

THE SUNRISE CITY  
**FORT PIERCE**  
*Florida*



*Comprehensive Annual  
Financial Report*

**Fiscal Year Ended September 30, 2017**

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



**For Fiscal Year Ended September 30, 2017**

**Prepared by:**

**Johnna S. Morris  
Director of Finance**

**City of Fort Pierce Finance Department**

## FORT PIERCE CITY HALL

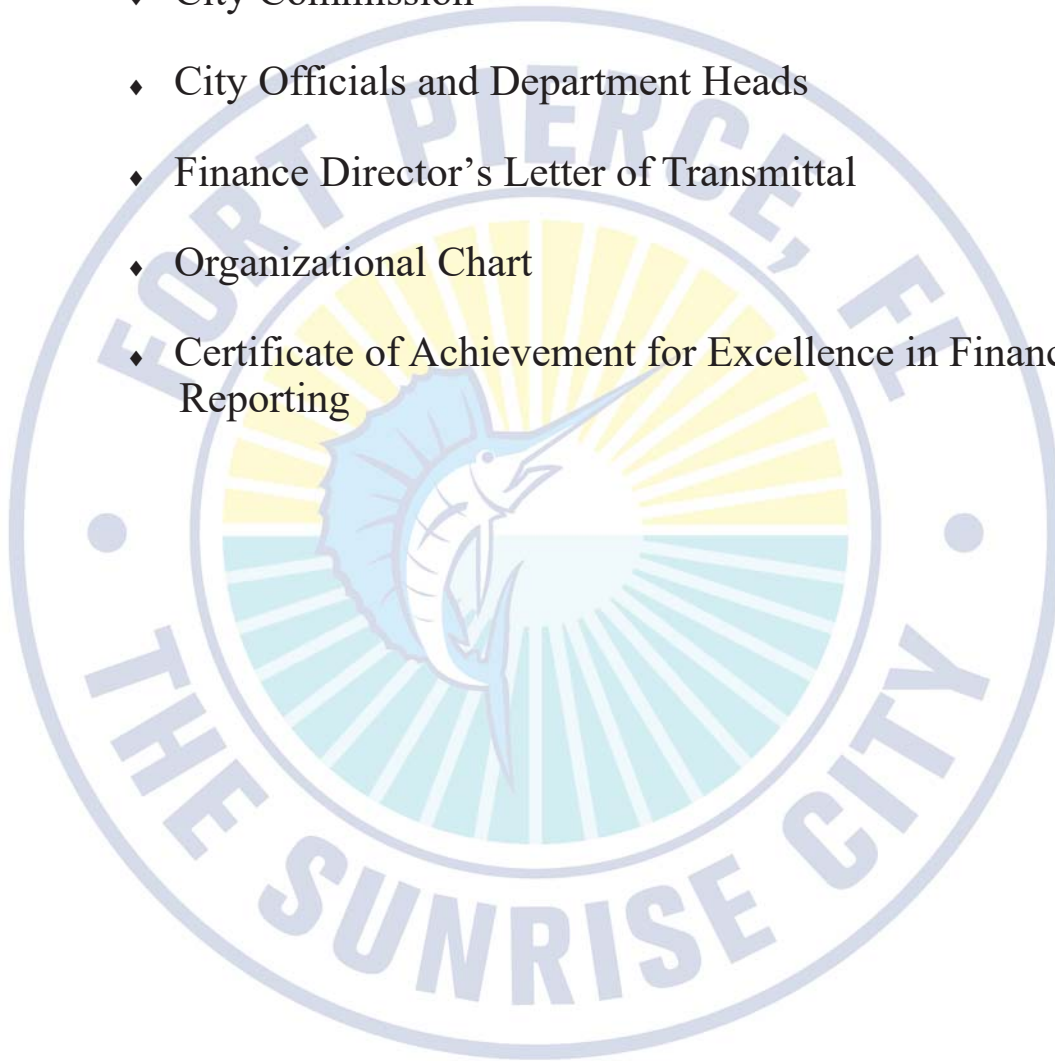


### Mission Statement

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

## **I. *INTRODUCTORY SECTION***

- ◆ Table of Contents
- ◆ City Commission
- ◆ City Officials and Department Heads
- ◆ Finance Director's Letter of Transmittal
- ◆ Organizational Chart
- ◆ Certificate of Achievement for Excellence in Financial Reporting





**TABLE OF CONTENTS** **Page**  
***INTRODUCTORY SECTION***

Table of Contents .....5  
City Commission .....9  
City Officials and Department Heads .....10  
Finance Director’s Letter of Transmittal .....11  
Organizational Chart.....16  
Certificate of Achievement for Excellence in Financial Reporting.....17

***FINANCIAL SECTION***

Independent Auditors’ Report.....21  
Management’s Discussion and Analysis .....24

***Basic Financial Statements:***

Government-wide Financial Statements:  
Statement of Net Position .....38  
Statement of Activities.....40  
Fund Financial Statements:  
    Balance Sheet-Government Funds.....44  
    Reconciliation of Total Governmental Fund Balance to Net Position  
    of Governmental Activities.....46  
    Statement of Revenues, Expenditures and Changes in Fund Balances  
    Governmental Funds .....48  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of the Governmental Funds to the Statement of Activities ....50  
Statement of General Fund Revenues, Expenditures and Changes  
in Fund Balance, Budget (GAAP Basis) and Actual .....51  
Statement of Special Revenue Fund Revenues, Expenditures and Changes  
in Fund Balance, Budget (GAAP Basis) and Actual -  
    Community Redevelopment Agency .....52  
Statement of Special Revenue Fund Revenues, Expenditures and Changes  
in Fund Balance, Budget (GAAP Basis) and Actual -  
    Hurricane Housing Recovery Grant Fund .....53

**TABLE OF CONTENTS**

**Page**

Statement of Fund Net Position – Proprietary Funds .....54  
 Statement of Revenues, Expenses and Changes in Fund Net Position -  
     Proprietary Funds .....58  
 Statement of Cash Flows – Proprietary Funds .....60  
 Statement of Fiduciary Funds Net Position .....66  
 Statement of Changes in Fiduciary Net Position .....67  
 Notes to the Financial Statements .....69

***Required Supplementary Information***

*GASB Statement 45:*

Other Post-Employment Benefits (OPEB) .....134

*GASB Statement 67:*

General Employees’ Retirement and Benefit System-  
     Schedules of Changes in City’s Net Pension Liability .....135  
 Schedule of Employer Contributions.....136  
 Schedule of Investment Returns Multiyear.....137  
 Municipal Police Officers’ Retirement Trust Fund-  
     Schedule of Changes in City’s Net Position Liability .....138  
 Schedule of Employer Contributions.....139  
 Schedule of Investment Returns Multiyear.....140

***Combining and Individual Fund Financial Statements and Schedules:***

General Fund Description .....143  
 Schedule of General Fund Revenues and Other Financing Sources Budget  
     GAAP Basis and Actual.....144  
 Schedule of General Fund Expenditures and Other Financing Uses  
     Budget (GAAP Basis) and Actual .....145  
 Non-major Governmental Funds Description .....147  
 Combining Balance Sheet – Non-major Governmental Funds .....152  
 Combining Statement of Revenues, Expenditures, and Changes in  
     Fund Balances – Non-major Governmental Funds .....153  
 Combining Balance Sheet – Non-major Special Revenue Funds .....154

**TABLE OF CONTENTS**

**Page**

Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances – Non-major Special Revenue Funds .....156  
Combining Balance Sheet – Non-major Debt Service Funds .....158  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-major Debt Funds..... 160  
Combining Balance Sheet – Non-major Capital Projects Funds ..... 162  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balance – Non-major Capital Projects Funds ..... 163

***STATISTICAL SECTION (UNAUDITED)***

A1 – Statistical Tables ..... 166

***Financial Trends Information:***

B1 – Net Position by Component  
Last Ten Fiscal Years ..... 168  
B2 – Changes in Net Position  
Last Ten Fiscal Years ..... 170  
B2 – General Revenues and Other Changes in Net Position ..... 172  
B3 – Fund Balances, Government Funds  
Last Ten Fiscal Years ..... 174  
B4 – Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years ..... 176  
B5 – Changes in Net Position  
Last Ten Fiscal Years ..... 178

***Revenue Capacity Information:***

C1 – Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years ..... 180  
C2 – Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years ..... 182  
C3 – Property Tax Levies and Collections  
Last Ten Fiscal Years ..... 184  
C4 – Principal Revenue Payers - Property Tax  
Current Year and Nine Years Ago..... 186  
C5 – State Shared Revenue Funds  
Current Year and Nine Years Ago..... 188  
C6 – Fort Pierce Redevelopment Agency Districts Taxable Values  
Current Year and Nine Years Ago..... 190

***Debt Capacity Information:***

D1 – Legal Debt Margin Information and  
Direct and Overlapping Governmental Activities Debt..... 192

**TABLE OF CONTENTS**

**Page**

D2 – Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years..... 194

D3 – Pledged - Revenue Coverage  
Last Ten Fiscal Years ..... 196

***Demographic and Economic Information:***

E1 – Demographic and Economic Statistics  
Last Ten Calendar Years..... 198

E2 – Principal Employers  
Current Year ..... 199

***Operating Information:***

F1 – Full-Time Equivalent City Government/Employees by Function/Program  
Last Ten Fiscal Years..... 200

F2 – Operating Indicators by Function/Program  
Last Ten Fiscal Years ..... 202

F3 – Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years ..... 204

***AUDITORS’ REPORTS SECTION***

***Report of Independent Certified Public Accountants 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 ..... 208

Schedule of Expenditures of Federal Awards and State Financial Assistance ..... 210

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance ..... 211

Compliance with Requirements Applicable to Each Major Federal Awards Program, State  
Financial Assistance Project and Internal Control over Compliance in Accordance  
with Uniform Guidance and Chapter 10.550. Rules of the Auditor General..... 212

Schedule of Findings and Questioned Costs - Federal Awards and State Projects ..... 214

Section 218.415 Compliance ..... 215

Management Letter ..... 216

Affidavit ..... 219

## CITY COMMISSION



Linda Hudson, Mayor



Rufus J. Alexander II



Jeremiah Johnson



Thomas K. Perona



Reginald Sessions

## CITY OFFICIALS



Nicholas Mimms, City Manager



James Messer  
*City Attorney*

Linda Cox  
*City Clerk*

Johnna S. Morris, *Director of Finance*  
Diane Hobley-Burney, *Chief of Police*  
John R. Andrews, *City Engineer*  
DeVoshay Johnson, *Information Technology Manager*  
Paul Thomas *Building Official*  
Rebecca Grohall, *Director, Planning Department*  
Robert Reals, *Director, 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*



THE SUNRISE CITY  
**FORT PIERCE**  
FINANCE DEPARTMENT  
*Florida*



March 30, 2018

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, 2017. 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, 2017, 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, 2017, 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 45,295 residents. In addition, the City operates a solid waste enterprise activity, a marina, a golf course, a theatre, a building department 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 comprehensive annual financial report as the General Employees' Retirement and Benefits System, and the Municipal Police Officers' Retirement Trust Fund. 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 6.5% is down from 8.4% 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 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 complete. Using a \$1,700,000 brownfield grant the old plant was demolished and property was cleaned-up. The city is actively working with developers on the design and use of this prime land. The City completed construction for Veterans Memorial Park and Indian Hills recreation area. The City used federal, state, and local grants, in addition to restricted revenue, to complete these projects. The City completed a road reconstruction project on 13<sup>th</sup> Street and another on Avenue F. 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 City updated its radio system to remain compliant with State & County frequencies. The City used note proceeds of \$1,425,586 to fund this purchase. During FY 2017, the area experienced 2 major hurricanes. The City is still in the process of repairing the damage to seawalls and buildings through FY 2018.

