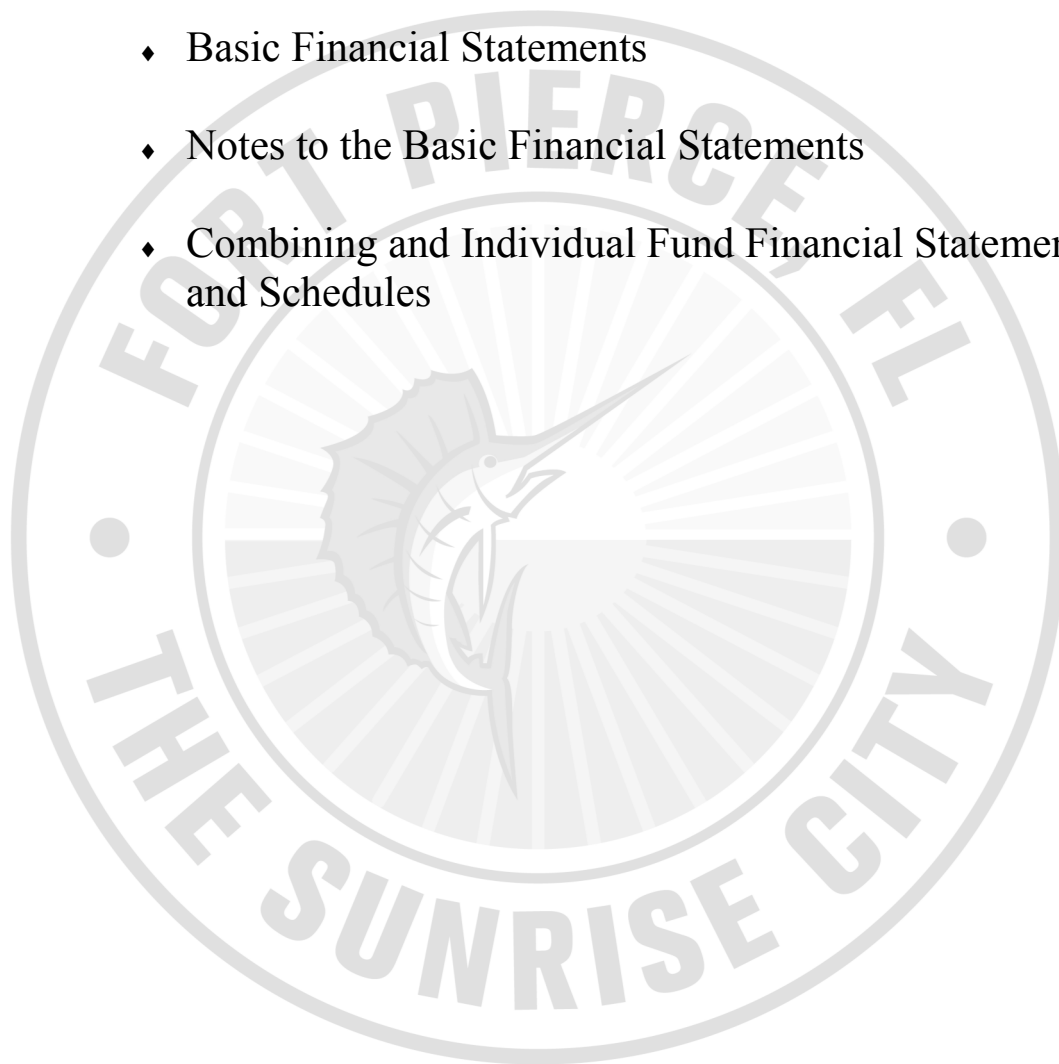
September 30, 2015

Executive Director/CEO



I. *FINANCIAL SECTION*

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



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Independent Auditors' Report

To the City Commission
Fort Pierce, Florida

March 21, 2017

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida as of September 30, 2016, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Community Redevelopment Agency Fund, and Hurricane Housing Recovery Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

To the City Commission
Fort Pierce, Florida


March 21, 2017

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

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion 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 March 21, 2017 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fort Pierce (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2016. Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial positions, (d) identify any material deviations from the financial plans, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the front of this report and the City's financial statements which follow this section.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$119,958,645 of which \$49,338,299 is governmental and \$70,620,346 is the total for business-type activities.
- The City's revenues for Governmental Activities at year end were \$38,959,905 a 3.19% increase, and expenses were \$39,390,349 a 3.73% increase before transfers out of \$23,665. Expenses exceeded revenues by \$0.43 million. The revenue increase from 2015 was \$1.20 million; this can be attributed to increases in the following: charges for services of \$1.52 million, ad valorem and other taxes of \$1.35 million, intergovernmental revenue of \$0.14 million, contributions from component unit of \$0.07 million, and unrestricted investment earnings of \$0.14 million; offset by decreases in the following: operating grants and contributions of (\$1.44 million), and capital grants of (\$0.52 million). The increase in expenses in comparison to last year was \$1.42 million, resulting from increases in the following: general government \$0.57 million, public safety \$0.16 million, transportation \$0.14 million and interest on long-term debt \$0.85 million; offset by decreases in the following: economic environment (\$0.25 million), culture and recreation (\$0.05 million).
- Business-type funds revenues were \$18,503,139 a decrease of 7.35% or \$1,468,521 before transfers in of \$23,665, and expenses were \$24,442,122, an increase of 11.60% or a \$2,540,932 increase from the previous year. The decrease in revenue from the prior year is mainly attributable to the decrease in capital grants and contributions (\$1.55 million). The increase in expenses in comparison to the prior year is mainly attributable to the increase in stormwater \$2.28 million.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$14,800,370, an increase of \$458,230; of which there were increases in the General Fund of \$0.39 million and the restricted revenue and grant funding of \$1.68 million and decreases in the debt service reserve of (\$0.78 million) and the capital project funds of (\$0.83 million).

The long-term debt, net of current portion, of the City on 9/30/16 was \$88,781,701, a decrease of \$0.63 million or 0.71%. The debt services requirements were met financially.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$119,958,645 at the close of the most recent fiscal year.

Approximately 90% of the City's net position reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Fort Pierce Net Position - FY 2016 and 2015

| | Governmental | | Business Type | | Total | |
|--------------------------------|--------------------|--------------------|-------------------|--------------------|--------------------|--------------------|
| | <u>Activities</u> | | <u>Activities</u> | | | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Current and other Assets | 20,748,419 | 23,917,867 | 4,966,840 | 8,284,099 | 25,715,259 | 32,201,966 |
| Capital Assets | 109,411,333 | 110,409,353 | 88,653,577 | 91,977,228 | 198,064,910 | 202,386,581 |
| Total Assets | 130,159,752 | 134,327,220 | 93,620,417 | 100,261,327 | 223,780,169 | 234,588,547 |
| Deferred Outflows | 9,893,683 | 5,612,512 | 912,309 | 908,787 | 10,805,992 | 6,521,299 |
| Long-term Liabilities O/S | 82,223,230 | 81,773,539 | 20,066,432 | 20,907,137 | 102,289,662 | 102,680,676 |
| Other Liabilities | 6,840,607 | 6,986,061 | 3,574,630 | 3,727,313 | 10,415,237 | 10,713,374 |
| Total Liabilities | 89,063,837 | 88,759,600 | 23,641,062 | 24,634,450 | 112,704,899 | 113,394,050 |
| Deferred Inflows | 1,651,299 | 1,387,724 | 271,318 | - | 1,922,617 | 1,387,724 |
| Net Position: | | | | | | |
| Net Invested in Capital Assets | 39,077,396 | 37,055,350 | 69,349,261 | 72,258,131 | 108,426,657 | 109,313,481 |
| Restricted | 5,300,896 | 6,911,826 | - | - | 5,300,896 | 6,911,826 |
| Unrestricted | 4,960,007 | 5,825,232 | 1,271,085 | 4,277,533 | 6,231,092 | 10,102,765 |
| Total Net Position | 49,338,299 | 49,792,408 | 70,620,346 | 76,535,664 | 119,958,645 | 126,328,072 |

The City's net position decreased by \$6,369,427 during the fiscal year, the net position of the Governmental Funds decreased by \$0.45 million and business type funds decreased by \$5.92 million. Assets of the Governmental Funds increased \$0.11 million and liabilities increased by \$0.57 million. In the enterprise funds, the assets had a decrease of 6.56% or approximately \$6.64 million and liabilities had a decrease of 2.93% or approximately \$0.72 million.

City of Fort Pierce Statement of Activities- FY 2016 and 2015

| | Governmental | | Business Type | | Total | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>Activities</u> | | <u>Activities</u> | | | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | 9,450,317 | 7,928,394 | 18,047,367 | 17,976,907 | 27,497,684 | 25,905,301 |
| Operating grants and Contributions | 385,082 | 1,823,584 | - | - | 385,082 | 1,823,584 |
| Capital Grants and Contributions | - | 527,089 | 407,561 | 1,959,954 | 407,561 | 2,487,043 |
| General Revenues: | | | | | | |
| Ad Valorem Taxes | 13,171,397 | 11,882,126 | - | - | 13,171,397 | 11,882,126 |
| Other Taxes | 6,344,386 | 6,281,928 | - | - | 6,344,386 | 6,281,928 |
| Unrestricted grants and contributions | - | - | - | - | - | - |
| Intergovernmental | 3,292,726 | 3,151,267 | - | - | 3,292,726 | 3,151,267 |
| Miscellaneous | 201,096 | 259,054 | - | - | 201,096 | 259,054 |
| Contributions from Component Units | 5,809,302 | 5,735,240 | - | - | 5,809,302 | 5,735,240 |
| Unrestricted investment earnings | 305,599 | 166,607 | 48,211 | 34,799 | 353,810 | 201,406 |
| Total Revenues | 38,959,905 | 37,755,289 | 18,503,139 | 19,971,660 | 57,463,044 | 57,726,949 |

City of Fort Pierce Statement of Activities- FY 2016 and 2015 (Cont.)

| | Governmental | | Business Type | | Total | |
|-------------------------------------|--------------------------|-------------------|--------------------------|--------------------|--------------------|--------------------|
| | <u>Activities</u> | | <u>Activities</u> | | | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Expenses | | | | | | |
| General government | 10,188,059 | 9,615,174 | - | - | 10,188,059 | 9,615,174 |
| Public safety | 15,293,734 | 15,130,557 | - | - | 15,293,734 | 15,130,557 |
| Transportation | 5,868,560 | 5,729,773 | - | - | 5,868,560 | 5,729,773 |
| Economic Environment | 1,262,385 | 1,513,335 | - | - | 1,262,385 | 1,513,335 |
| Culture & recreation | 2,153,169 | 2,206,744 | - | - | 2,153,169 | 2,206,744 |
| Interest on long-term debt | 4,624,442 | 3,778,626 | - | - | 4,624,442 | 3,778,626 |
| Solid Waste | - | - | 5,689,842 | 5,708,431 | 5,689,842 | 5,708,431 |
| Marina | - | - | 3,512,275 | 3,344,558 | 3,512,275 | 3,344,558 |
| Stormwater | - | - | 7,939,853 | 5,658,447 | 7,939,853 | 5,658,447 |
| Golf Course | - | - | 1,510,721 | 1,574,074 | 1,510,721 | 1,574,074 |
| Sunrise Theatre | - | - | 4,595,335 | 4,440,222 | 4,595,335 | 4,440,222 |
| Building Department | - | - | 1,194,096 | 1,175,458 | 1,194,096 | 1,175,458 |
| Total Expenses | 39,390,349 | 37,974,209 | 24,442,122 | 21,901,190 | 63,832,471 | 59,875,399 |
| Increase (Decrease) in net position | | | | | | |
| before transfers | (430,444) | (218,920) | (5,938,983) | (1,929,530) | (6,369,427) | (2,148,450) |
| Transfers In (Out) | (23,665) | 847,537 | 23,665 | (847,537) | - | - |
| Changes in net position | (454,109) | 628,617 | (5,915,318) | (2,777,067) | (6,369,427) | (2,148,450) |
| Net Position - Beginning | 49,792,408 | 49,163,791 | 76,535,664 | 79,312,731 | 126,328,072 | 128,476,522 |
| Net Position - Ending | 49,338,299 | 49,792,408 | 70,620,346 | 76,535,664 | 119,958,645 | 126,328,072 |

Governmental activities. Governmental activities accounted for a negative decline of \$454,109 in net position of the City.

Revenues increased \$1,204,616 or 3.19% in Fiscal Year 2016. There are increases and decreases in a few categories; charges for services increased \$1.52 million. Property values continue to gradually increase, resulting in an increase of \$1,289,271 in ad valorem revenue. Operating grants and capital grants and contributions decreased by \$1.49 million and \$0.52 million respectively. The 3.73% or \$1.42 million increase in expenses was attributed to a decrease of (\$0.25 million) in economic environment and (\$0.05 million) in culture and recreation and the remaining increases of \$1.72 million are between the following categories: general government \$0.57 million, public safety \$0.16 million, transportation \$0.14 million and interest on debt service cost \$0.85 million.

Business-type activities. The business-type activities include the activities of a stormwater utility program, golf course, city marina, theatre, solid waste and building and code operations. Expenses increased \$2.54 million, the golf course, solid waste, and the building department expenses are consistent with 2015. The marina, the theatre, and the stormwater utility program expenses increased \$0.17 million, \$0.16 million, and \$2.28 million respectively. Revenues decreased \$1.47 million, operating and capital grants accounted for \$1.55 million of the

decrease; charges for services recorded an increase of \$0.07 million.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$14,800,370 an increase of \$458,230 in comparison with the prior year. The non-spendable portion is \$333,287, restricted is \$9,746,492, \$550,000 is committed, \$3,767,310 is assigned and \$403,281 is unassigned and available for spending at the government's discretion.

The *general fund* is the chief operating fund of the City. The ending fund balance in 2016 is \$4,852,321, which increased \$0.39 million. The 9% increase relates to the increase in tax revenues while working to maintain expenses. The increase in fund balance is reflective in the change in the non-spendable portion relating to prepaid items and the unassigned. The debt service reserve fund balance is \$2,974,093, a decrease of \$0.78 million, which represent payment of interest and principal on debt. Capital projects fund balance is \$2,326,803, a decrease of \$0.83 million, which represent construction of infrastructure and other capital improvements. Finally the fund balance in the special revenue funds at 9/30/2016 is \$4,647,153, an increase of \$1.68 million, \$0.85 million of the increase relates to the increase in funds reserved for special purposes and projects, \$0.83 million relates to funding reserved for grants .

Business Type Funds. The enterprise funds have unrestricted net position of \$1,271,085. Net investment in capital assets is \$69,349,261 with a combined net position total of \$70,620,346. The decrease in net position is reflective of the increase in stormwater expenses relating to stormwater improvements.

General Fund Budgetary Highlights

The General Fund 2016 budget revenue was \$35,929,757; the amount realized was \$34,982,700, a decrease of (\$947,057) or (2.64%). The expenditure budget was \$35,853,263, and the actual amount was \$34,592,014, a reduction of (\$1,261,249) or (3.52%). All the budget numbers are presented without the netting of transfers in this section. Differences between the original and final revenue and expenditure budget increased fund balance by \$390,686; the changes were substantial in some categories and listed below are the major notable amendments:

- \$572,287 or 3.02% increase in taxes; increases in ad valorem taxes \$77,901, local option taxes \$157,894, and utility and other taxes \$336,492.
- \$26,395 or 7.58% increase in licenses and permits; \$6,189 less in occupational licenses and \$110,584 more in other permits.
- \$134,265 or 80.16% increase in fines and forfeitures; violation of local ordinances produced \$131,064 more and court fines produced \$3,201 more.
- \$87,311 or 43.34% increase in charges for services; community center produced \$60,265

more, \$23,400 more in record searches, investigative and application fees, and \$3,646 in other service charges.

- \$489,786 or 16.36% increase in intergovernmental revenue; \$173,800 increase in state shared revenue, \$266,089 increase in half cent sales tax and \$49,897 more in other intergovernmental.
- \$301,811 or 161.01% increase in miscellaneous revenue; \$72,396 increase in interest, rent, special assessments and other miscellaneous contractual, miscellaneous revenues and reimbursements increased \$217,045.
- (\$104,044) or (9.33%) decrease in reimbursement by other funds; administrative fees were not as much as budgeted.
- (\$2,476,240) or (21.62%) decrease in other financing sources: \$1,400,000 budgeted transfer was recorded as an interfund loan, \$237,770 decrease in transfer from Community Redevelopment Agency, \$855,000 decrease in transfer from solid waste, and \$16,530 more in transfer from FPUA.
- (\$1,714,194) or 2240.95% decrease in Fund Balance Appropriation; no additional fund balance appropriation was needed for fiscal 2016.
- \$1,261,249 or 3.52% decrease in expenditures from various departments. The major decreases were: Administration \$494,941, Public safety \$536,938, Culture and Recreation \$116,517 and transfers out \$319,361. The decreases in expenditures were off-set by major increases in City attorney \$268,947, and Building maintenance \$81,017.

Capital Asset and Debt Administration

Capital assets. The City's investments in *capital assets* for its governmental and business type activities as of September 30, 2016 amounts to \$198,064,910 (this is net of accumulated depreciation). Significant additions during the year consisted of improvements at the fishing pier and the HD King power plant site, street reconstruction, and equipment and machinery. See Note H for detail information on the primary government's Capital Assets.

| City of Fort Pierce Capital Assets - FY 2016 and 2015 (net of depreciation) | | | | | | |
|--|-----------------------------------|--------------------|------------------------------------|-------------------|--------------------|--------------------|
| | Governmental <u>Activities</u> | | Business Type <u>Activities</u> | | <u>Total</u> | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Land & CIP | 27,282,256 | 28,766,172 | 690,670 | 674,008 | 27,972,296 | 29,440,180 |
| Buildings | 28,439,297 | 29,330,113 | 11,267,089 | 11,855,929 | 39,706,386 | 41,186,042 |
| Improvements Other than Buildings | 22,369,602 | 20,837,402 | 75,439,154 | 77,870,289 | 97,808,756 | 98,707,691 |
| Machinery & Equipment | 4,167,975 | 2,913,636 | 1,256,664 | 1,577,002 | 5,424,639 | 4,490,638 |
| Infrastructure | 27,152,203 | 28,562,030 | - | - | 27,152,203 | 28,562,030 |
| Total | 109,411,333 | 110,409,353 | 88,653,577 | 91,977,228 | 198,064,910 | 202,386,581 |

Debt. At the end of the current fiscal year, the City had total long-term debt outstanding, net of current portion of \$88,781,701.

| City of Fort Pierce Outstanding Debt Revenue Bond, Road Improvement Notes & Intergovernmental Notes | | | | | | |
|--|------------------------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------|
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Revenue bonds, road improvement notes & intergovernmental notes | 74,582,140 | 73,844,605 | 19,304,316 | 19,719,097 | 93,886,456 | 93,563,702 |
| Less current portion | (3,917,765) | (3,253,108) | (1,186,990) | (894,038) | (5,104,755) | (4,417,146) |
| Long-term debt, net of current portion | <u>70,664,375</u> | <u>70,591,497</u> | <u>18,117,326</u> | <u>18,825,059</u> | <u>88,781,701</u> | <u>89,416,556</u> |

The City’s long-term debt, net of current portion debt decreased during the year by a net \$0.63 million. The City continues to work on redevelopment projects issued under previous bond issues. The Notes to the Financial Statements (Note K) has additional information on all debt activity.

All bonded debt is insured and carries ratings from Moody’s of A1, as of September 30. 2016. No direct ad valorem tax-supported debt exists at this time.

Economic Factors and Next Year’s Budgets and Rates

The budget process for the 2017 budget began with a 1.4% decrease or \$50,142 in the General Fund Budget, of which \$600,000 was restricted, and expenditures exceeding revenues by approximately \$600,000; savings from the 2014 – 2015 budget was used to fund the shortfall.

Some of the significant factors considered in preparing the City’s Annual General Fund Budget for Fiscal Year 2017, that caused and closed the budget gap are listed below:

- In the General Fund, the City’s taxable valuation is \$2,109,164,737 compared to last year’s final valuation of \$1,987,410,139. This represents an increase of approximately 6.13% or \$121,754,598. This increase in property values and the City Commission electing to maintain the millage rate at 6.9000 helped to balance the budget. Maintaining the millage rate generated \$0.86 million, of which \$400,000 was restricted to be used to finance much needed future capital projects and purchases and an additional \$200,000 is restricted to repay the interfund loan from FY 2016.
- The City budgeted to receive from the Utilities Authority approximately \$163,446 in additional transfers under the 6% computation; using of the power cost adjustment for electric and gas for twelve months.

- In FY 2016 the City refunded a portion of its debt resulting in a budgeted savings of \$289,657 for 2017.
- The City appropriated \$0.71 million from fund balance to balance General Fund's budget.
- In the 2017 budget (General Fund) the personnel services included a 2.5% pay increase for all employees. General members' retirement rate is 14.89%, down from 15.03%. Police officers retirement rate increased to 14.61% from 13.76%. These wage and benefit changes equated to an increase of \$371,947.
- The 2017 budget (General Fund) included the addition of 9 personnel positions; four positions in the City Attorney Office, 4 Police Officers, and 1 mechanic. The addition of these positions equated to an increase of \$603,028.
- The Fort Pierce Redevelopment Agency tax increment financing (TIF) is steadily continuing to increase. The slight increase in property tax values and the maintaining the millage rate resulted in an increase of \$733,864; from \$4.3 million to \$5.0 million. The Agency refunded a portion of its debt resulting in a current year budget savings of \$437,229. The budget is unable, as it has in the past, to support a number of special projects under historic preservation and restoration; funding for neighborhood and business grants; and other cultural and community events and functions. Transfers from General are used to help balance the budget.
- As for the business-type activities, the Marina, Solid Waste, and Stormwater operations had to make up their budget shortfalls by appropriating retained earnings of \$376,154, \$367,431, and \$640,033 in 2017. Transfers from other funds were used to balance the budget of the Sunrise Theatre (\$450,000 from Redevelopment Agency).

Requests for Information

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



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BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Fort Pierce, Florida
STATEMENT OF NET POSITION
September 30, 2016

| | Primary Government | | | Component Units |
|---|-------------------------|--------------------------|----------------|---------------------------------|
| | Governmental Activities | Business-type Activities | Total | Fort Pierce Utilities Authority |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 14,348,534 | \$ 3,102,137 | \$ 17,450,671 | \$ 25,019,942 |
| Receivables (net of allowance for uncollectibles) | 1,513,011 | 2,247,143 | 3,760,154 | 14,503,250 |
| Due from component unit | 379,472 | 667,142 | 1,046,614 | - |
| Internal balances | 1,788,428 | (1,788,428) | - | - |
| Due from other governments | 259,521 | 300,020 | 559,541 | 424,046 |
| Inventories and other current assets | 333,287 | 235,381 | 568,668 | 4,588,188 |
| Restricted Assets: | | | | |
| Temporarily restricted: | | | | |
| Cash and investments | - | 174,238 | 174,238 | 28,432,016 |
| Total current assets | 18,622,253 | 4,937,633 | 23,559,886 | 72,967,442 |
| Noncurrent assets: | | | | |
| Prepaid Insurance | 115,517 | 29,207 | 144,724 | - |
| Notes Receivable | 2,010,649 | - | 2,010,649 | - |
| FMPA working capital receivable | - | - | - | 1,918,608 |
| Investment in Public Gas Partners Pool | - | - | - | 536,803 |
| Capital assets, not being depreciated: | | | | |
| Land | 27,040,394 | 674,008 | 27,714,402 | 10,046,000 |
| Construction in progress | 241,862 | 16,662 | 258,524 | 22,547,434 |
| Capital assets (net of accumulated depreciation): | | | | |
| Buildings | 42,508,571 | 17,903,077 | 60,411,648 | - |
| Improvements other than buildings | 43,000,333 | 97,023,886 | 140,024,219 | - |
| Equipment | 17,544,606 | 9,720,347 | 27,264,953 | - |
| Infrastructure | 108,924,361 | - | 108,924,361 | 424,801,873 |
| Accumulated depreciation | (129,848,794) | (36,684,403) | (166,533,197) | (241,651,424) |
| Total noncurrent assets | 111,537,499 | 88,682,784 | 200,220,283 | 218,199,294 |
| Total assets | \$ 130,159,752 | \$ 93,620,417 | \$ 223,780,169 | \$ 291,166,736 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred charge on refunding | 4,248,203 | - | 4,248,203 | 151,314 |
| Pensions | 5,645,480 | 912,309 | 6,557,789 | 4,891,157 |
| Total deferred outflows of resources | 9,893,683 | 912,309 | 10,805,992 | 5,042,471 |

The accompanying notes are an integral part of this statement.

| | Primary Government | | | Component Units |
|---|-------------------------|--------------------------|----------------|---------------------------------|
| | Governmental Activities | Business-type Activities | Total | Fort Pierce Utilities Authority |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 833,370 | \$ 1,320,320 | \$ 2,153,690 | \$ 7,899,606 |
| Unearned revenue | 203,043 | 644,419 | 847,462 | 859,226 |
| Accrued compensated absences | 92,832 | 49,360 | 142,192 | 24,000 |
| Capital leases payable | - | - | - | 37,953 |
| Due to other governments | 1,250,000 | - | 1,250,000 | 912,879 |
| Notes and revenue bonds-current | 3,917,765 | 1,186,990 | 5,104,755 | 7,367,000 |
| Accrued interest payable | 438,342 | 199,303 | 637,645 | 971,458 |
| Liabilities payable from restricted assets: | | | | |
| Customer deposits | 105,255 | 174,238 | 279,493 | 8,024,037 |
| Total current liabilities | 6,840,607 | 3,574,630 | 10,415,237 | 26,096,159 |
| Noncurrent liabilities: | | | | |
| Notes and bonds payable, net | 70,664,375 | 18,117,326 | 88,781,701 | 71,216,489 |
| Capital Leases | - | - | - | 10,650 |
| Accrued compensated absences | 2,843,356 | 527,269 | 3,370,625 | 1,778,393 |
| Other post employment benefits | 855,395 | 152,811 | 1,008,206 | 711,000 |
| Net Pension Liability | 7,860,104 | 1,269,026 | 9,129,130 | 6,655,066 |
| Total noncurrent liabilities | 82,223,230 | 20,066,432 | 102,289,662 | 80,371,598 |
| Total liabilities | 89,063,837 | 23,641,062 | 112,704,899 | 106,467,757 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Payments received in advance | - | - | - | 3,516,266 |
| Pensions | 1,651,299 | 271,318 | 1,922,617 | 1,228,043 |
| Total deferred inflows of resources | 1,651,299 | 271,318 | 1,922,617 | 4,744,309 |
| NET POSITION | | | | |
| Net Invested in capital assets | 39,077,396 | 69,349,261 | 108,426,657 | 137,336,307 |
| Restricted for: | | | | |
| Capital projects | 2,326,803 | - | 2,326,803 | - |
| Capital improvement charges | - | - | - | 5,212,696 |
| Debt service and other | 2,974,093 | - | 2,974,093 | 6,856,825 |
| Unrestricted | 4,960,007 | 1,271,085 | 6,231,092 | 35,591,313 |
| Total net position | \$ 49,338,299 | \$ 70,620,346 | \$ 119,958,645 | \$ 184,997,141 |

City of Fort Pierce, Florida
STATEMENT OF ACTIVITIES
Year ended September 30, 2016

| Functions/Programs | Program Revenues | | | |
|--|----------------------|----------------------|------------------------------------|----------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 10,188,059 | \$ 1,180,822 | \$ 1,111 | \$ - |
| Public safety | 15,293,734 | 559,349 | 383,971 | - |
| Transportation | 5,868,560 | 246,932 | - | - |
| Economic environment | 1,262,385 | 7,296,531 | - | - |
| Culture and recreation | 2,153,169 | 166,683 | - | - |
| Interest on long-term debt | 4,624,442 | - | - | - |
| Total governmental activities | <u>39,390,349</u> | <u>9,450,317</u> | <u>385,082</u> | <u>-</u> |
| Business-type activities: | | | | |
| Solid waste | 5,689,842 | 6,544,120 | - | - |
| Marina | 3,512,275 | 2,856,262 | - | - |
| Storm Water | 7,939,853 | 2,708,419 | - | 338,619 |
| Golf Course | 1,510,721 | 1,235,869 | - | - |
| Sunrise Theatre | 4,595,335 | 3,342,281 | - | 68,942 |
| Building Fund | 1,194,096 | 1,360,416 | - | - |
| Total business-type activities | <u>24,442,122</u> | <u>18,047,367</u> | <u>-</u> | <u>407,561</u> |
| Total primary government | <u>\$ 63,832,471</u> | <u>\$ 27,497,684</u> | <u>\$ 385,082</u> | <u>\$ 407,561</u> |
| Component units: | | | | |
| Fort Pierce Utilities Authority | \$ 93,395,336 | \$ 98,421,309 | \$ - | \$ 1,649,604 |
| Total component units | <u>\$ 93,395,336</u> | <u>\$ 98,421,309</u> | <u>\$ -</u> | <u>\$ 1,649,604</u> |
| General revenues: | | | | |
| Ad valorem taxes | | | | |
| General sales and use taxes | | | | |
| Utility service and franchise taxes | | | | |
| State revenue sharing-unrestricted | | | | |
| Additional one cent sales taxes | | | | |
| Insurance premium tax | | | | |
| Contributions from component unit | | | | |
| Miscellaneous | | | | |
| Unrestricted investment earnings | | | | |
| Extraordinary Item | | | | |
| Transfers | | | | |
| Total general revenues, extraordinary items, and transfers | | | | |
| Change in net position | | | | |
| Net position - beginning | | | | |
| Net position - ending | | | | |

The accompanying notes are an integral part of this statement.