The 2017 budget included funding for capital equipment, which resulted from maintaining the millage rate. Prior to FY 2016, because of limited resources, little was budgeted to capital equipment. In 2017, the City was able to replace fleet vehicles in the Police division, replace trucks in the Solid Waste divisions, add a street-sweeper in the Stormwater division, update some technological equipment, and continue road resurfacing. The capital improvements constructed were through note proceeds, leasing proceeds, or grant funding. The City's long-term debt at 9/30/2017 was \$92,621,679.

### **2017-2018 Budget Issues**

The City of Fort Pierce budget for fiscal 2018 increased from fiscal 2017. The budget for 2018 is \$36,886,199 and 2017 was \$35,803,121, an increase of \$1,083,078.

The City's taxable valuation is \$2,243,131,859 compared to last year's final valuation of \$2,109,164,737. This represents an increase of approximately 6.35% or \$133,967,122. 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.

In 2016, the City Commission established an annual restricted amount to be used for capital projects and approved an interfund loan to fund a new capital improvement plan. The 2018 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 appropriated \$594,566 from fund balance to balance General Fund’s budget.

The 2018 budget (General Fund) included a 3% pay increase for all employees. Retirement rates for general members are 17.35%, up from 14.89%, Police officers decreased to 11.98% down from 14.61%. These wage and benefit changes equated to an increase of \$546,727.

The 2018 budget (General Fund) included the addition of 7 new personnel positions, which equate to an increase of \$371,991.

During FY 2017, the City entered into notes and capital leases to assist in the acquisition of equipment and capital assets resulting in an increase in debt payment of \$412,695 for FY 2018.

General Fund’s \$527,456 transfer to Fort Pierce Redevelopment Agency, to assist in its operations, is approximately \$210,087 less than last year due to an increase in property values and the FY 2016 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
2016	35,803,121	3,580,312	4,461,635
2017	36,886,199	3,688,620	4,852,321

**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, 2016. 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-eight 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.

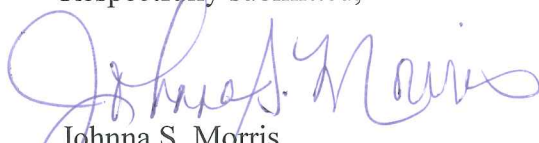
**Acknowledgments**

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.

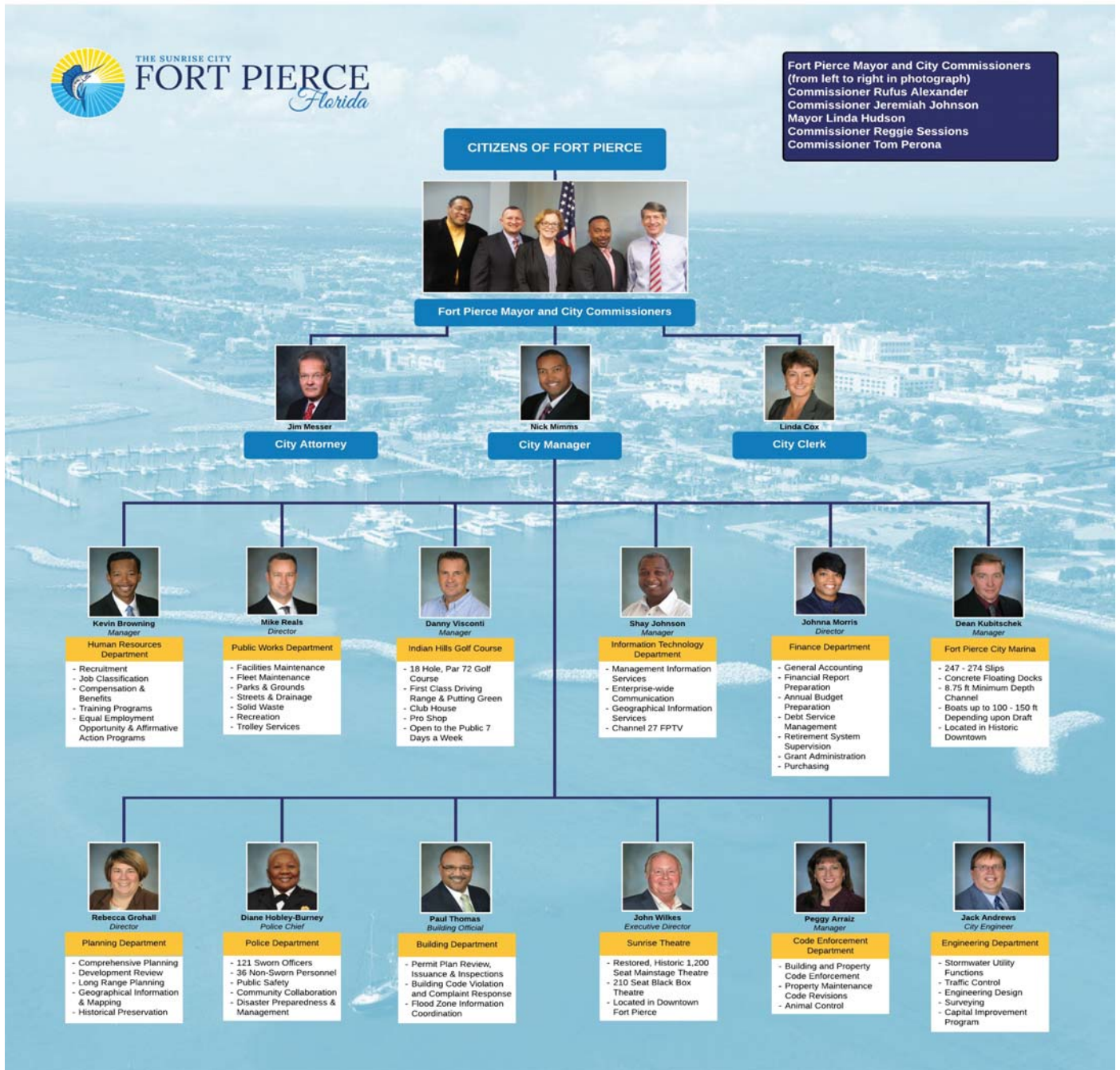
Sincere appreciation is extended to the firm of DiBartolomeo, McBee, Hartley & Barnes for their professional approach and high standard in the conduct of their independent audit of the City's financial records and transactions.

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, 2016**

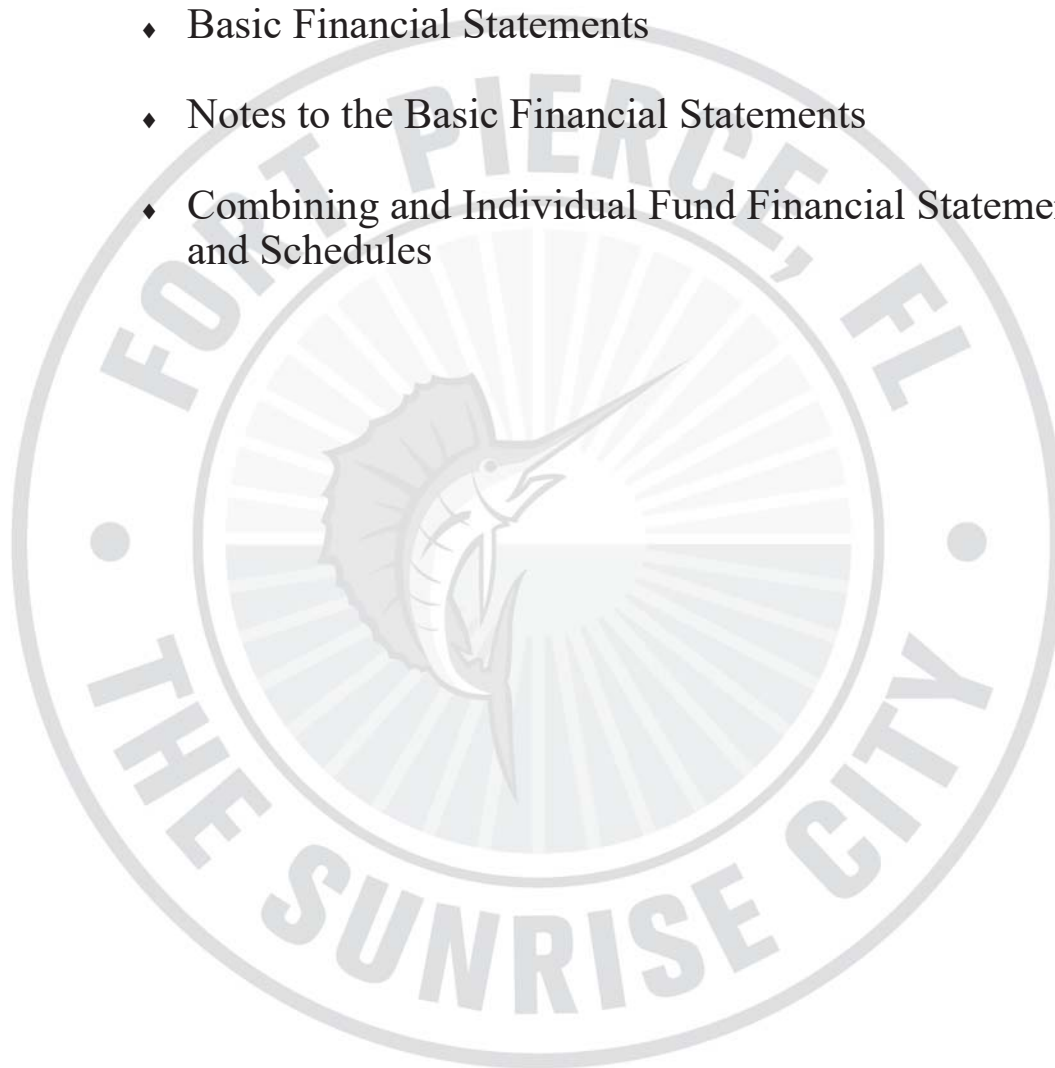
*Christopher P. Morrill*

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





## Independent Auditors' Report

To the City Commission  
Fort Pierce, Florida

March 22, 2018

### **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, 2017, 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, 2017, 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 pension and post-employment benefit information 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 Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

To the City Commission  
Fort Pierce, Florida

March 22, 2018

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 22, 2018 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  
City of Fort Pierce

## 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, 2017. 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 \$115,641,732 of which \$46,931,015 is governmental and \$68,710,717 is the total for business-type activities.
- The City's revenues for Governmental Activities at year end were \$41,935,511 a 7.64% increase, and expenses were \$42,532,674 a 7.98% increase before transfers out of \$1,810,121. Expenses exceeded revenues by \$0.60 million. The revenue increase from 2016 was \$2.98 million; this can be attributed to increases in the following: charges for services of \$0.52 million, operating grants and contributions of \$1.04 million, ad valorem and other taxes of \$0.80 million, intergovernmental revenue of \$0.21 million, contributions from component unit of \$0.16 million and miscellaneous revenue of \$0.21 million. The increase in expenses in comparison to last year was \$3.14 million, resulting from increases in the following: general government \$2.50 million, public safety \$1.13 million, transportation \$0.36 million and culture and recreation \$0.38 million offset by decreases in the following: economic environment (\$0.16 million), and interest on long-term debt (\$1.06 million).
- Business-type funds revenues were \$19,031,212 a increase of 2.85% or \$528,073 before transfers in of \$1,810,121, and expenses were \$22,750,962, a decrease of (6.92%) or (\$1,691,160) from the previous year. The increase in revenue from the prior year is attributable to the increase in operating grants and contributions \$0.30 million and the increase of \$0.20 in charges for services. The decrease in expenses in comparison to the prior year is attributable to decreases in the following: stormwater (\$2.73) million and sunrise theatre (\$0.22) offset by increases in the following: solid waste \$0.55 million, marina \$0.57 million, and building department \$0.11 million.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$15,161,838, an increase of \$361,468; of which there were increases in the General Fund of \$1.32 million and the restricted revenue and grant funding of \$1.43 million and decreases in the debt service reserve of (\$0.07 million) and the capital project funds of (\$2.33 million).

The long-term debt, net of current portion, of the City on 9/30/17 was \$86,800,683, a decrease of \$2.00 million or 2.23%. 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, 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 \$115,641,732 at the close of the most recent fiscal year.

Approximately 95% 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 2017 and 2016

	Governmental		Business Type		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other Assets	20,505,971	20,748,419	3,174,349	4,966,840	23,680,320	25,715,259
Capital Assets	108,061,235	109,411,333	87,298,544	88,653,577	195,359,779	198,064,910
<b>Total Assets</b>	<b>128,567,206</b>	<b>130,159,752</b>	<b>90,472,893</b>	<b>93,620,417</b>	<b>219,040,099</b>	<b>223,780,169</b>
Deferred Outflows	10,709,437	9,893,683	1,299,409	912,309	12,008,846	10,805,992
Long-term Liabilities O/S	82,025,964	82,223,230	19,746,268	20,066,432	101,772,232	102,289,662
Other Liabilities	6,819,103	6,840,607	2,835,935	3,574,630	9,655,038	10,415,237
<b>Total Liabilities</b>	<b>88,845,067</b>	<b>89,063,837</b>	<b>22,582,203</b>	<b>23,641,062</b>	<b>111,427,270</b>	<b>112,704,899</b>
Deferred Inflows	3,500,561	1,651,299	479,382	271,318	3,979,943	1,922,617
Net Position:						
Net Invested in Capital Assets	41,206,642	39,077,396	68,530,285	69,349,261	109,736,927	108,426,657
Restricted	2,906,878	5,300,896	-	-	2,906,878	5,300,896
Unrestricted	2,817,495	4,960,007	180,432	1,271,085	2,997,927	6,231,092
<b>Total Net Position</b>	<b>46,931,015</b>	<b>49,338,299</b>	<b>68,710,717</b>	<b>70,620,346</b>	<b>115,641,732</b>	<b>119,958,645</b>

The City's net position decreased by \$4,316,913 during the fiscal year, the net position of the Governmental Funds decreased by \$2.41 million and business type funds decreased by \$1.91 million. Assets of the Governmental Funds decreased \$1.59 million and liabilities decreased by \$0.22 million. In the enterprise funds, the assets had a decrease of 3.36% or approximately \$3.15 million and liabilities had a decrease of 4.48% or approximately \$1.06 million.

### City of Fort Pierce Statement of Activities- FY 2017 and 2016

	Governmental		Business Type		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Charges for Services	9,967,608	9,450,317	18,244,352	18,047,367	28,211,960	27,497,684
Operating grants and Contributions	1,422,785	385,082	712,500	-	2,135,285	385,082
Capital Grants and Contributions	-	-	-	407,561	-	407,561
General Revenues:						
Ad Valorem Taxes	13,973,397	13,171,397	-	-	13,973,397	13,171,397
Other Taxes	6,373,938	6,344,386	-	-	6,373,938	6,344,386
Unrestricted grants and contributions	-	-	-	-	-	-
Intergovernmental	3,498,879	3,292,726	-	-	3,498,879	3,292,726
Miscellaneous	417,715	201,096	-	-	417,715	201,096
Contributions from Component Units	5,968,785	5,809,302	-	-	5,968,785	5,809,302
Unrestricted investment earnings	312,404	305,599	74,360	48,211	386,764	353,810
<b>Total Revenues</b>	<b>41,935,511</b>	<b>38,959,905</b>	<b>19,031,212</b>	<b>18,503,139</b>	<b>60,966,723</b>	<b>57,463,044</b>

**City of Fort Pierce Statement of Activities- FY 2017 and 2016 (Cont.)**

	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Expenses						
General government	12,679,532	10,188,059	-	-	12,679,532	10,188,059
Public safety	16,426,201	15,293,734	-	-	16,426,201	15,293,734
Transportation	6,224,923	5,868,560	-	-	6,224,923	5,868,560
Economic Environment	1,104,259	1,262,385	-	-	1,104,259	1,262,385
Culture & recreation	2,529,937	2,153,169	-	-	2,529,937	2,153,169
Interest on long-term debt	3,567,822	4,624,442	-	-	3,567,822	4,624,442
Solid Waste	-	-	6,235,640	5,689,842	6,235,640	5,689,842
Marina	-	-	4,078,834	3,512,275	4,078,834	3,512,275
Stormwater	-	-	5,202,294	7,939,853	5,202,294	7,939,853
Golf Course	-	-	1,553,141	1,510,721	1,553,141	1,510,721
Sunrise Theatre	-	-	4,376,238	4,595,335	4,376,238	4,595,335
Building Department	-	-	1,304,815	1,194,096	1,304,815	1,194,096
Total Expenses	42,532,674	39,390,349	22,750,962	24,442,122	65,283,636	63,832,471
Increase (Decrease) in net position						
before transfers	(597,163)	(430,444)	(3,719,750)	(5,938,983)	(4,316,913)	(6,369,427)
Transfers In (Out)	(1,810,121)	(23,665)	1,810,121	23,665	-	-
Changes in net position	(2,407,284)	(454,109)	(1,909,629)	(5,915,318)	(4,316,913)	(6,369,427)
Net Position - Beginning	49,338,299	49,792,408	70,620,346	76,535,664	119,958,645	126,328,072
Net Position - Ending	46,931,015	49,338,299	68,710,717	70,620,346	115,641,732	119,958,645

**Governmental activities.** Governmental activities accounted for a negative decline of \$597,163 in net position of the City.

Revenues increased \$2.98 million or 7.64% in Fiscal Year 2017. There are increases in the several categories. Charges for services increased \$0.52 million. Property values continue to steadily increase, resulting in an increase of \$0.80 million in ad valorem revenue. Operating grants and contributions increased by \$1.04 million. Intergovernmental revenues increased by \$0.21 million Contributions from component unit increased by \$0.16 million and miscellaneous revenues increased by \$0.22 million. The 7.98% or \$3.14 million increase in expenses was attributed to increases of \$4.36 million are between the following categories: general government \$2.49 million, public safety \$1.13 million, transportation \$0.36 million and \$0.38 in culture and recreation offset by a decrease of (\$1.06 million) in interest on debt service cost and (\$0.16 million) in economic environment.

**Business-type activities.** The business-type activities include the activities of a stormwater utility program, golf course, city marina, theatre, solid waste operation and the building department. Revenues increased \$0.53 million, operating and capital grants accounted for \$0.30 million of the increase and remaining \$0.20 million relates to charges for services. Expenses decreased \$1.69 million. The solid waste operations, marina, and the building department

expenses increased \$0.55 million, \$0.57 million, and \$0.11 million respectively; offset by a decrease of \$2.74 million in the stormwater utility program and \$0.22 million in the theatre.

## **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 \$15,161,838 an increase of \$361,468 in comparison with the prior year. The non-spendable portion is \$2,247,457, restricted is \$7,087,722, \$710,407 is committed, \$3,693,204 is assigned and \$1,423,048 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 2017 is \$6,169,645, which increased \$1.32 million. The 27% increase relates to the increase in tax revenues while working to maintain expenses and the transfers of resources for future fiscal year expenses. The increase in fund balance is reflective mainly in the change in the unassigned portion and partially in the committed portion. The debt service reserve fund balance is \$2,906,878 a decrease of \$0.07 million, which represent payment of interest and principal on debt. Currently the capital projects fund balance which represent construction of infrastructure and other capital improvements is zero, a decrease of \$2.3 million. At the end of the fiscal year the City did not have any infrastructure or capital improvement projects which were accounted for in the capital project funds. Finally the fund balance in the special revenue funds at 9/30/2017 is \$6,085,315, an increase of \$1.44 million, \$1.43 million of the increase relates to the increase in funds reserved for special purposes and projects, \$0.01 million relates to funding reserved for grants .

**Business Type Funds.** The enterprise funds have unrestricted net position of \$180,432. Net investment in capital assets is \$68,530,285 with a combined net position total of \$68,710,717. The decrease in net position of \$1.9 million from the prior year is reflective of the operating losses relating to golf course and theatre.

## **General Fund Budgetary Highlights**

The General Fund 2017 budget revenue was \$35,692,714; the amount realized was \$41,372,581, an increase of \$5,679,867 or 15.91%. The expenditure budget was \$35,803,121, and the actual amount was \$40,055,257, an increase of \$4,252,136 or 11.88%. 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 \$1,317,324; the changes were substantial in some categories, listed below are the major notable amendments:

- \$419,962 or 2.11% increase in taxes; decreases in ad valorem taxes (\$28,978), offset by increases in local option taxes \$134,076, and utility and other taxes \$314,864.
- \$34,463 or 9.67% increase in licenses and permits; \$17,571 less in occupational licenses

- and \$52,034 more in other permits.
- \$64,420 or 29.14% increase in charges for services; community center produced \$40,873 more, \$12,737 parking fees, and \$10,810 in other service charges.
  - \$547,443 or 17.36% increase in intergovernmental revenue; \$192,722 increase in state shared revenue, \$276,225 increase in half cent sales tax, \$79,933 more in state retirement contribution, and \$1,437 decrease in other intergovernmental.
  - \$199,303 or 48.81% increase in administrative and contractual services; \$106,431 increase in contractual services, and \$92,871 increase in settlement of claims.
  - \$958,886 or 353.53% increase in miscellaneous revenue; \$102,411 increase in interest, \$497,515 in other miscellaneous contractual, \$297,833 in other contributions, rent, special assessments and, miscellaneous revenues and reimbursements increased \$61,127.
  - (\$301,701) or (20.32%) decrease in reimbursement by other funds; administrative fees were not as much as budgeted.
  - \$3,757,091 or 38.95% increase in contribution from component unit and other financing sources: \$3,589,373 in note proceeds and capital lease obligations were not budgeted, \$283,500 transfer from the construction fund not budgeted, \$139,391 decrease in transfer from solid waste and \$23,609 decrease in transfers from various funds.
  - \$4,252,136 or 11.88% increase in expenditures from various departments. The major increases were: Administration \$2,443,895, Public Safety \$355,437, Transportation \$222,426, Building maintenance \$196,835 and transfers out \$1,317,660. The increases in expenditures were offset by a decreases in MIS of \$184,490,

### 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, 2017 amounts to \$195,359,779 (this is net of accumulated depreciation). Significant additions during the year consisted of purchase of a parcel of land, street reconstruction, six solidwaste vehicles, and equipment and machinery. See Note H for detail information on the primary government’s Capital Assets.