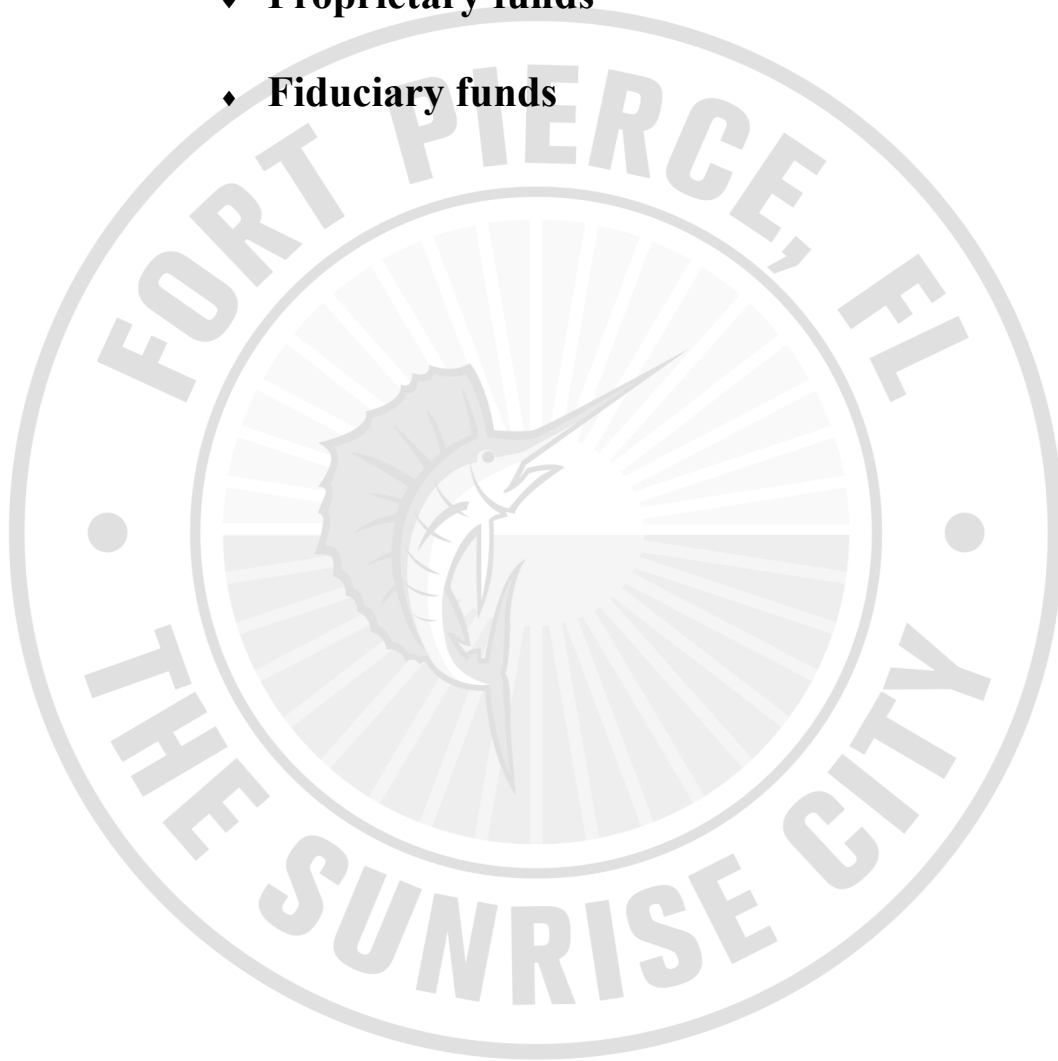
| Net (expense) Revenue and Change in Net Position | | | |
|---|-------------------------------------|------------------------|--|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-type Activities | Total | Fort Pierce Utilities Authority |
| \$ (9,006,126) | \$ - | \$ (9,006,126) | \$ - |
| (14,350,414) | - | (14,350,414) | - |
| (5,621,628) | - | (5,621,628) | - |
| 6,034,146 | - | 6,034,146 | - |
| (1,986,486) | - | (1,986,486) | - |
| (4,624,442) | - | (4,624,442) | - |
| <u>(29,554,950)</u> | <u>-</u> | <u>(29,554,950)</u> | <u>-</u> |
| - | 854,278 | 854,278 | - |
| - | (656,013) | (656,013) | - |
| - | (4,892,815) | (4,892,815) | - |
| - | (274,852) | (274,852) | - |
| - | (1,184,112) | (1,184,112) | - |
| - | 166,320 | 166,320 | - |
| <u>-</u> | <u>(5,987,194)</u> | <u>(5,987,194)</u> | <u>-</u> |
| <u>\$ (29,554,950)</u> | <u>\$ (5,987,194)</u> | <u>\$ (35,542,144)</u> | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,675,577</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,675,577</u> |
| \$ 13,171,397 | - | \$ 13,171,397 | \$ - |
| 2,082,894 | - | 2,082,894 | - |
| 4,261,492 | - | 4,261,492 | - |
| 1,323,800 | - | 1,323,800 | - |
| 1,666,089 | - | 1,666,089 | - |
| 302,837 | - | 302,837 | - |
| 5,809,302 | - | 5,809,302 | (5,809,342) |
| 201,096 | - | 201,096 | - |
| 305,599 | 48,211 | 353,810 | 2,136,071 |
| - | - | - | 21,257 |
| (23,665) | 23,665 | - | - |
| <u>29,100,841</u> | <u>71,876</u> | <u>29,172,717</u> | <u>(3,652,014)</u> |
| (454,109) | (5,915,318) | (6,369,427) | 3,023,563 |
| <u>49,792,408</u> | <u>76,535,664</u> | <u>126,328,072</u> | <u>181,973,578</u> |
| <u>\$ 49,338,299</u> | <u>\$ 70,620,346</u> | <u>\$ 119,958,645</u> | <u>\$ 184,997,141</u> |

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FUND FINANCIAL STATEMENTS

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



City of Fort Pierce, Florida
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016

| | General Fund | Community Redevelopment Agency |
|--|----------------------|--------------------------------------|
| ASSETS | | |
| Cash and investments | \$ 6,687,473 | \$ 181,920 |
| Accounts receivables | 4,619,047 | 248,438 |
| Liens receivables | 4,038,556 | - |
| Due from component unit | 259,256 | 120,216 |
| Due from other funds | 1,033,279 | - |
| Advances to other funds | - | - |
| Due from other governments | 72,585 | - |
| Prepaid items | 246,966 | 13,355 |
| Inventories | 69,748 | - |
| Notes receivable | - | - |
| Total assets | <u>\$ 17,026,910</u> | <u>\$ 563,929</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 744,259 | \$ 18,800 |
| Contracts payable - retainage | 24,186 | - |
| Deposits | 105,255 | - |
| Due to other funds | - | 16,857 |
| Advances from other funds | 1,242,991 | - |
| Revenue in advance | 203,042 | - |
| Total liabilities | <u>2,319,733</u> | <u>35,657</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue | 9,854,856 | 246,390 |
| Total Deferred Inflows | <u>9,854,856</u> | <u>246,390</u> |
| FUND BALANCES | | |
| Nonspendable | 316,714 | 13,355 |
| Restricted | - | 268,527 |
| Committed | 550,000 | - |
| Assigned | 3,582,326 | - |
| Unassigned | 403,281 | - |
| Total fund balances | <u>4,852,321</u> | <u>281,882</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 17,026,910</u> | <u>\$ 563,929</u> |

The accompanying notes are an integral part of this statement.

| Hurricane Housing Recovery Grant Fund | Other Governmental Funds | Totals |
|--|--------------------------------|----------------------|
| \$ 912,306 | \$ 6,566,835 | \$ 14,348,534 |
| 50 | 27,950 | 4,895,485 |
| - | - | 4,038,556 |
| - | - | 379,472 |
| - | - | 1,033,279 |
| - | 2,177,469 | 2,177,469 |
| - | 186,936 | 259,521 |
| - | 3,218 | 263,539 |
| - | - | 69,748 |
| 1,711,198 | 299,451 | 2,010,649 |
| <u>\$ 2,623,554</u> | <u>\$ 9,261,859</u> | <u>\$ 29,476,252</u> |
| | | |
| \$ 4,502 | \$ 41,623 | \$ 809,184 |
| - | - | 24,186 |
| - | - | 105,255 |
| - | 162,472 | 179,329 |
| - | - | 1,242,991 |
| - | - | 203,042 |
| <u>4,502</u> | <u>204,095</u> | <u>2,563,987</u> |
| | | |
| 1,711,198 | 299,451 | 12,111,895 |
| <u>1,711,198</u> | <u>299,451</u> | <u>12,111,895</u> |
| | | |
| - | 3,218 | 333,287 |
| 907,854 | 8,570,111 | 9,746,492 |
| - | - | 550,000 |
| - | 184,984 | 3,767,310 |
| - | - | 403,281 |
| <u>907,854</u> | <u>8,758,313</u> | <u>14,800,370</u> |
| | | |
| <u>\$ 2,623,554</u> | <u>\$ 9,261,859</u> | <u>\$ 29,476,252</u> |

City of Fort Pierce, Florida

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

September 30, 2016

| | | |
|--|----|-------------------|
| Total fund balance per this statement | \$ | 14,800,370 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds. The cost of the assets is \$239,260,127 and the accumulated depreciation is \$129,848,794 | | 109,411,333 |
| Deferred inflows related to pensions are not financial resources and therefore are not reported in governmental funds | | (1,651,299) |
| Long-term liabilities (capital lease obligations, intergovernmental notes, other post employment benefits, accrued compensated absences, and pension liability) of \$85,948,059 plus unamortized premiums of \$285,768 are not due and payable and therefore, are not reported in the funds. | | (86,233,827) |
| Governmental funds do not report a liability for accrued interest until it is due and payable. Accrued interest must be reported as a liability in the government-wide financial statements. | | (438,342) |
| Insurance costs related to debt issuances and deferred charges on refundings are financial uses in the fund statement; for full accrual, however these expenses are reported as non-current assets in the government-wide financial statements. | | 4,363,720 |
| Deferred outflows related to pensions are not financial resources and therefore are not reported in governmental funds | | 5,645,480 |
| Various receivables, (liens receivable, loans receivable, notes receivable, and due from other governments are not financial resources in the current period and therefore, are reported as unavailable revenue in the funds. | | 3,440,864 |
| Net position of governmental activities | \$ | <u>49,338,299</u> |

The accompanying notes are an integral part of this statement.

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City of Fort Pierce, Florida
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
GOVERNMENTAL FUNDS
Year ended September 30, 2016

| | General Fund | Community Redevelopment Agency |
|--|---------------------|--------------------------------------|
| Revenues | | |
| Taxes | \$ 19,515,783 | \$ - |
| Licenses and permits | 374,395 | 104 |
| Intergovernmental | 3,483,786 | 4,492,393 |
| Charges for services | 288,911 | - |
| Fines and forfeitures | 301,765 | - |
| Contributions from component unit | 5,809,302 | - |
| Investment income | 124,661 | 6,126 |
| Other | 1,916,430 | 2,236,553 |
| Total revenues | <u>31,815,033</u> | <u>6,735,176</u> |
| Expenditures | | |
| Current | | |
| General government | 10,387,431 | - |
| Public safety | 13,153,489 | - |
| Transportation | 2,747,800 | - |
| Economic environment | - | 412,790 |
| Culture and recreation | 1,902,214 | - |
| Capital outlay | 1,118,881 | 1,082,579 |
| Debt service | | |
| Principal | - | - |
| Interest and fees | 40,048 | 1,004,529 |
| Other | - | - |
| Total expenditures | <u>29,349,863</u> | <u>2,499,898</u> |
| Excess of revenues over (under) expenditures | 2,465,170 | 4,235,278 |
| Other financing sources (uses) | | |
| Transfers in | 3,167,667 | 1,457,351 |
| Proceeds on Refunding Notes | - | - |
| Payment on Current Refunding | - | - |
| Payment on Advance Refunding | - | - |
| Transfers out | (5,242,151) | (5,499,974) |
| Total other financing sources (uses) | <u>(2,074,484)</u> | <u>(4,042,623)</u> |
| Net change in fund balances | 390,686 | 192,655 |
| Fund balances - beginning of year | <u>4,461,635</u> | <u>89,227</u> |
| Fund balances - end of year | <u>\$ 4,852,321</u> | <u>\$ 281,882</u> |

The accompanying notes are an integral part of this statement.

| Hurricane Housing Recovery Grant Fund | Other Governmental Funds | Totals |
|--|--------------------------------|----------------------|
| \$ - | \$ - | \$ 19,515,783 |
| - | - | 374,499 |
| 566,682 | 1,357,086 | 9,899,947 |
| - | - | 288,911 |
| - | - | 301,765 |
| - | - | 5,809,302 |
| 65,464 | 109,348 | 305,599 |
| 110,347 | 825,478 | 5,088,808 |
| <u>742,493</u> | <u>2,291,912</u> | <u>41,584,614</u> |
| - | 21,704 | 10,409,135 |
| - | 716,699 | 13,870,188 |
| - | - | 2,747,800 |
| 35,666 | 734,206 | 1,182,662 |
| - | - | 1,902,214 |
| - | 1,052,048 | 3,253,508 |
| - | 3,788,108 | 3,788,108 |
| - | 2,890,588 | 3,935,165 |
| - | 552,254 | 552,254 |
| <u>35,666</u> | <u>9,755,607</u> | <u>41,641,034</u> |
| 706,827 | (7,463,695) | (56,420) |
| - | 6,200,993 | 10,826,011 |
| - | 59,370,000 | 59,370,000 |
| - | (17,400,000) | (17,400,000) |
| - | (41,299,060) | (41,299,060) |
| - | (240,176) | (10,982,301) |
| <u>-</u> | <u>6,631,757</u> | <u>514,650</u> |
| 706,827 | (831,938) | 458,230 |
| 201,027 | 9,590,251 | 14,342,140 |
| <u>\$ 907,854</u> | <u>\$ 8,758,313</u> | <u>\$ 14,800,370</u> |

City of Fort Pierce, Florida

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

Year ended September 30, 2016

| | |
|---|---------------------|
| Net change in fund balances-total governmental funds | \$ 458,230 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures, however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation(\$4,370,433) exceeds capital outlay(\$3,253,508) in the current period. | (1,116,925) |
| Governmental funds report the sale of general capital assets as financial resources, the deletions of general capital assets is not reflected in the fund statement. This is the net amount of the proceeds and the adjusted basis of the assets deleted. | (13,721) |
| Repayment of bond and note principal (\$3,788,108) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. | 3,788,108 |
| Note proceeds (\$59,370,000) used to refund bonds (\$58,699,060) are other financing sources(uses) in the governmental funds, but increase(decrease) long-term liabilities in the Statement of Net Assets. | (670,940) |
| Compensated absences of (\$38,006) and other post employment benefits of (\$ 33,568) reported in the Statement of Activities, do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds. | (71,574) |
| In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds interest expenditures are reported when due. This is the net amount between the prior and current year. | 212,185 |
| Governmental funds do not recognize expenditures for the Change in Net Pension Liability each year. This represents the change in the Net Pension Liability in the current year. | (1,199,720) |
| Bond insurance costs and discounts are reported as expenditures when paid. In the Statement of Net Position these costs are amortized. Current year amortization expense was (\$457,844) | (457,844) |
| Net book value of capital assets transferred from enterprise fund to governmental funds | 132,625 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net amount between the prior and current year. | (1,514,533) |
| Change in Net position of governmental activities | <u>\$ (454,109)</u> |

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida
**STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**
Year ended September 30, 2016

| | Budgeted Amounts | | Actual | Variance |
|---------------------------------------|---------------------|---------------------|---------------------|-------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 18,943,496 | \$ 19,515,783 | \$ 19,515,783 | \$ - |
| Licenses and permits | 348,000 | 374,395 | 374,395 | - |
| Intergovernmental | 2,994,000 | 3,483,786 | 3,483,786 | - |
| Charges for services | 201,600 | 288,911 | 288,911 | - |
| Fines and forfeitures | 167,500 | 301,765 | 301,765 | - |
| Contributions from component unit | 7,170,772 | 5,809,302 | 5,809,302 | - |
| Investment income | 55,000 | 124,661 | 124,661 | - |
| Other | 1,766,952 | 1,916,430 | 1,916,430 | - |
| Total revenues | <u>31,647,320</u> | <u>31,815,033</u> | <u>31,815,033</u> | - |
| Expenditures | | | | |
| General government | 11,683,347 | 11,450,941 | 11,450,941 | - |
| Public safety | 13,745,446 | 13,208,508 | 13,208,508 | - |
| Transportation | 2,803,827 | 2,747,800 | 2,747,800 | - |
| Culture and recreation | 2,059,131 | 1,942,614 | 1,942,614 | - |
| Total expenditures | <u>30,291,751</u> | <u>29,349,863</u> | <u>29,349,863</u> | - |
| Excess of revenues over expenditures | 1,355,569 | 2,465,170 | 2,465,170 | - |
| Other financing sources (uses) | | | | |
| Transfers in | 4,282,437 | 3,167,667 | 3,167,667 | - |
| Transfers out | <u>(5,561,512)</u> | <u>(5,242,151)</u> | <u>(5,242,151)</u> | - |
| Total other financing sources (uses) | <u>(1,279,075)</u> | <u>(2,074,484)</u> | <u>(2,074,484)</u> | - |
| Net change in fund balances | 76,494 | 390,686 | 390,686 | - |
| Fund balance - beginning of year | <u>4,461,635</u> | <u>4,461,635</u> | <u>4,461,635</u> | - |
| Fund balance - end of year | <u>\$ 4,538,129</u> | <u>\$ 4,852,321</u> | <u>\$ 4,852,321</u> | <u>\$ -</u> |

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida

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

Year ended September 30, 2016

| | Budgeted Amounts | | Actual | Variance |
|---------------------------------------|--------------------|--------------------|--------------------|-------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 4,520,548 | \$ 4,492,393 | \$ 4,492,393 | \$ - |
| Investment income | 500 | 6,126 | 6,126 | - |
| Other | 160,000 | 2,236,657 | 2,236,657 | - |
| Total revenues | <u>4,681,048</u> | <u>6,735,176</u> | <u>6,735,176</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| Economic environment | 343,500 | 412,790 | 412,790 | - |
| Capital outlay | - | 1,082,579 | 1,082,579 | - |
| Debt service | - | 1,004,529 | 1,004,529 | - |
| Total expenditures | <u>343,500</u> | <u>2,499,898</u> | <u>2,499,898</u> | <u>-</u> |
| Excess of revenues over expenditures | 4,337,548 | 4,235,278 | 4,235,278 | - |
| Other financing sources (uses) | | | | |
| Transfers in | 1,676,422 | 1,457,351 | 1,457,351 | - |
| Transfers out | <u>(6,013,970)</u> | <u>(5,499,974)</u> | <u>(5,499,974)</u> | <u>-</u> |
| Total other financing sources (uses) | (4,337,548) | (4,042,623) | (4,042,623) | - |
| Net change in fund balances | - | 192,655 | 192,655 | - |
| Fund balance - beginning of year | <u>89,227</u> | <u>89,227</u> | <u>89,227</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 89,227</u> | <u>\$ 281,882</u> | <u>\$ 281,882</u> | <u>\$ -</u> |

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida

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

Year ended September 30, 2016

| | Budgeted Amounts | | Actual | Variance |
|---|-------------------|-------------------|-------------------|-------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 50,000 | \$ 566,682 | \$ 566,682 | \$ - |
| Investment income | 25,250 | 65,464 | 65,464 | - |
| Other | 168,000 | 110,347 | 110,347 | - |
| Total revenues | <u>243,250</u> | <u>742,493</u> | <u>742,493</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| Economic environment | <u>243,250</u> | <u>35,666</u> | <u>35,666</u> | <u>-</u> |
| Total expenditures | <u>243,250</u> | <u>35,666</u> | <u>35,666</u> | <u>-</u> |
| Excess of revenues over(under) expenditures | - | 706,827 | 706,827 | - |
| Fund balance - beginning of year | <u>201,027</u> | <u>201,027</u> | <u>201,027</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 201,027</u> | <u>\$ 907,854</u> | <u>\$ 907,854</u> | <u>\$ -</u> |

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
September 30, 2016

| | Business-type Activities | | |
|--------------------------------------|--------------------------|--------------------|---------------------|
| | Solid Waste | Marina | Storm Water |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and investments | \$ 198,934 | \$ 269,830 | \$ 1,467,304 |
| Receivables - net of allowances: | | | |
| Accounts | 803,955 | 97,350 | 1,152,667 |
| Unbilled services | 187,488 | - | - |
| Due from component units | 666,905 | - | - |
| Due from other governments | - | - | 300,020 |
| Inventories and other current assets | 58,914 | 61,065 | - |
| Restricted Assets | | | |
| Cash and investments | - | 96,822 | - |
| Total current assets | <u>1,916,196</u> | <u>525,067</u> | <u>2,919,991</u> |
| NON-CURRENT ASSETS | | | |
| Prepaid Insurance | - | 6,686 | 22,521 |
| Non-depreciable capital assets | | | |
| Land | - | 9,197 | - |
| Construction in progress | - | 16,662 | - |
| Depreciable capital assets | | | |
| Buildings | 122,858 | 843,196 | - |
| Improvements other than buildings | 47,243 | 44,708,178 | 49,493,634 |
| Equipment | 7,907,753 | 187,436 | 765,646 |
| Accumulated depreciation | <u>(7,072,540)</u> | <u>(9,613,331)</u> | <u>(12,349,934)</u> |
| Total non-current assets | <u>1,005,314</u> | <u>36,158,024</u> | <u>37,931,867</u> |
| Total assets | <u>2,921,510</u> | <u>36,683,091</u> | <u>40,851,858</u> |
| DEFERRED OUTFLOWS | | | |
| Pensions | <u>403,033</u> | <u>84,501</u> | <u>-</u> |
| Total deferred outflows | <u>403,033</u> | <u>84,501</u> | <u>-</u> |

The accompanying notes are an integral part of this statement.

| <u>Golf Course</u> | <u>Sunrise Theatre</u> | <u>Building Fund</u> | <u>Business-type Activities Totals</u> |
|--------------------|------------------------|----------------------|--|
| \$ 1,100 | \$ 443,472 | \$ 721,497 | \$ 3,102,137 |
| - | 5,683 | - | 2,059,655 |
| - | - | - | 187,488 |
| - | - | 237 | 667,142 |
| - | - | - | 300,020 |
| 11,939 | 98,279 | 5,184 | 235,381 |
| - | 77,416 | - | 174,238 |
| <u>13,039</u> | <u>624,850</u> | <u>726,918</u> | <u>6,726,061</u> |
| - | - | - | 29,207 |
| 314,811 | 350,000 | - | 674,008 |
| - | - | - | 16,662 |
| 877,676 | 16,059,347 | - | 17,903,077 |
| 2,774,831 | - | - | 97,023,886 |
| 536,537 | 111,595 | 211,380 | 9,720,347 |
| <u>(1,798,725)</u> | <u>(5,638,493)</u> | <u>(211,380)</u> | <u>(36,684,403)</u> |
| <u>2,705,130</u> | <u>10,882,449</u> | <u>-</u> | <u>88,682,784</u> |
| <u>2,718,169</u> | <u>11,507,299</u> | <u>726,918</u> | <u>95,408,845</u> |
| <u>134,095</u> | <u>123,472</u> | <u>167,208</u> | <u>912,309</u> |
| <u>134,095</u> | <u>123,472</u> | <u>167,208</u> | <u>912,309</u> |

City of Fort Pierce, Florida
STATEMENT OF NET POSITION- (CONTINUED)
PROPRIETARY FUNDS
September 30, 2016

| | Business-type Activities | | |
|--|--------------------------|----------------------|----------------------|
| | Solid Waste | Marina | Storm Water |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 247,717 | \$ 135,016 | \$ 528,327 |
| Contracts payable - retainage | - | - | 246,061 |
| Due to other funds | 608,667 | 18,365 | 189,282 |
| Accrued compensated absences | 4,676 | 18,352 | - |
| Revenue bonds - current | - | 236,990 | 950,000 |
| Accrued interest - revenue bonds and notes | - | - | 199,303 |
| Liabilities payable from restricted assets | | | |
| Customer deposits | - | 96,822 | - |
| Revenue in Advance | - | - | - |
| | <u>861,060</u> | <u>505,545</u> | <u>2,112,973</u> |
| NON-CURRENT LIABILITIES | | | |
| Advances from other funds | - | 934,478 | - |
| Other Post Employment Benefits | 72,286 | 13,653 | - |
| Accrued compensated absences | 244,932 | 74,269 | - |
| Net Pension Liability | 560,621 | 117,541 | - |
| Revenue bonds payable, net | - | 5,354,556 | 12,762,770 |
| | <u>877,839</u> | <u>6,494,497</u> | <u>12,762,770</u> |
| Total non-current liabilities | <u>877,839</u> | <u>6,494,497</u> | <u>12,762,770</u> |
| Total liabilities | <u>1,738,899</u> | <u>7,000,042</u> | <u>14,875,743</u> |
| DEFERRED INFLOWS | | | |
| Pensions | 119,861 | 25,130 | - |
| Total deferred inflows | <u>119,861</u> | <u>25,130</u> | <u>-</u> |
| NET POSITION | | | |
| Net Invested in capital assets | 1,005,314 | 30,559,792 | 24,196,576 |
| Unrestricted | 460,469 | (817,372) | 1,779,539 |
| Total net position | <u>\$ 1,465,783</u> | <u>\$ 29,742,420</u> | <u>\$ 25,976,115</u> |

The accompanying notes are an integral part of this statement.

| | | | Business-type Activities Totals | |
|--------------|-----------------|---------------|---------------------------------------|--|
| Golf Course | Sunrise Theatre | Building Fund | | |
| \$ 66,153 | \$ 54,906 | \$ 42,140 | \$ 1,074,259 | |
| - | - | - | 246,061 | |
| 27,612 | 2,500 | 7,524 | 853,950 | |
| 3,665 | 6,039 | 16,628 | 49,360 | |
| - | - | - | 1,186,990 | |
| - | - | - | 199,303 | |
| - | 77,416 | - | 174,238 | |
| - | 644,419 | - | 644,419 | |
| 97,430 | 785,280 | 66,292 | 4,428,580 | |
| - | - | - | 934,478 | |
| 28,622 | 20,810 | 17,440 | 152,811 | |
| 64,040 | 90,886 | 53,142 | 527,269 | |
| 186,527 | 171,750 | 232,587 | 1,269,026 | |
| - | - | - | 18,117,326 | |
| 279,189 | 283,446 | 303,169 | 21,000,910 | |
| 376,619 | 1,068,726 | 369,461 | 25,429,490 | |
| 39,880 | 36,720 | 49,727 | 271,318 | |
| 39,880 | 36,720 | 49,727 | 271,318 | |
| 2,705,130 | 10,882,449 | - | 69,349,261 | |
| (269,365) | (357,124) | 474,938 | 1,271,085 | |
| \$ 2,435,765 | \$ 10,525,325 | \$ 474,938 | \$ 70,620,346 | |

City of Fort Pierce, Florida
**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS**
Year ended September 30, 2016

| | Business-type Activities | | |
|--|--------------------------|----------------------|----------------------|
| | Solid Waste | Marina | Storm Water |
| Operating revenues | | | |
| Sales and charges for services | \$ 6,515,518 | \$ 1,515,533 | \$ 2,704,602 |
| Gas and oil sales | - | 840,315 | - |
| Other | 28,602 | 500,414 | 3,817 |
| Total operating revenues | <u>6,544,120</u> | <u>2,856,262</u> | <u>2,708,419</u> |
| Operating expenses | | | |
| Personal services | 1,941,936 | 344,175 | - |
| General and administrative | 80,108 | - | 233,894 |
| Cost of goods and services sold | 2,104,385 | 765,058 | - |
| Depreciation | 287,418 | 1,118,531 | 1,313,652 |
| Other operating expenses | 1,270,489 | 1,003,917 | 5,669,451 |
| Total operating expenses | <u>5,684,336</u> | <u>3,231,681</u> | <u>7,216,997</u> |
| Operating income (loss) | 859,784 | (375,419) | (4,508,578) |
| Non-operating revenues (expenses) | | | |
| Investment income | - | 1,599 | 42,720 |
| Intergovernmental | - | - | 338,619 |
| Gain (Loss) on disposition of equipment | (5,506) | - | - |
| Interest expense | - | (280,594) | (722,856) |
| Total non-operating revenues (expenses) | <u>(5,506)</u> | <u>(278,995)</u> | <u>(341,517)</u> |
| Income (loss) before transfers and capital contributions | 854,278 | (654,414) | (4,850,095) |
| Transfers in | - | - | - |
| Transfers out | (477,625) | (150,000) | - |
| CHANGE IN NET POSITION | 376,653 | (804,414) | (4,850,095) |
| Total net position - beginning | <u>1,089,130</u> | <u>30,546,834</u> | <u>30,826,210</u> |
| Total net position - end of year | <u>\$ 1,465,783</u> | <u>\$ 29,742,420</u> | <u>\$ 25,976,115</u> |

The accompanying notes are an integral part of this statement.

| | | | Business-type Activities Totals |
|---------------------|----------------------|-------------------|---------------------------------------|
| Golf Course | Sunrise Theatre | Building Fund | |
| \$ 1,230,305 | \$ 3,063,990 | \$ 1,346,835 | \$ 16,376,783 |
| - | - | - | 840,315 |
| 5,564 | 278,291 | 13,581 | 830,269 |
| <u>1,235,869</u> | <u>3,342,281</u> | <u>1,360,416</u> | <u>18,047,367</u> |
| 697,317 | 494,225 | 708,123 | 4,185,776 |
| 57,538 | 114,885 | - | 486,425 |
| 42,309 | 1,550,247 | - | 4,461,999 |
| 136,142 | 535,707 | - | 3,391,450 |
| <u>577,415</u> | <u>1,900,271</u> | <u>485,973</u> | <u>10,907,516</u> |
| <u>1,510,721</u> | <u>4,595,335</u> | <u>1,194,096</u> | <u>23,433,166</u> |
| (274,852) | (1,253,054) | 166,320 | (5,385,799) |
| 189 | 1,046 | 2,657 | 48,211 |
| - | 68,942 | - | 407,561 |
| - | - | - | (5,506) |
| - | - | - | (1,003,450) |
| <u>189</u> | <u>69,988</u> | <u>2,657</u> | <u>(553,184)</u> |
| (274,663) | (1,183,066) | 168,977 | (5,938,983) |
| 229,290 | 450,000 | - | 679,290 |
| <u>(28,000)</u> | <u>-</u> | <u>-</u> | <u>(655,625)</u> |
| (73,373) | (733,066) | 168,977 | (5,915,318) |
| <u>2,509,138</u> | <u>11,258,391</u> | <u>305,961</u> | <u>76,535,664</u> |
| <u>\$ 2,435,765</u> | <u>\$ 10,525,325</u> | <u>\$ 474,938</u> | <u>\$ 70,620,346</u> |

City of Fort Pierce, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2016

| | Business-type Activities | |
|--|--------------------------|-------------------|
| | Solid Waste | Marina |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 6,426,366 | \$ 2,646,707 |
| Receipts from rental property | - | 231,576 |
| Payments to suppliers for goods and services | (3,991,198) | (1,926,926) |
| Payments to employees for services | (1,390,883) | (263,859) |
| Payments for benefits on behalf of employees | (601,577) | (96,025) |
| Net cash provided (used) by operating activities | <u>442,708</u> | <u>591,473</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers in | - | - |
| Transfers (out) | (477,625) | (150,000) |
| Net cash provided (used) by noncapital financing activities | <u>(477,625)</u> | <u>(150,000)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition and construction of capital assets | (156,585) | (30,019) |
| Receipts from Intergovernmental | - | - |
| Transfer of capital assets to governmental funds | 132,625 | - |
| Bond and loan principal payments | - | (229,038) |
| Bond and loan interest payments | - | (250,999) |
| Net cash provided (used) by capital and related financing activities | <u>(23,960)</u> | <u>(510,056)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on cash and investments | - | 1,599 |
| Net cash provided (used) by investing activities | <u>-</u> | <u>1,599</u> |
| Net increase (decrease) in cash and investments | (58,877) | (66,984) |
| Cash and investments at beginning of year | 257,811 | 433,636 |
| Cash and investments at end of year | <u>\$ 198,934</u> | <u>\$ 366,652</u> |
| Cash and investments-unrestricted | \$ 198,934 | \$ 269,830 |
| Cash and investments-restricted | - | 96,822 |
| | <u>\$ 198,934</u> | <u>\$ 366,652</u> |

The accompanying notes are an integral part of this statement.

| | | | | Business-type Activities Totals |
|---------------------|------------------|-------------------|-------------------|---------------------------------------|
| Storm Water | Golf Course | Sunrise Theatre | Building Fund | |
| \$ 2,605,575 | \$ 1,235,869 | \$ 3,256,939 | \$ 1,360,416 | \$ 17,531,872 |
| - | - | - | - | 231,576 |
| (5,447,220) | (696,121) | (3,687,193) | (503,767) | (16,252,425) |
| - | (425,810) | (357,696) | (504,323) | (2,942,571) |
| - | (296,092) | (113,282) | (197,821) | (1,304,797) |
| <u>(2,841,645)</u> | <u>(182,154)</u> | <u>(901,232)</u> | <u>154,505</u> | <u>(2,736,345)</u> |
| - | 229,290 | 450,000 | - | 679,290 |
| - | (28,000) | - | - | (655,625) |
| - | 201,290 | 450,000 | - | 23,665 |
| - | (19,325) | - | - | (205,929) |
| 1,574,251 | - | 68,942 | - | 1,643,193 |
| - | - | - | - | 132,625 |
| (190,000) | - | - | - | (419,038) |
| (835,841) | - | - | - | (1,086,840) |
| <u>548,410</u> | <u>(19,325)</u> | <u>68,942</u> | <u>-</u> | <u>64,011</u> |
| <u>42,720</u> | <u>189</u> | <u>1,046</u> | <u>2,657</u> | <u>48,211</u> |
| <u>42,720</u> | <u>189</u> | <u>1,046</u> | <u>2,657</u> | <u>48,211</u> |
| (2,250,515) | - | (381,244) | 157,162 | (2,600,458) |
| <u>3,717,819</u> | <u>1,100</u> | <u>902,132</u> | <u>564,335</u> | <u>5,876,833</u> |
| <u>\$ 1,467,304</u> | <u>\$ 1,100</u> | <u>\$ 520,888</u> | <u>\$ 721,497</u> | <u>\$ 3,276,375</u> |
| \$ 1,467,304 | \$ 1,100 | \$ 443,472 | \$ 721,497 | \$ 3,102,137 |
| - | - | 77,416 | - | 174,238 |
| <u>\$ 1,467,304</u> | <u>\$ 1,100</u> | <u>\$ 520,888</u> | <u>\$ 721,497</u> | <u>\$ 3,276,375</u> |

City of Fort Pierce, Florida
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
Year ended September 30, 2016

| | Business-type Activities | |
|--|--------------------------|-------------------|
| | Solid Waste | Marina |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating income (loss) | \$ 859,784 | \$ (375,419) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation expense | 287,418 | 1,118,531 |
| (Increase) decrease in accounts receivable | (68,581) | (11,227) |
| (Increase) decrease in due from component unit | (49,173) | - |
| (Increase) decrease in inventories and other current assets | (58,914) | (47,661) |
| (Increase) decrease in deferred outflows-pension | 15,642 | 29 |
| Increase (decrease) in accounts payable and accrued liabilities | (584,959) | 4,877 |
| Increase (decrease) in due to other funds | 5,279 | (128,251) |
| Increase (decrease) in customer deposits | - | 33,248 |
| Increase (decrease) in other post employment benefits | 3,123 | 570 |
| Increase (decrease) in Net Pension Liability | (66,847) | (9,144) |
| Increase (decrease) in Deferred Inflows | 119,861 | 25,129 |
| Increase (decrease) in accrued compensated absences | (19,925) | (19,209) |
| Net cash provided (used) by operating activities | <u>\$ 442,708</u> | <u>\$ 591,473</u> |

The accompanying notes are an integral part of this statement.

| <u>Storm Water</u> | <u>Golf Course</u> | <u>Sunrise Theatre</u> | <u>Building Fund</u> | <u>Business-type Activities Totals</u> |
|-----------------------|---------------------|------------------------|----------------------|--|
| \$ (4,508,578) | \$ (274,852) | \$ (1,253,054) | 166,320 | \$ (5,385,799) |
| 1,313,652 | 136,142 | 535,707 | - | 3,391,450 |
| (102,844) | - | (128) | - | (182,780) |
| - | - | - | - | (49,173) |
| 2,303 | (11,939) | (98,279) | (5,184) | (219,674) |
| - | 509 | (12,103) | (7,600) | (3,523) |
| 399,069 | (33,570) | (34,069) | (49,560) | (298,212) |
| 54,753 | (4,779) | 500 | 5,697 | (66,801) |
| - | - | (85,214) | - | (51,966) |
| - | 934 | 863 | 1,166 | 6,656 |
| - | (15,205) | 4,841 | (6,618) | (92,973) |
| - | 39,881 | 36,720 | 49,727 | 271,318 |
| - | (19,275) | 2,984 | 557 | (54,868) |
| <u>\$ (2,841,645)</u> | <u>\$ (182,154)</u> | <u>\$ (901,232)</u> | <u>\$ 154,505</u> | <u>\$ (2,736,345)</u> |