City of Fort Pierce Capital Assets - FY 2017 and 2016 (net of depreciation)						
	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land & CIP	27,867,828	27,282,256	690,670	690,670	28,558,498	27,972,296
Buildings	27,548,481	28,439,297	10,678,533	11,267,089	38,227,014	39,706,386
Improvements Other than Buildings	19,763,742	22,369,602	73,004,809	75,439,154	92,768,551	97,808,756
Machinery & Equipment	7,113,978	4,167,975	2,924,532	1,256,664	10,038,510	5,424,639
Infrastructure	25,767,206	27,152,203	-	-	25,767,206	27,152,203
Total	108,061,235	109,411,333	87,298,544	88,653,577	195,359,779	198,064,910

**Debt.** At the end of the current fiscal year, the City had total long-term debt outstanding, net of current portion of \$86,800,863.

<b>City of Fort Pierce Outstanding Debt</b>						
<b>Revenue Bond, Road Improvement Notes , Intergovernmental Notes &amp; Capital Leases</b>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue bonds, road improvement notes , intergovernmental notes & capital leases	73,853,420	74,582,140	18,768,259	19,304,316	92,621,679	93,886,456
Less current portion	(4,428,656)	(3,917,765)	(1,392,340)	(1,186,990)	(5,820,996)	(5,104,755)
Long-term debt, net of current portion	<u>69,424,764</u>	<u>70,664,375</u>	<u>17,375,919</u>	<u>18,117,326</u>	<u>86,800,683</u>	<u>88,781,701</u>

The City’s long-term debt, net of current portion debt decreased during the year by a net \$2.00 million. 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. 2017. 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 2018 budget began with a 3.03% increase or \$1,083,078 in the General Fund Budget, of which \$600,000 was restricted, and expenditures exceeding revenues by approximately \$585,000; savings from the 2016 – 2017 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 2018, that caused and closed the budget gap are listed below:

- In the General Fund, the City’s taxable valuation is \$2,243,131,859 compared to last year’s final valuation of \$2,109,164,737. This represents an increase of approximately 6.35% or \$133,967,122. 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 \$0.88 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 an additional \$0.11 million in intergovernmental revenue.
- The City appropriated \$0.58 million from fund balance to balance General Fund’s budget.
- In the 2018 budget (General Fund) the personnel services included a 3% pay increase for all employees. General members’ retirement rate is 17.35%, increased from 14.89%. Police officers retirement rate decreased to 11.98% from 14.61%. These wage and benefit

- changes equated to an increase of \$546,727.
- The 2018 budget (General Fund) included the addition of 7 personnel positions; 4 Police Officers, 1 Police Information Technology position, 1 equipment operator, 1 part-time code enforcement position, and 1 part-time trolley driver. The addition of these positions equated to an increase of \$371,991.
  - The 2018 budget included an increase of \$412,695 for payment of the new debt the City entered into for the acquisition of assets and equipment.
  - 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 \$190,071; from \$5.0 million to \$5.2 million. 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, in FY 2018 the transfer amount was reduced by \$210,087 in relation to the increase in tax revenues.
  - As for the business-type activities, the Marina, Solid Waste, Stormwater, and Golf Course operations had to make up their budget shortfalls by appropriating retained earnings of \$317,790, \$563,166, \$484,828, and \$134,729 in 2018. 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, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 13,695,481	\$ 1,679,044	\$ 15,374,525	\$ 26,661,099
Receivables (net of allowance for uncollectibles)	1,624,373	2,555,326	4,179,699	14,115,001
Due from component unit	255,149	634,949	890,098	-
Internal balances	2,065,894	(2,065,894)	-	-
Due from other governments	488,952	9,988	498,940	2,085,046
Inventories and other current assets	359,674	160,746	520,420	4,555,995
Restricted Assets:				
Temporarily restricted:				
Cash and investments	-	174,669	174,669	27,155,707
Total current assets	18,489,523	3,148,828	21,638,351	74,572,848
Noncurrent assets:				
Prepaid Insurance	111,599	25,521	137,120	-
Notes Receivable	1,904,849	-	1,904,849	-
FMPA working capital receivable	-	-	-	1,918,608
Investment in Public Gas Partners Pool	-	-	-	485,599
Capital assets, not being depreciated:				
Land	27,796,483	674,008	28,470,491	10,065,000
Construction in progress	71,345	16,662	88,007	20,124,282
Capital assets (net of accumulated depreciation):				
Buildings	42,508,571	17,903,077	60,411,648	-
Improvements other than buildings	44,858,512	97,023,886	141,882,398	-
Equipment	17,604,761	10,798,811	28,403,572	-
Infrastructure	108,924,361	-	108,924,361	436,381,789
Accumulated depreciation	(133,702,798)	(39,117,900)	(172,820,698)	(253,514,389)
Total noncurrent assets	110,077,683	87,324,065	197,401,748	215,460,889
Total assets	\$ 128,567,206	\$ 90,472,893	\$ 219,040,099	\$ 290,033,737
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	3,805,941	-	3,805,941	132,690
Pensions	6,903,496	1,299,409	8,202,905	7,979,011
Total deferred outflows of resources	10,709,437	1,299,409	12,008,846	8,111,701

The accompanying notes are an integral part of this statement.

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 1,520,848	\$ 971,114	\$ 2,491,962	\$ 8,973,114
Unearned revenue	223,083	297,968	521,051	835,412
Accrued compensated absences	105,619	51,687	157,306	-
Capital leases payable	10,309	292,721	303,030	10,650
Due to other governments	-	-	-	745,570
Notes and revenue bonds-current	4,418,347	1,099,619	5,517,966	5,840,000
Accrued interest payable	413,863	26,381	440,244	907,934
Liabilities payable from restricted assets:				
Customer deposits	127,034	96,445	223,479	8,029,301
Total current liabilities	<u>6,819,103</u>	<u>2,835,935</u>	<u>9,655,038</u>	<u>25,341,981</u>
Noncurrent liabilities:				
Notes and bonds payable, net	69,382,187	16,196,963	85,579,150	66,975,785
Capital Leases	42,577	1,178,956	1,221,533	-
Accrued compensated absences	3,007,048	558,311	3,565,359	1,968,432
Other post employment benefits	881,978	158,477	1,040,455	742,000
Net Pension Liability	8,712,174	1,653,561	10,365,735	10,090,305
Total noncurrent liabilities	<u>82,025,964</u>	<u>19,746,268</u>	<u>101,772,232</u>	<u>79,776,522</u>
Total liabilities	<u>88,845,067</u>	<u>22,582,203</u>	<u>111,427,270</u>	<u>105,118,503</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Payments received in advance	-	-	-	2,415,892
Pensions	3,500,561	479,382	3,979,943	2,925,261
Total deferred inflows of resources	<u>3,500,561</u>	<u>479,382</u>	<u>3,979,943</u>	<u>5,341,153</u>
<b>NET POSITION</b>				
Net Invested in capital assets	41,206,642	68,530,285	109,736,927	140,434,660
Restricted for:				
Capital improvement charges	-	-	-	5,521,646
Debt service and other	2,906,878	-	2,906,878	6,856,825
Unrestricted	<u>2,817,495</u>	<u>180,432</u>	<u>2,997,927</u>	<u>34,872,651</u>
Total net position	<u>\$ 46,931,015</u>	<u>\$ 68,710,717</u>	<u>\$ 115,641,732</u>	<u>\$ 187,685,782</u>

City of Fort Pierce, Florida  
**STATEMENT OF ACTIVITIES**  
Year ended September 30, 2017

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 12,679,532	\$ 2,127,748	\$ -	\$ -
Public safety	16,426,201	402,673	607,828	-
Transportation	6,224,923	299,620	10,922	-
Economic environment	1,104,259	6,883,000	804,035	-
Culture and recreation	2,529,937	254,567	-	-
Interest on long-term debt	3,567,822	-	-	-
Total governmental activities	<u>42,532,674</u>	<u>9,967,608</u>	<u>1,422,785</u>	<u>-</u>
Business-type activities:				
Solid waste	6,235,640	6,676,775	-	-
Marina	4,078,834	3,729,402	-	-
Storm Water	5,202,294	2,724,106	712,500	-
Golf Course	1,553,141	979,461	-	-
Sunrise Theatre	4,376,238	2,765,443	-	-
Building Fund	1,304,815	1,369,165	-	-
Total business-type activities	<u>22,750,962</u>	<u>18,244,352</u>	<u>712,500</u>	<u>-</u>
Total primary government	<u>\$ 65,283,636</u>	<u>\$ 28,211,960</u>	<u>\$ 2,135,285</u>	<u>\$ -</u>
<b>Component units:</b>				
Fort Pierce Utilities Authority	\$ 96,389,821	\$ 102,649,770	\$ 420,593	\$ (256,276)
Total component units	<u>\$ 96,389,821</u>	<u>\$ 102,649,770</u>	<u>\$ 420,593</u>	<u>\$ (256,276)</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

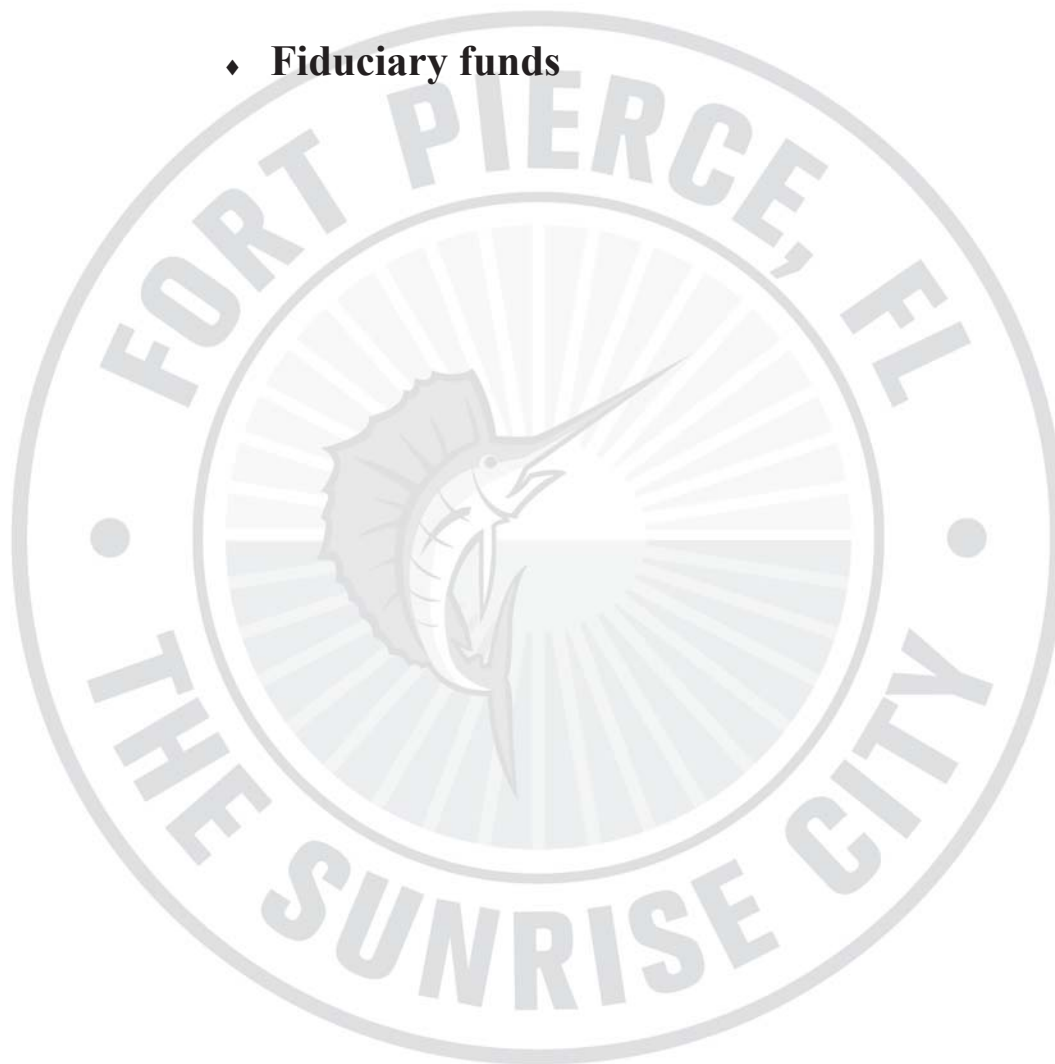
<b>Net (expense) Revenue and Change in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Fort Pierce Utilities Authority</b>
\$ (10,551,784)	\$ -	\$ (10,551,784)	\$ -
(15,415,700)	-	(15,415,700)	-
(5,914,381)	-	(5,914,381)	-
6,582,776	-	6,582,776	-
(2,275,370)	-	(2,275,370)	-
(3,567,822)	-	(3,567,822)	-
<u>(31,142,281)</u>	<u>-</u>	<u>(31,142,281)</u>	<u>-</u>
-	441,135	441,135	-
-	(349,432)	(349,432)	-
-	(1,765,688)	(1,765,688)	-
-	(573,680)	(573,680)	-
-	(1,610,795)	(1,610,795)	-
-	64,350	64,350	-
<u>-</u>	<u>(3,794,110)</u>	<u>(3,794,110)</u>	<u>-</u>
<u>\$ (31,142,281)</u>	<u>\$ (3,794,110)</u>	<u>\$ (34,936,391)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,424,266</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,424,266</u>
\$ 13,973,397	-	\$ 13,973,397	\$ -
2,059,076	-	2,059,076	-
4,314,862	-	4,314,862	-
1,392,722	-	1,392,722	-
1,776,224	-	1,776,224	-
329,933	-	329,933	-
5,968,785	-	5,968,785	(5,968,785)
417,715	-	417,715	-
312,404	74,360	386,764	2,235,046
-	-	-	(1,886)
<u>(1,810,121)</u>	<u>1,810,121</u>	<u>-</u>	<u>-</u>
<u>28,734,997</u>	<u>1,884,481</u>	<u>30,619,478</u>	<u>(3,735,625)</u>
<u>(2,407,284)</u>	<u>(1,909,629)</u>	<u>(4,316,913)</u>	<u>2,688,641</u>
<u>49,338,299</u>	<u>70,620,346</u>	<u>119,958,645</u>	<u>184,997,141</u>
<u>\$ 46,931,015</u>	<u>\$ 68,710,717</u>	<u>\$ 115,641,732</u>	<u>\$ 187,685,782</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, 2017

	General Fund	Community Redevelopment Agency
<b>ASSETS</b>		
Cash and investments	\$ 6,609,206	\$ 276,404
Accounts receivables	4,637,899	260,165
Liens receivables	4,192,621	-
Due from component unit	253,263	1,886
Due from other funds	1,588,846	-
Advances to other funds	-	-
Due from other governments	44,999	-
Prepaid items	275,428	12,067
Inventories	72,142	-
Notes receivable	-	-
Total assets	<u>\$ 17,674,404</u>	<u>\$ 550,522</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,361,938	\$ 33,878
Deposits	127,034	-
Due to other funds	-	21,024
Advances from other funds	1,081,495	-
Revenue in advance	223,081	-
Total liabilities	<u>2,793,548</u>	<u>54,902</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	<u>8,711,211</u>	<u>256,435</u>
Total Deferred Inflows	<u>8,711,211</u>	<u>256,435</u>
<b>FUND BALANCES</b>		
Nonspendable	347,570	12,067
Restricted	-	227,118
Committed	710,407	-
Assigned	3,688,620	-
Unassigned	1,423,048	-
Total fund balances	<u>6,169,645</u>	<u>239,185</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,674,404</u>	<u>\$ 550,522</u>

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

Hurricane Housing Recovery Grant Fund	Other Governmental Funds	Totals
\$ 998,216	\$ 5,811,655	\$ 13,695,481
50	44,532	4,942,646
-	-	4,192,621
-	-	255,149
-	-	1,588,846
-	1,887,783	1,887,783
-	443,953	488,952
-	37	287,532
-	-	72,142
<u>1,604,392</u>	<u>300,457</u>	<u>1,904,849</u>
<u>\$ 2,602,658</u>	<u>\$ 8,488,417</u>	<u>\$ 29,316,001</u>

\$ 6,445	\$ 118,587	\$ 1,520,848
-	-	127,034
-	308,216	329,240
-	-	1,081,495
-	-	223,081
<u>6,445</u>	<u>426,803</u>	<u>3,281,698</u>
<u>1,604,392</u>	<u>300,427</u>	<u>10,872,465</u>
<u>1,604,392</u>	<u>300,427</u>	<u>10,872,465</u>

-	1,887,820	2,247,457
991,821	5,868,783	7,087,722
-	-	710,407
-	4,584	3,693,204
-	-	1,423,048
<u>991,821</u>	<u>7,761,187</u>	<u>15,161,838</u>
<u>\$ 2,602,658</u>	<u>\$ 8,488,417</u>	<u>\$ 29,316,001</u>

City of Fort Pierce, Florida

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

September 30, 2017

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Total fund balance per this statement	\$	15,161,838
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 \$241,764,033 and the accumulated depreciation is \$133,702,798		108,061,235
Deferred inflows related to pensions are not financial resources and therefore are not reported in governmental funds		(3,500,561)
Long-term liabilities (capital lease obligations, intergovernmental notes, other post employment benefits, accrued compensated absences, and pension liability) of \$86,303,309 plus unamortized premiums of \$256,930 are not due and payable and therefore, are not reported in the funds.		(86,560,239)
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.		(413,863)
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.		3,917,540
Deferred outflows related to pensions are not financial resources and therefore are not reported in governmental funds		6,903,496
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.		3,361,569
Net position of governmental activities	\$	<u>46,931,015</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, 2017

	General Fund	Community Redevelopment Agency
<b>Revenues</b>		
Taxes	\$ 20,347,337	\$ -
Licenses and permits	390,963	-
Intergovernmental	3,701,443	5,141,458
Charges for services	285,520	-
Fines and forfeitures	189,139	-
Contributions from component unit	5,968,785	-
Investment income	157,411	7,726
Other	2,891,896	673,517
Total revenues	<u>33,932,494</u>	<u>5,822,701</u>
<b>Expenditures</b>		
Current		
General government	12,536,440	-
Public safety	14,523,680	-
Transportation	3,068,423	-
Economic environment	-	319,426
Culture and recreation	2,217,612	-
Capital outlay	1,896,694	839,079
Debt service		
Principal	-	-
Interest and fees	35,561	441,886
Other	-	-
Total expenditures	<u>34,278,410</u>	<u>1,600,391</u>
Excess of revenues over (under) expenditures	(345,916)	4,222,310
<b>Other financing sources (uses)</b>		
Transfers in	7,385,714	1,526,901
Proceeds from debt issuance	-	-
Capital lease proceeds	54,373	-
Transfers out	(5,776,847)	(5,791,908)
Total other financing sources (uses)	<u>1,663,240</u>	<u>(4,265,007)</u>
Net change in fund balances	1,317,324	(42,697)
Fund balances - beginning of year	<u>4,852,321</u>	<u>281,882</u>
Fund balances - end of year	<u>\$ 6,169,645</u>	<u>\$ 239,185</u>

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

Hurricane Housing Recovery Grant Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ 20,347,337
-	-	390,963
18,254	1,587,347	10,448,502
-	-	285,520
-	-	189,139
-	-	5,968,785
8,145	139,122	312,404
66,750	1,843,938	5,476,101
<u>93,149</u>	<u>3,570,407</u>	<u>43,418,751</u>
-	1,989	12,538,429
-	730,066	15,253,746
-	-	3,068,423
9,182	693,109	1,021,717
-	-	2,217,612
-	528,043	3,263,816
-	4,289,252	4,289,252
-	2,630,240	3,107,687
-	71,193	71,193
<u>9,182</u>	<u>8,943,892</u>	<u>44,831,875</u>
83,967	(5,373,485)	(1,413,124)
-	6,833,539	15,746,154
-	3,535,000	3,535,000
-	-	54,373
-	(5,992,180)	(17,560,935)
<u>-</u>	<u>4,376,359</u>	<u>1,774,592</u>
83,967	(997,126)	361,468
<u>907,854</u>	<u>8,758,313</u>	<u>14,800,370</u>
<u>\$ 991,821</u>	<u>\$ 7,761,187</u>	<u>\$ 15,161,838</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, 2017

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Net change in fund balances-total governmental funds	\$	361,468
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 (\$4,432,143) exceeds capital outlay (\$3,263,816) in the current period.		(1,168,327)
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.		(186,431)
Repayment of bond and note principal (\$4,289,252) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		4,289,252
Note proceeds and capital lease obligations (\$3,589,373) used for capital asset acquisition are other financing sources (uses) in the governmental funds, but increase(decrease) long-term liabilities in the Statement of Net Assets.		(3,589,373)
Compensated absences of (\$176,480) and other post employment benefits of (\$ 26,583) 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.		(203,063)
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.		24,479
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.		(1,443,316)
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 (\$417,339)		(417,339)
Net book value of capital assets transferred from enterprise fund to governmental funds		4,660
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.		(79,294)
Change in Net position of governmental activities	<u>\$</u>	<u>(2,407,284)</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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 19,927,375	\$ 20,347,337	\$ 20,347,337	\$ -
Licenses and permits	356,500	390,963	390,963	-
Intergovernmental	3,154,000	3,701,443	3,701,443	-
Charges for services	221,100	285,520	285,520	-
Fines and forfeitures	189,500	189,139	189,139	-
Contributions from component unit	7,031,260	5,968,785	5,968,785	-
Investment income	55,000	157,411	157,411	-
Other	2,143,758	2,891,896	2,891,896	-
Total revenues	<u>33,078,493</u>	<u>33,932,494</u>	<u>33,932,494</u>	-
<b>Expenditures</b>				
General government	12,047,354	14,372,480	14,372,480	-
Public safety	14,258,707	14,614,144	14,614,144	-
Transportation	2,845,998	3,068,424	3,068,424	-
Culture and recreation	2,191,875	2,223,362	2,223,362	-
Total expenditures	<u>31,343,934</u>	<u>34,278,410</u>	<u>34,278,410</u>	-
Excess of revenues over expenditures	1,734,559	(345,916)	(345,916)	-
<b>Other financing sources (uses)</b>				
Capital lease proceeds	-	54,373	54,373	-
Transfers in	2,614,221	7,385,714	7,385,714	-
Transfers out	(4,459,187)	(5,776,847)	(5,776,847)	-
Total other financing sources (uses)	<u>(1,844,966)</u>	<u>1,663,240</u>	<u>1,663,240</u>	-
Net change in fund balances	(110,407)	1,317,324	1,317,324	-
Fund balance - beginning of year	<u>4,852,321</u>	<u>4,852,321</u>	<u>4,852,321</u>	-
Fund balance - end of year	<u>\$ 4,741,914</u>	<u>\$ 6,169,645</u>	<u>\$ 6,169,645</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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 5,020,612	\$ 5,141,458	\$ 5,141,458	\$ -
Investment income	500	7,726	7,726	-
Other	160,000	673,517	673,517	-
Total revenues	<u>5,181,112</u>	<u>5,822,701</u>	<u>5,822,701</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Economic environment	341,914	319,426	319,426	-
Capital outlay	-	839,079	839,079	-
Debt service	-	441,886	441,886	-
Total expenditures	<u>341,914</u>	<u>1,600,391</u>	<u>1,600,391</u>	<u>-</u>
Excess of revenues over expenditures	4,839,198	4,222,310	4,222,310	-
<b>Other financing sources (uses)</b>				
Transfers in	737,543	1,526,901	1,526,901	-
Transfers out	<u>(5,576,741)</u>	<u>(5,791,908)</u>	<u>(5,791,908)</u>	<u>-</u>
Total other financing sources (uses)	(4,839,198)	(4,265,007)	(4,265,007)	-
Net change in fund balances	-	(42,697)	(42,697)	-
Fund balance - beginning of year	<u>281,882</u>	<u>281,882</u>	<u>281,882</u>	<u>-</u>
Fund balance - end of year	<u>\$ 281,882</u>	<u>\$ 239,185</u>	<u>\$ 239,185</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, 2017