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TRUST FUNDS

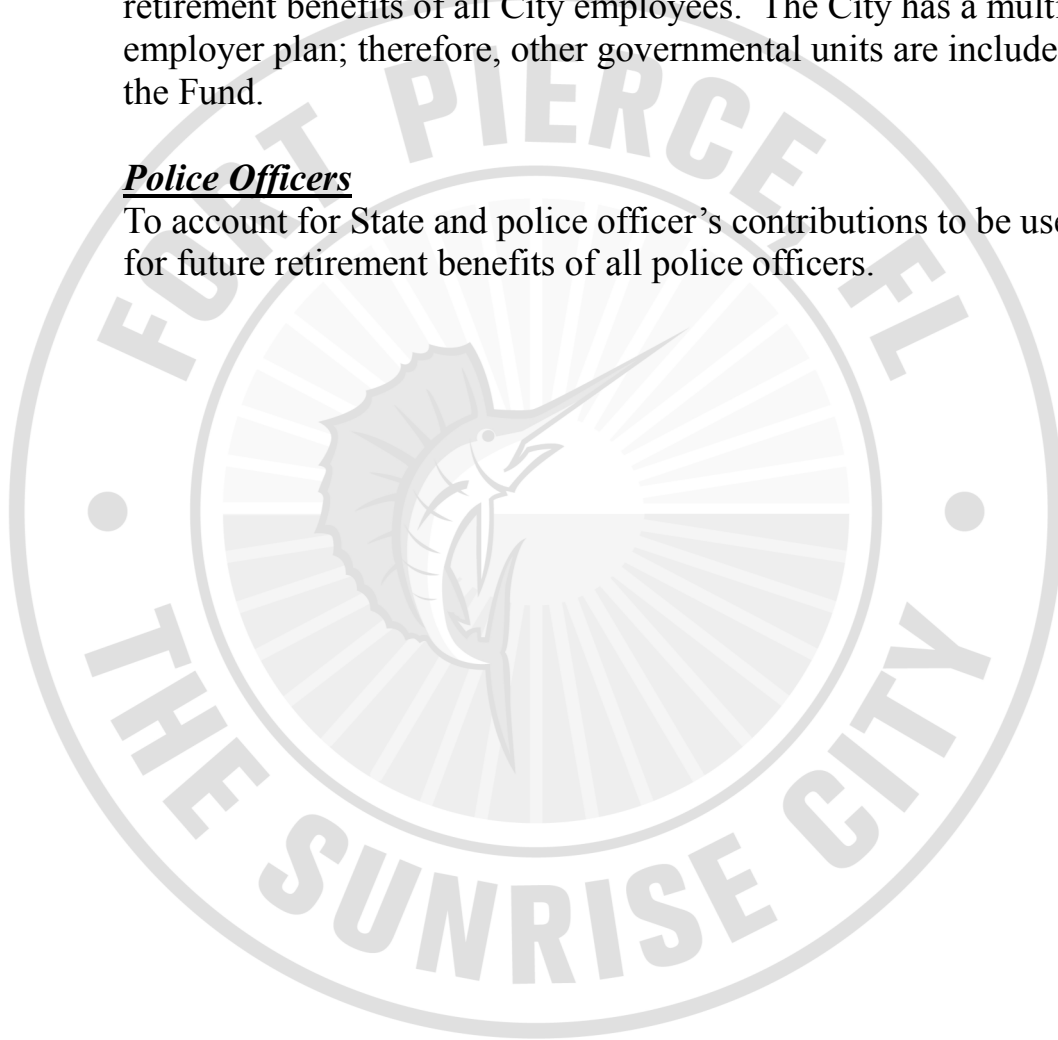
◆ Pension Trust

General Employees

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

Police Officers

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



City of Fort Pierce, Florida

STATEMENT OF FIDUCIARY FUNDS NET POSITION

September 30, 2016

| | <u>Pension Trusts</u> |
|---|------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 1,447,799 |
| Investments, at fair value: | |
| U.S. Government Securities | 17,254,100 |
| Mutual Funds | 103,947,909 |
| Common Stock | 17,300,997 |
| Corporate Bonds | 31,100,470 |
| Real Estate Trust L.P. | 20,372,890 |
| Common Trust Fund | 1,290,389 |
| Money Market | 2,444,812 |
| Total investments | <u>193,711,567</u> |
| Total cash and investments | 195,159,366 |
| Accounts receivable | 356,522 |
| Accrued interest receivable | 415,982 |
| | <u>415,982</u> |
| Total assets | <u>195,931,870</u> |
| LIABILITIES AND NET POSITION | |
| LIABILITIES | |
| Accounts payable and accrued liabilities | <u>56,832</u> |
| Total liabilities | <u>56,832</u> |
| NET POSITION-RESTRICTED FOR PENSION BENEFITS | |
| | <u><u>\$ 195,875,038</u></u> |

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida

STATEMENT OF CHANGES IN FIDUCIARY FUNDS NET POSITION

Year ended September 30, 2016

| | <u>Pension Trusts</u> |
|---|---------------------------|
| ADDITIONS | |
| Contributions | |
| Employer | \$ 4,211,312 |
| Employees | 2,005,283 |
| State-Via the General Fund | <u>302,837</u> |
| Total contributions | 6,519,432 |
| Investment income | |
| Interest | 2,336,011 |
| Dividends | 1,591,401 |
| Net appreciation in fair value of investments | <u>14,271,231</u> |
| Total investment income | 18,198,643 |
| Investment expenses | <u>(806,537)</u> |
| Net investment income | 17,392,106 |
| Total additions | 23,911,538 |
| DEDUCTIONS | |
| Retirement benefits paid | 13,389,859 |
| Refunds of employee contributions | 786,340 |
| Administrative expenses | 204,174 |
| Insurance expense | <u>19,406</u> |
| Total deductions | <u>14,399,779</u> |
| Net Increase | 9,511,759 |
| NET POSITION-RESTRICTED FOR PENSION | |
| BENEFITS | |
| Beginning of year | <u>186,363,279</u> |
| End of year | <u>\$ 195,875,038</u> |

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS



NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. REPORTING ENTITY

The City of Fort Pierce, Florida was incorporated in 1901 under the general law. This incorporation was validated by Act of the State Legislature, Chapter 5100, Acts 1901. The City covers an area of approximately 34.8 square miles and is located in St. Lucie County, Florida. The City operates under an elected City Commission (5 members) and provides services to its more than 44,484 residents in the form of law enforcement, street maintenance, solid waste, culture and recreation, planning and zoning, human resources and general administrative services.

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

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

Blended component units, although legally separate entities, are, in substance, part of the City’s operations. Accordingly, data from these component units are included with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that it is legally separate from the City. The financial activities and balances for each blended and discretely presented component units are as of and for the period ended September 30, 2016.

A. BLENDED COMPONENT UNITS

Community Redevelopment Agency

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. REPORTING ENTITY (CONTINUED)

B. DISCRETELY PRESENTED COMPONENT UNIT

Fort Pierce Utilities Authority

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

C. RELATED ORGANIZATION

Fort Pierce Housing Authority

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

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The city reports the following major governmental funds:

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government reports the following major proprietary funds:

Business type activities

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

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

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

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

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

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

Governmental activities

Additionally, the government reports the following fund types:

Fiduciary funds

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

a. Deposits and investments

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

Investments of the City, as well as for its component units, are reported at fair value within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

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

b. Receivables and payables

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

c. Due to/Due from

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

d. Inventories and prepaid items

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

e. Restricted assets

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

The Fort Pierce Utilities Authority has similar restricted assets.

f. Capital assets

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

f. Capital assets (continued)

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

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

g. Deferred outflows/inflows of resources

The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. This category includes Deferred Charge on Refunding reported on the Government-wide Statement of Net Position. The deferred charge on refunding is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. This category also contains amounts related to pensions for certain actuarially determined differences projected and actual investment earnings.

The Statement of Net Position also includes a separate section for Deferred Inflows of Resources. This represents the acquisition of net position applicable to future periods and will be recognized as revenue in the future period to which it applies. Currently, this category includes revenue received in advance, and amounts related to pensions for certain actuarially determined differences between projected and actual experience.

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

h. Compensated absences

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

i. Other Post Employment Benefits

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

j. Long-term obligations

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

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

k. Fund equity

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

l. New Accounting Standards Adopted

In fiscal year 2016, the City implemented GASB Statement No. 72, Fair Value Measurement and Application. This statement updates the disclosure requirements for investments. There was no effect on beginning balances of the City.

5. ACCOUNTING ESTIMATES

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

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

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

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

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

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

2. Fund Balance

There was a deficit fund balance in the Police Grants Special Revenue Fund in the current year. The deficit was created by unanticipated expenses in the current year in excess of allowable reimbursable costs of the grants. The city will reallocate costs with police services in the general fund to ensure that only reimbursable costs are allocated to the Police Grant Special Revenue Fund.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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

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

“Total fund balances” as reported on the City’s Governmental Funds Balance Sheet \$14,800,370 differs from the “net position” of governmental activities \$49,338,299 that are reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Funds Balance Sheet. The effect of the differences is illustrated below.

Capital related items

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

| | |
|---|-----------------------|
| Cost of capital assets, not being depreciated | \$ 27,282,256 |
| Cost of capital assets, being depreciated | 211,977,871 |
| Accumulated depreciation | (129,848,794) |
| Total | <u>\$ 109,411,333</u> |

Long-term debt transactions

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2016 were:

| | |
|--------------------------------|------------------------|
| Bonds and notes payable | \$ (74,582,140) |
| Other post employment benefits | (855,395) |
| Net Pension Liability | (7,860,104) |
| Compensated absences | (2,936,188) |
| Total | <u>\$ (86,233,827)</u> |

Accrued interest

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

| | |
|------------------------|---------------------|
| Bond and revenue notes | <u>\$ (438,342)</u> |
|------------------------|---------------------|

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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

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

Prepaid Insurance and Deferred Charge on Refunding

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

| | |
|----------------------------------|--------------|
| Net bond insurance costs | \$ 115,517 |
| Net Deferred charge on refunding | \$ 4,248,203 |

Unavailable revenues

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

| | |
|-------------------|--------------|
| Liens receivable | \$ 1,409,042 |
| Loans receivable | 21,173 |
| Notes receivable | 2,010,649 |
| Deferred revenues | \$ 3,440,864 |

Deferred Inflows and Outflows from Pension Activity

Deferred inflows and outflows related to pensions are not financial resources and are not reported in governmental funds.

| | |
|----------------------------|----------------|
| Deferred Inflows-Pensions | \$ (1,651,299) |
| Deferred Outflows-Pensions | \$ 5,645,480 |

Elimination of inter-fund receivables/payables

Inter-fund receivables and payables in the amount of \$389,041 between governmental funds have been eliminated for the Statement of Net Position.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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

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

The “net change in fund balances” for government funds \$458,230 differs from the “change in net position” for governmental activities (\$454,109) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

| | |
|----------------------|-----------------------|
| Capital outlay | \$ 3,253,508 |
| Depreciation expense | (4,370,433) |
| | <u>\$ (1,116,925)</u> |

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

| | |
|--|--------------------|
| Net book value of capital assets transferred in from an enterprise fund | \$ 132,625 |
| Net book value of capital assets disposed | <u>\$ (13,721)</u> |

Long-term debt transactions

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

| | |
|-------------------------|---------------------|
| Bond principal payments | <u>\$ 3,788,108</u> |
|-------------------------|---------------------|

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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

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

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

| | |
|--|----------------|
| Net change in other post employment benefits | \$ (33,568) |
| Net change in compensated absences | \$ (38,006) |
| Net interest adjustment | \$ 212,185 |
| Net Change in Pension Liability | \$ (1,199,720) |

In the Statement of Activities, bond proceeds and Note proceeds increase long-term liabilities and current bond refundings reduce principal on outstanding debt. However, in the governmental funds, debt proceeds and current bond refundings are treated as other financing sources (uses) since they provide current financial resources to governmental funds.

| | |
|-------------------------------------|-----------------|
| Note Proceeds and Premium | \$ (59,370,000) |
| Payment on Bond Refunding | 58,699,060 |
| Bond proceeds in excess of payments | \$ (670,940) |

Bond issuance costs

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

| | |
|-----------------------|--------------|
| Amortization expenses | \$ (457,844) |
|-----------------------|--------------|

Deferred revenues

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

| | |
|--------------------------------|----------------|
| Net change in Deferred Revenue | \$ (1,514,533) |
|--------------------------------|----------------|

Reclassification and Eliminations

The General Fund recognizes revenues in the amount of \$1,096,455 for the general administrative charges to the various functions. These revenues and expenditures must be eliminated to avoid “double counting”. Transfers in and transfers out in the amount of \$10,958,636 between governmental activities are eliminated in the government-wide financial statements.

NOTE D – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments. The carrying amount of these deposits at September 30, 2016 was \$17,624,909 and the bank balance was \$18,891,686. The deposits are insured by federal depository insurance or collateralized under the provisions of Chapter 280, Florida Statutes.

Deposits - Florida statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits. The City had deposits only with qualifying institutions as of September 30, 2016, or with banks in which depository insurance was sufficient to cover the deposit balance.

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

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

The Florida PRIME has met the criteria as a "2a7-like" pool; this pool was assigned a rating of AAAM by the Standards and Poor's Rating Service. The FPUA has a \$5,235,780 balance at September 30, 2016. The fair value of the position in the pool is valued the same as the pooled shares.

The Florida Municipal Investment Trust (Municipal Trust) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Municipal Trust is not a registrant with the Securities and Exchange Commission (SEC); however the board has adopted operating procedures consistent with the requirements for a "2a-7 like" pool.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE D – CASH AND INVESTMENTS (CONTINUED)

The City has implemented the GASB Statement No. 72 *Fair Value Measurement and Application* by categorizing its investments according to the fair market value hierarchy established by the statement. The hierarchy is based on the valuation input used to measure the fair value of the asset as follows:

- Level 1- inputs are quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2- inputs-other than quoted prices included within level 1-debt securities classified as level 2 are valued using a matrix pricing technique.
- Level 3- unobservable inputs for an asset or liability.

A summary of pooled cash and investments as of September 30, 2016 is as follows:

| | Primary Government | Component Unit-FPUA |
|---|-------------------------------|--------------------------------|
| | <u> </u> | <u> </u> |
| Cash | \$ 3,189,167 | \$ 1,461,975 |
| Investments: | | |
| Certificates of Deposit | 10,546,183 | 1,724,487 |
| State Board of Administration pooled trust fund | - | 5,235,780 |
| Florida Municipal Investment trust | 586,987 | - |
| Money market | - | 7,061,714 |
| Funds-held in escrow | 1,785 | - |
| Repurchase agreements | 3,300,787 | 37,968,002 |
| Total investments | <u>14,435,742</u> | <u>51,989,983</u> |
| Total pooled cash and investments | <u>\$ 17,624,909</u> | <u>\$ 53,451,958</u> |

All investments held in the primary government and component unit at September 30, 2016 have maturity dates less than one year.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE D – CASH AND INVESTMENTS (CONTINUED)

A summary of investments held in pension trust funds as of September 30, 2016 is as follows:

| | Fair Value Measurements | | |
|------------------------|-------------------------|----------------------|---------------------|
| | Level 1 | Level 2 | Level 3 |
| U.S. Agencies | \$ 16,582,928 | \$ - | \$ - |
| U.S. Treasuries | 671,172 | - | - |
| Corporate obligations | - | 31,100,470 | - |
| Common stock | 17,300,997 | - | - |
| Mutual funds-equity | 103,947,909 | - | - |
| Real estate trust L.P. | - | - | 20,372,890 |
| Common trust fund | - | - | 1,290,389 |
| Money market funds | 2,444,812 | - | - |
| | <u>\$140,947,818</u> | <u>\$ 31,100,470</u> | <u>\$21,663,279</u> |

| | Investment Maturities in Years | | | | | |
|------------------------|--------------------------------|----------------------|---------------------|---------------------|---------------------|-----------------------|
| | under 1 | 1-5 | 6-10 | 10-20 | over 20 | total |
| U.S. Agencies | \$ - | \$ 634,104 | \$ 835,332 | \$ 1,750,740 | \$13,362,752 | \$ 16,582,928 |
| U.S. Treasuries | - | 292,246 | 73,970 | - | 304,956 | 671,172 |
| Corporate obligations | 4,221,240 | 16,344,817 | 3,813,950 | 3,313,942 | 3,406,521 | 31,100,470 |
| Common stock | 17,300,997 | - | - | - | - | 17,300,997 |
| Mutual funds-equity | 103,947,909 | - | - | - | - | 103,947,909 |
| Real estate trust L.P. | 20,372,890 | - | - | - | - | 20,372,890 |
| Common trust fund | 1,290,389 | - | - | - | - | 1,290,389 |
| Money market funds | 2,444,812 | - | - | - | - | 2,444,812 |
| | <u>\$ 149,578,237</u> | <u>\$ 17,271,167</u> | <u>\$ 4,723,252</u> | <u>\$ 5,064,682</u> | <u>\$17,074,229</u> | <u>\$ 193,711,567</u> |

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

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

NOTE D – CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

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

1. Local Government Surplus Trust Funds.
2. Negotiable direct obligations of the United States Government, or obligations, the principal and interest which are unconditionally guaranteed by the United States Government.
3. Obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, including Federal Home Loan Corporation participation certificates, or the Federal Home Loan Bank or its district banks, or obligations guaranteed by the Government National Mortgage Association, U. S. Treasury, agencies, and instrumentalities.
4. Repurchase Agreements secured by the type of investment listed above, restricted as to acquisition, term and market value.

NOTE D – CASH AND INVESTMENTS (CONTINUED)

5. Interest-bearing time deposits or savings accounts in banks organized under the laws of this State, in national banks organized under the laws of the United States and doing business and situated in this State, in savings and loan associations which are under State supervision, or in federal savings and loan associations located in this State and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.
6. Deposits and certificates of deposit in out-of-state banks, savings and loan associations and other regulated financial institutions insured by the FDIC.
7. Full faith and credit direct general obligations of any state, or unlimited tax direct obligations of any political subdivision thereof, the payment of which the full faith and credit of such political subdivision is pledged, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency.

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

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

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

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

NOTE E - PROPERTY TAXES

The City's property tax is levied by St. Lucie County each November 1 on the assessed value listed as of the prior January 1 for real and personal property located in the City. Property taxes become a lien on the first day of the levy year and are due on or before March 31. Assessed values are established by the St. Lucie County Property Appraiser. The assessed value at January 1, 2015, upon which the 2015-2016 levy is based, was \$1,947,781,445.

The City is permitted by State law to levy taxes of up to 10 mills of assessed valuation for the General Fund. Taxes are levied at 6.5786 mills for the General Fund for the fiscal year ended September 30, 2016.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE F - ACCOUNTS RECEIVABLE/NOTES RECEIVABLE

Accounts Receivable

Accounts receivable held by the primary government's enterprise funds and the FPUA (a component unit) are stated net of allowances for estimated uncollectibles of \$15,639 for the marina, \$27,235 for sanitation, \$0 for storm water, \$0 for golf course, and \$4,121,301 the FPUA, respectively. The general fund accounts receivable is stated net of allowance for estimated uncollectibles of \$7,421,029. No other allowance is provided for receivables held by governmental or fiduciary fund types because, in the opinion of management, all such accounts are collectible.

Notes Receivable

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

NOTE G - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments include \$44,785 from U.S. Department of Housing & Urban Development, \$139,617 from Florida Department of Transportation, \$16,530 from the State of Florida, \$63,145 due from St. Lucie County, \$3,625 due from St. Lucie County Housing Authority, \$121,839 due from the Department of Justice, \$170,000 from the Florida Department of Environmental Protection.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE H - CAPITAL ASSETS

Capital asset activity of the **primary government** for the year ended September 30, 2016 was as follows:

Governmental Activities:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|-----------------------|--------------------|-------------------|---------------------------|
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 27,045,583 | \$ 8,531 | \$ (13,720) | \$ - | \$ 27,040,394 |
| Construction in Progress | 1,720,589 | 241,862 | - | (1,720,589) | 241,862 |
| Total capital assets, not being depreciated | 28,766,172 | 250,393 | (13,720) | (1,720,589) | 27,282,256 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 42,508,571 | - | - | - | 42,508,571 |
| Improvements other than buildings | 40,021,055 | 1,258,689 | - | 1,720,589 | 43,000,333 |
| Equipment | 15,842,043 | 1,744,426 | (255,059) | 213,196 | 17,544,606 |
| Infrastructure | 108,924,361 | - | - | - | 108,924,361 |
| Total | 207,296,030 | 3,003,115 | (255,059) | 1,933,785 | 211,977,871 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (13,178,458) | (890,816) | - | - | (14,069,274) |
| Improvements other than buildings | (19,183,653) | (1,447,078) | - | - | (20,630,731) |
| Equipment | (12,928,407) | (622,712) | 255,059 | (80,571) | (13,376,631) |
| Infrastructure | (80,362,331) | (1,409,827) | - | - | (81,772,158) |
| Total accumulated depreciation | (125,652,849) | (4,370,433) | 255,059 | (80,571) | (129,848,794) |
| Total capital assets, being depreciated, net | 81,643,181 | (1,367,318) | - | 1,853,214 | 82,129,077 |
| Total capital assets, net | <u>\$ 110,409,353</u> | <u>\$ (1,116,925)</u> | <u>\$ (13,720)</u> | <u>\$ 132,625</u> | <u>\$ 109,411,333</u> |

Depreciation expense charged to functions/programs of the **primary government** (governmental activities) for the year ended September 30, 2016 was as follows:

Governmental activities:

| | |
|------------------------|---------------------|
| General government | \$ 180,877 |
| Public safety | 703,911 |
| Transportation | 3,100,563 |
| Economic environment | 77,106 |
| Culture and recreation | 307,976 |
| Total | <u>\$ 4,370,433</u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE H - CAPITAL ASSETS (CONTINUED)

Business-type activities:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|-----------------------|-------------------|---------------------|---------------------------|
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 674,008 | \$ - | \$ - | \$ - | \$ 674,008 |
| Construction in Progress | - | 16,662 | - | - | 16,662 |
| Total capital assets, not being depreciated | 674,008 | 16,662 | - | - | 690,670 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 17,903,077 | - | - | - | 17,903,077 |
| Improvements other than buildings | 97,023,886 | - | - | - | 97,023,886 |
| Equipment | 10,201,005 | 189,266 | (457,478) | (212,446) | 9,720,347 |
| Total | 125,127,968 | 189,266 | (457,478) | (212,446) | 124,647,310 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (6,047,148) | (588,840) | - | - | (6,635,988) |
| Improvements other than buildings | (19,153,597) | (2,431,135) | - | - | (21,584,732) |
| Equipment | (8,624,003) | (371,475) | 451,974 | 79,821 | (8,463,683) |
| Total accumulated depreciation | (33,824,748) | (3,391,450) | 451,974 | 79,821 | (36,684,403) |
| Total capital assets, being depreciated, net | 91,303,220 | (3,202,184) | (5,504) | (132,625) | 87,962,907 |
| Total capital assets, net | <u>\$ 91,977,228</u> | <u>\$ (3,185,522)</u> | <u>\$ (5,504)</u> | <u>\$ (132,625)</u> | <u>\$ 88,653,577</u> |

Additions to accumulated depreciation and depreciation expense charged to functions/programs of the **primary government** (business-type activities) for the year ended September 30, 2016 was as follows:

| | |
|-----------------|---------------------|
| Solid waste | \$ 287,418 |
| Marina | 1,118,531 |
| Stormwater | 1,313,652 |
| Golf course | 136,142 |
| Sunrise Theatre | 535,707 |
| Building Fund | - |
| Total | <u>\$ 3,391,450</u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE H - CAPITAL ASSETS (CONTINUED)

Capital asset activity of the **FPUA** (a component unit) for the year ended September 30, 2016 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|------------------------------|----------------------|------------------------|---------------------------|
| Utility Plant, not being depreciated: | | | | |
| Land | \$ 10,046,000 | \$ - | \$ - | \$ 10,046,000 |
| Construction Work in Progress | 24,768,018 | 12,728,416 | (14,949,000) | 22,547,434 |
| Total Utility Plant, not being depreciated | 34,814,018 | 12,728,416 | (14,949,000) | 32,593,434 |
| Utility Plant, being depreciated: | | | | |
| Transmission, distribution and collection systems | 330,813,742 | 7,784,131 | (2,032,000) | 336,565,873 |
| Equipment | 45,818,467 | 6,039,533 | (666,000) | 51,192,000 |
| Structures and improvements | 36,646,000 | 398,000 | - | 37,044,000 |
| Total Utility Plant being depreciated | 413,278,209 | 14,221,664 | (2,698,000) | 424,801,873 |
| Less accumulated depreciation for: | | | | |
| Transmission, distribution and collection systems | (172,759,242) | (10,164,182) | 2,032,000 | (180,891,424) |
| Equipment | (35,778,000) | (2,185,000) | 666,000 | (37,297,000) |
| Structures and improvements | (22,715,000) | (748,000) | - | (23,463,000) |
| Total accumulated depreciation | (231,252,242) | (13,097,182) | 2,698,000 | (241,651,424) |
| Total Utility Plant, being depreciated, net | 182,025,967 | 1,124,482 | - | 183,150,449 |
| Total Utility Plant, net | <u>\$ 216,839,985</u> | <u>\$ 13,852,898</u> | <u>\$ (14,949,000)</u> | <u>\$ 215,743,883</u> |

Construction work in progress at September 30, 2016 consists principally of expansions and upgrades to the electric transmission and distribution system, water supply and distribution system, wastewater collection system, and gas distribution system. FPUA capitalizes interest costs on funds borrowed to finance the construction of the utility plant in conformity with the Governmental Accounting Standards Board Statement No. 62 as applicable. Total interest costs for the year ended September 30, 2016, were \$3,445,000 of which \$181,000 was capitalized as plant utility construction costs.

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

| | Project Total | Expended to Date | Remaining Commitment | Required Further Financing |
|------------|--------------------------|-----------------------------|---------------------------------|---|
| Water | \$ 2,875,000 | \$ 2,018,000 | \$ 857,000 | None |
| Wastewater | 820,000 | 577,000 | 243,000 | None |
| Gas | 190,000 | 37,000 | 153,000 | None |
| Electric | 7,000 | 3,000 | 4,000 | None |
| FPUAnet | 5,000 | 5,000 | 5,000 | |
| | <u>\$ 3,897,000</u> | <u>\$ 2,635,000</u> | <u>\$ 1,262,000</u> | |

NOTE H - CAPITAL ASSETS (CONTINUED)

In addition, the component unit has entered into unit price contracts for the construction and renovation of system assets. These contracts are not firm commitments, and the contractors are utilized as needed. As of September 30, 2016, there were no remaining unit price contract commitments for the construction and renovation of FPUA system assets.

NOTE I - EMPLOYEE RETIREMENT SYSTEMS

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

The General Employees' Retirement and Benefit System

Plan Description

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

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

Plan Changes effective for October 1, 2012

For members hired prior to October 1, 2012:

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

For members hired after October 1, 2012:

- Benefits vest 100% after ten years of service.
- Overtime hours included in compensation are limited to 300 hours per year.
- Maximum pension benefit paid is the lesser of \$100,000 or 75% of final five year average.

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

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Funding Policy

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

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

Membership

At September 30, 2016, the Plan's membership consisted of: (1) 499 retirees and beneficiaries currently receiving benefits and 42 terminated employees entitled to benefits but not yet receiving them; (2) 315 vested active employees; and (3) 217 non-vested active employees.

Benefits

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

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

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

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

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

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

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

Contributions

For the Three years ended 2014, 2015 and 2016, employer contributions to the Plan, all made in accordance with actuarially determined requirements, were \$4,356,127, \$4,093,268 and \$4,211,311 which was 16.51%, 15.66% and 15.43% respectively, of annual covered payroll.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contributions

The total payroll for employees covered by the System for the year ended September 30, 2016 was \$27,295,114 which includes \$12,588,492 for Fort Pierce Utilities Authority employees. One hundred percent of required contributions were actually made for 2014, 2015 and 2016.

Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources

At September 30, 2016, the City and Fort Pierce Utilities Authority reported their proportional share of the following:

| | <u>City</u> | <u>Component Unit FPUA</u> |
|--|-------------|------------------------------------|
| Net Pension Liability | 8,187,611 | 6,655,065 |
| Employer Allocation Percentage | 55.16% | 44.84% |
| Proportional Share of Plan Pension Expense | 3,704,281 | 3,010,920 |

The City and FPUA reported proportional shares of deferred outflows of resources and deferred inflows of resources from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Difference between Expected and Actual Experience | - | 484,893 |
| Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments | 6,628,033 | 2,253,989 |
| Change of Assumptions | 4,042,447 | - |
| Changes in Proportion and Differences between Employer Contributions and Share of Contributions | 117,006 | 117,006 |
| Difference between Expected and Actual Experience | - | - |
| | <u>10,787,486</u> | <u>2,855,888</u> |
| Total Deferred Outflows of Resources-Primary Government | 5,896,329 | 1,627,845 |
| Total Deferred Outflows of Resources-Component Unit-FPUA | 4,891,157 | 1,228,043 |
| Total | <u><u>10,787,486</u></u> | <u><u>2,855,888</u></u> |

Deferred outflows and inflows of resources by year to be recognized in future pension expenses:

| Year Ending September 30 | <u>Net Deferred Outflows of Resources</u> |
|-----------------------------|---|
| 2017 | 2,637,252 |
| 2018 | 2,637,252 |
| 2019 | 2,637,250 |
| 2020 | 19,844 |
| 2021 | - |
| Thereafter | - |
| TOTAL | <u><u>\$ 7,931,598</u></u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Pension Payable

At September 30, 2016, the City and FPUA reported payable's to the pension for their final payroll of the fiscal year of \$172,312 (including member contributions of \$44,201) for the City and \$51,524 (including member contributions of \$14,171) for FPUA.

Investments

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

Best estimates of real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2016 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term Expected Real Rate of Return</u> | <u>Allocation-weighted Long-term Expected Real Rate of Return</u> |
|-----------------------|--------------------------|---|---|
| Large Cap Equity | 33% | 4.50% | 1.49% |
| Small/Mid Cap Equity | 15% | 4.75% | 0.71% |
| Global Ex-US Equity | 15% | 4.75% | 0.71% |
| Domestic Fixed Income | 27% | 0.75% | 0.20% |
| Real Estate | 10% | 3.50% | 0.35% |
| | <u>100%</u> | | <u>3.46%</u> |

For the year ended September 30, 2016, the annual money-weighted rate of return, net of investment expenses was 9.86%.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

The annual required contribution for the current year was determined as part of the September 30, 2016 actuarial valuation of the Plan. The following methods and assumptions were used to determine the contribution rates:

| | |
|-------------------------------|---|
| Valuation date | September 30, 2016 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percent of Payroll, closed |
| Remaining amortization period | 1-30 years as of September 30, 2014 |
| Asset valuation method | 4-year smoothed market |
| Wage Inflation | 4.5% |
| Salary increases | General & Utilities Authority; 4.5% to 8.7%, including inflation Police; 4.5% to 8.5% |
| Investment rate of return | 8.00% |
| Long-term municipal bond rate | 3.06% |
| Retirement Age | Age and service-based tables that are specific to the type of eligibility |
| Mortality | RP-2000 Combined Mortality Table for males and females. No margin for future mortality improvement are included in these tables. |
| Cost-of-living Adjustment | COLA's are granted if the investment return exceeds the investment return assumption and the cumulative actuarial gains and losses since 1995 are positive. Because the cumulative gains and losses are (30) million, the COLA provision is assumed to not operate for the indefinite future. |

Discount Rate

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

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Sensitivity of Pension Liability

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

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

| 1% Decrease 7.00% | Current Single Discount Rate Assumption 8.00% | 1% Decrease 9.00% |
|----------------------|---|----------------------|
| \$ 35,240,775 | \$ 14,842,678 | \$ (2,607,519) |

Municipal Police Officers' Retirement Trust Fund

Plan Description

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

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

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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

Membership

As of September 30, 2016, Plan membership consisted of: (1) 36 retirees and beneficiaries currently receiving benefits and 2 terminated employees entitled to benefits but not yet receiving them; (2) 56 vested active employees; and (3) 45 non-vested active employees.

Funding Policy

Contribution requirements for the Plan are established and may be amended by State law and City ordinance. Contributions for the Plan are financed principally by contributions from the State of Florida, which are financed by a .85% excise tax on casualty insurance premiums on policies covering property within the corporate limits of City of Fort Pierce, as provided under provisions of Chapter 185, Florida Statutes. Current year contributions to the plan from the State of Florida were \$302,837. The revenue and corresponding expense are recorded in the general fund. In accordance with City Code Section 13-169 each Plan member is required to make contributions of 7% of their salaries to the Plan. The funding policy for the Plan is actuarially determined in that an annual actuarial valuation is made to determine if State and employee contributions are sufficient to fund the Plan. The City is not required to contribute in any way to the Plan. Administrative costs are financed through investment earnings.

The actuarial valuation as of September 30, 2016 found anticipated revenues to be sufficient to fund the current year benefits provided by the Plan in accordance with the provisions of Chapter 185, Florida Statutes.

Benefits

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

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

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

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

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

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources

At September 30, 2016, the City reported a liability of \$941,518 for its share of the net pension liability. The net pension liability was measured at September 30, 2016 with an actuarial valuation date of September 30, 2016.