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 18,254	\$ 18,254	\$ -
Investment income	20,250	8,145	8,145	-
Other	160,000	66,750	66,750	-
Total revenues	<u>180,250</u>	<u>93,149</u>	<u>93,149</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Economic environment	180,250	9,182	9,182	-
Total expenditures	<u>180,250</u>	<u>9,182</u>	<u>9,182</u>	<u>-</u>
Excess of revenues over(under) expenditures	-	83,967	83,967	-
Fund balance - beginning of year	<u>907,854</u>	<u>907,854</u>	<u>907,854</u>	<u>-</u>
Fund balance - end of year	<u>\$ 907,854</u>	<u>\$ 991,821</u>	<u>\$ 991,821</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, 2017

	Business-type Activities		
	Solid Waste	Marina	Storm Water
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 244,761	\$ 442,733	\$ 77,686
Receivables - net of allowances:			
Accounts	937,144	131,973	1,288,166
Unbilled services	187,488	-	-
Due from component units	624,875	-	10,074
Due from other governments	-	-	9,988
Inventories and other current assets	63,136	31,926	-
Restricted Assets			
Cash and investments	-	96,445	-
Total current assets	<u>2,057,404</u>	<u>703,077</u>	<u>1,385,914</u>
<b>NON-CURRENT ASSETS</b>			
Prepaid Insurance	-	4,900	20,621
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	8,636,579	187,436	1,012,413
Accumulated depreciation	<u>(6,463,992)</u>	<u>(10,733,327)</u>	<u>(13,625,807)</u>
Total non-current assets	<u>2,342,688</u>	<u>35,036,242</u>	<u>36,900,861</u>
Total assets	<u>4,400,092</u>	<u>35,739,319</u>	<u>38,286,775</u>
<b>DEFERRED OUTFLOWS</b>			
Pensions	<u>326,467</u>	<u>163,208</u>	<u>-</u>
Total deferred outflows	<u>326,467</u>	<u>163,208</u>	<u>-</u>

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

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<u>Golf Course</u>	<u>Sunrise Theatre</u>	<u>Building Fund</u>	<u>Business-type Activities Totals</u>
\$ 950	\$ 6,100	\$ 906,814	\$ 1,679,044
-	10,555	-	2,367,838
-	-	-	187,488
-	-	-	634,949
-	-	-	9,988
12,854	46,759	6,071	160,746
<u>-</u>	<u>78,224</u>	<u>-</u>	<u>174,669</u>
<u>13,804</u>	<u>141,638</u>	<u>912,885</u>	<u>5,214,722</u>
-	-	-	25,521
314,811	350,000	-	674,008
-	-	-	16,662
877,676	16,059,347	-	17,903,077
2,774,831	-	-	97,023,886
536,537	207,880	217,966	10,798,811
<u>(1,933,426)</u>	<u>(6,177,409)</u>	<u>(183,939)</u>	<u>(39,117,900)</u>
<u>2,570,429</u>	<u>10,439,818</u>	<u>34,027</u>	<u>87,324,065</u>
<u>2,584,233</u>	<u>10,581,456</u>	<u>946,912</u>	<u>92,538,787</u>
<u>243,811</u>	<u>261,602</u>	<u>304,321</u>	<u>1,299,409</u>
<u>243,811</u>	<u>261,602</u>	<u>304,321</u>	<u>1,299,409</u>

City of Fort Pierce, Florida  
**STATEMENT OF NET POSITION- (CONTINUED)**  
**PROPRIETARY FUNDS**  
September 30, 2017

	Business-type Activities		
	Solid Waste	Marina	Storm Water
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 544,330	\$ 80,425	\$ 59,726
Contracts payable - retainage	-	-	8,566
Due to other funds	608,667	15,095	143,327
Accrued compensated absences	6,290	17,811	-
Revenue bonds and notes - current	-	244,619	855,000
Capital Lease Payable-current	292,721	-	-
Accrued interest - revenue bonds and notes	-	26,381	-
Liabilities payable from restricted assets			
Customer deposits	-	96,445	-
Revenue in Advance	-	-	-
	<hr/>	<hr/>	<hr/>
Total current liabilities	1,452,008	480,776	1,066,619
<b>NON-CURRENT LIABILITIES</b>			
Advances from other funds	-	806,288	-
Other Post Employment Benefits	75,045	14,202	-
Accrued compensated absences	239,726	73,894	-
Net Pension Liability	415,445	207,690	-
Capital Lease Payable	1,178,956	-	-
Revenue bonds and notes payable, net	-	5,111,891	11,085,072
	<hr/>	<hr/>	<hr/>
Total non-current liabilities	1,909,172	6,213,965	11,085,072
Total liabilities	<hr/>	<hr/>	<hr/>
	3,361,180	6,694,741	12,151,691
<b>DEFERRED INFLOWS</b>			
Pensions	120,441	60,211	-
Total deferred inflows	<hr/>	<hr/>	<hr/>
	120,441	60,211	-
<b>NET POSITION</b>			
Net Invested in capital assets	871,011	29,674,832	24,940,168
Unrestricted	373,927	(527,257)	1,194,916
Total net position	<hr/>	<hr/>	<hr/>
	\$ 1,244,938	\$ 29,147,575	\$ 26,135,084

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

			Business-type Activities Totals
Golf Course	Sunrise Theatre	Building Fund	
\$ 39,671	\$ 55,492	\$ 104,680	\$ 884,324
-	-	-	8,566
255,843	228,911	7,763	1,259,606
1,833	6,632	19,121	51,687
-	-	-	1,099,619
-	-	-	292,721
-	-	-	26,381
-	78,224	-	174,669
-	297,968	-	297,968
<u>297,347</u>	<u>667,227</u>	<u>131,564</u>	<u>4,095,541</u>
-	-	-	806,288
29,258	21,472	18,500	158,477
75,900	107,164	61,627	558,311
310,262	332,901	387,263	1,653,561
-	-	-	1,178,956
-	-	-	16,196,963
<u>415,420</u>	<u>461,537</u>	<u>467,390</u>	<u>20,552,556</u>
<u>712,767</u>	<u>1,128,764</u>	<u>598,954</u>	<u>24,648,097</u>
<u>89,948</u>	<u>96,511</u>	<u>112,271</u>	<u>479,382</u>
<u>89,948</u>	<u>96,511</u>	<u>112,271</u>	<u>479,382</u>
2,570,429	10,439,818	34,027	68,530,285
(545,100)	(822,035)	505,981	180,432
<u>\$ 2,025,329</u>	<u>\$ 9,617,783</u>	<u>\$ 540,008</u>	<u>\$ 68,710,717</u>

City of Fort Pierce, Florida  
**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS**  
Year ended September 30, 2017

	Business-type Activities		
	Solid Waste	Marina	Storm Water
Operating revenues			
Sales and charges for services	\$ 6,598,298	\$ 1,771,479	\$ 2,706,234
Gas and oil sales	-	1,162,724	-
Other	78,477	795,199	17,872
Total operating revenues	<u>6,676,775</u>	<u>3,729,402</u>	<u>2,724,106</u>
Operating expenses			
Personal services	1,993,415	409,458	-
General and administrative	80,000	-	265,793
Cost of goods and services sold	2,602,669	999,533	-
Depreciation	283,133	1,119,996	1,275,872
Other operating expenses	1,245,977	1,309,637	3,285,072
Total operating expenses	<u>6,205,194</u>	<u>3,838,624</u>	<u>4,826,737</u>
Operating income (loss)	471,581	(109,222)	(2,102,631)
Non-operating revenues (expenses)			
Investment income	3,289	4,587	59,752
Intergovernmental	-	-	712,500
Transfer of equipment to governmental fund	(4,660)	-	-
Interest expense	(30,446)	(240,210)	(375,557)
Total non-operating revenues (expenses)	<u>(31,817)</u>	<u>(235,623)</u>	<u>396,695</u>
Income (loss) before transfers and capital contributions	439,764	(344,845)	(1,705,936)
Transfers in	-	-	1,864,905
Transfers out	(660,609)	(250,000)	-
CHANGE IN NET POSITION	(220,845)	(594,845)	158,969
Total net position - beginning	<u>1,465,783</u>	<u>29,742,420</u>	<u>25,976,115</u>
Total net position - end of year	<u>\$ 1,244,938</u>	<u>\$ 29,147,575</u>	<u>\$ 26,135,084</u>

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

			Business-type Activities Totals	
Golf Course	Sunrise Theatre	Building Fund		
\$ 972,544	\$ 2,607,806	\$ 1,359,356	\$ 16,015,717	
-	-	-	1,162,724	
6,917	157,637	9,809	1,065,911	
<u>979,461</u>	<u>2,765,443</u>	<u>1,369,165</u>	<u>18,244,352</u>	
802,624	634,716	757,022	4,597,235	
56,480	97,755	-	500,028	
28,572	1,251,335	-	4,882,109	
134,701	538,917	973	3,353,592	
530,764	1,853,515	546,820	8,771,785	
<u>1,553,141</u>	<u>4,376,238</u>	<u>1,304,815</u>	<u>22,104,749</u>	
(573,680)	(1,610,795)	64,350	(3,860,397)	
244	428	6,060	74,360	
-	-	-	712,500	
-	-	-	(4,660)	
-	-	-	(646,213)	
<u>244</u>	<u>428</u>	<u>6,060</u>	<u>135,987</u>	
(573,436)	(1,610,367)	70,410	(3,724,410)	
170,000	702,825	-	2,737,730	
<u>(7,000)</u>	<u>-</u>	<u>(5,340)</u>	<u>(922,949)</u>	
(410,436)	(907,542)	65,070	(1,909,629)	
<u>2,435,765</u>	<u>10,525,325</u>	<u>474,938</u>	<u>70,620,346</u>	
<u>\$ 2,025,329</u>	<u>\$ 9,617,783</u>	<u>\$ 540,008</u>	<u>\$ 68,710,717</u>	

City of Fort Pierce, Florida  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2017

	Business-type Activities	
	Solid Waste	Marina
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 6,585,616	\$ 3,445,360
Receipts from rental property	-	243,646
Payments to suppliers for goods and services	(3,643,477)	(2,431,996)
Payments to employees for services	(1,373,644)	(247,543)
Payments for benefits on behalf of employees	(681,412)	(115,022)
Net cash provided (used) by operating activities	887,083	894,445
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in	-	-
Transfers (out)	(660,609)	(250,000)
Net cash provided (used) by noncapital financing activities	(660,609)	(250,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(100,752)	-
Receipts from Intergovernmental	-	-
Bond and loan principal payments	(52,738)	(236,990)
Bond and loan interest payments	(30,446)	(239,516)
Net cash provided (used) by capital and related financing activities	(183,936)	(476,506)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on cash and investments	3,289	4,587
Net cash provided (used) by investing activities	3,289	4,587
Net increase (decrease) in cash and investments	45,827	172,526
Cash and investments at beginning of year	198,934	366,652
Cash and investments at end of year	\$ 244,761	\$ 539,178
Cash and investments-unrestricted	\$ 244,761	\$ 442,733
Cash and investments-restricted	-	96,445
	\$ 244,761	\$ 539,178

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

				Business-type Activities Totals
Storm Water	Golf Course	Sunrise Theatre	Building Fund	
\$ 2,578,533	\$ 979,461	\$ 2,414,928	\$ 1,369,402	\$ 17,373,300
-	-	-	-	243,646
(4,298,713)	(414,719)	(2,925,481)	(484,724)	(14,199,110)
-	(494,506)	(385,445)	(455,712)	(2,956,850)
-	(233,630)	(147,534)	(209,369)	(1,386,967)
<u>(1,720,180)</u>	<u>(163,394)</u>	<u>(1,043,532)</u>	<u>219,597</u>	<u>(925,981)</u>
1,864,905	170,000	702,825	-	2,737,730
-	(7,000)	-	(5,340)	(922,949)
<u>1,864,905</u>	<u>163,000</u>	<u>702,825</u>	<u>(5,340)</u>	<u>1,814,781</u>
(246,767)	-	(96,285)	(35,000)	(478,804)
1,002,532	-	-	-	1,002,532
(1,775,000)	-	-	-	(2,064,728)
(574,860)	-	-	-	(844,822)
<u>(1,594,095)</u>	<u>-</u>	<u>(96,285)</u>	<u>(35,000)</u>	<u>(2,385,822)</u>
59,752	244	428	6,060	74,360
59,752	244	428	6,060	74,360
(1,389,618)	(150)	(436,564)	185,317	(1,422,662)
<u>1,467,304</u>	<u>1,100</u>	<u>520,888</u>	<u>721,497</u>	<u>3,276,375</u>
<u>\$ 77,686</u>	<u>\$ 950</u>	<u>\$ 84,324</u>	<u>\$ 906,814</u>	<u>\$ 1,853,713</u>
\$ 77,686	\$ 950	\$ 6,100	\$ 906,814	\$ 1,679,044
-	-	78,224	-	174,669
<u>\$ 77,686</u>	<u>\$ 950</u>	<u>\$ 84,324</u>	<u>\$ 906,814</u>	<u>\$ 1,853,713</u>

City of Fort Pierce, Florida  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2017

	Business-type Activities	
	Solid Waste	Marina
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 471,581	\$ (109,222)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	283,133	1,119,996
(Increase) decrease in accounts receivable	(133,189)	(34,623)
(Increase) decrease in due from component unit	42,030	-
(Increase) decrease in inventories and other current assets	2,439	30,923
(Increase) decrease in deferred outflows-pension	(566)	(78,706)
Increase (decrease) in accounts payable and accrued liabilities	296,614	(21,553)
Increase (decrease) in due to other funds	-	(131,460)
Increase (decrease) in customer deposits	-	(5,773)
Increase (decrease) in other post employment benefits	(2,757)	549
Increase (decrease) in Net Pension Liability	(145,176)	90,149
Increase (decrease) in Deferred Inflows	76,566	35,081
Increase (decrease) in accrued compensated absences	(3,592)	(916)
Net cash provided (used) by operating activities	<u>\$ 887,083</u>	<u>\$ 894,445</u>
<b>NONCASH INVESTING,CAPITAL AND FINANCING ACTIVITIES</b>		
Transfer of capital assets to governmental fund	\$ (4,660)	\$ -
Equipment purchased with capital leases	<u>1,524,415</u>	<u>-</u>
	<u>\$ 1,519,755</u>	<u>\$ -</u>

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

				Business-type Activities Totals
<u>Storm Water</u>	<u>Golf Course</u>	<u>Sunrise Theatre</u>	<u>Building Fund</u>	
\$ (2,102,631)	\$ (573,680)	\$ (1,610,795)	64,350	\$ (3,860,397)
1,275,872	134,701	538,917	973	3,353,592
(135,499)	-	(4,872)	-	(308,183)
(10,074)	-	-	237	32,193
4,203	(914)	51,520	(887)	87,284
-	(109,716)	(138,130)	(137,113)	(464,231)
(706,096)	(26,483)	78,808	62,539	(316,171)
(45,955)	228,231	148,188	240	199,244
-	-	(345,643)	-	(351,416)
-	636	661	1,060	149
-	123,735	161,152	154,677	384,537
-	50,068	59,791	62,543	284,049
-	10,028	16,871	10,978	33,369
<u>\$ (1,720,180)</u>	<u>\$ (163,394)</u>	<u>\$ (1,043,532)</u>	<u>\$ 219,597</u>	<u>\$ (925,981)</u>
\$ -	\$ -	\$ -	\$ -	\$ (4,660)
-	-	-	-	1,524,415
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,519,755</u>

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## TRUST FUNDS

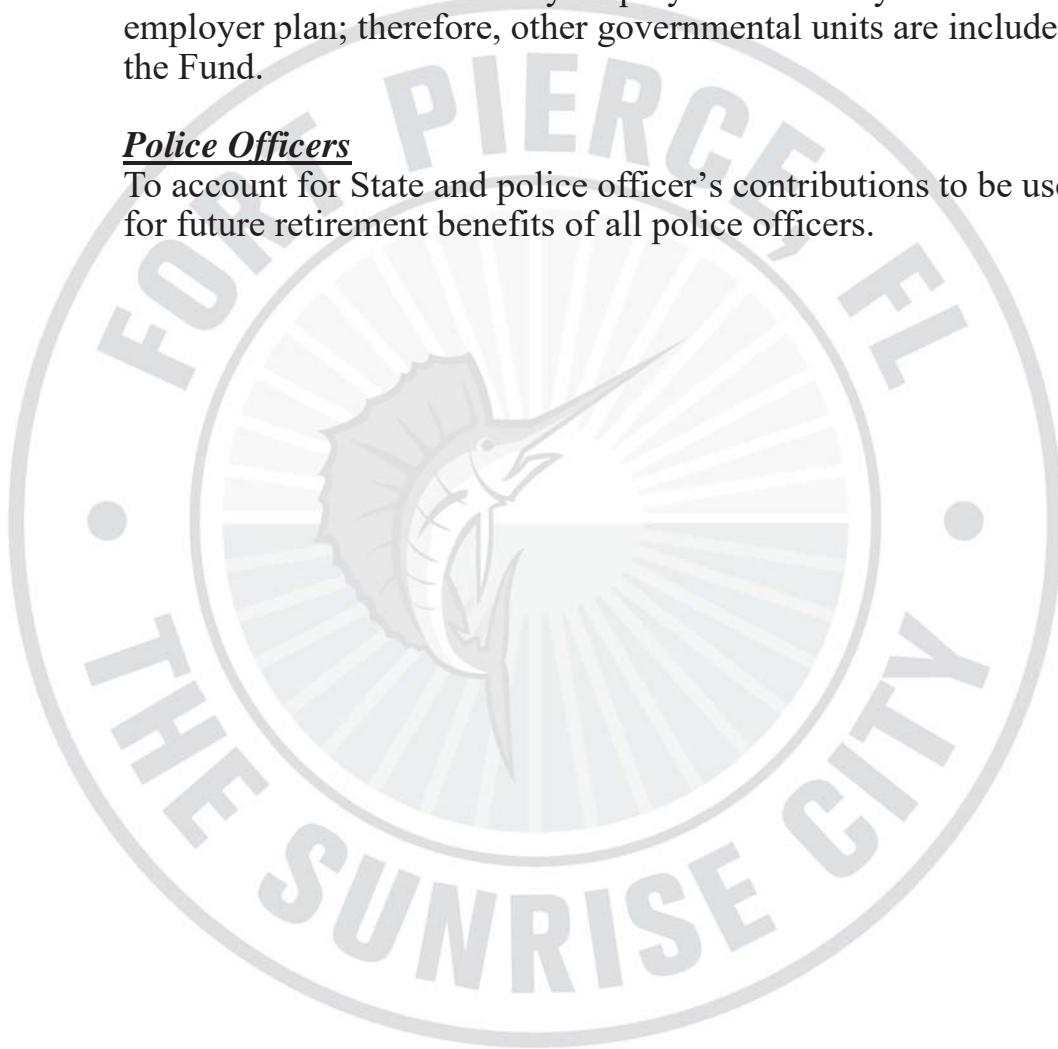
### ◆ Pension Trust

#### 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, 2017

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	<u>Pension Trusts</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,578,741
Investments, at fair value:	
U.S. Government Securities	20,931,038
Mutual Funds	114,388,835
Common Stock	18,806,523
Corporate Bonds	27,030,178
Real Estate Trust L.P.	21,671,230
Common Trust Fund	1,328,569
Money Market	1,522,293
Total investments	<u>205,678,666</u>
Total cash and investments	208,257,407
Accounts receivable	132,232
Accrued interest receivable	<u>413,787</u>
 Total assets	 <u>208,803,426</u>
 <b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	<u>55,603</u>
 Total liabilities	 <u>55,603</u>
 <b>NET POSITION-RESTRICTED FOR PENSION BENEFITS</b>	 <u>\$ 208,747,823</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, 2017

	Pension Trusts
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 4,565,884
Employees	2,156,251
State-Via the General Fund	329,933
Total contributions	7,052,068
Investment income	
Interest	2,231,223
Dividends	1,611,929
Net appreciation in fair value of investments	17,094,603
Total investment income	20,937,755
Investment expenses	(855,906)
Net investment income	20,081,849
Total additions	27,133,917
<b>DEDUCTIONS</b>	
Retirement benefits paid	13,736,690
Refunds of employee contributions	298,276
Administrative expenses	206,760
Insurance expense	19,406
Total deductions	14,261,132
Net Increase	12,872,785
<b>NET POSITION-RESTRICTED FOR PENSION</b>	
<b>BENEFITS</b>	
Beginning of year	195,875,038
End of year	\$ 208,747,823

*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 45,295 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, 2017.

***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 collectability 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. Donated capital assets, works of art, and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

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.

**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)**

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

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

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

**g. Deferred outflows/inflows of resources**

The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. 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.

***NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

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

***1. New Accounting Standards Adopted***

GASB Statement No. 74 – Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (OPEB) included in the financial report of the local government and used for decision making and assessing accountability.

GASB Statement No. 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. This Statement establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that meets the criteria set in Statement 68.

GASB Statement No. 82 – Pension Issues This Statement improves consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, and No. 73, Accounting and Financial reporting for Pensions and Related Assets that are not in the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68.