For the year ended September 30, 2016, the city recognized pension expense of \$325,929. The City reported deferred outflows of resources and deferred inflows of resources from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| | <u> </u> | <u> </u> |
| Difference between Expected and Actual Experience | - | 173,799 |
| Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments | 661,459 | 120,972 |
| Change of Assumptions | - | - |
| Changes in Proportion and Differences between Employer Contributions and Share of Contributions | - | - |
| Difference between Expected and Actual Experience | - | - |
| Total Deferred Outflows of Resources | <u>661,459</u> | <u>294,771</u> |

Deferred outflows and inflows of resources by year to be recognized in future pension expenses:

| Year Ending September 30 | Net Deferred Outflows of Resources |
|-----------------------------|--|
| | <u> </u> |
| 2017 | 159,819 |
| 2018 | 159,819 |
| 2019 | 159,820 |
| 2020 | (60,667) |
| 2021 | (30,424) |
| Thereafter | (21,679) |
| TOTAL | <u>\$ 366,688</u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Pension Payable

At September 30, 2016, the City reported a payable to the police pension related to employee contributions of \$26,976 withheld from the City's final payroll of the fiscal year.

Investments

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

Best estimates of real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2016 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term Expected Real Rate of Return</u> | <u>Allocation-weighted Long-term Expected Real Rate of Return</u> |
|-----------------------|--------------------------|---|---|
| Large Cap Equity | 15% | 10.20% | 1.50% |
| Small/Mid Cap Equity | 14% | 10.70% | 1.50% |
| Global Ex-US Equity | 15% | 6.10% | 0.90% |
| Domestic Fixed Income | 30% | 6.20% | 1.90% |
| MLP | 6% | 13.00% | 0.80% |
| High Yield | 6% | 8.30% | 0.50% |
| Convertible Bonds | 8% | 8.90% | 0.70% |
| Real Estate | 5% | 9.60% | 0.50% |
| Cash | 1% | 3.60% | 0.00% |
| | <u>100%</u> | | <u>8.30%</u> |

For the year ended September 30, 2016, the annual money-weighted rate of return, net of investment expenses was 9.57%.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Net Pension Liability and Plan Fiduciary Net Position

The components of the net pension liability and plan fiduciary net position of the City at September 30, 2016, were as follows:

| | |
|---|-----------------------------|
| Total Pension Liability: | |
| Service cost | \$ 498,450 |
| Interest | 952,685 |
| Benefit change | - |
| Difference between actual & expected experience experience | (66,499) |
| Assumption changes | - |
| Benefit payments | (540,270) |
| Refunds | (293,992) |
| Net Change in Total Pension Liability | <u>550,374</u> |
| Total Pension Liability-Beginning | <u>13,059,163</u> |
| Total Pension Liability-Ending (a) | <u><u>\$ 13,609,537</u></u> |
| Plan Fiduciary Net Position: | |
| Contributions-employer | \$ - |
| Contributions-employer (from state) | 302,837 |
| Contributions-Employee(Including buyback contributions) | 471,774 |
| Net investment income | 1,000,576 |
| Benefit payments | (540,270) |
| Refunds | (293,992) |
| Administrative expense | (36,110) |
| Other | - |
| Net Change in Plan Fiduciary Net Position | <u>904,815</u> |
| Plan Fiduciary Net Position-Beginning | <u>11,763,204</u> |
| Plan Fiduciary Net Position-Ending (b) | <u><u>\$ 12,668,019</u></u> |
| Net Pension Liability-Ending (a) - (b) | 941,518 |

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

The annual required contribution for the current year was determined as part of the September 30, 2015 actuarial valuation of the Plan. The following methods and assumptions were used to determine the contribution rates:

| | |
|-------------------------------|---|
| Valuation date | September 30, 2015 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percent of Payroll, closed |
| Remaining amortization period | 17 years |
| Asset valuation method | 4-year smoothed market |
| Inflation rate | 2.5% |
| Salary increases | 3.5% to 6.5% |
| Investment rate of return | 7.25% |
| Retirement Age | Experienced-based table of rates that are specific to the type of eligibility condition |
| Mortality | RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA |

Discount Rate

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

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Sensitivity of Pension Liability

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

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

| 1% Decrease 6.25% | Current Single Discount Rate Assumption 7.25% | 1% Decrease 6.25% |
|----------------------|---|----------------------|
| \$ 2,762,046 | \$ 941,518 | \$ (572,490) |

Currently an annual actuarial evaluation is performed for both Plans. The most recent actuarial valuations were performed for the year ended September 30, 2016. Other information regarding contributions and funding progress is included as supplementary information to this report.

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

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

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

City of Fort Pierce, Florida
**COMBINING STATEMENT OF
FIDUCIARY FUNDS NET POSITION**
September 30, 2016

| | Pension Trusts | | Total |
|---|-----------------------|----------------------|-----------------------|
| | General Employees | Police Officers | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 921,449 | \$ 526,350 | \$ 1,447,799 |
| Investments, at fair value: | | | |
| U.S. Government Securities | 15,586,770 | 1,667,330 | 17,254,100 |
| Mutual Funds | 99,752,022 | 4,195,887 | 103,947,909 |
| Common Stock | 13,788,126 | 3,512,871 | 17,300,997 |
| Corporate Bonds | 29,855,487 | 1,244,983 | 31,100,470 |
| Real Estate Trust L.P. | 20,372,890 | - | 20,372,890 |
| Common Trust Fund | - | 1,290,389 | 1,290,389 |
| Money Market | 2,251,367 | 193,445 | 2,444,812 |
| Total investments | <u>181,606,662</u> | <u>12,104,905</u> | <u>193,711,567</u> |
| Total cash and investments | 182,528,111 | 12,631,255 | 195,159,366 |
| Accounts receivable | 223,836 | 26,976 | 250,812 |
| Prepaid Taxes | 105,710 | - | 105,710 |
| Accrued interest receivable | 399,745 | 16,237 | 415,982 |
| Total assets | <u>\$ 183,257,402</u> | <u>\$ 12,674,468</u> | <u>\$ 195,931,870</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | <u>\$ 51,386</u> | <u>\$ 5,446</u> | <u>\$ 56,832</u> |
| NET POSITION-RESTRICTED FOR PENSION BENEFITS | | | |
| | <u>\$ 183,206,016</u> | <u>\$ 12,669,022</u> | <u>\$ 195,875,038</u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

City of Fort Pierce, Florida
**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY FUNDS NET POSITION**
Year ended September 30, 2016

| | Pension Trusts | | Total |
|--|----------------------|--------------------|----------------|
| | General Employees | Police Officers | |
| ADDITIONS | | | |
| Contributions | | | |
| Employer | \$ 4,211,312 | \$ - | \$ 4,211,312 |
| Employees | 1,533,509 | 471,774 | 2,005,283 |
| State-via the general fund | - | 302,837 | 302,837 |
| Total contributions | 5,744,821 | 774,611 | 6,519,432 |
| Investment income | | | |
| Interest | 2,241,701 | 94,310 | 2,336,011 |
| Dividends | 1,107,416 | 483,985 | 1,591,401 |
| Net appreciation (depreciation) in fair value of investments | 13,770,075 | 501,156 | 14,271,231 |
| Total investment income | 17,119,192 | 1,079,451 | 18,198,643 |
| Investment expenses | (697,097) | (109,440) | (806,537) |
| Net investment income | 16,422,095 | 970,011 | 17,392,106 |
| | | | |
| Total increases | 22,166,916 | 1,744,622 | 23,911,538 |
| DEDUCTIONS | | | |
| Retirement benefits paid | 12,884,323 | 505,536 | 13,389,859 |
| Refunds of employee contributions | 492,348 | 293,992 | 786,340 |
| Administrative expenses | 198,629 | 5,545 | 204,174 |
| Insurance expense | 19,406 | - | 19,406 |
| | | | |
| Total deductions | 13,594,706 | 805,073 | 14,399,779 |
| | | | |
| Net Increase | 8,572,210 | 939,549 | 9,511,759 |
| NET POSITION-RESTRICTED FOR PENSION BENEFITS | | | |
| Beginning of year | 174,633,806 | 11,729,473 | 186,363,279 |
| | | | |
| End of year | \$ 183,206,016 | \$ 12,669,022 | \$ 195,875,038 |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE J - DEFERRED COMPENSATION PLAN

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

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

NOTE K – LOANS AND BONDS PAYABLE

Bond and note obligations of the **primary government** as of September 30, 2016 are as follows:

| | <u>Business-type Activities</u> | <u>Government Activities</u> |
|---|-------------------------------------|----------------------------------|
| \$23,190,000 Capital Improvement Revenue Refunding Bonds, Series 2008A and B, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest ranging from 4.75% to 5.0%, payable semi-annually and sinking fund installments ranging from \$1,015,000 to \$1,065,000 through September 1, 2018. Proceeds used to refund the 2007 Sunshine State Governmental Financing Commission Non-taxable Revenue Note. Current portion of new bond is \$1,015,000. | - | 2,080,000 |
| \$6,825,000 Capital Improvement Revenue Refunding Bonds, Series 2010A, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 5% interest payable semi-annually and annual sinking fund installments ranging from 480,000 to 780,000 beginning in 2020 through September 1, 2030. Proceeds used to defease the 1998 and 2001 Capital Improvement bonds. Current portion of bond is 0. | 1,846,857 | 4,978,143 |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

| | <u>Business-type Activities</u> | <u>Government Activities</u> |
|---|-------------------------------------|----------------------------------|
| \$2,935,000 Taxable Capital Improvement Revenue Refunding Bonds, Series 2010B, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 5.344% interest payable semi-annually and annual sinking fund installments ranging from 305,000 to 400,000 beginning in 2014 through September 1, 2022. Proceeds used to partially refund the Taxable Capital Improvement Revenue Refunding Bonds, Series 2008. Current portion of bond is 305,000. | - | 2,110,000 |
| \$3,395,000 Section 108 Loan Payable, variable interest only monthly to 2012, annual principal payments beginning in 2012 ranging from 282,000 to 283,000 to 2024, payable from proceeds of a note receivable secured by a shopping center with a pledge of the City's Community Development Block Grant revenues Current portion of note is \$283,000. | - | 2,263,000 |
| \$6,079,229 Capital Improvement Revenue Note, Series 2014, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 3.055% interest payable semi-annually and annual principal payments ranging from 309,765 to 535,541 beginning in 2014 through December 1, 2028. Proceeds used to purchase energy conservation equipment. Current portion of note is 309,765. | - | 5,470,226 |
| \$3,920,771 Capital Improvement Revenue Note, Series 2014A, payable from net marina revenues and the half-cent sales tax, 3.19% interest payable semi-annually and annual principal payments ranging from 236,990 to 346,491 beginning in 2016 through December 1, 2029. Proceeds used for construction costs related to the city owned marina. Current portion of note is 236,990. | 3,751,476 | - |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

| | <u>Business-type Activities</u> | <u>Government Activities</u> |
|---|-------------------------------------|----------------------------------|
| \$13,745,000 Stormwater Utility System Revenue Refunding Note, Series 2016, payable from and secured by a first lien and pledge upon the Stormwater revenues, interest at 2.90% payable semi-annually and sinking fund installments ranging from \$740,000 to \$1,095,000 through October 1, 2030. Proceeds used to currently refund the 2002 and 2006 Stormwater Utility Revenue Bonds. Current portion is \$950,000. | 13,745,000 | - |
| \$28,315,000 Capital Improvement Revenue Refunding Note, Series 2015, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 3.26% interest payable semi-annually and annual sinking fund installments ranging from 440,000 to 2,345,000 through September 1, 2032. Proceeds used to defease the 2004 and a portion of the 2008 Capital Improvement bonds. Current portion of bond is 440,000. | - | 27,785,000 |
| \$20,000,000 Fort Pierce Redevelopment Revenue Refunding Notes, Series 2015A, payable from and secured by a first lien and pledge upon tax increment revenues, with interest at 3.2%, payable semi-annually and sinking fund installments ranging from \$1,010,000 to \$1,615,000 through May 1, 2031. Proceeds will be used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$1,010,000. | - | 19,105,000 |
| \$11,055,000 Fort Pierce Redevelopment Revenue Refunding Notes, Series 2015B, payable from and secured by a first lien and pledge upon tax increment revenues, with interest at 3.2%, payable semi-annually and sinking fund installments ranging from \$555,000 to \$905,000 through May 1, 2031. Proceeds used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$555,000. | - | 10,505,000 |
| | <u>19,343,333</u> | <u>74,296,369</u> |
| Less: current portion payable from restricted assets | (1,186,990) | (3,917,765) |
| Unamortized items | (39,017) | 285,771 |
| | <u>\$ 18,117,326</u> | <u>\$ 70,664,375</u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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

Governmental Activities:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|----------------------|----------------------|----------------------|
| 2017 | \$ 3,917,765 | 2,495,100 | \$ 6,412,865 |
| 2018 | 4,068,347 | 2,343,537 | 6,411,884 |
| 2019 | 4,184,892 | 2,185,053 | 6,369,945 |
| 2020 | 4,673,827 | 2,051,457 | 6,725,284 |
| 2021 | 4,845,384 | 1,895,328 | 6,740,712 |
| 2022-2026 | 24,426,784 | 7,106,452 | 31,533,236 |
| 2027-2031 | 25,834,370 | 2,925,093 | 28,759,463 |
| 2032-2036 | 2,345,000 | 76,447 | 2,421,447 |
| | <u>\$ 74,296,369</u> | <u>\$ 21,078,467</u> | <u>\$ 95,374,836</u> |

Business-Type Activities:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|----------------------|---------------------|----------------------|
| 2017 | \$ 1,186,990 | 581,132 | \$ 1,768,122 |
| 2018 | 1,069,619 | 549,586 | 1,619,205 |
| 2019 | 1,107,486 | 516,925 | 1,624,411 |
| 2020 | 1,265,494 | 483,431 | 1,748,925 |
| 2021 | 1,305,639 | 442,459 | 1,748,098 |
| 2022-2026 | 7,168,229 | 1,549,931 | 8,718,160 |
| 2027-2031 | 6,239,876 | 388,939 | 6,628,815 |
| | <u>\$ 19,343,333</u> | <u>\$ 4,512,403</u> | <u>\$ 23,855,736</u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Long-term liability activity of the **primary government** for the year ended September 30, 2016 was as follows:

| | Beginning Balance 10/1/2015 | Additions | Reductions | Ending Balance 9/30/2016 | Amounts Due within One Year | Amounts Due after One Year |
|----------------------------------|--|----------------------|----------------------|---|--|---|
| Governmental Activities: | | | | | | |
| Notes and bonds payable: | | | | | | |
| Revenue notes | \$ 5,760,334 | \$ 59,370,000 | \$ 2,265,108 | \$ 62,865,226 | \$ 2,314,765 | \$ 60,550,461 |
| Revenue bonds | 65,443,143 | - | 56,275,000 | 9,168,143 | 1,320,000 | 7,848,143 |
| Unamortized items | 95,128 | 219,495 | 28,852 | 285,771 | - | 285,771 |
| | <u>71,298,605</u> | <u>59,589,495</u> | <u>58,568,960</u> | <u>72,319,140</u> | <u>3,634,765</u> | <u>68,684,375</u> |
| Section 108 Loan | 2,546,000 | - | 283,000 | 2,263,000 | 283,000 | 1,980,000 |
| | <u>73,844,605</u> | <u>59,589,495</u> | <u>58,851,960</u> | <u>74,582,140</u> | <u>3,917,765</u> | <u>70,664,375</u> |
| Other Liabilities: | | | | | | |
| Other post employment benefits | 821,827 | 33,568 | - | 855,395 | - | 855,395 |
| Net Pension Liability | 7,650,389 | 209,715 | - | 7,860,104 | - | 7,860,104 |
| Compensated absences | 2,898,182 | 1,213,377 | 1,175,371 | 2,936,188 | 92,832 | 2,843,356 |
| Total governmental activities | <u>\$ 85,215,003</u> | <u>\$ 61,046,155</u> | <u>\$ 60,027,331</u> | <u>\$ 86,233,827</u> | <u>\$ 4,010,597</u> | <u>\$ 82,223,230</u> |
| Business-type Activities: | | | | | | |
| Notes and bonds payable: | | | | | | |
| Revenue notes | \$ 3,980,514 | \$ 13,745,000 | \$ 229,038 | \$ 17,496,476 | \$ 1,186,990 | \$ 16,309,486 |
| Revenue bonds | 15,781,857 | - | 13,935,000 | 1,846,857 | - | 1,846,857 |
| Unamortized items | (43,274) | - | (4,257) | (39,017) | - | (39,017) |
| | <u>19,719,097</u> | <u>13,745,000</u> | <u>14,159,781</u> | <u>19,304,316</u> | <u>1,186,990</u> | <u>18,117,326</u> |
| Other Liabilities: | | | | | | |
| Other post employment benefits | 146,155 | 6,656 | - | 152,811 | - | 152,811 |
| Net Pension Liability | 1,361,999 | - | 92,973 | 1,269,026 | - | 1,269,026 |
| Compensated absences | 631,500 | 264,388 | 319,259 | 576,629 | 49,360 | 527,269 |
| Total business activities | <u>\$ 21,858,751</u> | <u>\$ 14,016,044</u> | <u>\$ 14,572,013</u> | <u>\$ 21,302,782</u> | <u>\$ 1,236,350</u> | <u>\$ 20,066,432</u> |

| Compensated absences | Beginning Balance 10/1/2015 | Additions | Reductions | Ending Balance 9/30/2016 |
|-----------------------------------|--|---------------------|---------------------|---|
| Governmental Activities: | | | | |
| General Fund | \$ 2,889,581 | \$ 1,209,776 | \$ 1,174,112 | \$ 2,925,245 |
| Community Development Block Grant | 8,601 | 3,601 | 1,259 | 10,943 |
| | <u>\$ 2,898,182</u> | <u>\$ 1,213,377</u> | <u>\$ 1,175,371</u> | <u>\$ 2,936,188</u> |

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

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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

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

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

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

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

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

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

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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

Section 108 Note Payable

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

Capital Improvement Revenue Note, Series 2014

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

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

Capital Improvement Revenue Note, Series 2014A and 2014B

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

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

Stormwater Revenue Refunding Note, Series 2016

The Series 2016 Notes were issued for the purpose of: (i) refunding the Stormwater Utility System Revenue Bonds Series 2002 and 2006 (ii) finance the costs of issuance of the Series 2016 notes.

The Series 2016 Notes and interest thereon are payable from Stormwater Revenues.

Capital Improvement Revenue Refunding Note, Series 2015

The Series 2015 Notes were issued for the purpose of: (i) currently refunding the Capital Improvement Revenue Bonds Series 2004 and advance refund the Capital Improvement Revenue Bonds Series 2008A (ii) finance the costs of issuance of the Series 2015 notes.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

The Series 2015 Notes and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of and interest on the Series 2015 Notes when due.

Redevelopment Revenue Refunding Note, Series 2015A and B

The Series 2015 Notes were issued for the purpose of: (i) currently refunding the Capital Improvement Revenue Bonds Series 2004 and advance refund the Capital Improvement Revenue Bonds Series 2008A (ii) finance the costs of issuance of the Series 2015 notes.

The Series 2015 Notes and interest thereon are payable from and secured by a first lien and pledge upon the Tax Incremental Revenues.

Defeasance of Revenue Bonds Payable

Capital Improvement Revenue Refunding Note, Series 2015

On October 2, 2015 the city refunded and defeased on a current basis the Series 2004 Capital Improvement Revenue Bonds maturing on December 1, 2015 through December 1, 2034 amounting to \$2,615,000. The City used proceeds of \$2,700,000 from Series 2015 Capital Improvement Revenue Refunding Notes to currently defease the Series 2004 Bonds and pay certain costs incurred in connection with issuing the bonds.

The transactions resulted in a decrease of \$565,783 in future debt service payments. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$524,969. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$524,969. The City refunded the issue to reduce debt service costs over the term of the loan.

On October 2, 2015 the city advance refunded and defeased a portion of the Series 2008 Capital Improvement Revenue Refunding Notes maturing on September 1, 2019 through September 1, 2032 amounting to \$22,209,000. The City deposited proceeds of \$25,396,769 from Series 2010A Capital Improvement Revenue Refunding Bonds in an irrevocable trust account and invested in direct obligations of the United States of America to allow for future payments of principal and interest until the redemption date of September 1, 2032 at a redemption price of 100%.

The difference in the cash flows of the old debt service compared to the new issue was a positive \$2,500,517. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$1,779,087. The City refunded the issue to reduce debt service costs over the term of the loan.

Redevelopment Revenue Refunding Notes, Series 2015A and Series 2015B

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

On November 2, 2015 the city advance refunded and defeased the Series 2006 Redevelopment Revenue Bonds maturing on May 1, 2016 through May 1, 2031 amounting to \$15,545,000. The City deposited proceeds of \$15,913,783 from Series 2015 Redevelopment Revenue Refunding Notes in an irrevocable trust account and invested in direct obligations of the United States of America to allow for future payments of principal and interest until the redemption date of May 1, 2031 at a redemption price of 100%.

The difference in the cash flows of the old debt service compared to the new issue was a positive \$1,742,076. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$1,591,392. The City refunded the issue to extend the life of the debt and reduce debt service costs over the next few years.

On November 2, 2015 the city refunded and defeased on a current basis the Series 2005 Redevelopment Revenue and Refunding Bonds maturing on May 1, 2016 through May 1, 2030 amounting to \$14,785,000. The City used proceeds of \$14,839,543 from the Series 2015 Redevelopment Revenue Refunding Notes to currently defease the Series 2005 Bonds and pay certain costs incurred in connection with issuing the bonds.

The transactions resulted in a decrease of \$1,536,911 in future debt service payments. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$1,012,323. The City refunded the issue to reduce debt service costs over the term of the loan.

Stormwater Revenue Refunding Note, Series 2016

On February 1, 2016 the city refunded and defeased on a current basis the Series 2006 Stormwater Utility System Revenue Bonds maturing on October 1, 2016 through October 1, 2027 amounting to \$3,525,000. The City used proceeds of \$3,497,187 from the Series 2016 Stormwater Revenue Refunding Notes to currently defease the Series 2002 Bonds and pay certain costs incurred in connection with issuing the bonds.

The transactions resulted in a decrease of \$378,053 in future debt service payments. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$299,033. The City refunded the issue to reduce debt service costs over the term of the loan.

On February 1, 2016 the city refunded and defeased on a current basis the Series 2002 Stormwater Utility System Revenue Bonds maturing on October 1, 2016 through October 1, 2030 amounting to \$9,745,000. The City used proceeds of \$9,737,907 from the Series 2016 Stormwater Revenue Refunding Notes to currently defease the Series 2006 Bonds and pay certain costs incurred in connection with issuing the bonds.

The transactions resulted in a decrease of \$1,094,559 in future debt service payments. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$905,763. The City refunded the issue to reduce debt service costs over the term of the loan.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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

At September 30, 2016 the following bonds are considered defeased:

| Bond Issue | Beginning Balance 10-1-2015 | Additions | Retirement | Ending Balance 9-30-2016 |
|---|-----------------------------------|---------------|--------------|--------------------------------|
| Capital Improvement Bonds, Series 2001 | \$ 615,000 | \$ - | \$ 90,000 | \$ 525,000 |
| Redevelopment Revenue Bonds, Series 2003 | 5,000,000 | | 535,000 | 4,465,000 |
| Capital Improvement Bonds, Series 2008 | - | 22,090,000 | - | 22,090,000 |
| Redevelopment Revenue Bonds, Series 2006 | - | 15,545,000 | 630,000 | 14,915,000 |
| | \$ 5,615,000 | \$ 37,635,000 | \$ 1,255,000 | \$ 41,995,000 |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Component Unit

Bond obligations of the FPUA (a component unit) as of September 30, 2016 are as follows:

| | <u>Business-type Activities</u> |
|---|-------------------------------------|
| \$10,223,254 Utilities Revenue Capital Appreciation Bonds, Series 1999B, collateralized by pledge of and first lien on the net revenues of the combined systems, yeild varying from 5.70% to 5.90%. The accreted value at September 30, 2016 is \$25,719,000. The bonds mature October 1, 2016, through October 1, 2024, with principal amounts totaling \$34,970,000 due in those years in annual amounts ranging from \$275,000 to \$4,340,000. | 27,245,000 |
| \$9,545,000 Utilities 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 mature October 1, 2016, through October 1, 2028, with principal amounts ranging from \$172,000 to \$3,451,000. | 9,545,000 |
| \$34,800,000 Utilities Refunding Revenue Bonds, Series 2009, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 3.9% to 5.00% on the remaining annual principal amounts renging from \$1,210,000 to \$7,285,000 through October 1, 2029. | 34,800,000 |
| \$20,896,000 Taxable Utilities Refunding Revenue Bond, Series 2012, collateralized by a pledge of and a first lien on the net revenues of the combined systems,interest at of 1.34% on the remaining principal amount of \$6,920,000 maturing on October 1, 2016. | <u>6,920,000</u> |
| | <u>78,510,000</u> |
| Less: Unamortized portion of bond premium and discounts | 58,000 |
| Unamortized deferred bond loss | - |
| Current portion payable from restricted assets | <u>7,367,000</u> |
| | <u><u>\$ 71,085,000</u></u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Long-term liability activity of the **FPUA** (a component unit) for the year ended September 30, 2016 was as follows:

| | Beginning Balance 10/1/2015 | Additions | Reductions | Ending Balance 9/30/2016 | Amounts Due within One Year |
|--------------------------------|--|----------------------|------------------------|---|--|
| Loans and revenue bonds | \$ 84,207,000 | \$ 18,541,000 | \$ (24,107,000) | \$ 78,641,000 | \$ 7,367,000 |
| Deferred Amounts | (230,000) | (161,000) | 333,000 | (58,000) | - |
| Net Pension Liability | 5,528,000 | 1,127,000 | - | 6,655,000 | |
| Capital Leases | 80,000 | | (31,000) | 49,000 | 38,000 |
| Other Liabilities: | | | | | |
| Compensated absences | 1,762,000 | 1,442,000 | (1,402,000) | 1,802,000 | 24,000 |
| Other Post Employment Benefits | 681,000 | 61,000 | (31,000) | 711,000 | |
| Pollution Remediation | 797,000 | - | (776,000) | 21,000 | 21,000 |
| Total | \$ 92,825,000 | \$ 21,010,000 | \$ (26,014,000) | \$ 87,821,000 | \$ 7,450,000 |

Requirements to pay principal and interest on the **FPUA** (a component unit) obligations in each of the years/periods ending September 30, 2016 are as follows

| | Principal | Interest | Total |
|--|----------------------|----------------------|-----------------------|
| 2017 | \$ 7,367,000 | 1,816,000 | \$ 9,183,000 |
| 2018 | 5,840,000 | 1,762,000 | 7,602,000 |
| 2019 | 5,897,000 | 1,706,000 | 7,603,000 |
| 2020 | 5,953,000 | 1,645,000 | 7,598,000 |
| 2021 | 6,015,000 | 1,584,000 | 7,599,000 |
| 2022-2026 | 18,424,000 | 4,345,000 | 22,769,000 |
| 2027-2031 | 19,224,000 | 3,225,000 | 22,449,000 |
| 2032-2036 | 17,515,000 | 1,052,000 | 18,567,000 |
| | <u>86,235,000</u> | <u>17,135,000</u> | <u>103,370,000</u> |
| Future accretion on capital appreciation bonds | <u>(7,725,000)</u> | <u>7,725,000</u> | <u>-</u> |
| | <u>\$ 78,510,000</u> | <u>\$ 24,860,000</u> | <u>\$ 103,370,000</u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Other Requirements

The Series 1999, 2002, 2009, 2012, and 2016 bond issues provide that the Authority accumulate monthly 1/6 of the amount of all interest becoming due on the next semi-annual interest payment date, and 1/12 of the amount of principal which will become due and payable on the next principal maturity date. Additionally, FPUA's Master Bond Resolution requires renewal and replacement, emergency reserve, and debt service reserve subaccount funds with minimum requirements of \$500,000, \$900,000 and \$5,457,000, respectively. These reserves are funded in the amounts of \$500,000, \$900,000, and \$5,457,000, respectively, at September 30, 2016.

The 2002 Bonds maturing in the year 2027 are redeemable, prior to their stated dates of maturity, at the option of the Authority beginning April 1, 2012 at par plus accrued interest to the redemption date. On March 4, 2016, FPUA issued Utilities Refunding Revenue Bond, Series 2016, in the amount of \$9,545,000 at a rate of 2.14%, in accordance with the above provision. These Utilities Refunding Bonds carry a deferred amount of \$161,000 at issue date and mature on October 1, 2026. The bond series presents a reduction in interest costs of approximately \$2,466,000 over the life of the bonds. These bonds are redeemable at any time at the option of FPUA. Any full or partial prepayment will carry a fee equal to the greater of (i) 1% of the principal balance multiplied by the number of years remaining or (ii) a "yield maintenance Fee".

Other Requirements

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

The Series 2009 Bonds maturing in the year 2029 with an interest rate of 4.70% are redeemable, prior to their stated date of maturity, at the option of the Authority, on or after October 1, 2014. The Series 2009 Bonds maturing on or after October 1, 2020 (excluding those maturing in the year 2029 with an interest rate of 4.7%) are redeemable, prior to their stated date of maturity, at the option of the Authority, on or after October 1, 2019 at par plus accrued interest to the redemption date.

In prior years, the Utilities Authority defeased certain outstanding utilities revenue bonds issued for the systems payable out of revenues derived from the operation of the utility systems. These defeasances were achieved by placing the proceeds of refunding bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities (including bond discounts and finance costs) for the defeased bonds are not included in the component unit's financial statements. At September 30, 2016, Utilities Revenue Bonds Series 1991, in the amount of \$7,500,000, are considered defeased.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE L - INTERFUND ADVANCES, RECEIVABLES, PAYABLES, AND TRANSFERS

Advances

During the year ending September 30, 2015, the Section 108 Debt Service fund advanced approximately \$1,090,000 to the Marina Fund to aid in the construction of new docks. Terms of the loan require 96 monthly payments of \$12,903, including interest at 3%. At September 30, 2016, the long-term portion of the advance was \$934,478.

During the year ending September 30, 2016, the Section 108 Debt Service fund advanced approximately \$1,400,000 to the General Fund to aid in the construction of infrastructure improvements. Terms of the loan require 96 monthly payments of \$16,421, including interest at 3%. At September 30, 2016, the long-term portion of the advance was \$1,242,911.

The composition of interfund balances as of and for the year ended September 30, 2016, is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|--------------------------------|---------------------|
| General | Nonmajor | \$ 162,472 |
| General | Community Redevelopment Agency | 16,857 |
| General | Solid Waste | 608,667 |
| General | Marina | 18,365 |
| General | Stormwater | 189,282 |
| General | Golf Course | 27,612 |
| General | Building Fund | 7,524 |
| General | Sunrise Theatre | 2,500 |
| | | <u>\$ 1,033,279</u> |

Due to/Due from other funds:

Amounts due to the General Fund include general and administrative charges and various reimbursements.

Due to the primary government and from the component units:

| <u>Receivable Entity</u> | <u>Payable Entity</u> | <u>Amount</u> |
|--------------------------------|-----------------------|---------------------|
| General fund | FPUA | \$ 259,256 |
| Community Redevelopment Agency | FPUA | 120,216 |
| Solid waste fund | FPUA | 666,905 |
| Building Fund | FPUA | 237 |
| | | <u>\$ 1,046,614</u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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

Inter-fund transfers:

| | <u>General</u> | <u>Community Redev. Agency</u> | <u>Golf Course</u> | <u>Sunrise Theatre</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|-----------------------|---------------------|--|------------------------|----------------------------|---------------------------|----------------------|
| Transfers out: | | | | | | |
| General | \$ - | \$ 1,451,422 | \$ 229,290 | \$ - | \$ 3,561,439 | \$ 5,242,151 |
| Community | | | | | | |
| Redev. Agency | 2,637,095 | - | - | 450,000 | 2,412,879 | 5,499,974 |
| Solid Waste | 345,000 | - | - | - | - | 345,000 * |
| Marina | 150,000 | - | - | - | - | 150,000 |
| Golf Course | 28,000 | - | - | - | - | 28,000 |
| Nonmajor | 7,572 | 5,929 | - | - | 226,675 | 240,176 |
| | <u>\$ 3,167,667</u> | <u>\$ 1,457,351</u> | <u>\$ 229,290</u> | <u>\$ 450,000</u> | <u>\$ 6,200,993</u> | <u>\$ 11,505,301</u> |

* Solid Waste Fund transferred \$ 132,625 of capital assets to the general fund during the current year and accordingly, net transfers in the governmental funds do not equal net transfers in the enterprise funds

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

NOTE M - TRANSACTIONS WITH COMPONENT UNITS

Fort Pierce Utilities Authority (a discretely presented component unit)

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

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

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

Charges to City residents for sanitation and utility taxes are included on the FPUA's monthly billing statements to customers as a service to the City. The FPUA acts only as an agent with all cash collections relating to the charges forwarded directly to the City. The City is charged \$187,200 annually by the FPUA for performance of these services.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE M - TRANSACTIONS WITH COMPONENT UNITS (CONTINUED)

Total charges to the City for nonmetered and metered services for the year ended September 30, 2016 were approximately \$1,600,000. Total disbursements made to the City by the FPUA, including payments of utility tax and sanitation charges collected during year ended September 30, 2016, were approximately \$9,021,000. Amounts receivable from the FPUA at September 30, 2016 were \$207,000.

The Fort Pierce City Charter, Article X, Section 140 (as amended by referendum on October 4, 1995), provides that each year the Utility Authority shall pay to the City of Fort Pierce a sum equal to six percent of gross revenues derived from the operation of the utilities for the preceding fiscal year. The city commission, by majority vote, may agree to accept a lesser percentage. For purposes of this section the Charter defines gross revenues as all income derived from retail sales of electricity, gas, and wastewater disposal; wholesale and retail sales of water; gains on sales of assets, interest, rents, royalties, dividends, and management fees. Where a power cost adjustment or purchase gas adjustment is utilized, gross income shall mean the amount billed based upon the applicable rate without a debit or credit for the cost adjustment. For the year ended September 30, 2016, the amount transferred to the General Fund under this provision was \$5,809,000.