GASB Statement No. 77, Tax Abatement Disclosures. This statement requires disclosure of tax abatement information about a reporting government's own tax abatement agreements and about tax abatement agreements entered into by other governments that reduce the reporting government's tax revenues. As such, implementation of the statement occurred in the City's fiscal year ending September 30, 2017.

***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.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**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 \$15,161,838 differs from the “net position” of governmental activities \$46,931,015 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	\$ 27,867,828
Cost of capital assets, being depreciated	213,896,205
Accumulated depreciation	(133,702,798)
Total	<u>\$ 108,061,235</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, 2017 were:

Bonds and notes payable	\$ (73,800,534)
Capital lease obligations	(52,886)
Other post employment benefits	(881,978)
Net Pension Liability	(8,712,174)
Compensated absences	(3,112,667)
Total	<u>\$ (86,560,239)</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>\$ (413,863)</u>
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City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**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	\$ 111,599
Net Deferred charge on refunding	\$ 3,805,941

**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	\$ 8,951,392
Loans receivable	16,253
Notes receivable	1,904,819
Allowance for doubtful accounts	(7,510,895)
Deferred revenues	\$ 3,361,569

**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/outflows

Deferred Inflows-Pensions	\$ (3,500,561)
Deferred Outflows-Pensions	\$ 6,903,496

**Elimination of inter-fund receivables/payables**

Inter-fund receivables and payables in the amount of \$1,410,735 between governmental funds have been eliminated for the Statement of Net Position.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**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 \$361,468 differs from the “change in net position” for governmental activities (\$2,407,284) 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	\$ 3,263,816
Depreciation expense	(4,432,143)
	<u>\$ (1,168,327)</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	\$ 4,660
	<u>\$ (186,431)</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, notes, and capital lease principal payments	\$ 4,289,252
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City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

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

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

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

Net change in other post employment benefits	\$ <u>(26,583)</u>
Net change in compensated absences	\$ <u>(176,480)</u>
Net interest adjustment	\$ <u>24,479</u>
Net Change in Pension Liability	\$ <u>(1,443,316)</u>

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

Note Proceeds	\$ (3,535,000)
Capital lease proceeds	(54,373)
	\$ <u>(3,589,373)</u>

**Bond issuance costs**

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

Amortization expenses	\$ <u>(417,339)</u>
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**Deferred revenues**

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

Net change in Deferred Revenue	\$ <u>(79,294)</u>
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**Reclassification and Eliminations**

The General Fund recognizes revenues in the amount of \$1,217,516 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 \$15,746,154 between governmental activities are eliminated in the government-wide financial statements.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

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***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, 2017 was \$15,549,194 and the bank balance was \$17,029,716. 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, 2017, or with banks in which depository insurance was sufficient to cover the deposit balance.

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

The FPUA also invests in the SBA Florida PRIME Local Government Surplus Fund 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. 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 \$5,292,528 balance at September 30, 2017. 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, 2017

**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, 2017 is as follows:

	<b>Primary Government</b>	<b>Component Unit-FPUA</b>
Cash	\$ 1,940,988	\$ 7,116,038
Investments:		
Certificates of Deposit	10,159,462	1,738,644
State Board of Administration pooled trust fund	-	5,292,598
Florida Municipal Investment trust	48,782	-
Money market	-	7,071,062
Repurchase agreements	3,399,962	32,598,464
Total investments	<u>13,608,206</u>	<u>46,700,768</u>
Total pooled cash and investments	<u>\$ 15,549,194</u>	<u>\$ 53,816,806</u>

All investments held in the primary government and component unit at September 30, 2017 have maturity dates less than one year.

A summary of investments held in pension trust funds as of September 30, 2017 is as follows:

	<b>Fair Value Measurements</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
U.S. Agencies	\$ 20,338,887	\$ -	\$ -
U.S. Treasuries	592,151	-	-
Corporate obligations	-	27,030,178	-
Common stock	18,806,523	-	-
Mutual funds-equity	114,388,835	-	-
Real estate trust L.P.	-	-	21,671,230
Common trust fund	-	-	1,328,569
Money market funds	1,522,293	-	-
	<u>\$155,648,689</u>	<u>\$27,030,178</u>	<u>\$22,999,799</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE D – CASH AND INVESTMENTS (CONTINUED)**

	Investment Maturities in Years					total
	under 1	1-5	6-10	10-20	over 20	
U.S. Agencies	\$ -	\$ 497,191	\$ 3,915,932	\$ 1,546,304	\$ 14,379,460	\$ 20,338,887
U.S. Treasuries	-	299,839	-	-	292,312	592,151
Corporate obligations	1,712,426	16,167,929	3,247,258	3,197,968	2,704,597	27,030,178
Common stock	18,806,523	-	-	-	-	18,806,523
Mutual funds-equity	114,388,835	-	-	-	-	114,388,835
Real estate trust L.P.	21,671,230	-	-	-	-	21,671,230
Common trust fund	1,328,569	-	-	-	-	1,328,569
Money market funds	1,522,293	-	-	-	-	1,522,293
	<u>\$ 159,429,876</u>	<u>\$ 16,964,959</u>	<u>\$ 7,163,190</u>	<u>\$ 4,744,272</u>	<u>\$ 17,376,369</u>	<u>\$ 205,678,666</u>

*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.

As of September 30, 2017, the pension plans had the following fixed income investments with corresponding credit ratings:

	<u>Credit Rating</u>	<u>Amount</u>
US Agencies	Aaa	\$ 20,338,887
US Treasuries	Aaa	592,151
Corporate Bonds	A1	3,981,027
Corporate Bonds	A2	3,647,254
Corporate Bonds	A3	7,168,590
Corporate Bonds	Aaa	165,685
Corporate Bonds	Aa1	1,361,576
Corporate Bonds	Aa2	245,441
Corporate Bonds	Aa3	1,296,566
Corporate Bonds	Baa1	6,331,847
Corporate Bonds	Baa2	1,348,770
Corporate Bonds	Baa3	765,389
Corporate Bonds	not rated	718,033
		<u>\$ 47,961,216</u>

**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, 2016, upon which the 2016-2017 levy is based, was \$2,107,100,708.

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 6.9 mills for the General Fund for the fiscal year ended September 30, 2017.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

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***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 \$3,390,133 the FPUA, respectively. The general fund accounts receivable is stated net of allowance for estimated uncollectibles of \$7,510,894. 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 \$67,830 from U.S. Department of Housing & Urban Development, \$147,252 from Federal Department of Justice, \$151,143 from the Florida Office of Juvenile Justice, \$46,455 from the Florida Department of Law Enforcement, \$31,478 from the State of Florida, \$51,346 due from St. Lucie County, and \$3,436 due from St. Lucie County Housing Authority.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE H - CAPITAL ASSETS**

Capital asset activity of the **primary government** for the year ended September 30, 2017 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	\$ 27,040,394	\$ 829,389	\$ (73,300)	\$ -	\$ 27,796,483
Construction in Progress	241,862	71,345	-	(241,862)	71,345
Total capital assets, not being depreciated	27,282,256	900,734	(73,300)	(241,862)	27,867,828
Capital assets, being depreciated:					
Buildings	42,508,571	-	-	-	42,508,571
Improvements other than buildings	43,000,333	1,616,317	-	241,862	44,858,512
Equipment	17,544,606	746,765	(713,863)	27,253	17,604,761
Infrastructure	108,924,361	-	-	-	108,924,361
Total	211,977,871	2,363,082	(713,863)	269,115	213,896,205
Less accumulated depreciation for:					
Buildings	(14,069,274)	(890,816)	-	-	(14,960,090)
Improvements other than buildings	(20,630,731)	(1,484,761)	-	-	(22,115,492)
Equipment	(13,376,631)	(671,569)	600,732	(22,593)	(13,470,061)
Infrastructure	(81,772,158)	(1,384,997)	-	-	(83,157,155)
Total accumulated depreciation	(129,848,794)	(4,432,143)	600,732	(22,593)	(133,702,798)
Total capital assets, being depreciated, net	82,129,077	(2,069,061)	(113,131)	246,522	80,193,407
Total capital assets, net	<u>\$ 109,411,333</u>	<u>\$ (1,168,327)</u>	<u>\$ (186,431)</u>	<u>\$ 4,660</u>	<u>\$ 108,061,235</u>

Depreciation expense charged to functions/programs of the **primary government** (governmental activities) for the year ended September 30, 2017 was as follows:

**Governmental activities:**

General government	\$ 183,431
Public safety	713,850
Transportation	3,144,343
Economic environment	78,195
Culture and recreation	312,324
Total	<u>\$ 4,432,143</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**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	690,670	-	-	-	690,670
Capital assets, being depreciated:					
Buildings	17,903,077	-	-	-	17,903,077
Improvements other than buildings	97,023,886	-	-	-	97,023,886
Equipment	9,720,347	2,003,219	(897,502)	(27,253)	10,798,811
Total	124,647,310	2,003,219	(897,502)	(27,253)	125,725,774
Less accumulated depreciation for:					
Buildings	(6,635,988)	(588,556)	-	-	(7,224,544)
Improvements other than buildings	(21,584,732)	(2,434,345)	-	-	(24,019,077)
Equipment	(8,463,683)	(330,691)	897,502	22,593	(7,874,279)
Total accumulated depreciation	(36,684,403)	(3,353,592)	897,502	22,593	(39,117,900)
Total capital assets, being depreciated, net	87,962,907	(1,350,373)	-	(4,660)	86,607,874
Total capital assets, net	<u>\$ 88,653,577</u>	<u>\$ (1,350,373)</u>	<u>\$ -</u>	<u>\$ (4,660)</u>	<u>\$ 87,298,544</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, 2017 was as follows:

Solid waste	\$ 283,133
Marina	1,119,996
Stormwater	1,275,872
Golf course	134,701
Sunrise Theatre	538,917
Building Fund	973
Total	<u>\$ 3,353,592</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE H - CAPITAL ASSETS (CONTINUED)**

Capital asset activity of the **FPUA** (a component unit) for the year ended September 30, 2017 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Utility Plant, not being depreciated:				
Land	\$ 10,046,000	\$ 19,000	\$ -	\$ 10,065,000
Construction Work in Progress	22,547,434	9,279,848	(11,703,000)	20,124,282
Total Utility Plant, not being depreciated	32,593,434	9,298,848	(11,703,000)	30,189,282
Utility Plant, being depreciated:				
Transmission, distribution and collection systems	336,565,873	5,033,916	(858,000)	340,741,789
Equipment	51,192,000	7,310,000	(31,000)	58,471,000
Structures and improvements	37,044,000	154,000	(29,000)	37,169,000
Total Utility Plant being depreciated	424,801,873	12,497,916	(918,000)	436,381,789
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(180,891,424)	(9,775,965)	851,000	(189,816,389)
Equipment	(37,297,000)	(2,296,000)	31,000	(39,562,000)
Structures and improvements	(23,463,000)	(702,000)	29,000	(24,136,000)
Total accumulated depreciation	(241,651,424)	(12,773,965)	911,000	(253,514,389)
Total Utility Plant, being depreciated, net	183,150,449	(276,049)	(7,000)	182,867,400
Total Utility Plant, net	<u>\$ 215,743,883</u>	<u>\$ 9,022,799</u>	<u>\$ (11,710,000)</u>	<u>\$ 213,056,682</u>

Construction work in progress at September 30, 2017 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, 2017, were \$3,325,000 of which \$126,000 was