The City entered into an agreement with the Utility Authority to receive an advance on future distributions of revenue. The City received \$1,250,000 during the year ending September 30, 2014. The City repaid the advance in December 2016 including accrued interest.

NOTE N - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program mainly encompasses obtaining property and liability insurance through commercial insurance carriers. During the year ended September 30, 2016, the City paid premiums of approximately \$1,503,000 to commercial insurance carriers for provisions of various liability, property, casualty and workers compensation insurance. The City has various deductible amounts ranging from \$500 to \$25,000 on various policies. At year-end, the City did not have any significant claims. There were no significant changes in coverage retention, or limits during the fiscal year. The General Fund handles property claims for the City and absorbs the loss for any amounts below the deductible amounts.

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

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

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE O - POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care and life insurance benefits for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. The primary government recognizes the costs associated with providing these benefits as premiums are paid. The FPUA (a component unit) recognizes the cost as it is incurred. Premiums paid by retirees for the primary government and for the FPUA total approximately \$126,000 and \$214,000, respectively.

Section 112.0801, Florida Statutes, as amended by Sections 1 and 2 of Chapter 87-373, Laws of Florida, requires all public employers to allow their retirees to participate in the same health group plan or self-insurance plan offered to their active employees. There are currently 25 City retirees and 41 Utilities Authority retirees participating in the health insurance plan.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits over time.

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

| | <u>City</u> | <u>FPUA</u> |
|--|----------------------------|--------------------------|
| Annual Required Contribution | 155,254 | 72,000 |
| Interest on Net OPEB Obligation | 43,559 | 27,000 |
| Adjustment on Annual Required Distribution | <u>(32,266)</u> | <u>(38,000)</u> |
| | 166,547 | 61,000 |
| Contributions made | (126,322) | (30,000) |
| Interest on Contributions | - | (1,000) |
| Increase in Net OPEB Obligation | <u>40,225</u> | <u>30,000</u> |
| Net OPEB Obligation-beginning of year | <u>967,981</u> | <u>681,000</u> |
| Net OPEB Obligation-end of year | \$ <u><u>1,008,206</u></u> | \$ <u><u>711,000</u></u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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

The City's and FPUA's annual OPEB cost, employer contributions toward that cost, percentage of OPEB cost contributed, and the net OPEB obligation for 2016 and two preceding years were as follows:

| | Fiscal Year <u>Ended</u> | Annual OPEB <u>Cost</u> | Employer Contributions Toward <u>OPEB Cost</u> | % of Annual OPEB Cost <u>Contributed</u> | Net OPEB <u>Obligation</u> |
|------|--------------------------------|-------------------------------|---|---|----------------------------------|
| City | 9/30/2014 | 173,991 | 81,285 | 47% | 880,773 |
| | 9/30/2015 | 182,489 | 95,280 | 52% | 967,981 |
| | 9/30/2016 | 166,547 | 126,322 | 76% | 1,008,206 |
| FPUA | 9/30/2014 | 83,000 | 25,000 | 30.1% | 622,000 |
| | 9/30/2015 | 84,000 | 25,000 | 29.8% | 681,000 |
| | 9/30/2016 | 61,000 | 30,000 | 49.2% | 711,000 |

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

Funding Policy

As of September 30, 2016, the most recent actuarial valuation date, the plans were unfunded. The unfunded actuarial accrued liability was \$2,127,710 and \$609,000 for the City and FPUA respectively.

The covered payroll for active employees covered by the plan was \$16,219,908 and \$15,032,000 for the City and FPUA. The ratio of the UAAL to covered payroll was 13% for the City and 4.1% for the FPUA. As of September 30, 2016, the plan remains unfunded.

Actuarial Methods and Assumption

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

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

In the September 30, 2016 actuarial valuation, the Individual Entry Age Normal Actuarial Cost Method was used. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The entry age method then provides a systematic funding for the anticipated payments. The yearly Annual Required Contribution(ARC) is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. The Amortization method is Level Percent Open with a 30 year Amortization period.

The actuarial assumptions include a 8.0% to 4.0% salary increase assumption, with an annual healthcare cost trend rate initially at 9%, reduced annually to a 4.0% rate after ten years. The assumed rate of investment return is 4.0% per year with 4.0% of this amount attributed to inflation, compounded annually, net of expenses and assumes no real rate of return. The growth rate for amortizing the Unfunded Actuarial Accrued Liabilities was also assumed to be 4.0%.

NOTE P - CONTRACT COMMITMENTS

FPUA, the “Authority” (a component unit)

FMPA All-requirements Power Supply Project

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

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

FMPA St. Lucie Project

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

NOTE P - CONTRACT COMMITMENTS(CONTINUED)

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

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

Purchases under these contracts are accounted for as operating expenses by the Authority. Total cost included in operating expenses for the year ended September 30, 2016 is \$8,020,000. The Authority is committed under the agreements to payments totaling \$7,925,000 for the year ending September 30, 2016.

Florida Gas Transmission

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

On July 3, 2012, the Authority acquired additional firm capacity from the City of Sunrise, Florida in order to meet the needs of new industrial customers. This agreement will remain in effect until July 2, 2017 or until cancelled by the Authority. In fiscal 2016, additional firm capacity was made available from FGT and the Authority exercised rights to obtain this capacity. An additional 96,800 MMBtu of capacity was obtained. With the additional capacity, the amount of Sunrise capacity was reduced by 45,300 MMBtu via a revised interlocal agreement with the City of Sunrise. In fiscal 2017, FPUA will be entitled to firm capacity of 566,412 MMBtu, and will commit to purchase 150,000 MMBtu of natural gas at a cost of \$528,000. The amounts purchased under these contracts for fiscal 2015 and fiscal 2016 were \$1,862,000 and 1,506,000, respectively.

FMPA Treasure Coast Energy Center

The Authority has entered into an agreement with FMPA to manage and operate their newly developed facility located in St. Lucie County near Fort Pierce. The Treasure Coast Energy Center (TCEC) is a natural gas fueled power generation site. The initial terms of this agreement(s) commenced on July 24, 2007 and expired on September 30, 2011, after which the agreement becomes a one-year evergreen protecting both parties from a long term commitment. The agreement has been extended for the year ended September 30, 2016.

The Authority has been engaged to manage, operate, and maintain the TCEC. TCEC employees are on the payroll of the Authority and all costs associated with them are reimbursed bi-weekly by FMPA. TCEC employee costs and revenue for Fiscal 2016 totaled \$1,699,000.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE Q - CONTINGENT LIABILITIES

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

NOTE R - LEASES

Operating Leases:

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

| | | |
|------------|----|----------------|
| 2017 | \$ | 32,302 |
| 2018 | | 32,302 |
| 2019 | | 32,302 |
| 2020 | | 32,302 |
| 2021 | | 32,302 |
| Thereafter | | 516,832 |
| | \$ | <u>809,822</u> |

Rent expense for the above referenced lease was \$32,302 for the year ended September 30, 2016.

Capital Leases:

FPUA(component unit) entered into a five-year capital lease on January 4, 2013 for equipment capitalized at \$142,000. The interest/maintenance costs for 2016 were \$12,000. The Future minimum lease payments for this capital lease are as follows:

| | <u>Amount</u> |
|------|------------------|
| 2017 | 38,000 |
| 2018 | 11,000 |
| | <u>\$ 49,000</u> |

NOTE S - OPERATING LESSOR

On August 18, 1998, the City, as lessor, entered into an agreement with the Tiki Bar and Restaurant of Fort Pierce, Inc. (the “tenant”), the lessee, to rent the restaurant facility located at the City’s public marina and docking facility. The lease calls for an initial term of fifteen years commencing September 1, 1998 to and including August 31, 2013. The tenant shall have the option to renew this lease for an additional five-year term. Rent is payable monthly on the last day of each month. Currently the lease terms call for rent payments equal to a certain percentage of the tenant’s gross revenues. Until the tenant’s calendar year-to-date revenues exceed \$1,000,000, rent is equal to 10% of the tenant’s gross revenues. For the remainder of the calendar year, rent is equal to 4% of the tenant’s gross revenues. The City collected \$204,777 from the tenant for the year ended September 30, 2016. The minimum future rental payments beyond that date cannot be determined.

On December 15, 2005 the City, as a lessor, entered into an agreement with Ianco, LLC (the “tenant”), the lessee, to rent the restaurant facility located on the western side of the City’s public marina and docking facility. The lease calls for an initial term of six months commencing January 1, 2006 to and including June 30, 2006. Both parties are continuing to operate under the terms of this lease as of September 30, 2016, on a month to month basis. Rent is payable monthly within five business days of the closing of any monthly period. Rent is the computed at the greater of 7.25% of all gross revenues or \$6,500 per month. The City collected \$145,069 from the tenant for the year ended September 30, 2016.

NOTE T-FUND BALANCE

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

As of September 30, 2016, the fund balances of the governmental funds are classified as follows:

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

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

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

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

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

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE T-FUND BALANCE (CONTINUED)

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

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

As of September 30, 2016, the fund balances of the governmental funds are:

| | General Fund | Community Redevelopment Agency | Hurricane Housing Recovery Grant Fund | Other Governmental Funds | Totals |
|-----------------------------|---------------------|--------------------------------------|--|--------------------------------|----------------------|
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Inventories | \$ 69,748 | \$ - | \$ - | \$ - | \$ 69,748 |
| Prepaid Items | 246,966 | 13,355 | | 3,218 | 263,539 |
| Restricted for: | | | | | |
| Law Enforcement | - | - | - | 74,313 | 74,313 |
| Debt Service | - | - | - | 796,624 | 796,624 |
| Advances to Other Funds | - | - | - | 2,177,469 | 2,177,469 |
| Grant-CDBG | - | - | - | 811,200 | 811,200 |
| Redevelopment Projects | - | 268,527 | - | - | 268,527 |
| State Housing Initiatives | - | - | - | 258,061 | 258,061 |
| Grant-Administration | - | - | 907,854 | - | 907,854 |
| Impact Fees-Capital Improv. | - | - | - | 871,600 | 871,600 |
| PSFRD-Capital Improv. | - | - | - | 71,768 | 71,768 |
| Park Improvements | - | - | - | 616,175 | 616,175 |
| Special Projects | - | - | - | 566,098 | 566,098 |
| Capital Improvement: | | | | | |
| Heathcote | - | - | - | 2,326,803 | 2,326,803 |
| Committed to: | | | | | |
| Budget Appropriations | 550,000 | - | - | - | 550,000 |
| Assigned to: | | | | | |
| 10% Reserve Policy | 3,582,326 | - | - | - | 3,582,326 |
| Art in Public Places | - | - | - | 184,984 | 184,984 |
| Unassigned: | 403,281 | - | - | - | 403,281 |
| | <u>\$ 4,852,321</u> | <u>\$ 281,882</u> | <u>\$ 907,854</u> | <u>\$ 8,758,313</u> | <u>\$ 14,800,370</u> |

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE U - RESTRICTED ASSETS

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

The restricted assets of the **primary government** as of September 30, 2016 are as follows:

Business-type activities:

| | |
|-----------------------|----------------|
| Cash and investments: | |
| Customer deposits | \$ 174,238 |
| | <u>174,238</u> |

The restricted assets of the **FPUA** (a component unit) as of September 30, 2016, are as follows:

| | |
|--|----------------------|
| Cash and investments: | |
| Principal and interest on debt service | \$ 8,049,007 |
| Capital Improvement charges | 5,212,696 |
| Debt service | 5,746,276 |
| Emergency reserve | 900,000 |
| Renewal and replacement reserve | 500,000 |
| Customer security deposits | 8,024,037 |
| | <u>\$ 28,432,016</u> |

NOTE V – CONDUIT DEBT OBLIGATIONS

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

As of September 30, 2016, there were two series of Capital Improvement Revenue Bonds outstanding. The aggregate principal amount payable for the series issued after October 1, 1996, is \$9,238,021.

NOTE W- EXTRAORDINARY ITEM

FPUA transferred the ownership of the former site of the Henry D. King Power Plant to the Fort Pierce Redevelopment Agency (FPRA) on October 15, 2009. A grant awarded to the FPRA for the cleanup was not sufficient to cover the cost of remediation. The FPRA’s consultant has estimated the cost to completion over the next year to be \$21,000. Voluntary Cleanup Tax Credits have been estimated to cover project costs of \$2,285,000. The amount expected to be paid by FPUA in FY 2017 is \$21,000. When the work on this project concludes, the final cost will be reevaluated as to the actual amounts received through tax credits.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE X- NONEXCHANGE FINANCIAL GUARANTEES

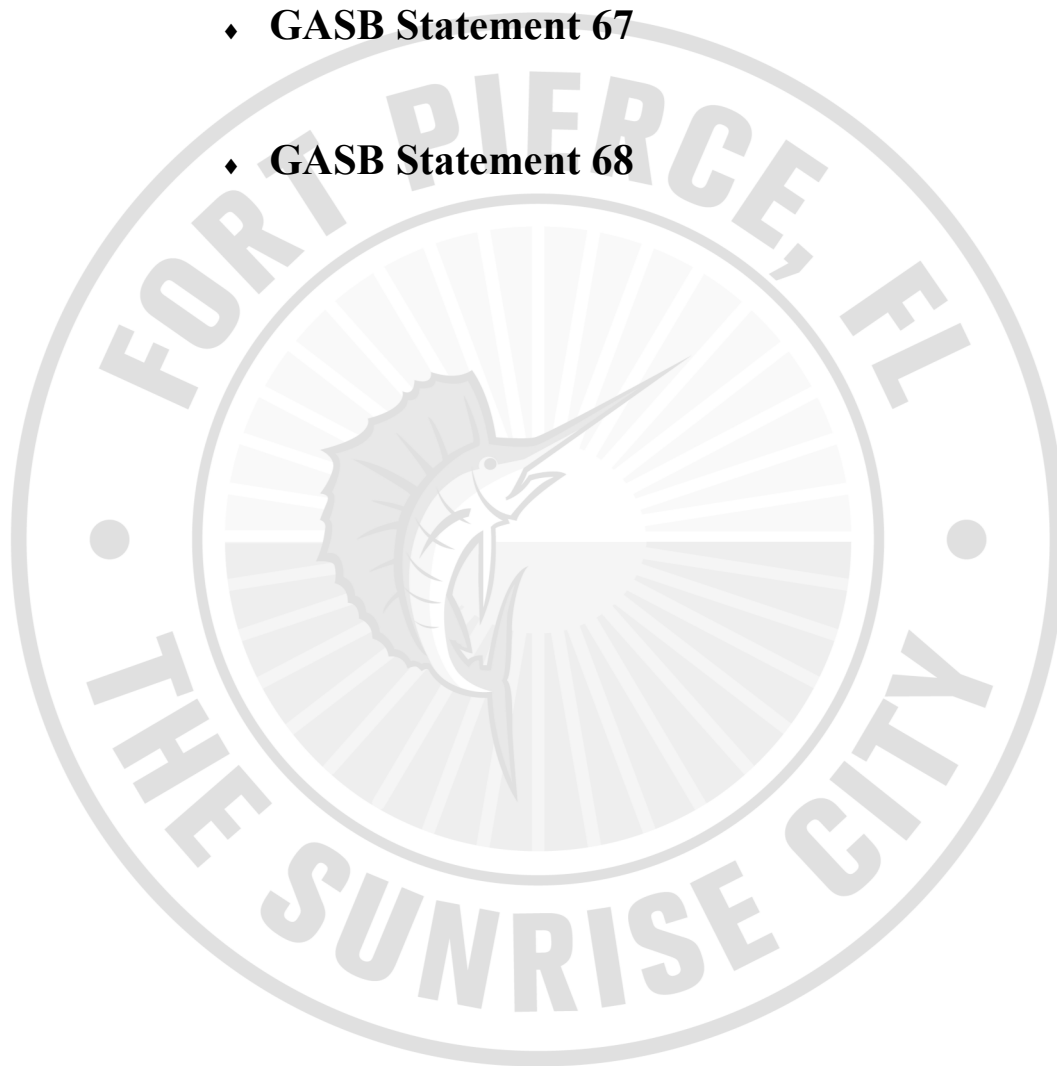
At September 30, 2016 FPUA had irrevocable letters of credit with Harbor Community Bank, which serves as security for loans from the Treasure Coast Regional Planning Council (TCRPC) to the Fort Pierce Redevelopment Agency (FPRA) for cleanup of environmental contamination at the H.D. King Plant site (See Note O). The loans total \$702,000 and will begin to come due on August 20, 2018. No additional loans have been taken as of this report date. The recovery of these funds began in fiscal 2016 from the sale of the Voluntary Cleanup Tax Credits applied for by the FPRA.

NOTE Y- SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to September 30, 2016 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2016. Management has performed their analysis through March 21, 2017, the date the financial statements were available for issuance.

REQUIRED SUPPLEMENTARY INFORMATION

- ◆ **GASB Statement 45**
- ◆ **GASB Statement 67**
- ◆ **GASB Statement 68**



City of Fort Pierce, Florida
GASB STATEMENT 45 REQUIREMENT SUPPLEMENTARY INFORMATION
City of Ft. Pierce Other Post Employment Benefits
September 30, 2016
(Unaudited)

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) -Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b-a)/c) |
|--|--|--|--------------------------------------|----------------------------|-----------------------------|--|
| City of Ft. Pierce | | | | | | |
| 9/30/2008 | - \$ | 3,848,898 \$ | 3,848,898 \$ | 0% | \$ 17,923,099 | 21% |
| 9/30/2009 | - \$ | 3,848,898 \$ | 3,848,898 \$ | 0% | \$ 17,151,291 | 22% |
| 9/30/2010 | - \$ | 2,899,180 \$ | 2,899,180 \$ | 0% | \$ 14,962,156 | 19% |
| 9/30/2011 | - \$ | 2,899,180 \$ | 2,899,180 \$ | 0% | \$ 13,850,285 | 21% |
| 9/30/2012 | - \$ | 1,460,763 \$ | 1,460,763 \$ | 0% | \$ 14,041,070 | 10% |
| 9/30/2013 | - \$ | 1,460,763 \$ | 1,460,763 \$ | 0% | \$ 14,672,918 | 10% |
| 9/30/2014 | - \$ | 1,880,650 \$ | 1,880,650 \$ | 0% | \$ 15,691,500 | 12% |
| 9/30/2015 | - \$ | 1,880,650 \$ | 1,880,650 \$ | 0% | \$ 16,397,618 | 11% |
| 9/30/2016 | - \$ | 2,127,710 \$ | 2,127,710 \$ | 0% | \$ 16,219,908 | 13% |
| FPUA(a discretely presented component unit) | | | | | | |
| 9/30/2008 | - \$ | 2,094,000 \$ | 2,094,000 \$ | 0% | \$ 14,591,000 | 14% |
| 9/30/2009 | - \$ | 2,094,000 \$ | 2,094,000 \$ | 0% | \$ 14,711,000 | 14% |
| 9/30/2010 | - \$ | 2,274,000 \$ | 2,274,000 \$ | 0% | \$ 14,700,000 | 15% |
| 9/30/2011 | - \$ | 2,274,000 \$ | 2,274,000 \$ | 0% | \$ 14,023,000 | 16% |
| 9/30/2012 | - \$ | 709,000 \$ | 709,000 \$ | 0% | \$ 13,637,000 | 5% |
| 9/30/2013 | - \$ | 738,000 \$ | 738,000 \$ | 0% | \$ 13,977,000 | 5% |
| 9/30/2014 | - \$ | 786,000 \$ | 786,000 \$ | 0% | \$ 14,269,000 | 6% |
| 9/30/2015 | - \$ | 786,000 \$ | 786,000 \$ | 0% | \$ 14,430,000 | 5% |
| 9/30/2016 | - \$ | 609,000 \$ | 609,000 \$ | 0% | \$ 15,032,000 | 4% |

City of Fort Pierce, Florida
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
General Employees Retirement and Benefits System
September 30, 2016

| | 2016 | 2015 | 2014 |
|---|-----------------------|-----------------------|-----------------------|
| Total Pension Liability: | | | |
| Service cost | \$ 4,329,645 | \$ 4,044,804 | \$ 4,049,351 |
| Interest | 14,668,388 | 14,241,759 | 13,874,945 |
| Benefit change | - | - | - |
| Difference between actual & expected experience | (620,021) | - | (500,696) |
| Assumption changes | 5,168,979 | - | (335,946) |
| Benefit payments | (13,376,671) | (12,528,070) | (11,877,048) |
| Refunds | - | (287,469) | (307,836) |
| Net Change in Total Pension Liability | 10,170,320 | 5,471,024 | 4,902,770 |
| Total Pension Liability-Beginning | 187,878,375 | 182,407,351 | 177,504,581 |
| Total Pension Liability-Ending (a) | \$ 198,048,695 | \$ 187,878,375 | \$ 182,407,351 |
| Plan Fiduciary Net Position: | | | |
| Contributions-employer | \$ 4,211,311 | \$ 4,093,268 | \$ 4,356,127 |
| Contributions-member | 1,533,510 | 1,473,091 | 1,493,529 |
| Net investment income | 16,472,191 | 2,984,072 | 16,939,786 |
| Benefit payments | (13,376,671) | (12,528,070) | (11,877,048) |
| Refunds | - | (287,469) | (307,836) |
| Administrative expense | (217,891) | (176,341) | (199,552) |
| Other | (50,240) | (44,893) | (47,555) |
| Net Change in Plan Fiduciary Net Position | 8,572,210 | (4,486,342) | 10,357,451 |
| Plan Fiduciary Net Position-Beginning | 174,633,807 | 179,120,149 | 168,762,698 |
| Plan Fiduciary Net Position-Ending (b) | \$ 183,206,017 | \$ 174,633,807 | \$ 179,120,149 |
| Net Pension Liability-Ending (a) - (b) | 14,842,678 | 13,244,568 | 3,287,202 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 92.51% | 92.95% | 98.20% |
| Covered Employee Payroll | 27,295,114 | 26,139,109 | 26,380,878 |
| Net Pension Liability as a Percentage of Covered Employee Payroll | 54.38% | 50.67% | 12.46% |

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

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
 General Employee's Retirement and Benefit System
 September 30, 2016
 (Unaudited)

SCHEDULE OF CONTRIBUTIONS

| Fiscal Year Ending | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|--------------------|-------------------------------------|---------------------|----------------------------------|-----------------|---|
| 9/30/2014 | 4,356,127 | 4,356,127 | - | 26,380,878 | 16.51% |
| 9/30/2015 | 4,093,268 | 4,093,268 | - | 26,139,109 | 15.66% |
| 9/30/2016 | 4,211,311 | 4,211,311 | - | 27,295,114 | 15.43% |

Notes to Schedule of Contributions:

| | |
|-------------------------------|---|
| Valuation date | September 30, 2015 |
| Actuarial cost method | Individual Entry Age Normal |
| Amortization method | Level Percent of Payroll, closed |
| Remaining amortization period | 1-30 years as of September 30, 2014 |
| Asset valuation method | 4-year smoothed market |
| Wage Inflation | 4.5% |
| Salary increases | General & Utilities Authority; 4.5% to 8.7%, including inflation Police; 4.5% to 8.5% |
| Investment rate of return | 8.00% |
| Long-term municipal bond rate | 3% |
| Retirement Age | Age and service-based tables that are specific to the type of eligibility |
| Mortality | RP-2000 Combined Mortality Table for males and females. No margin for future mortality improvement are included in these tables. |
| Cost-of-living Adjustment | COLA's are granted if the investment return exceeds the investment return assumption and the cumulative actuarial gains and losses since 1995 are positive. Because the cumulative gains and losses are (32) million, the COLA provision is assumed to not operate for the indefinite future. |

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

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
General Employee's Retirement and Benefit System
September 30, 2016
(Unaudited)

SCHEDULE OF INVESTMENT RETURNS MULTIYEAR*

| | <u>Annual Return</u> |
|--|--------------------------|
| Annual money-weighted rate of return, net of investment expense: | |
| Fiscal year ending September 30, 2014 | 10.48% |
| Fiscal year ending September 30, 2015 | 1.75% |
| Fiscal year ending September 30, 2016 | 9.86% |

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

City of Fort Pierce, Florida
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Municipal Police Officers' Retirement Trust Fund
September 30, 2016

| | 2016 | 2015 | 2014 |
|---|---------------|---------------|---------------|
| Total Pension Liability: | | | |
| Service cost | \$ 498,450 | \$ 498,038 | \$ 592,432 |
| Interest | 952,685 | 916,626 | 861,104 |
| Benefit change | - | - | - |
| Difference between actual & expected experience | (66,499) | (158,912) | (9,847) |
| Assumption changes | - | - | 305,956 |
| Benefit payments | (540,270) | (561,863) | (729,776) |
| Refunds | (293,992) | (121,468) | (132,922) |
| | 550,374 | 572,421 | 886,947 |
| Net Change in Total Pension Liability | | | |
| | 550,374 | 572,421 | 886,947 |
| Total Pension Liability-Beginning | 13,059,163 | 12,486,742 | 11,599,795 |
| Total Pension Liability-Ending (a) | \$ 13,609,537 | \$ 13,059,163 | \$ 12,486,742 |
| | | | |
| Plan Fiduciary Net Position: | | | |
| Contributions-employer | \$ - | \$ - | \$ - |
| Contributions-Employer(State) | 302,837 | 265,449 | 248,113 |
| Contributions-member | 471,774 | 452,740 | 449,881 |
| Net investment income | 1,000,576 | (232,886) | 896,529 |
| Benefit payments | (540,270) | (561,863) | (729,776) |
| Refunds | (293,992) | (121,468) | (132,922) |
| Administrative expense | (36,110) | (30,114) | (65,371) |
| Other | - | - | - |
| | 904,815 | (228,142) | 666,454 |
| Net Change in Plan Fiduciary Net Position | | | |
| | 904,815 | (228,142) | 666,454 |
| Plan Fiduciary Net Position-Beginning | 11,763,204 | 11,991,346 | 11,324,892 |
| Plan Fiduciary Net Position-Ending (b) | \$ 12,668,019 | \$ 11,763,204 | \$ 11,991,346 |
| | | | |
| Net Pension Liability-Ending (a) - (b) | 941,518 | 1,295,959 | 495,396 |
| | | | |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 93.08% | 90.08% | 96.03% |
| Covered Employee Payroll | 6,739,629 | 7,078,113 | 6,847,759 |
| | | | |
| Net Pension Liability as a Percentage of Covered Employee Payroll | 13.97% | 18.31% | 7.23% |

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

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
Municipal Police Officers' Retirement Trust Fund
September 30, 2016
(Unaudited)

SCHEDULE OF CONTRIBUTIONS

| Fiscal Year Ending | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|--------------------------|---|------------------------|--|--------------------|--|
| 9/30/2014 | 285,353 | 248,113 | 37,240 * | 6,426,871 | 3.86% |
| 9/30/2015 | 198,688 | 265,449 | (66,761) | 6,450,909 | 4.11% |
| 9/30/2016 | 173,208 | 302,837 | (129,629) | 6,739,629 | 4.49% |

* This deficiency is satisfied through the use of an excess contribution reserve, which was built up by contributions in excess of the Actuarially Determined Contribution in previous years.

Notes to Schedule of Contributions

| | |
|-------------------------------|---|
| Valuation date | September 30, 2015 |
| Measurement date | September 30, 2016 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percent of Payroll, closed |
| Remaining amortization period | 17 years |
| Asset valuation method | 4-year smoothed market |
| Inflation rate | 2.5% |
| Salary increases | 3.5% to 6.5% |
| Investment rate of return | 7.25% |
| Retirement Age | Experienced-based table of rates that are specific to the type of eligibility condition |
| Mortality | RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA |

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

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
Municipal Police Officers' Retirement Trust Fund
September 30, 2016
(Unaudited)

SCHEDULE OF INVESTMENT RETURNS MULTIYEAR*

| | <u>Annual Return</u> |
|--|--------------------------|
| Annual money-weighted rate of return, net of investment expense: | |
| Fiscal year ending September 30, 2014 | 9.3% |
| Fiscal year ending September 30, 2015 | -3.5% |
| Fiscal year ending September 30, 2016 | 9.57% |

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

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COMBINING AND INDIVIDUAL FUND STATEMENTS



GENERAL FUND

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



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

Year ended September 30, 2016

| | Budgeted Amounts | | Actual |
|--|----------------------|----------------------|----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Ad valorem | \$ 13,093,496 | \$ 13,171,397 | \$ 13,171,397 |
| General sales and use | 1,925,000 | 2,082,894 | 2,082,894 |
| Franchise | 3,925,000 | 4,261,492 | 4,261,492 |
| | <u>18,943,496</u> | <u>19,515,783</u> | <u>19,515,783</u> |
| Licenses and permits | | | |
| Occupational licenses | 270,000 | 263,811 | 263,811 |
| Other | 78,000 | 110,584 | 110,584 |
| | <u>348,000</u> | <u>374,395</u> | <u>374,395</u> |
| Intergovernmental revenue | | | |
| State grants | - | 12,739 | 12,739 |
| Federal grants | - | - | - |
| State shared revenue | 2,699,000 | 3,118,008 | 3,118,008 |
| State retirement contribution | 240,000 | 302,837 | 302,837 |
| County shared revenue | 55,000 | 50,202 | 50,202 |
| | <u>2,994,000</u> | <u>3,483,786</u> | <u>3,483,786</u> |
| Charges for services | | | |
| General government | 169,600 | 251,791 | 251,791 |
| Physical environment | 32,000 | 37,120 | 37,120 |
| | <u>201,600</u> | <u>288,911</u> | <u>288,911</u> |
| Fines and forfeitures | | | |
| Court cases | 76,500 | 79,701 | 79,701 |
| Code violation | 91,000 | 222,064 | 222,064 |
| | <u>167,500</u> | <u>301,765</u> | <u>301,765</u> |
| Other | | | |
| Contributions from component unit | 7,170,772 | 5,809,302 | 5,809,302 |
| Investment income | 55,000 | 124,661 | 124,661 |
| Rents | 52,852 | 57,957 | 57,957 |
| Administrative and contractual services | 509,000 | 514,521 | 514,521 |
| Reimbursements by other funds | 1,115,500 | 1,011,456 | 1,011,456 |
| Special assessments | 10,000 | 7,630 | 7,630 |
| Impact fees | - | 28,221 | 28,221 |
| Miscellaneous | 79,600 | 296,645 | 296,645 |
| | <u>8,992,724</u> | <u>7,850,393</u> | <u>7,850,393</u> |
| Total revenues | 31,647,320 | 31,815,033 | 31,815,033 |
| Other financing sources | | | |
| Transfers in | 4,282,437 | 3,167,667 | 3,167,667 |
| Total other financing sources | <u>4,282,437</u> | <u>3,167,667</u> | <u>3,167,667</u> |
| Total revenues, other financing sources, | <u>\$ 35,929,757</u> | <u>\$ 34,982,700</u> | <u>\$ 34,982,700</u> |

City of Fort Pierce, Florida
**SCHEDULE OF GENERAL FUND EXPENDITURES
AND OTHER FINANCING USES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**
Year ended September 30, 2016

| | Budgeted Amounts | | Actual |
|---|----------------------|----------------------|----------------------|
| | Original | Final | |
| Expenditures | | | |
| General Government | | | |
| Legislative | | | |
| City Commission | \$ 208,361 | \$ 204,925 | \$ 204,925 |
| Executive | | | |
| City Manager | 606,019 | 545,937 | 545,937 |
| City Clerk | 284,796 | 291,396 | 291,396 |
| Financial and administrative | | | |
| General administration | 5,740,674 | 5,294,026 | 5,294,026 |
| Finance | 736,272 | 722,427 | 722,427 |
| MIS | 994,642 | 830,582 | 830,582 |
| Administrative services | 590,176 | 719,788 | 719,788 |
| Legal counsel | | | |
| City Attorney | 605,108 | 874,055 | 874,055 |
| Comprehensive planning | | | |
| Planning | 451,837 | 447,483 | 447,483 |
| Public works | | | |
| Director | 93,729 | 79,403 | 79,403 |
| Garage | 492,552 | 480,721 | 480,721 |
| Building maintenance | 879,181 | 960,198 | 960,198 |
| | <u>11,683,347</u> | <u>11,450,941</u> | <u>11,450,941</u> |
| Public safety | | | |
| Law enforcement | | | |
| Police | 4,940,912 | 4,395,037 | 4,395,037 |
| Police- Operations | 6,862,734 | 6,770,725 | 6,770,725 |
| Police- Support Operations | 1,061,077 | 1,132,373 | 1,132,373 |
| Code Enforcement | 880,723 | 910,373 | 910,373 |
| | <u>13,745,446</u> | <u>13,208,508</u> | <u>13,208,508</u> |
| Transportation | | | |
| Road and street facilities | | | |
| Engineering | 1,099,251 | 1,021,018 | 1,021,018 |
| Street maintenance | 1,704,576 | 1,726,782 | 1,726,782 |
| | <u>2,803,827</u> | <u>2,747,800</u> | <u>2,747,800</u> |
| Culture and recreation | | | |
| Parks and recreation | 1,908,734 | 1,767,661 | 1,767,661 |
| Riverwalk Center | 150,397 | 174,953 | 174,953 |
| | <u>2,059,131</u> | <u>1,942,614</u> | <u>1,942,614</u> |
| Total expenditures | 30,291,751 | 29,349,863 | 29,349,863 |
| Other financing uses | | | |
| Transfers out | 5,561,512 | 5,242,151 | 5,242,151 |
| Total expenditures and other financing uses | <u>\$ 35,853,263</u> | <u>\$ 34,592,014</u> | <u>\$ 34,592,014</u> |

NONMAJOR GOVERNMENTAL FUNDS



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

◆ **The Law Enforcement Trust Fund**

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

◆ **Police Grant Fund**

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

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

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

◆ **Federal Major Grant Program**

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

◆ **Restricted Revenue Fund**

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

◆ **Disaster Relief Fund**

This fund is used to account for all revenue that is restricted as to use in disaster relief efforts.

NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

DEBT SERVICE FUNDS

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

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

A&B

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

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

A&B

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

- ◆ **Section 108 Note Payable**

This fund is used to account for the accumulation of monies to pay \$3,395,000 Section 108 Loan. Proceeds of a note payable from a shopping center with a pledge from the Community Development Block is used for the payment of principal and interest due from 2012-2024.

NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

DEBT SERVICE FUNDS (CONT'D.)

- ◆ **Capital Improvement Revenue Refunding Bond Fund, Series 2014**
This fund is used to account for the accumulation of monies to pay \$6,079,229 of financing used for the purchase of capital energy conservation equipment. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2014-2028.
- ◆ **Fort Pierce Redevelopment Revenue Refunding Note Fund, Series 2015 AB**
This fund is used to account for the accumulation of monies to pay \$20,000,000 Series 2006 and \$20,200,000 Series 2005 of the Redevelopment Bonds. FPRA TIF funds are pledged for the payments of principal and interest due from 2016-2031.
- ◆ **Capital Improvement Revenue Refunding Note Fund, Series 2015**
This fund is used to account for the accumulation of monies to pay \$3,170,000 Series 2004 and \$1,909,000 Series 2008A of the Capital Improvement Revenue Refunding Bonds. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2017-2032.

CAPITAL PROJECT FUNDS

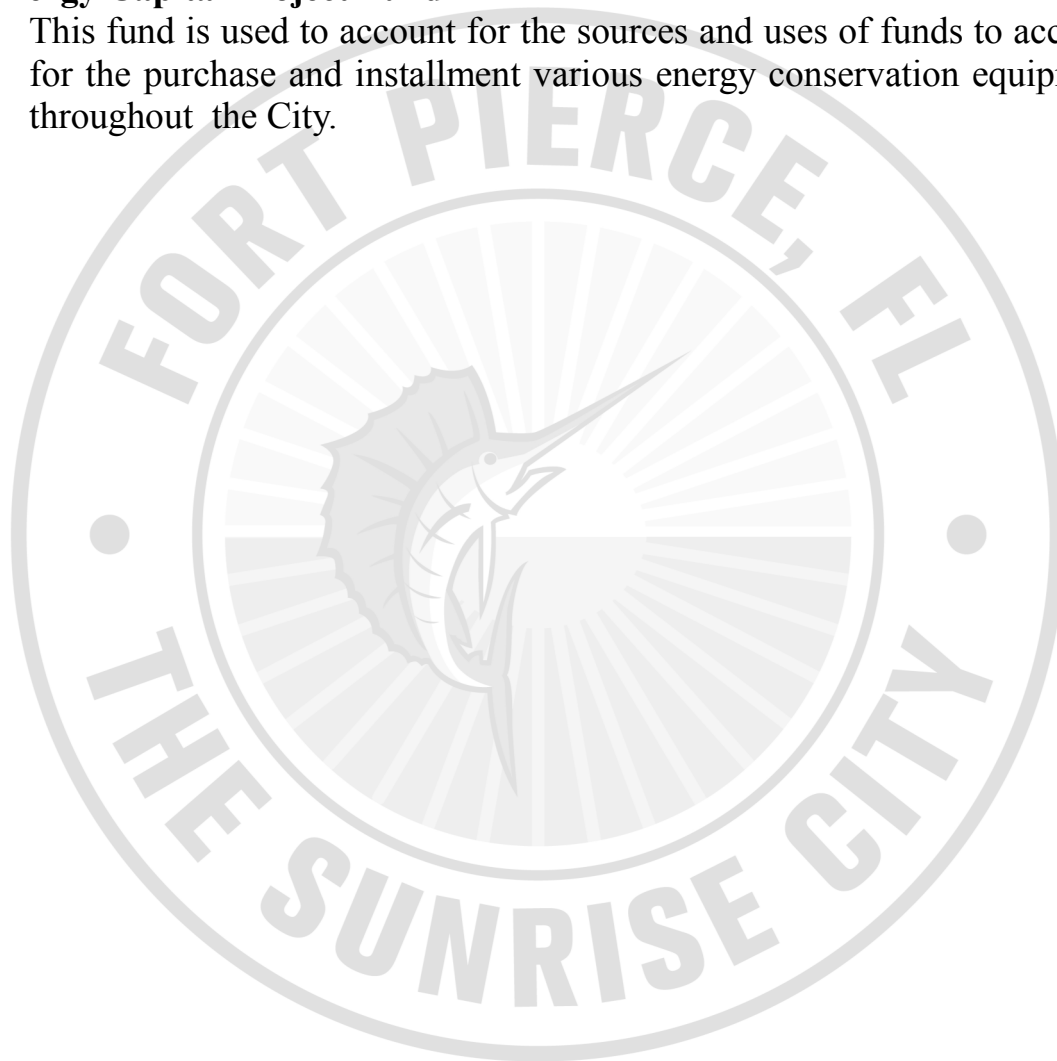
- ◆ **Capital Improvement Fund, Redevelopment**
This fund is used to account for the sources and uses of TIF funds to construct various capital improvements within the City including improvements to roads and buildings, and construction of infrastructure, land and other improvements.
- ◆ **Special Capital Projects Fund**
This fund is used to account for the sources and uses of funds to account for the construction of various capital improvement of the City.

NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

CAPITAL PROJECT FUNDS (CONT'D.)

- ◆ **Energy Capital Project Fund**

This fund is used to account for the sources and uses of funds to account for the purchase and installment various energy conservation equipment throughout the City.



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City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2016

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------|--------------------------|------------------------------|--|
| ASSETS | | | | |
| Cash and investments | \$ 3,443,408 | \$ 796,624 | \$ 2,326,803 | \$ 6,566,835 |
| Accounts Receivable | 27,950 | - | - | 27,950 |
| Advance to other funds | - | 2,177,469 | - | 2,177,469 |
| Due from other governments | 186,936 | - | - | 186,936 |
| Prepays | 3,218 | - | - | 3,218 |
| Notes Receivable | 299,451 | - | - | 299,451 |
| Total assets | <u>\$ 3,960,963</u> | <u>\$ 2,974,093</u> | <u>\$ 2,326,803</u> | <u>\$ 9,261,859</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 41,623 | \$ - | \$ - | \$ 41,623 |
| Due to other funds | 162,472 | - | - | 162,472 |
| Total liabilities | <u>204,095</u> | <u>-</u> | <u>-</u> | <u>204,095</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | <u>299,451</u> | <u>-</u> | <u>-</u> | <u>299,451</u> |
| FUND BALANCES | | | | |
| Nonspendable | 3,218 | - | - | 3,218 |
| Restricted | 3,269,215 | 2,974,093 | 2,326,803 | 8,570,111 |
| Assigned | 184,984 | - | - | 184,984 |
| Total fund balances | <u>3,457,417</u> | <u>2,974,093</u> | <u>2,326,803</u> | <u>8,758,313</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 3,960,963</u> | <u>\$ 2,974,093</u> | <u>\$ 2,326,803</u> | <u>\$ 9,261,859</u> |

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**
Year ended September 30, 2016

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------|--------------------------|------------------------------|--|
| Revenues | | | | |
| Intergovernmental | \$ 1,357,086 | \$ - | \$ - | \$ 1,357,086 |
| Investment income | 14,209 | 77,719 | 17,420 | 109,348 |
| Miscellaneous | 825,478 | - | - | 825,478 |
| Total revenues | 2,196,773 | 77,719 | 17,420 | 2,291,912 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 21,652 | - | 52 | 21,704 |
| Public safety | 716,699 | - | - | 716,699 |
| Economic environment | 734,206 | - | - | 734,206 |
| Capital Outlay | 191,519 | - | 860,529 | 1,052,048 |
| Debt service | | | | |
| Principal | - | 3,788,108 | - | 3,788,108 |
| Interest and fees | - | 2,890,588 | - | 2,890,588 |
| Other | - | 552,254 | - | 552,254 |
| Total expenditures | 1,664,076 | 7,230,950 | 860,581 | 9,755,607 |
| Excess of revenues over (under) expenditures | 532,697 | (7,153,231) | (843,161) | (7,463,695) |
| Other financing sources (uses) | | | | |
| Transfers in | 246,295 | 5,932,646 | 22,052 | 6,200,993 |
| Proceeds of Refunding Notes | - | 59,370,000 | - | 59,370,000 |
| Payment on Current Refunding | - | (17,400,000) | - | (17,400,000) |
| Payment on Advance Refunding | - | (41,299,060) | - | (41,299,060) |
| Transfers out | - | (226,675) | (13,501) | (240,176) |
| Total other financing sources (uses) | 246,295 | 6,376,911 | 8,551 | 6,631,757 |
| Net change in fund balances | 778,992 | (776,320) | (834,610) | (831,938) |
| Fund balance - beginning of year | 2,678,425 | 3,750,413 | 3,161,413 | 9,590,251 |
| Fund balance - end of year | \$ 3,457,417 | \$ 2,974,093 | \$ 2,326,803 | \$ 8,758,313 |

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2016

| | Police Grants Fund | Law Enforcement Trust Fund | State Housing Initatives Program (S.H.I.P.) |
|--|--------------------------|----------------------------------|---|
| ASSETS | | | |
| Cash and investments | \$ - | \$ 83,661 | \$ 258,213 |
| Accounts Receivable | 20,000 | - | - |
| Due from other governments | 142,151 | - | - |
| Prepaid Expenses | 3,119 | - | - |
| Notes receivable | - | - | 27,832 |
| | <u>-</u> | <u>-</u> | <u>27,832</u> |
| Total assets | <u>\$ 165,270</u> | <u>\$ 83,661</u> | <u>\$ 286,045</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 9,253 | \$ - | \$ 109 |
| Due to other funds | 162,245 | - | 43 |
| | <u>171,498</u> | <u>-</u> | <u>152</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable Revenue | - | - | 27,832 |
| | <u>-</u> | <u>-</u> | <u>27,832</u> |
| FUND BALANCES | | | |
| Nonspendable | 3,119 | - | - |
| Restricted | (9,347) | 83,661 | 258,061 |
| Assigned | - | - | - |
| Total fund balances | <u>(6,228)</u> | <u>83,661</u> | <u>258,061</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 165,270</u> | <u>\$ 83,661</u> | <u>\$ 286,045</u> |

| Community Development Block Grant | Restricted Revenue Fund | Disaster Relief | Total Nonmajor Special Revenue Funds |
|---|-------------------------------|--------------------|--|
| \$ 780,163 | \$ 2,309,332 | \$ 12,039 | \$ 3,443,408 |
| - | 7,950 | - | 27,950 |
| 44,785 | - | - | 186,936 |
| 99 | - | - | 3,218 |
| 271,619 | - | - | 299,451 |
| <u>\$ 1,096,666</u> | <u>\$ 2,317,282</u> | <u>\$ 12,039</u> | <u>\$ 3,960,963</u> |
| | | | |
| \$ 13,564 | \$ 18,697 | \$ - | \$ 41,623 |
| 184 | - | - | 162,472 |
| 13,748 | 18,697 | - | 204,095 |
| 271,619 | - | - | 299,451 |
| 99 | - | - | 3,218 |
| 811,200 | 2,113,601 | 12,039 | 3,269,215 |
| - | 184,984 | - | 184,984 |
| 811,299 | 2,298,585 | 12,039 | 3,457,417 |
| <u>\$ 1,096,666</u> | <u>\$ 2,317,282</u> | <u>\$ 12,039</u> | <u>\$ 3,960,963</u> |

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**
Year ended September 30, 2016

| | Police Grants Fund | Law Enforcement Trust Fund | State Housing Initiatives Program (S.H.I.P.) |
|--|--------------------------|----------------------------------|--|
| Revenues | | | |
| Intergovernmental | \$ 383,972 | \$ 67,000 | \$ 210,483 |
| Investment income | 183 | 190 | 3,700 |
| Miscellaneous | 80,000 | - | 12,000 |
| Total revenues | 464,155 | 67,190 | 226,183 |
| Expenditures | | | |
| Current | | | |
| General Government | - | - | - |
| Public safety | 716,678 | 21 | - |
| Economic environment | - | - | 56,916 |
| Capital outlay | - | - | - |
| Total expenditures | 716,678 | 21 | 56,916 |
| Excess of revenues over (under) expenditures | (252,523) | 67,169 | 169,267 |
| Other financing sources (uses) | | | |
| Transfers in | 246,295 | - | - |
| Total other financing sources (uses) | 246,295 | - | - |
| Net change in fund balances | (6,228) | 67,169 | 169,267 |
| Fund balance - beginning of year | - | 16,492 | 88,794 |
| Fund balance - end of year | \$ (6,228) | \$ 83,661 | \$ 258,061 |

| Community Development Block Grant | Restricted Fund | Disaster Relief | Total Non-Major Special Revenue Funds |
|---|--------------------|--------------------|---|
| \$ 572,673 | \$ 122,958 | \$ - | \$ 1,357,086 |
| 2,734 | 7,402 | - | 14,209 |
| 54,761 | 678,717 | - | 825,478 |
| 630,168 | 809,077 | - | 2,196,773 |
| - | 21,652 | - | 21,652 |
| - | - | - | 716,699 |
| 677,290 | - | - | 734,206 |
| - | 191,519 | - | 191,519 |
| 677,290 | 213,171 | - | 1,664,076 |
| (47,122) | 595,906 | - | 532,697 |
| - | - | - | 246,295 |
| - | - | - | 246,295 |
| (47,122) | 595,906 | - | 778,992 |
| 858,421 | 1,702,679 | 12,039 | 2,678,425 |
| \$ 811,299 | \$ 2,298,585 | \$ 12,039 | \$ 3,457,417 |

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2016

| | Fort Pierce Redevelopment Bonds | Golf Course Improvement Bonds | Capital Improvement Revenue 2008 | Capital Improvement Refunding 2010 |
|--|---------------------------------------|-------------------------------------|---|---|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ 19,860 |
| Advance to other funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 19,860</u></u> |
| LIABILITIES AND FUND BALANCES | | | | |
| FUND BALANCES | | | | |
| Restricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,860</u> |
| Total fund balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,860</u> |
| Total liabilities and fund balance | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 19,860</u></u> |

| Capital Improvement Revenue 2014 | Section 108 Loan | Fort Pierce Redevelopment Refunding 2015 | Capital Improvement Refunding 2015 | Total Nonmajor Debt Service Funds |
|---|---------------------|---|---|---|
| \$ 236,159 | \$ 61,909 | \$ 478,696 | \$ - | \$ 796,624 |
| - | 2,177,469 | - | - | 2,177,469 |
| <u>\$ 236,159</u> | <u>\$ 2,239,378</u> | <u>\$ 478,696</u> | <u>\$ -</u> | <u>\$ 2,974,093</u> |
| 236,159 | 2,239,378 | 478,696 | - | 2,974,093 |
| <u>236,159</u> | <u>2,239,378</u> | <u>478,696</u> | <u>-</u> | <u>2,974,093</u> |
| <u>\$ 236,159</u> | <u>\$ 2,239,378</u> | <u>\$ 478,696</u> | <u>\$ -</u> | <u>\$ 2,974,093</u> |

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE**
NONMAJOR DEBT SERVICE FUNDS
 Year Ended September 30, 2016

| | Fort Pierce Redevelopment Bonds | Golf Course Improvement Bonds | Capital Improvement Revenue 2008 | Capital Improvement Refunding 2010 |
|--|---------------------------------------|-------------------------------------|---|---|
| Revenues | | | | |
| Investment income | \$ 703 | \$ - | \$ 1,875 | \$ 1,682 |
| Expenditures | | | | |
| Debt service | | | | |
| Principal | - | - | 950,000 | 290,000 |
| Interest and fees | 685,766 | - | 180,138 | 377,163 |
| Other | 1,107 | - | 1,728 | 1,439 |
| Total expenditures | 686,873 | - | 1,131,866 | 668,602 |
| Excess of revenues over (under) expenditures | (686,170) | - | (1,129,991) | (666,920) |
| Other financing sources (uses) | | | | |
| Transfers in | - | 109,348 | 990,661 | 667,163 |
| Proceeds of Refunding Bonds | - | - | - | - |
| Payment on Current Refunding | - | - | - | - |
| Payment on Advance Refunding | - | - | - | - |
| Transfers out | (4,906) | (221,769) | - | - |
| Total other financing sources (uses) | (4,906) | (112,421) | 990,661 | 667,163 |
| Net change in fund balances | (691,076) | (112,421) | (139,330) | 243 |
| Fund balances - beginning of year | 691,076 | 112,421 | 139,330 | 19,617 |
| Fund balances - end of year | \$ - | \$ - | \$ - | \$ 19,860 |

| Capital Improvement Revenue 2014 | Section 108 Loan | Fort Pierce Redevelopment Refunding 2015 | Capital Improvement Refunding 2015 | Total Nonmajor Debt Service Funds |
|---|---------------------|---|---|---|
| \$ 1,806 | \$ 70,371 | \$ 1,282 | \$ - | \$ 77,719 |
| 290,108 | 283,000 | 1,445,000 | 530,000 | 3,788,108 |
| 171,547 | 57,023 | 548,663 | 870,288 | 2,890,588 |
| 10 | 4 | 314,418 | 233,548 | 552,254 |
| 461,665 | 340,027 | 2,308,081 | 1,633,836 | 7,230,950 |
| (459,859) | (269,656) | (2,306,799) | (1,633,836) | (7,153,231) |
| 417,083 | - | 2,417,786 | 1,330,605 | 5,932,646 |
| - | - | 31,055,000 | 28,315,000 | 59,370,000 |
| - | - | (14,785,000) | (2,615,000) | (17,400,000) |
| - | - | (15,902,291) | (25,396,769) | (41,299,060) |
| - | - | - | - | (226,675) |
| 417,083 | - | 2,785,495 | 1,633,836 | 6,376,911 |
| (42,776) | (269,656) | 478,696 | - | (776,320) |
| 278,935 | 2,509,034 | - | - | 3,750,413 |
| \$ 236,159 | \$ 2,239,378 | \$ 478,696 | \$ - | \$ 2,974,093 |

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2016

| | <u>Capital Project Fund Redevelopment</u> | <u>Capital Project Fund Special Capital Projects Fund</u> | <u>Capital Project Fund Energy Capital Projects Fund</u> | <u>Total Nonmajor Capital Project Funds</u> |
|---------------------------------------|---|---|--|---|
| ASSETS | | | | |
| Cash and investments | \$ - | \$ 2,326,803 | \$ - | \$ 2,326,803 |
| Total assets | <u>\$ -</u> | <u>\$ 2,326,803</u> | <u>\$ -</u> | <u>\$ 2,326,803</u> |
| LIABILITIES, AND FUND BALANCES | | | | |
| FUND BALANCES | | | | |
| Restricted | - | 2,326,803 | - | 2,326,803 |
| Total liabilities and fund balance | <u>\$ -</u> | <u>\$ 2,326,803</u> | <u>\$ -</u> | <u>\$ 2,326,803</u> |

City of Fort Pierce, Florida

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

Year ended September 30, 2016

| | Capital Project Fund Redevelopment | Capital Project Fund Special Capital Projects Fund | Capital Project Fund Energy Capital Projects Fund | Total Nonmajor Capital Project Funds |
|---|--|--|---|---|
| Revenues | | | | |
| Investment income | \$ - | \$ 14,404 | \$ 3,016 | \$ 17,420 |
| Total revenues | - | 14,404 | 3,016 | 17,420 |
| Expenditures | | | | |
| Operating Expenses | - | - | 52 | 52 |
| Capital outlay | - | - | 860,529 | 860,529 |
| Total expenditures | - | - | 860,581 | 860,581 |
| Excess of revenues over (under) expenditures | - | 14,404 | (857,565) | (843,161) |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | 22,052 | 22,052 |
| Transfers out | (5,929) | - | (7,572) | (13,501) |
| Total other financing sources (uses) | (5,929) | - | 14,480 | 8,551 |
| Net change in fund balances | (5,929) | 14,404 | (843,085) | (834,610) |
| Fund balance - beginning of year | 5,929 | 2,312,399 | 843,085 | 3,161,413 |
| Fund balance - end of year | \$ - | \$ 2,326,803 | \$ - | \$ 2,326,803 |

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STATISTICAL SECTION



A-1 STATISTICAL TABLES

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

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

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

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

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

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

MISCELLANEOUS STATISTICS

September 30, 2016

| | | | |
|---|--|--|--------|
| Date of Incorporation: | February 2, 1901 | City of Fort Pierce Population: | |
| Adoption of City Charter: | 1957 | 1940 | 8,040 |
| Form of Govt: | Commission/City Manager | 1950 | 13,502 |
| Fiscal Year: | October 1, 2015 through September 30, 2016 | 1960 | 25,113 |
| Area: | 34.8 square miles as of 9/30/2016 | 1970 | 29,721 |
| | | 1980 | 33,802 |
| Number of Employees: | 623.5 | 1990 | 36,830 |
| City | 353.5 | 2000 | 38,401 |
| Utilities Authority | 270.0 | 2010 | 41,590 |
| | | | |
| Police Protection: | | Recreation: | |
| Number of Stations | 2 | Acres of Public Parks | 294.3 |
| Number of Arresting Personnel | 115 | Miles of Public Beach | 2.3 |
| | | Baseball Practice Fields | 23 |
| Fire Protection: | | Basketball Courts | 11 |
| (County wide) | | Boat Ramps | 10 |
| Number of Stations | 17 | Football Fields | 1 |
| Number of Firemen & Officers | 389 | Playgrounds | 12 |
| | | Municipal Pools | 2 |
| Infrastructure: | | Racquetball/Handball Courts | 2 |
| City Buildings | 23 | Shuffleboard Courts | 1 |
| Cemeteries (not City owned) | 5 | Tennis Courts | 18 |
| City Bridges | 10 | | |
| *Vehicle | 6 | Utilities Customers: | |
| *Pedestrian | 4 | Electric | 28,100 |
| Traffic Lights | 211 | Water | 19,750 |
| *Flashing Lights | 32 | Wastewater | 15,000 |
| *Traffic & Caution Lights | 179 | Natural Gas | 4,225 |
| Street Lights | 5,313 | | |
| Miles of: | | County Schools Enrollment: | |
| *Paved Streets | 139.9 | ESE (all grades) | 5,568 |
| *Unpaved Streets | 1.4 | Elementary | 19,108 |
| Total Streets | 141.3 | Middle | 9,590 |
| Canals | 10.1 | High School | 12,891 |
| Curbs and Gutters | 121.4 | Total Enrollment | 41,589 |
| Seawalls | 1.1 | | |
| Sidewalks | 115.3 | Solid Waste Customers: | |
| Storm Sewers | 73.1 | Commercial | 1,751 |
| | | Residential | 12,173 |
| Building Permits New Construction: | 33 | Public | 30 |
| Construction Valuation | \$ 12,552,195 | | |

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

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

| | Fiscal Year | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2016 | 2015 | 2014 | 2013 |
| Governmental activities | | | | |
| Net invested in capital assets | \$ 39,077,396 | \$ 37,055,350 | \$ 34,114,524 | \$ 32,136,904 |
| Restricted | 5,300,896 | 6,911,826 | 7,644,201 | 3,612,651 |
| Unrestricted | 4,960,007 | 5,825,232 | 9,166,286 | 12,820,034 |
| Total government activities net Position | \$ 49,338,299 | \$ 49,792,408 | \$ 50,925,011 | \$ 48,569,589 |
| Business type activities | | | | |
| Net invested in capital assets | \$ 69,349,261 | \$ 72,258,131 | \$ 66,234,195 | \$ 65,104,588 |
| Restricted | - | - | - | - |
| Unrestricted | 1,271,085 | 4,277,533 | 13,349,535 | 12,551,494 |
| Total business-type activities net Position | \$ 70,620,346 | \$ 76,535,664 | \$ 79,583,730 | \$ 77,656,082 |
| Primary Government | | | | |
| Net invested in capital assets | \$ 108,426,657 | \$ 109,313,481 | \$ 100,348,719 | \$ 97,241,492 |
| Restricted | 5,300,896 | 6,911,826 | 7,644,201 | 3,612,651 |
| Unrestricted | 6,231,092 | 10,102,765 | 22,515,821 | 25,371,528 |
| Total primary government net Position | \$ 119,958,645 | \$ 126,328,072 | \$ 130,508,741 | \$ 126,225,671 |

Source: Statement of Net Position

| Fiscal Year | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| \$ \$ 30,700,782 | \$ \$ 31,066,247 | \$ \$ 28,668,343 | \$ \$ 36,179,711 | \$ \$ 39,596,736 | \$ \$ 34,683,122 |
| 4,469,991 | 7,448,269 | 7,448,269 | 6,262,950 | 8,583,007 | 8,630,792 |
| 14,694,145 | 13,854,615 | 18,329,988 | 13,913,684 | 9,190,260 | 8,813,572 |
| <u>\$ \$ 49,864,918</u> | <u>\$ \$ 52,369,131</u> | <u>\$ \$ 54,446,600</u> | <u>\$ \$ 56,356,345</u> | <u>\$ \$ 57,370,003</u> | <u>\$ \$ 52,127,486</u> |
| | | | | | |
| \$ \$ 53,122,423 | \$ \$ 44,669,243 | \$ \$ 45,408,923 | \$ \$ 40,490,367 | \$ \$ 28,158,381 | \$ \$ 29,329,512 |
| - | - | - | - | - | - |
| 13,672,962 | 13,960,371 | 10,201,851 | 12,419,077 | 18,071,190 | 10,548,133 |
| <u>\$ \$ 66,795,385</u> | <u>\$ \$ 58,629,614</u> | <u>\$ \$ 55,610,774</u> | <u>\$ \$ 52,909,444</u> | <u>\$ \$ 46,229,571</u> | <u>\$ \$ 39,877,645</u> |
| | | | | | |
| \$ \$ 83,823,205 | \$ \$ 75,735,490 | \$ \$ 77,472,266 | \$ \$ 76,670,078 | \$ \$ 67,755,117 | \$ \$ 64,012,634 |
| 4,469,991 | 7,448,269 | 7,448,269 | 6,262,950 | 8,583,007 | 8,630,792 |
| 28,367,107 | 27,814,986 | 25,868,516 | 26,332,761 | 27,261,450 | 19,361,705 |
| <u>\$ \$ 116,660,303</u> | <u>\$ \$ 110,998,745</u> | <u>\$ \$ 110,789,051</u> | <u>\$ \$ 109,265,789</u> | <u>\$ \$ 103,599,574</u> | <u>\$ \$ 92,005,131</u> |

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

| | Fiscal Year | | | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2016 | 2015 | 2014 | 2013 |
| Expenses | | | | |
| Government activities: | | | | |
| General government | \$ 10,188,059 | \$ 9,615,174 | \$ 9,098,006 | \$ 9,073,474 |
| Public Safety | 15,293,734 | 15,130,557 | 14,753,228 | 14,305,679 |
| Transportation | 5,868,560 | 5,729,773 | 6,071,542 | 6,263,011 |
| Economic Environment | 1,262,385 | 1,513,335 | 1,110,448 | 1,774,472 |
| Culture and recreation | 2,153,169 | 2,206,744 | 2,522,271 | 2,231,912 |
| Interest of long-term debt | 4,624,442 | 3,778,626 | 3,754,510 | 3,727,940 |
| Total government activities expenses | <u>\$ 39,390,349</u> | <u>\$ 37,974,209</u> | <u>\$ 37,310,005</u> | <u>\$ 37,376,488</u> |
| Business-type activities | | | | |
| Solid Waste | \$ 5,689,842 | \$ 5,708,431 | \$ 5,264,288 | \$ 4,974,739 |
| Marina | 3,512,275 | 3,344,558 | 2,610,077 | 2,605,281 |
| Storm Water | 7,939,853 | 5,658,447 | 6,130,795 | 3,368,903 |
| Golf Course | 1,510,721 | 1,574,074 | 1,587,070 | 1,658,894 |
| Sunrise Theater | 4,595,335 | 4,440,222 | 4,080,883 | 4,223,143 |
| Building Fund | 1,194,096 | 1,175,458 | 1,014,511 | 1,004,080 |
| Total business-type activities | <u>\$ 24,442,122</u> | <u>\$ 21,901,190</u> | <u>\$ 20,687,624</u> | <u>\$ 17,835,040</u> |
| Total primary government expenses | <u>\$ 63,832,471</u> | <u>\$ 59,875,399</u> | <u>\$ 57,997,629</u> | <u>\$ 55,211,528</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | \$ 1,180,822 | \$ 1,107,288 | \$ 489,335 | \$ 1,578,442 |
| Public Safety | 559,349 | 478,889 | 391,592 | 434,898 |
| Transportation | 246,932 | 116,573 | 87,391 | 28,068 |
| Economic Environment | 7,296,531 | 6,047,847 | 3,904,780 | 4,876,129 |
| Culture and recreation | 166,683 | 177,797 | 200,402 | 126,687 |
| Operating grants and contributions | 385,082 | 1,823,584 | 4,169,400 | 1,013,850 |
| Capital grants and contributions | - | 527,089 | 3,599,755 | 1,635,302 |
| Total governmental activities program revenues | <u>\$ 9,835,399</u> | <u>\$ 10,279,067</u> | <u>\$ 12,842,655</u> | <u>\$ 9,693,376</u> |
| Business-type activities | | | | |
| Charges for services: | | | | |
| Solid Waste | \$ 6,544,120 | \$ 6,376,443 | \$ 6,264,167 | \$ 6,348,420 |
| Marina | 2,856,262 | 2,196,705 | 1,737,088 | 1,800,958 |
| Storm Water | 2,708,419 | 3,259,131 | 2,707,758 | 2,598,840 |
| Golf Course | 1,235,869 | 1,373,744 | 1,417,093 | 1,418,505 |
| Sunrise Theater | 3,342,281 | 3,539,762 | 2,959,181 | 2,887,153 |
| Building Fund | 1,360,416 | 1,231,122 | 1,276,557 | 1,053,183 |
| Operating grants and contributions | - | - | - | - |
| Capital grants and contributions | 407,561 | 1,959,954 | 7,142,646 | 13,354,340 |
| Total business-type activities | <u>\$ 18,454,928</u> | <u>\$ 19,936,861</u> | <u>\$ 23,504,490</u> | <u>\$ 29,461,399</u> |
| Total primary government revenues | <u>\$ 28,290,327</u> | <u>\$ 30,215,928</u> | <u>\$ 36,347,145</u> | <u>\$ 39,154,775</u> |
| Net (Expense) Revenue | | | | |
| Governmental activities | (29,554,950) | (27,695,142) | (24,467,350) | (27,683,112) |
| Business-type activities | <u>\$ (5,987,194)</u> | <u>\$ (1,964,329)</u> | <u>\$ 2,816,866</u> | <u>\$ 11,626,359</u> |
| Total primary government net expenses | <u>\$ (35,542,144)</u> | <u>\$ (29,659,471)</u> | <u>\$ (21,650,484)</u> | <u>\$ (16,056,753)</u> |

| Fiscal Year | | | | | | |
|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|--|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | |
| \$ 9,368,691 | \$ 9,578,646 | \$ 11,039,863 | \$ 12,967,795 | \$ 15,157,106 | \$ 13,450,017 | |
| 13,758,635 | 13,353,710 | 14,614,487 | 16,893,985 | 16,773,117 | 16,485,679 | |
| 6,277,776 | 6,347,717 | 7,375,759 | 6,647,625 | 7,003,523 | 7,024,296 | |
| 3,361,379 | 2,040,019 | 6,075,167 | 7,863,601 | 7,758,223 | 9,475,767 | |
| 2,268,586 | 2,321,424 | 2,548,710 | 2,642,486 | 2,825,114 | 2,610,912 | |
| 3,821,411 | 3,841,700 | 3,680,658 | 4,001,465 | 3,537,105 | 2,856,782 | |
| <u>\$ 38,856,478</u> | <u>\$ 37,483,216</u> | <u>\$ 45,334,644</u> | <u>\$ 51,016,957</u> | <u>\$ 53,054,188</u> | <u>\$ 51,903,453</u> | |
| | | | | | | |
| \$ 5,440,958 | \$ 5,486,548 | \$ 5,245,043 | \$ 4,747,297 | \$ 5,168,303 | \$ 5,074,554 | |
| 2,155,455 | 2,353,376 | 2,300,594 | 2,233,160 | 2,459,231 | 2,554,290 | |
| 3,241,933 | 3,182,318 | 2,648,312 | 2,578,157 | 2,499,171 | 2,475,360 | |
| 1,610,301 | 1,600,742 | 1,908,161 | 1,933,926 | 1,813,631 | 1,777,562 | |
| 4,173,135 | 3,816,102 | 3,845,893 | 4,017,465 | 3,821,918 | 3,781,301 | |
| 951,656 | 997,636 | 915,411 | - | - | - | |
| <u>\$ 17,573,438</u> | <u>\$ 17,436,722</u> | <u>\$ 16,863,414</u> | <u>\$ 15,510,005</u> | <u>\$ 15,762,254</u> | <u>\$ 15,663,067</u> | |
| <u>\$ 56,429,916</u> | <u>\$ 54,919,938</u> | <u>\$ 62,198,058</u> | <u>\$ 66,526,962</u> | <u>\$ 68,816,442</u> | <u>\$ 67,566,520</u> | |
| | | | | | | |
| \$ 451,139 | \$ 695,767 | \$ 1,320,108 | \$ 2,396,587 | \$ 3,551,313 | \$ 4,249,283 | |
| 335,806 | 338,144 | 480,040 | 1,120,931 | 1,724,209 | 2,253,572 | |
| 18,850 | 102,831 | 124,853 | 121,646 | 259,442 | 501,618 | |
| 5,021,998 | 5,565,047 | 9,151,126 | 293,568 | 507,295 | 349,130 | |
| 133,913 | 132,696 | 721,037 | 10,167 | 78,877 | 110,719 | |
| 2,968,721 | 1,977,408 | 3,228,715 | 12,358,009 | 13,141,206 | 15,710,657 | |
| 1,311,204 | 659,333 | 510,645 | 2,966,734 | 2,086,094 | 100,000 | |
| <u>\$ 10,241,631</u> | <u>\$ 9,471,226</u> | <u>\$ 15,536,524</u> | <u>\$ 19,267,642</u> | <u>\$ 21,348,436</u> | <u>\$ 23,274,979</u> | |
| | | | | | | |
| \$ 6,139,701 | \$ 6,078,244 | \$ 6,177,815 | \$ 6,079,811 | \$ 6,185,722 | \$ 6,235,950 | |
| 1,920,455 | 1,626,788 | 1,531,036 | 1,551,310 | 1,630,162 | 1,623,322 | |
| 2,679,764 | 2,720,486 | 2,608,393 | 2,599,139 | 2,498,258 | 2,471,274 | |
| 1,439,569 | 1,350,526 | 1,373,150 | 1,471,253 | 1,659,221 | 1,641,172 | |
| 3,066,474 | 2,625,109 | 2,156,753 | 2,211,941 | 2,254,689 | 1,554,963 | |
| 845,845 | 976,606 | 1,044,916 | - | - | - | |
| - | - | 4,727,554 | 3,825,307 | 2,544,073 | 1,459,848 | |
| 10,145,196 | 4,046,662 | - | 4,208,215 | 5,164,319 | 1,524,028 | |
| <u>\$ 26,237,004</u> | <u>\$ 19,424,421</u> | <u>\$ 19,619,617</u> | <u>\$ 21,946,976</u> | <u>\$ 21,936,444</u> | <u>\$ 16,510,557</u> | |
| <u>\$ 36,478,635</u> | <u>\$ 28,895,647</u> | <u>\$ 35,156,141</u> | <u>\$ 41,214,618</u> | <u>\$ 43,284,880</u> | <u>\$ 39,785,536</u> | |
| | | | | | | |
| (28,614,847) | (28,011,990) | (29,798,120) | (31,749,315) | (31,705,752) | (27,006,569) | |
| <u>\$ 8,663,566</u> | <u>\$ 1,987,699</u> | <u>\$ 2,756,203</u> | <u>\$ 6,436,971</u> | <u>\$ 6,174,190</u> | <u>\$ 18,032,766</u> | |
| <u>\$ (19,951,281)</u> | <u>\$ (26,024,291)</u> | <u>\$ (27,041,917)</u> | <u>\$ (25,312,344)</u> | <u>\$ (25,531,562)</u> | <u>\$ (8,973,803)</u> | |

General Revenues and Other Changes in Net Position

| | Fiscal Year | | | |
|---------------------------------------|-----------------------|-----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 |
| Governmental Activities: | | | | |
| Taxes | | | | |
| Ad valorem tax | \$ 13,171,397 | \$ 11,882,126 | \$ 11,958,161 | \$ 10,082,823 |
| General Sales and use tax | 2,082,894 | 2,072,741 | 2,084,479 | 2,183,003 |
| Utility service and franchise | 4,261,492 | 4,209,187 | 4,213,534 | 4,456,865 |
| State Revenue Sharing | 1,323,800 | 1,282,595 | 1,211,575 | 1,166,983 |
| Additional one-cent sales tax | 1,666,089 | 1,603,223 | 1,495,885 | 1,378,666 |
| Unrestricted grants and contributions | 302,837 | 265,449 | 248,113 | 249,148 |
| Component unit transfer | 5,809,302 | 5,735,240 | 5,605,157 | 5,365,879 |
| Miscellaneous | 201,096 | 259,054 | 91,884 | 346,124 |
| Investment earnings | 305,599 | 166,607 | 193,528 | 243,884 |
| Special Item-Sale of Land | | - | | |
| Transfers | (23,665) | 847,537 | 815,331 | 914,408 |
| Total government activities | \$ 29,100,841 | \$ 28,323,759 | \$ 27,917,647 | \$ 26,387,783 |
| Business-type activities | | | | |
| Investment earnings | \$ 48,211 | \$ 34,799 | \$ 44,148 | \$ 64,567 |
| Insurance proceeds-unrestricted | | | | |
| Miscellaneous | | | | 84,179 |
| Transfers | 23,665 | (847,537) | (815,331) | (914,408) |
| Total business-type activities | \$ 71,876 | \$ (812,738) | \$ (771,183) | \$ (765,662) |
| Total primary government | \$ 29,172,717 | \$ 27,511,021 | \$ 27,146,464 | \$ 25,622,121 |
| Change in Net Position | | | | |
| Governmental Activities | \$ (454,109) | \$ 628,617 | \$ 3,450,297 | \$ (1,295,329) |
| Business-type activities | (5,915,318) | (2,777,067) | 2,045,683 | 10,860,697 |
| Total primary government | \$ (6,369,427) | \$ (2,148,450) | \$ 5,495,980 | \$ 9,565,368 |

Source: Statement of Activities

| Fiscal Year | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | |
| \$ 10,009,972 | \$ 11,144,640 | \$ 11,867,277 | \$ 14,476,029 | \$ 15,983,798 | \$ 15,708,542 | |
| 2,268,673 | 2,326,799 | 2,334,521 | 2,523,926 | 2,408,440 | 2,586,791 | |
| 4,708,357 | 4,656,869 | 4,771,753 | 4,886,723 | 4,729,859 | 4,361,022 | |
| 1,153,572 | 1,149,797 | 1,146,272 | 1,148,859 | 1,167,446 | 1,371,713 | |
| 1,330,114 | 1,387,116 | 1,333,339 | 1,353,418 | 1,550,221 | 1,715,029 | |
| 241,799 | 241,312 | 262,634 | 276,943 | 345,472 | 345,742 | |
| 4,767,268 | 4,925,280 | 4,853,329 | 5,045,811 | 4,951,964 | 4,208,790 | |
| 196,028 | 202,640 | 286,804 | 237,912 | 521,986 | 300,424 | |
| 191,827 | 194,349 | 249,136 | 273,147 | 1,202,125 | 1,949,595 | |
| - | - | - | - | 3,207,299 | - | |
| 1,243,024 | (294,281) | 783,310 | 512,889 | 879,659 | (995,257) | |
| <u>\$ 26,110,634</u> | <u>\$ 25,934,521</u> | <u>\$ 27,888,375</u> | <u>\$ 30,735,657</u> | <u>\$ 36,948,269</u> | <u>\$ 31,552,391</u> | |
| \$ 79,883 | \$ 87,750 | \$ 122,060 | \$ 142,244 | \$ 620,760 | \$ 1,141,317 | |
| | - | - | - | - | - | |
| 665,346 | 654,803 | 606,377 | 613,547 | 436,635 | 453,974 | |
| (1,243,024) | 294,281 | (783,310) | (512,889) | (879,659) | 995,257 | |
| <u>\$ (497,795)</u> | <u>\$ 1,036,834</u> | <u>\$ (54,873)</u> | <u>\$ 242,902</u> | <u>\$ 177,736</u> | <u>\$ 2,590,548</u> | |
| <u>\$ 25,612,839</u> | <u>\$ 26,971,355</u> | <u>\$ 27,833,502</u> | <u>\$ 30,978,559</u> | <u>\$ 37,126,005</u> | <u>\$ 34,142,939</u> | |
| \$ (2,504,213) | \$ (2,077,469) | \$ (1,909,745) | \$ (1,013,658) | \$ 5,242,517 | \$ 2,923,917 | |
| 8,165,771 | 3,024,533 | 2,701,330 | 6,679,873 | 6,351,926 | 20,623,314 | |
| <u>\$ 5,661,558</u> | <u>\$ 947,064</u> | <u>\$ 791,585</u> | <u>\$ 5,666,215</u> | <u>\$ 11,594,443</u> | <u>\$ 23,547,231</u> | |

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

| | Fiscal Year | | | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 |
| General Fund | | | | |
| Nonspendable | \$ 316,714 | \$ 74,213 | \$ 295,821 | \$ 78,134 |
| Restricted | | - | - | - |
| Committed | 550,000 | 550,000 | 723,134 | 1,219,933 |
| Assigned | 3,582,326 | 3,582,326 | 3,404,652 | 3,232,604 |
| Unassigned | 403,281 | 255,096 | (126,374) | (286,355) |
| Unreserved | - | - | - | - |
| Total General Fund | <u>\$ 4,852,321</u> | <u>\$ 4,461,635</u> | <u>\$ 4,297,233</u> | <u>\$ 4,244,316</u> |
| All Other Government Funds | | | | |
| Special Revenue: | | | | |
| Restricted | \$ 4,445,596 | \$ 2,493,441 | \$ 2,339,723 | \$ 1,184,459 |
| Nonspendable | 16,573 | - | 18,429 | 1,084 |
| Assigned | 184,984 | 184,984 | 184,984 | 190,062 |
| Committed | - | 290,254 | 130,783 | 946,613 |
| Debt Service: | | | | |
| Restricted | 2,974,093 | 3,750,413 | 3,722,988 | 991,103 |
| Capital projects: | | | | |
| Restricted | 2,326,803 | 3,161,413 | 3,921,213 | 2,621,548 |
| Total all other governmental funds | <u>\$ 9,948,049</u> | <u>\$ 9,880,505</u> | <u>\$ 10,318,120</u> | <u>\$ 5,934,869</u> |
| Total governmental and general funds | <u>\$ 14,800,370</u> | <u>\$ 14,342,140</u> | <u>\$ 14,615,353</u> | <u>\$ 10,179,185</u> |

* Implementation of GASB 54 in 2011

Source: Balance Sheet Governmental Funds

| Fiscal Year | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | |
| \$ 260,206 | \$ 415,980 | \$ - | \$ - | \$ - | \$ - | - |
| - | - | - | - | - | - | - |
| 1,219,933 | 894,680 | - | - | 3,000,000 | - | - |
| 3,232,604 | 3,222,160 | - | - | - | - | - |
| 95,628 | 565,717 | - | - | - | - | - |
| - | - | 4,149,368 | 4,525,073 | 4,868,200 | 4,837,799 | |
| <u>\$ 4,808,371</u> | <u>\$ 5,098,537</u> | <u>\$ 4,149,368</u> | <u>\$ 4,525,073</u> | <u>\$ 7,868,200</u> | <u>\$ 4,837,799</u> | |
| | | | | | | |
| \$ 1,434,093 | \$ 1,867,420 | \$ 2,196,502 | \$ 662,216 | \$ 3,495,240 | \$ 3,528,819 | |
| 16,437 | 16,591 | - | - | - | - | |
| 190,062 | 190,062 | - | - | - | - | |
| 544,490 | 567,140 | - | - | - | - | |
| | | | | | | |
| 1,561,513 | 2,168,777 | 3,416,600 | 2,492,069 | 6,044,864 | 6,928,848 | |
| | | | | | | |
| 2,908,478 | 3,077,881 | 4,031,669 | 8,225,425 | 7,273,739 | 13,868,386 | |
| <u>\$ 6,655,073</u> | <u>\$ 7,887,871</u> | <u>\$ 9,644,771</u> | <u>\$ 11,379,710</u> | <u>\$ 16,813,843</u> | <u>\$ 24,326,053</u> | |
| | | | | | | |
| <u>\$ 11,463,444</u> | <u>\$ 12,986,408</u> | <u>\$ 13,794,139</u> | <u>\$ 15,904,783</u> | <u>\$ 24,682,043</u> | <u>\$ 29,163,852</u> | |

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

| | Fiscal Year | | | |
|---|---------------|----------------|----------------|----------------|
| | 2016 | 2015 | 2014 | 2013 |
| Revenues | | | | |
| Taxes | \$ 19,515,783 | \$ 18,164,053 | \$ 18,256,174 | \$ 16,722,691 |
| Licenses, fees and permits | 374,499 | 435,346 | 333,806 | 327,558 |
| Intergovernmental | 9,899,947 | 10,661,557 | 15,104,540 | 11,384,520 |
| Charges for services | 288,911 | 261,508 | 226,708 | 215,829 |
| Fines and penalties | 301,765 | 245,930 | 202,277 | 222,445 |
| Contributions from component units | 5,809,302 | 5,735,240 | 5,605,157 | 5,365,879 |
| Investment earnings | 305,599 | 166,607 | 193,528 | 243,884 |
| Other revenues | 5,088,808 | 3,656,005 | 4,734,719 | 2,977,234 |
| Total revenues | \$ 41,584,614 | \$ 39,326,246 | \$ 44,656,909 | \$ 37,460,040 |
| Expenditures | | | | |
| General government | 10,409,135 | 10,013,455 | 10,151,988 | 9,764,941 |
| Public safety | 13,870,188 | 13,873,313 | 14,032,891 | 13,453,506 |
| Transportation | 2,747,800 | 2,684,573 | 3,122,509 | 3,089,871 |
| Economic environment | 1,182,662 | 1,434,987 | 1,033,042 | 1,735,007 |
| Culture and recreation | 1,902,214 | 1,948,803 | 2,150,857 | 1,968,202 |
| Capital outlay | 3,253,508 | 3,575,611 | 10,185,718 | 3,765,513 |
| Debt service: | | | | |
| Principal | 3,788,108 | 3,151,895 | 2,718,000 | 2,168,000 |
| Interest | 3,935,165 | 3,760,086 | 3,647,762 | 3,709,460 |
| Other | 552,254 | 4,273 | 72,534 | 4,207 |
| Total expenditures | \$ 41,641,034 | \$ 40,446,996 | \$ 47,115,301 | \$ 39,658,707 |
| Excess of Revenues over and (under) expenditures | \$ (56,420) | \$ (1,120,750) | \$ (2,458,392) | \$ (2,198,667) |
| Other Financing sources (Uses) | | | | |
| Transfers in | \$ 10,826,011 | \$ 13,675,604 | \$ 14,954,554 | \$ 11,239,805 |
| Transfers out | (10,982,301) | (12,828,067) | (14,139,223) | (10,325,397) |
| Issuance of debt | - | - | - | - |
| Discount on issuance of debt | - | - | - | - |
| Proceeds from refunding | 59,370,000 | - | 6,079,229 | - |
| Total other financing | - | - | - | - |
| Payment on Current Refunding | (17,400,000) | - | - | - |
| Payment on Advance Refunding | (41,299,060) | - | - | - |
| Total sources (uses) | \$ 514,650 | \$ 847,537 | \$ 6,894,560 | \$ 914,408 |
| Net change in fund balances | \$ 458,230 | \$ (273,213) | \$ 4,436,168 | \$ (1,284,259) |
| Debt service as a percentage of non capital expenditures | 20.1% | 18.7% | 17.2% | 16.4% |

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

| Fiscal Year | | | | | | |
|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | |
| \$ 16,987,002 | \$ 18,128,308 | \$ 18,973,552 | \$ 21,886,678 | \$ 23,122,097 | \$ 22,656,355 | |
| 353,390 | 465,984 | 393,408 | 946,089 | 1,629,310 | 1,997,284 | |
| 11,338,211 | 9,157,273 | 12,180,543 | 16,068,886 | 18,493,398 | 19,422,168 | |
| 195,748 | 180,180 | 74,964 | 93,280 | 85,260 | 94,256 | |
| 193,114 | 207,067 | 350,920 | 521,193 | 475,811 | 536,872 | |
| 4,767,268 | 4,925,280 | 4,853,329 | 5,045,811 | 4,951,964 | 4,208,790 | |
| 196,028 | 202,640 | 286,804 | 237,912 | 1,202,125 | 1,949,595 | |
| 2,799,953 | 3,490,107 | 2,970,580 | 3,844,946 | 5,272,877 | 6,168,564 | |
| <u>\$ 36,830,714</u> | <u>\$ 36,756,839</u> | <u>\$ 40,084,100</u> | <u>\$ 48,644,795</u> | <u>\$ 55,232,842</u> | <u>\$ 57,033,884</u> | |
| 10,351,426 | 10,158,774 | 12,178,323 | 14,914,645 | 16,553,623 | 15,393,131 | |
| 12,972,368 | 12,555,394 | 13,918,785 | 16,191,118 | 15,842,453 | 15,659,093 | |
| 3,058,459 | 2,981,763 | 3,130,854 | 3,783,786 | 3,794,313 | 3,960,131 | |
| 3,277,492 | 1,944,850 | 6,042,952 | 7,759,398 | 7,439,327 | 9,356,712 | |
| 1,943,145 | 1,988,264 | 2,144,593 | 2,389,376 | 2,729,348 | 2,317,515 | |
| 2,383,608 | 2,118,083 | 3,642,606 | 6,236,137 | 12,115,028 | 38,092,574 | |
| 1,820,000 | 1,695,000 | 1,645,484 | 1,887,041 | 1,777,174 | 4,024,196 | |
| 3,761,440 | 3,813,474 | 3,644,993 | 3,821,412 | 3,501,542 | 2,522,186 | |
| 28,763 | 14,687 | 419,481 | 912,131 | 48,800 | 279,233 | |
| <u>\$ 39,596,701</u> | <u>\$ 37,270,289</u> | <u>\$ 46,768,071</u> | <u>\$ 57,895,044</u> | <u>\$ 63,801,608</u> | <u>\$ 91,604,771</u> | |
| \$ (2,765,987) | \$ (513,450) | \$ (6,683,971) | \$ (9,250,249) | \$ (8,568,766) | \$ (34,570,887) | |
| \$ 10,639,613 | \$ 6,319,305 | \$ 13,083,132 | \$ 18,338,952 | \$ 11,573,501 | \$ 11,088,614 | |
| (9,396,589) | (6,613,586) | (12,313,489) | (17,105,170) | (10,693,843) | (12,083,871) | |
| - | - | 459,099 | - | - | 30,150,000 | |
| - | - | - | (450,795) | - | - | |
| - | - | 11,308,143 | 29,840,000 | - | - | |
| - | - | - | - | - | - | |
| - | - | (7,963,557) | (30,150,000) | - | - | |
| - | - | - | - | - | - | |
| <u>\$ 1,243,024</u> | <u>\$ (294,281)</u> | <u>\$ 4,573,328</u> | <u>\$ 472,987</u> | <u>\$ 879,658</u> | <u>\$ 29,154,743</u> | |
| | | | | 3,207,299 | | |
| <u>\$ (1,522,963)</u> | <u>\$ (807,731)</u> | <u>\$ (2,110,643)</u> | <u>\$ (8,777,262)</u> | <u>\$ (4,481,809)</u> | <u>\$ (5,416,144)</u> | |

15.0%

15.7%

12.3%

11.1%

10.2%

12.2%

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

| | Fiscal Year | | | |
|--|----------------------|-----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 |
| Additions | | | | |
| Employer | \$ 4,211,312 | \$ 4,093,268 | \$ 4,356,127 | \$ 4,266,803 |
| Employees | 2,005,283 | 1,925,831 | 1,943,411 | 1,920,330 |
| State | 302,837 | 265,449 | 248,113 | 249,148 |
| Other | - | - | - | - |
| Investment income (net of expenses) | \$ 17,392,106 | \$ 2,511,123 | \$ 17,721,192 | \$ 21,583,070 |
| Total additions to plan net position | \$ 23,911,538 | \$ 8,795,671 | \$ 24,268,843 | \$ 28,019,351 |
| Deductions | | | | |
| Benefit payments | \$ 13,389,859 | \$ 12,959,826 | \$ 12,606,823 | \$ 11,993,098 |
| Refunds | 786,340 | 408,937 | 440,758 | 585,930 |
| Administrative expenses | 204,174 | 153,522 | 176,528 | 134,550 |
| Fire District Asset Withdrawal | - | - | - | - |
| Other expenses | 19,406 | 21,601 | 20,829 | 19,416 |
| Total deductions from plan net position | \$ 14,399,779 | \$ 13,543,886 | \$ 13,244,938 | \$ 12,732,994 |
| Change in net position | \$ 9,511,759 | \$ (4,748,215) | \$ 11,023,905 | \$ 15,286,357 |

Source: Combining Statement of Changes in Fiduciary Funds Net Position

| Fiscal Year | | | | | | |
|---------------|----------------|---------------|---------------|-----------------|-----------------|--|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | |
| \$ 3,566,751 | \$ 3,181,446 | \$ 3,377,350 | \$ 3,580,089 | \$ 4,053,604 | \$ 6,475,387 | |
| 1,874,591 | 1,738,084 | 1,929,755 | 2,168,561 | 2,122,748 | 2,045,601 | |
| 241,799 | 241,312 | 262,634 | 276,943 | 345,472 | 345,472 | |
| - | - | - | - | - | 699 | |
| \$ 26,881,779 | \$ 1,482,590 | \$ 14,806,065 | \$ 4,352,746 | \$ (23,183,079) | \$ 30,501,473 | |
| \$ 32,564,920 | \$ 6,643,432 | \$ 20,375,804 | \$ 10,378,339 | \$ (16,661,255) | \$ 39,368,632 | |
| \$ 10,874,268 | \$ 10,413,658 | \$ 9,727,760 | \$ 7,160,364 | \$ 6,833,788 | \$ 8,751,479 | |
| 346,839 | 274,419 | 496,099 | 443,021 | 306,553 | 312,244 | |
| 129,911 | 141,620 | 198,932 | 186,494 | 126,355 | 127,238 | |
| - | - | - | - | - | 98,084,291 | |
| 18,992 | 19,122 | 18,218 | 18,479 | 19,984 | 23,403 | |
| \$ 11,370,010 | \$ 10,848,819 | \$ 10,441,009 | \$ 7,808,358 | \$ 7,286,680 | \$ 107,298,655 | |
| \$ 21,194,910 | \$ (4,205,387) | \$ 9,934,795 | \$ 2,569,981 | \$ (23,947,935) | \$ (67,930,023) | |

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

| Fiscal Year Ended September 30, | Real Property | Personal Property | Centrally Assessed Property |
|--|----------------------|------------------------------|--|
| 2016 | \$ 2,519,792,781 | \$ 201,769,117 | \$ 9,950,405 |
| 2015 | 2,420,424,296 | 178,560,253 | 8,259,241 |
| 2014 | 2,369,027,251 | 196,294,919 | 7,180,208 |
| 2013 | 2,375,689,997 | 192,499,439 | 7,381,630 |
| 2012 | 2,463,908,875 | 209,865,288 | 7,135,634 |
| 2011 | 2,582,341,713 | 241,596,029 | 6,734,681 |
| 2010 | 2,539,072,299 | 183,522,400 | 11,900,267 |
| 2009 | 2,873,362,731 | 205,905,211 | 18,164,297 |
| 2008 | 3,002,624,903 | 214,832,817 | 14,072,164 |
| 2007 | 2,702,985,715 | 181,290,747 | 11,355,976 |

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

| Less: Exemption | Total Taxable Assessed Value | Total Direct Tax Rate |
|------------------------|---|----------------------------------|
| \$ 744,102,164 | \$ 1,987,410,139 | 6.9000 |
| 718,951,717 | 1,888,292,073 | 6.5786 |
| 707,506,816 | 1,864,995,562 | 6.6050 |
| 707,571,187 | 1,867,999,879 | 5.7131 |
| 707,684,181 | 1,973,225,616 | 5.4674 |
| 696,878,963 | 2,133,793,460 | 5.4674 |
| 441,744,364 | 2,292,750,602 | 5.4674 |
| 286,847,886 | 2,810,584,353 | 5.4674 |
| 169,294,535 | 3,062,235,349 | 5.4674 |
| 161,885,441 | 2,733,746,997 | 5.9823 |

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

| Fiscal Year | County Parks MSTU | Co Public Transit MSTU | Erosion District E | Law Enf. Jail, Judicial Sys | Co General Revenue Fund | St. Lucie County Port Bond | Childrens Services Council | St Lucie Co Fire District |
|--------------------|--------------------------|-------------------------------|---------------------------|------------------------------------|--------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| 2016 | 0.2313 | 0.1269 | 0.0925 | 3.2699 | 4.1273 | 0.0154 | 0.4765 | 3.0000 |
| 2015 | 0.2313 | 0.1269 | 0.0925 | 3.2699 | 3.7764 | 0.0154 | 0.4765 | 3.0000 |
| 2014 | 0.2313 | 0.1269 | 0.0925 | 3.9699 | 2.9221 | 0.0154 | 0.4872 | 3.0000 |
| 2013 | 0.2313 | 0.1269 | 0.0925 | 3.9699 | 2.9221 | 0.0154 | 0.4872 | 2.6500 |
| 2012 | 0.2313 | 0.1269 | 0.0925 | 3.9699 | 2.9221 | 0.0154 | 0.4872 | 2.6500 |
| 2011 | 0.2313 | 0.1269 | 0.0925 | 3.9699 | 2.8707 | 0.0154 | 0.4872 | 2.4839 |
| 2010 | 0.2313 | 0.0833 | 0.0925 | 3.3957 | 2.7694 | 0.0154 | 0.4872 | 2.2000 |
| 2009 | 0.2313 | 0.0833 | 0.0925 | 2.5478 | 3.6173 | 0.0154 | 0.3858 | 2.2000 |
| 2008 | 0.2313 | 0.0833 | 0.0925 | 1.9352 | 4.2299 | 0.0144 | 0.3858 | 2.2000 |
| 2007 | 0.2500 | 0.0900 | 0.1000 | 2.3778 | 4.2734 | 0.0154 | 0.3915 | 2.4562 |

Source: St. Lucie County Property Appraisers Office

| FL Inland Navigation Dist | City of Fort Pierce | County School District | Mosquito Control | S FL Water Mgmt District | Beach Bond | Environ Signif Land Bond | Everglades Constructio n Project | Total |
|--|--------------------------------|---------------------------------------|-----------------------------|---|-----------------------|---|---|--------------|
| 0.0320 | 6.9000 | 7.2830 | 0.2413 | 0.3551 | - | - | - | 26.1512 |
| 0.0345 | 6.5786 | 7.2410 | 0.2522 | 0.3842 | - | - | - | 25.4794 |
| 0.0345 | 6.6050 | 7.2570 | 0.4065 | 0.4110 | - | - | - | 25.5593 |
| 0.0345 | 5.7131 | 7.7710 | 0.2036 | 0.4289 | - | - | - | 24.6464 |
| 0.0345 | 5.4674 | 7.8780 | 0.2036 | 0.4363 | - | - | - | 24.5151 |
| 0.0345 | 5.4674 | 8.1770 | 0.2036 | 0.5346 | - | 0.0459 | 0.0894 | 24.8302 |
| 0.0345 | 5.4674 | 7.6760 | 0.2036 | 0.5346 | - | 0.0459 | 0.0894 | 23.3262 |
| 0.0345 | 5.4674 | 7.6850 | 0.2036 | 0.5346 | - | 0.0459 | 0.0894 | 23.2338 |
| 0.0345 | 5.4674 | 7.4900 | 0.2036 | 0.5340 | - | 0.0776 | 0.0894 | 23.0689 |
| 0.0385 | 5.9823 | 7.7370 | 0.2200 | 0.5970 | - | 0.0823 | 0.1000 | 24.7114 |

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

| Fiscal Year Ended September 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | |
|------------------------------------|-------------------------------------|--|-----------------------|
| | | Amount | Percentage of Levy |
| 2016 | \$ 13,439,692 | \$ 13,134,433 | 97.73% |
| 2015 | 12,437,017 | 11,869,802 | 95.44% |
| 2014 | 12,386,111 | 11,676,648 | 94.27% |
| 2013 | 10,736,076 | 10,021,382 | 93.34% |
| 2012 | 10,846,887 | 10,009,972 | 92.28% |
| 2011 | 11,436,942 | 10,792,465 | 94.36% |
| 2010 | 12,535,385 | 11,702,832 | 93.36% |
| 2009 | 15,366,589 | 14,264,294 | 92.83% |
| 2008 | 16,742,466 | 15,932,420 | 95.16% |
| 2007 | 16,354,095 | 15,588,897 | 95.32% |

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

Total Collections to Date

| Collections in Subsequent Years | Amount | Percentage of Levy |
|--|---------------|-------------------------------|
| \$ 36,964 | \$ 13,171,397 | 98.00% |
| 12,303 | 11,882,105 | 95.54% |
| 279,204 | 11,955,852 | 96.53% |
| 61,442 | 10,082,823 | 93.92% |
| 46,554 | 10,056,526 | 92.71% |
| 165,634 | 10,958,099 | 95.81% |
| 164,012 | 11,866,843 | 94.67% |
| 211,647 | 14,475,940 | 94.20% |
| 51,378 | 15,983,798 | 95.47% |
| 119,645 | 15,708,542 | 96.05% |

City of Fort Pierce, Florida
Principal Revenue Payers - Property Tax
Current Year and Nine Years Ago

| Taxpayer | 2016 | | |
|------------------------------|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Wal-Mart Stores East Inc | 53,105,424 | 1 | 2.67209% |
| HCA | 28,274,543 | 2 | 1.42268% |
| Bellsouth Telecommunications | 24,349,823 | 3 | 1.22520% |
| Ehden NV | 20,156,141 | 4 | 1.01419% |
| Destin Beach Inc | 19,568,528 | 5 | 0.98462% |
| Lawnwood Medical Center | 19,219,322 | 6 | 0.96705% |
| Landings Fort Pierce LLC | 15,881,130 | 7 | 0.79909% |
| Woods Family Limited Ptnr II | 10,978,691 | 8 | 0.55241% |
| Treasure Cay Properties LLC. | 10,472,978 | 9 | 0.52697% |
| Waste Pro of Florida, Inc. | 9,942,189 | 10 | 0.50026% |
| Riverfront Development, LC | | | |
| G Flash GP, Inc (TR) | | | |
| S Florida Properties (2) LLC | | | |
| Lennar Homes nc | | | |
| Fort Pierce Homes, LLC | | | |
| Total | <u>\$ 211,948,767</u> | | <u>10.6646%</u> |

* Total assessed valuation is \$ 1,987,410,139

| 2007 | | |
|---------------------------|------|---|
| Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| 33,489,064 | 3 | 1.2250% |
| 51,246,470 | 1 | 1.8746% |
| 17,982,430 | 7 | 0.6578% |
| 33,535,766 | 2 | 1.2267% |
| 16,010,774 | 9 | 0.5857% |
| 24,636,785 | 4 | 0.9012% |
| 18,688,499 | 6 | 0.6836% |
| 18,826,551 | 5 | 0.6887% |
| 17,489,515 | 8 | 0.6398% |
| 15,574,705 | 10 | 0.5697% |
| <u>\$ 247,480,559</u> | | <u>9.0528%</u> |

\$ 2,733,746,997

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

| Fiscal Year | State Revenue Sharing | 1/2 Cent Sales Tax | Mobile Home License | Beverage License | Fuel Tax Refund | Total Receipts |
|--------------------|------------------------------|---------------------------|----------------------------|-------------------------|------------------------|-----------------------|
| 2016 | \$ 1,323,800 | \$ 1,666,089 | \$ 38,013 | \$ 36,752 | \$ 53,354 | \$ 3,118,008 |
| 2015 | 1,282,595 | 1,603,223 | 39,544 | 41,793 | 62,255 | 3,029,410 |
| 2014 | 1,211,575 | 1,495,885 | 36,372 | 39,118 | 54,071 | 2,837,021 |
| 2013 | 1,166,983 | 1,378,666 | 36,427 | 50,183 | 59,449 | 2,691,708 |
| 2012 | 1,153,572 | 1,330,114 | 37,212 | 32,681 | 57,159 | 2,610,738 |
| 2011 | 1,149,797 | 1,387,116 | 32,695 | 30,989 | 52,131 | 2,652,727 |
| 2010 | 1,146,272 | 1,333,339 | 30,890 | 32,418 | 57,563 | 2,600,482 |
| 2009 | 1,148,859 | 1,353,418 | 28,446 | 34,100 | 65,126 | 2,629,949 |
| 2008 | 1,167,446 | 1,550,221 | 24,896 | 32,598 | 48,950 | 2,824,110 |
| 2007 | 1,371,713 | 1,715,029 | 28,099 | 30,407 | 53,167 | 3,198,414 |

Source: City of Fort Pierce Finance Records

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

| AGENCY | Fiscal Year | | | |
|----------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2016 | 2015 | 2014 | 2013 |
| City of Fort Pierce | | | | |
| CRA 1 (Res 82-25) * | 47,636,647 | 48,076,622 | 49,234,611 | 51,157,598 |
| CRA 2 (Res 95-89) | 2,742,460 | 2,742,460 | 2,591,500 | 2,477,100 |
| CRA 3 (Res 96-15) | 3,853,477 | 3,853,477 | 3,173,700 | 3,467,600 |
| CRA 4 (Res 01-98) * | 589,287,949 | 592,159,262 | 561,639,632 | 561,948,017 |
| CFP Total | 643,520,533 | 646,831,821 | 616,639,443 | 619,050,315 |
| St. Lucie County | | | | |
| CRA 1 (Res 82-25) ** | 47,840,681 | 49,841,776 | 49,765,511 | 52,074,098 |
| CRA 2 (Res 95-89) | 2,742,460 | 2,639,810 | 2,591,500 | 2,477,100 |
| CRA 3 (Res 96-15) | 3,853,477 | 3,225,300 | 3,173,700 | 3,467,600 |
| CRA 4 (Res 01-98) ** | 586,114,655 | 571,482,215 | 558,849,211 | 559,212,624 |
| SLC Total | 640,551,273 | 627,189,101 | 614,379,922 | 617,231,422 |
| SLC Fire District | | | | |
| CRA 1 (Res 82-25) | - | - | - | - |
| CRA 2 (Res 95-89) | - | - | - | - |
| CRA 3 (Res 96-15) | - | - | - | - |
| CRA 4 (Res 01-98) | - | - | - | - |
| SLC Fire Total | - | - | - | - |

- * City with historic but no senior exemption
** County with senior but no historic exemption
*** Last year Fire Department Paid TIF

| Fiscal Year | | | | | |
|--------------------|--------------------|--------------------|--------------------|----------------------|--------------------------|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| 54,952,729 | 56,168,470 | 70,131,326 | 62,234,031 | 65,332,302 | 64,773,379 |
| 2,590,239 | 2,820,864 | 3,011,140 | 3,468,650 | 3,646,427 | 3,490,495 |
| 3,832,104 | 3,822,122 | 3,985,240 | 4,547,200 | 3,921,700 | 3,433,700 |
| 577,410,385 | 609,706,475 | 705,029,914 | 869,644,929 | 1,020,903,984 | 945,805,234 |
| 638,785,457 | 672,517,931 | 782,157,620 | 939,894,810 | 1,093,804,413 | 1,017,502,808 |
| 55,982,929 | 57,710,070 | 71,885,126 | 64,496,546 | 66,948,502 | 66,414,579 |
| 2,590,239 | 2,820,864 | 3,011,140 | 3,468,650 | 3,646,427 | 3,490,495 |
| 3,832,104 | 3,822,122 | 3,985,240 | 4,547,200 | 3,921,700 | 3,433,700 |
| 574,247,439 | 606,278,371 | 701,361,001 | 866,035,908 | 1,017,625,788 | 943,199,980 |
| 636,652,711 | 670,631,427 | 780,242,507 | 938,548,304 | 1,092,142,417 | 1,016,538,754 |
| - | - | - | - | - | 66,414,579 |
| - | - | - | - | - | 3,490,495 |
| - | - | - | - | - | 3,433,700 |
| - | - | - | - | - | 945,858,934 |
| - | - | - | - | - | *** 1,019,197,708 |

City of Fort Pierce, Florida
Legal Debt Margin Information
September 30, 2016

| | Fiscal Year | | | |
|---|--------------------|---------------|---------------|---------------|
| | 2016 | 2015 | 2014 | 2013 |
| Debit Limit | \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 |
| Total Net Debt Applicable to Limit * | 60,736,702 | 59,086,556 | 61,940,246 | 53,835,180 |
| Debit Margin | \$ 6,263,298 | \$ 7,913,444 | \$ 5,059,754 | \$ 13,164,820 |
| Total net debt applicable to the limit as a percentage of debt limit | 90.652% | 88.189% | 92.448% | 80.351% |

* Includes all net long-term debt except for debt issued by the Community Redevelopment Agency.

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

City of Fort Pierce
Direct and Overlapping Governmental Activities Debt
September 30, 2016

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable * | Estimated Share of Overlapping Debt |
|--|-----------------------------|--|--|
| Debt repaid with property taxes | | | |
| St. Lucie County | \$ 20,000 | 7.3562% | \$ 1,471 |
| Other Debt | | | |
| St. Lucie County | 9,200,000 | 0.00% | - |
| Subtotal, overlapping debt | | | \$ 1,471 |
| City direct debt | | | <u>74,396,369</u> |
| Total direct and overlapping debt | | | <u><u>\$ 74,397,840</u></u> |

Sources: St. Lucie County

* The percent applicable to the City is calculated using property taxable value ratios

| Fiscal Year | | | | | |
|--------------------|---------------|---------------|---------------|---------------|---------------|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 |
| 59,250,000 | 60,480,000 | 61,655,000 | 59,002,378 | 61,054,320 | 62,741,731 |
| \$ 7,750,000 | \$ 6,520,000 | \$ 5,345,000 | \$ 7,997,622 | \$ 5,945,680 | \$ 4,258,269 |
| 88.433% | 90.269% | 92.022% | 88.063% | 91.126% | 93.644% |

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

Governmental Activities

| Fiscal Year | Redevelop-ment Bonds | Sales Tax Increment Bonds | Non-ad Valorum |
|--------------------|-----------------------------|----------------------------------|-----------------------|
| 2016 | \$ 32,000,000 | \$ - | \$ 42,296,369 |
| 2015 | 30,330,000 | - | 43,419,477 |
| 2014 | 31,670,000 | - | 40,192,143 |
| 2013 | 32,875,000 | - | 40,665,143 |
| 2012 | 34,080,000 | 490,000 | 41,138,143 |
| 2011 | 35,240,000 | 965,000 | 41,323,143 |
| 2010 | 36,305,000 | 1,420,000 | 41,498,143 |
| 2009 | 37,260,000 | 1,865,000 | 37,843,627 |
| 2008 | 38,120,000 | 2,295,000 | 38,750,668 |
| 2007 | 38,900,000 | 2,715,000 | 39,327,842 |

Source: City of Fort Pierce Financial Statements

Business-Type Activities

| | Marina | Storm water | Solid Waste | Total Primary Government | Percentage of Personal Income | Per Capita |
|----|---------------|--------------------|--------------------|---|--|-------------------|
| \$ | 5,598,333 | \$ 13,745,000 | \$ - | \$ 93,639,702 | 8.21% | 2,105 |
| | 5,827,371 | 13,935,000 | - | 93,511,848 | 8.12% | 2,145 |
| | 1,846,857 | 14,570,000 | - | 88,279,000 | 7.39% | 2,049 |
| | 1,846,857 | 15,185,000 | - | 90,572,000 | 6.72% | 2,178 |
| | 1,846,857 | 15,775,000 | - | 93,330,000 | 7.20% | 2,226 |
| | 1,846,857 | 16,345,000 | - | 95,720,000 | 6.13% | 2,270 |
| | 1,846,857 | 16,890,000 | - | 97,960,000 | 6.25% | 2,355 |
| | 1,846,857 | 17,420,000 | 26,894 | 96,262,377 | 6.81% | 2,188 |
| | 2,026,292 | 17,930,000 | 52,360 | 99,174,320 | 6.79% | 2,242 |
| | 2,202,253 | 18,420,000 | 76,636 | 101,641,731 | 6.54% | 2,420 |

Pledged Revenue Coverage

Last Ten Fiscal Years

Governmental Activities

Non-ad Valorum Bonds

| Fiscal Year | Revenue ¹ | | Less: Operating Expenses ² | | Net Available Revenue | Debt Service | | Coverage |
|-------------|----------------------|------------|---------------------------------------|------------|-----------------------|--------------|--------------|----------|
| | | | | | | Principal | Interest | |
| 2016 | \$ | 28,281,049 | \$ | 16,693,090 | \$ 11,587,959 | \$ 964,608 | \$ 1,345,608 | 5.02 |
| 2015 | | 29,088,947 | | 16,279,220 | 12,809,727 | \$ 1,255,000 | 2,038,348 | 3.89 |
| 2014 | | 30,042,740 | | 15,262,366 | 14,780,374 | 1,185,000 | 2,105,055 | 4.49 |
| 2013 | | 27,430,244 | | 14,139,760 | 13,290,484 | 190,000 | 2,112,561 | 5.77 |
| 2012 | | 25,997,176 | | 14,636,799 | 11,360,377 | 185,000 | 2,119,967 | 4.93 |
| 2011 | | 28,044,024 | | 15,161,178 | 12,882,846 | 175,000 | 2,140,511 | 5.56 |
| 2010 | | 28,489,194 | | 16,775,024 | 11,714,170 | 4,948,143 | 519,172 | 2.14 |
| 2009 | | 30,514,244 | | 23,275,607 | 7,238,637 | 525,566 | 395,178 | 7.86 |
| 2008 | | 35,447,510 | | 21,659,477 | 13,788,033 | 509,038 | 415,115 | 14.92 |
| 2007 | | 36,149,522 | | 20,611,287 | 15,538,235 | 2,495,759 | 350,247 | 5.46 |

Revenue Sharing Bonds

| Fiscal Year | Revenue | | Less: Operating Expenses | | Net Available Revenue | Debt Service | | Coverage |
|-------------|---------|-----------|--------------------------|-----|-----------------------|--------------|----------|----------|
| | | | | | | Principal | Interest | |
| 2016 | \$ | *** | \$ | *** | \$ *** | \$ *** | \$ *** | *** |
| 2015 | | *** | | *** | *** | *** | *** | *** |
| 2014 | | *** | | *** | *** | *** | *** | *** |
| 2013 | | *** | | *** | *** | *** | *** | *** |
| 2012 | | *** | | *** | *** | *** | *** | *** |
| 2011 | | *** | | *** | *** | *** | *** | *** |
| 2010 | | *** | | *** | *** | *** | *** | *** |
| 2009 | | *** | | *** | *** | *** | *** | *** |
| 2008 | | *** | | *** | *** | *** | *** | *** |
| 2007 | | 1,371,713 | | - | 1,371,713 | 238,437 | 4,828 | 5.64 |

Redevelopment Bonds ³

| Fiscal Year | Revenue | | Less: Operating Expenses | | Net Available Revenue | Debt Service | | Coverage |
|-------------|---------|------------|--------------------------|-----------|-----------------------|--------------|--------------|----------|
| | | | | | | Principal | Interest | |
| 2016 | \$ | 6,741,105 | \$ | 2,949,898 | \$ 3,791,207 | \$ 2,540,500 | \$ 1,487,856 | 0.94 |
| 2015 | | 7,461,479 | | 4,225,896 | 3,235,583 | 1,295,000 | 1,432,781 | 1.19 |
| 2014 | | 8,321,415 | | 5,173,422 | 3,147,993 | 1,205,000 | 1,479,406 | 1.17 |
| 2013 | | 5,453,289 | | 2,523,697 | 2,929,592 | 1,205,000 | 1,524,331 | 1.07 |
| 2012 | | 5,294,961 | | 2,683,020 | 2,611,941 | 1,160,000 | 1,567,581 | 0.96 |
| 2011 | | 5,771,580 | | 2,501,344 | 3,270,236 | 1,065,000 | 1,610,181 | 1.22 |
| 2010 | | 6,641,872 | | 3,904,610 | 2,737,262 | 955,000 | 1,644,400 | 1.05 |
| 2009 | | 9,653,380 | | 7,081,139 | 2,572,241 | 800,000 | 1,677,713 | 1.04 |
| 2008 | | 9,211,436 | | 5,445,421 | 3,766,015 | 780,000 | 1,704,663 | 1.52 |
| 2007 | | 10,488,287 | | 4,874,975 | 5,613,312 | 880,000 | 1,377,048 | 2.49 |

Sales Tax Increment Bonds

| Fiscal Year | Revenue | | Less: Operating Expenses | | Net Available Revenue | Debt Service | | Coverage |
|-------------|---------|-----------|--------------------------|---|-----------------------|--------------|----------|----------|
| | | | | | | Principal | Interest | |
| 2016 | \$ | 1,666,089 | \$ | - | \$ 1,666,089 | \$ - | \$ - | - |
| 2015 | | 1,603,223 | | - | 1,603,223 | - | - | - |
| 2014 | | 1,495,886 | | - | 1,495,886 | - | - | - |
| 2013 | | 1,378,666 | | - | 1,378,666 | 490,000 | 9,800 | 2.76 |
| 2012 | | 1,330,144 | | - | 1,330,144 | 475,000 | 28,506 | 2.64 |
| 2011 | | 1,387,116 | | - | 1,387,116 | 455,000 | 45,375 | 2.77 |
| 2010 | | 1,333,339 | | - | 1,333,339 | 445,000 | 60,569 | 2.64 |
| 2009 | | 1,353,418 | | - | 1,353,418 | 430,000 | 73,981 | 2.69 |
| 2008 | | 1,550,221 | | - | 1,550,221 | 420,000 | 85,412 | 3.07 |
| 2007 | | 1,715,029 | | - | 1,715,029 | 410,000 | 94,763 | 3.40 |

Business Activities ⁴

Marina Bonds

| Fiscal Year | Revenue | | Less: Operating Expenses | | Net Available Revenue | | Debt Service | | Coverage | | |
|-------------|---------|-----------|--------------------------|-----------|-----------------------|---------|--------------|----------|----------|---------|------|
| | | | | | | | Principal | Interest | | | |
| 2016 | \$ | 2,857,861 | \$ | 2,543,748 | \$ | 314,113 | \$ | 229,038 | \$ | 245,716 | 0.66 |
| 2015 | | 2,203,948 | | 2,183,515 | | 20,433 | | 229,038 | | 223,573 | 0.05 |
| 2014 | | 1,749,369 | | 1,666,599 | | 82,770 | | - | | 92,343 | 0.90 |
| 2013 | | 1,812,467 | | 1,754,527 | | 57,940 | | - | | 92,343 | 0.63 |
| 2012 | | 1,938,537 | | 1,737,132 | | 201,405 | | - | | 92,343 | 2.18 |
| 2011 | | 2,038,173 | | 1,751,506 | | 286,667 | | - | | 95,421 | 3.00 |
| 2010 | | 1,900,066 | | 1,798,215 | | 101,851 | | - | | 42,903 | 2.37 |
| 2009 | | 2,003,613 | | 1,743,047 | | 260,566 | | 189,243 | | 95,082 | 0.92 |
| 2008 | | 2,079,777 | | 1,919,150 | | 160,627 | | 355,396 | | 102,024 | 0.35 |
| 2007 | | 2,345,683 | | 1,935,606 | | 410,077 | | 474,600 | | 106,475 | 0.71 |

Storm Water Bonds

| Fiscal Year | Revenue | | Less: Operating Expenses | | Net Available Revenue | | Debt Service | | Coverage | | |
|-------------|---------|-----------|--------------------------|-----------|-----------------------|-------------|--------------|----------|----------|---------|--------|
| | | | | | | | Principal | Interest | | | |
| 2016 | \$ | 2,747,322 | \$ | 6,626,201 | \$ | (3,878,879) | \$ | 665,000 | \$ | 542,329 | (3.21) |
| 2015 | | 2,693,352 | | 1,521,214 | | 1,172,138 | | 635,000 | | 628,375 | 0.93 |
| 2014 | | 2,718,550 | | 2,538,854 | | 179,696 | | 635,000 | | 657,605 | 0.14 |
| 2013 | | 2,598,840 | | 1,249,161 | | 1,349,679 | | 615,000 | | 679,336 | 1.04 |
| 2012 | | 2,736,435 | | 1,153,251 | | 1,583,184 | | 590,000 | | 703,935 | 1.22 |
| 2011 | | 2,768,553 | | 1,010,332 | | 1,758,221 | | 570,000 | | 724,835 | 1.36 |
| 2010 | | 2,702,779 | | 899,894 | | 1,802,885 | | 545,000 | | 747,510 | 1.39 |
| 2009 | | 2,704,100 | | 1,136,105 | | 1,567,995 | | 530,000 | | 769,811 | 1.21 |
| 2008 | | 2,905,459 | | 1,034,076 | | 1,871,383 | | 510,000 | | 787,460 | 1.44 |
| 2007 | | 3,159,400 | | 1,040,355 | | 2,119,045 | | 660,000 | | 800,223 | 1.45 |

Solid Waste Bonds

| Fiscal Year | Revenue | | Less: Operating Expenses | | Net Available Revenue | | Debt Service | | Coverage | |
|-------------|---------|-----------|--------------------------|-----------|-----------------------|-----------|--------------|----------|----------|-------|
| | | | | | | | Principal | Interest | | |
| 2016 | \$ | 6,544,121 | \$ | 5,880,050 | \$ | 664,071 | \$ | *** | *** | *** |
| 2015 | | 6,378,368 | | 5,411,167 | | 967,201 | | *** | *** | *** |
| 2014 | | 6,266,635 | | 4,928,031 | | 1,338,604 | | *** | *** | *** |
| 2013 | | 6,369,346 | | 4,579,691 | | 1,789,655 | | *** | *** | *** |
| 2012 | | 6,798,039 | | 5,017,166 | | 1,780,873 | | *** | *** | *** |
| 2011 | | 6,085,349 | | 4,792,160 | | 1,293,189 | | *** | *** | *** |
| 2010 | | 6,187,890 | | 4,765,265 | | 1,422,625 | | 26,894 | 740 | 51.48 |
| 2009 | | 6,093,789 | | 4,276,617 | | 1,817,172 | | 26,894 | 2,919 | 60.95 |
| 2008 | | 6,290,401 | | 4,694,220 | | 1,596,181 | | 24,276 | 3,547 | 57.37 |
| 2007 | | 6,308,113 | | 4,623,832 | | 1,684,281 | | 23,086 | 2,662 | 65.42 |

*** No bonds outstanding

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

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

³ Funded by (TIF) Tax Increment Funds

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

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

Total operating expenses (less depr)

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

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

| Calendar Year | City of Ft. Pierce Population | Personal Income | Median Household Income * | School Enrollment** | Unemployment Rate |
|----------------------|--|------------------------|--|--------------------------------|------------------------------|
| 2016 | 44,484 | 1,140,347,340 | 25,635 | 41,589 | 8.4% |
| 2015 | 43,601 | 1,151,676,814 | 26,414 | 40,764 | 10.4% |
| 2014 | 43,074 | 1,193,968,206 | 27,719 | 40,951 | 13.7% |
| 2013 | 42,645 | 1,347,496,710 | 31,598 | 45,781 | 10.1% |
| 2012 | 41,993 | 1,296,281,917 | 30,869 | 46,453 | 10.9% |
| 2011 | 42,169 | 1,561,500,000 | 37,030 | 44,294 | 13.0% |
| 2010 | 41,590 | 1,566,650,000 | 37,669 | 45,188 | 14.1% |
| 2009 | 44,000 | 1,413,500,000 | 32,125 | 41,261 | 14.1% |
| 2008 | 44,227 | 1,460,160,000 | 33,015 | 39,994 | 10.0% |
| 2007 | 42,000 | 1,554,000,000 | 37,000 | 37,380 | 6.4% |

Source:

* U. S. Department of Commerce, Bureau of Economic Analysis (FRED)

** St. Lucie County School Board (Countywide)

**City of Fort Pierce, Florida
Principal Employers
Current Year and Nine Years Ago**

| Employer* | 2016 | | | 2007 | | |
|---|----------------|------|--|----------------|------|--|
| | Employees * | Rank | Percentage of Total County Employment Within the City Limits | Employees * | Rank | Percentage of Total County Employment Within the City Limits |
| School Board of St Lucie County | 5,416 | 1 | 7.69% | 4,597 | 1 | 8.83% |
| Indian River State College | 2,400 | 2 | 3.41% | 1,547 | 3 | 2.97% |
| Lawnwood Regional Medical Ctr & Heart Institute | 1,339 | 3 | 1.90% | 1,082 | 5 | 2.08% |
| Wal-Mart Distribution Center | 890 | 5 | 1.26% | 2790 | 2 | 5.36% |
| St. Lucie County | 658 | 7 | 0.93% | 982 | 7 | 1.89% |
| St. Lucie County Fire District | 434 | 6 | 0.62% | | | |
| City of Fort Pierce | 335 | 6 | 0.48% | | | |
| Tropicana Products Inc | 275 | 8 | 0.39% | | | |
| Fort Pierce Utilities Authority | 268 | 9 | 0.38% | | | |
| United States Postal Service | 235 | 10 | 0.33% | | | |
| Publix Supermarkets | | | | 1163 | 4 | 2.23% |
| Riverside Bank | | | | 1,023 | 6 | 1.97% |
| Harbor Federal Savings & Loan | | | | 699 | 8 | 1.34% |
| Home Depot | | | | 425 | 9 | 0.82% |
| New Horizons - Treasure Coast | | | | 398 | 10 | 0.76% |
| Total | <u>12,250</u> | | <u>17.39%</u> | <u>14,706</u> | | <u>28.25%</u> |
| * Total industry jobs in St. Lucie County 2015 | 70,426 | | | 52,051 | | |

Sources: Economic Development Council (EDC) of St. Lucie County
Florida Department of Economic Opportunity

* Total industry job information is for St. Lucie County; specific City only data is not available.
The information uses the most recent EDC data, 2016 is not available at this time.

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

| Function / Program | Fiscal Year | | | |
|--------------------------------|-------------|-------|-------|-------|
| | 2016 | 2015 | 2014 | 2013 |
| Primary government: | | | | |
| Government activities: | | | | |
| General government | 65.5 | 68.0 | 69.0 | 69.0 |
| Public safety | 166.5 | 167.0 | 164.0 | 164.0 |
| Transportation | 25.0 | 26.0 | 26.0 | 26.0 |
| Economic environment | 2.0 | 2.0 | 2.0 | 6.0 |
| Culture and recreation | 26.0 | 26.0 | 26.0 | 26.0 |
| Total governmental activities | 285.0 | 289.0 | 287.0 | 291.0 |
| | | | | |
| Business type activities | | | | |
| Buidling Inspections | 11.0 | 11.0 | 12.0 | 12.0 |
| Marina | 5.0 | 5.0 | 5.0 | 6.0 |
| Solid Waste | 33.0 | 33.0 | 33.0 | 34.0 |
| Golf Course | 12.5 | 13.0 | 13.0 | 16.0 |
| Sunrise Theatre | 7.0 | 7.0 | 6.0 | 8.0 |
| Total Business type activities | 68.5 | 69.0 | 69.0 | 76.0 |
| | | | | |
| Total all activities | 353.5 | 358.0 | 356.0 | 367.0 |

Source: City of Fort Pierce Budget Document

* 2010 First year of collecting data

| Fiscal Year | | | | | |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| 71.0 | 70.0 | 73.0 | 94.0 | 94.0 | 95.0 |
| 155.0 | 165.0 | 168.0 | 203.0 | 217.0 | 198.0 |
| 26.0 | 26.0 | 30.0 | 39.0 | 39.0 | 41.0 |
| 8.0 | 6.0 | 8.0 | 8.0 | 12.0 | 13.0 |
| 26.0 | 26.0 | 27.0 | 29.0 | 29.0 | 29.0 |
| 286.0 | 293.0 | 306.0 | 373.0 | 391.0 | 376.0 |
| 12.0 | 12.0 | 13.0 | * | * | * |
| 6.0 | 5.0 | 5.0 | 7.0 | 9.0 | 9.0 |
| 34.0 | 34.0 | 31.0 | 32.0 | 34.0 | 34.0 |
| 16.0 | 16.0 | 21.0 | 20.0 | 31.0 | 31.0 |
| 8.0 | 7.0 | 7.0 | 9.0 | 9.0 | 8.0 |
| 76.0 | 74.0 | 77.0 | 68.0 | 83.0 | 82.0 |
| 362.0 | 367.0 | 383.0 | 441.0 | 474.0 | 458.0 |

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

| | Fiscal Year | | | |
|----------------------------------|-------------|--------|--------|--------|
| | 2016 | 2015 | 2014 | 2013 |
| <u>Function/Program</u> | | | | |
| Police | | | | |
| Physical arrests | 2,626 | 2,975 | 3,189 | 3,064 |
| Parking Violations | 433 | 341 | 298 | 230 |
| Traffic Violations | 6,496 | 9,984 | 8,791 | 5,619 |
| Fire (County wide) | | | | |
| Emergency responses | 45,796 | 43,045 | 40,033 | 39,189 |
| Fires calls | 4,928 | 4,659 | 4,483 | 4,229 |
| Refuse collections | | | | |
| Refuse collected (tons per day) | 124 | 133 | 131 | 129 |
| Other public works | | | | |
| Street resurfacing (miles) | 1.5 | 0.7 | 1.4 | 1.2 |
| Potholes repaired * | 412 | 440 | 428 | 478 |
| Parks and recreation | | | | |
| Athletic fields permits issued | 269 | 280 | 278 | 218 |
| River Walk Center permits issued | 97 | 85 | 64 | 66 |
| Garden Club permits issued | 57 | 48 | 33 | 20 |
| Maravilla permits issued | 86 | 92 | 66 | 56 |
| Special Events | 168 | 163 | 186 | 151 |
| Old City Hall | 34 | 26 | *** | *** |

Sources: Various City of Fort Pierce departments

Notes: * Work orders issued

** 2009 First year of collecting data

*** Data not available

**** 2011 First year of collecting data

| Fiscal Year | | | | | |
|-------------|--------|--------|--------|--------|--------|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| 2,899 | 2,510 | 3,794 | 3,145 | 3,032 | 3,055 |
| 211 | 336 | 959 | 969 | 860 | 513 |
| 4,782 | 171 | 720 | 5,744 | 6,993 | 8,618 |
| 34,161 | 38,989 | 33,906 | 33,673 | 32,182 | 31,512 |
| 3,629 | 4,626 | 4,430 | 4,515 | 4,790 | 4,604 |
| 201 | 123 | 126 | 106 | 169 | 142 |
| - | 1.6 | - | 0.3 | 3.9 | 6.3 |
| 215 | 200 | 600 | 380 | 281 | 206 |
| 358 | 397 | 415 | 447 | 533 | 460 |
| 69 | 73 | 139 | 57 | ** | ** |
| 19 | 10 | 34 | 17 | ** | ** |
| 47 | 10 | **** | **** | **** | **** |
| 150 | 141 | **** | **** | **** | **** |
| *** | *** | *** | *** | *** | *** |

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

| <u>Function/Program</u> | Fiscal Year | | | |
|--|--------------------|-------------|-------------|-------------|
| | 2016 | 2015 | 2014 | 2013 |
| Police | | | | |
| Stations | 3 | 3 | 3 | 3 |
| Sworn Officers | 115 | 115 | 118 | 115 |
| Fire | | | | |
| Stations | 17 | 17 | 17 | 18 |
| Firefighters | 389 | 386 | 370 | 370 |
| Refuse collections | | | | |
| Commerial | 1,751 | 1,730 | 1,685 | 1,695 |
| Residential | 12,173 | 11,871 | 11,611 | 11,550 |
| Public | 30 | 30 | 30 | 32 |
| Other public works | | | | |
| Streets (miles) | 141 | 185 | 179 | 152 |
| Streetlights | 5,313 | 5,313 | 5,313 | 5,313 |
| Traffic signals | 211 | 211 | 177 | 177 |
| Parks and recreations | | | | |
| Acreage | 294.3 | 294.3 | 294.3 | 294.3 |
| Playgrounds | 12 | 12 | 11 | 12 |
| Baseball/football fields/basketball courts | 35 | 35 | 24 | 23 |
| Tennis/handball/racquetball/shuffleboard | 21 | 21 | 21 | 21 |
| Community Centers | 2 | 2 | 2 | 2 |
| Miles of public beach | 2.3 | 2.3 | 2.3 | 2.3 |
| Pools | 2 | 2 | 2 | 2 |
| Utility Customers | | | | |
| Electric | 28,100 | 28,096 | 27,630 | 27,770 |
| Water | 19,750 | 19,756 | 19,250 | 19,280 |
| Watewater | 15,000 | 14,987 | 14,640 | 14,450 |
| Natural Gas | 4,225 | 4,223 | 4,180 | 4,190 |

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

* Parks Transferred to the City from St. Lucie County

| Fiscal Year | | | | | |
|-------------|--------|--------|--------|--------|--------|
| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 107 | 110 | 107 | 115 | 117 | 108 |
| 18 | 18 | 18 | 18 | 15 | 15 |
| 364 | 370 | 376 | 420 | 402 | 350 |
| 1,675 | 1,678 | 1,963 | 1,972 | 1,978 | 1,607 |
| 11,427 | 12,843 | 12,840 | 12,926 | 13,180 | 11,964 |
| 35 | 36 | 36 | 39 | 30 | 29 |
| 152 | 152 | 152 | 152 | 166 | 166 |
| 5,106 | 5,028 | 5,028 | 5,138 | 4,798 | 4,790 |
| 177 | 177 | 177 | 70 | 70 | 70 |
| 294.3 | 294.3 | 294.3 | 116.9 | 116.9 | 116.9 |
| 12 | 12 | 12 | 6 | 7 | 7 |
| 23 | 23 | 22 | 22 | 26 | 26 |
| 21 | 21 | 5 | 5 | 5 | 5 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 28,413 | 27,697 | 27,859 | 28,413 | 28,584 | 26,883 |
| 19,394 | 19,180 | 19,048 | 19,394 | 19,278 | 17,711 |
| 14,842 | 14,377 | 14,460 | 14,842 | 14,737 | 13,428 |
| 4,039 | 3,892 | 3,982 | 4,039 | 4,171 | 4,304 |

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AUDITORS' REPORTS



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and other matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the City Commission
City of Fort Pierce, Florida

March 21, 2017

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 21, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A. Bartolomeo, M. Bee, Hartley & Barnes

Certified Public Accountants
Fort Pierce, Florida

City of Fort Pierce, Florida
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the year ended September 30, 2016

| Description | CFDA/ CSFA Number | Contract Grant Number | Expenditures | Pass-Through to Sub- Recipients |
|---|-------------------------|-----------------------------|---------------------|---------------------------------------|
| <u>FEDERAL PROGRAMS:</u> | | | | |
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| <i>Direct Program:</i> | | | | |
| Community Development Block Grant Entitlement | 14.218 | B14-MC-12-0031 | 261,692 | - |
| Community Development Block Grant Entitlement | 14.218 | B15-MC-12-0031 | 301,024 | 4,000 |
| | | | 562,716 | 4,000 |
| <u>U.S. Department of Justice</u> | | | | |
| <i>Direct Program:</i> | | | | |
| ARRA-COPS Hiring | 16.710 | 2011-UM-WX-0043 | 11,115 | - |
| Public Safety Partnership and Community Policing | 16.710 | 2013-UM-WX-0053 | 174,537 | - |
| Youth Gang Prevention | 16.544 | 2014-JV-FX-0002 | 107,341 | - |
| <i>Indirect Program:</i> | | | | |
| <i>Passed through Florida Attorney General:</i> | | | | |
| Victims of Crime Act | 16.575 | V057-14089 | 36,515 | - |
| <i>Passed through Florida Department of Law Enforcement:</i> | | | | |
| Stop Violence Against Women Formula Grant | 16.588 | 16-8004-LE-INV | 62,432 | - |
| Technical Improvement Program | 16.738 | 2016-JAGC-STLU-2-H3-05 | 31,363 | - |
| | | | 423,303 | - |
| <i>Passed through Florida Department of Environmental protection:</i> | | | | |
| Nonpoint Source Implementation Grants | 66.460 | GO417 | 170,000 | - |
| <i>Passed through Florida Department of Transportation:</i> | | | | |
| Highway Planning and Construction | 20.205 | ARO15 | 127,990 | - |
| | | | 127,990 | - |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | \$ 1,284,009 | \$ 4,000 |
| <u>STATE PROJECTS:</u> | | | | |
| <u>Florida Department of Transportation</u> | | | | |
| Florida Highway Beautification | 55.003 | GO703 | \$ 12,739 | - |
| <u>Florida Housing Finance Agency:</u> | | | | |
| State Housing Initiatives Partnership Program | 40.061 | | 176,457 | - |
| <u>Division of Cultural Affairs:</u> | | | | |
| General Program Support | 45.061 | | 68,942 | - |
| TOTAL STATE FINANCIAL ASSISTANCE | | | \$ 258,138 | \$ - |

City of Fort Pierce, Florida
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the year ended September 30, 2016

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects was prepared to include the activity of all federal and state awards of the City of Fort Pierce, Florida and is presented on the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Independent Auditor's Report on Compliance For Each Major Federal Awards Program, and
on Internal Control Over Compliance Required by Uniform Guidance

To the City Council
City of Fort Pierce, Florida

March 21, 2017

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Fort Pierce, Florida with the types of compliance requirements described in Uniform Guidance that could have a direct and material effect on each of its major federal awards programs and state projects for the year ended September 30, 2016. The City of Fort Pierce, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal Programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Fort Pierce, Florida's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance, requires that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City of Fort Pierce, Florida's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the City of Fort Pierce, Florida's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Fort Pierce, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A. Bartolomeo, M. Bee, Hartley & Barred

Certified Public Accountants
Fort Pierce, Florida

I. Summary of Auditor Findings

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

Federal Programs:

CFDA Number: 14.218 Community Development Block Grant Entitlement

The threshold for distinguishing between Type A and Type B programs was \$750,000 for major federal programs.

8. The City of Fort Pierce, Florida was determined to be a low risk auditee for federal program testing pursuant to Uniform Guidance.

II. Financial Statement Findings

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

III. Federal Program/State Project Findings and Questioned Costs

There were no audit findings that are required to be reported in accordance with CFR 200.516(a)

IV. Summary Schedule of Prior Audit Findings

There were no prior audit findings.

Independent Accountant's Report on Compliance With Section 218.415, Florida Statutes

To the City Commission
Fort Pierce, Florida

March 21, 2017

We have examined the City's compliance with the requirements of Section 218.415, Florida Statutes with regards to the City's investments during the year ended September 30, 2016. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

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

DiBartolomeo, McBee, Hartley & Barnes

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

Management Letter

To the City Commission
City of Fort Pierce, Florida

March 21, 2017

Report on the Financial Statements

We have audited the financial statements of the City of Fort Pierce, Florida, as of and for the year ended September 30, 2016, and have issued our report thereon dated March 21, 2017, which was unqualified.

Auditor's Responsibility

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, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 21, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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

Financial Condition

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

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

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City of Fort Pierce Florida for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal control.

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

Purpose of this letter

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

Very truly yours,



Certified Public Accountants
Fort Pierce, Florida



AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Johnna S. Morris, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Fort Pierce which is a local government entity of the State of Florida;
2. City of Fort Pierce adopted Ordinance No. L-61 implementing an impact fee; and
3. City of Fort Pierce has complied and, as of the date of this affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FUTHER AFFIANT SAYETH NAUGHT.

 Johnna S. Morris, Director of Finance

STATE OF FLORIDA
COUNTY OF SAINT LUCIE

SWORN TO AND SUBSCRIBED before me this 31st day of March, 2017.

 NOTARY PUBLIC

Print Name Queen Thompson

Personally known or produced identification _____

Type of identification produced _____

My Commission Expires:

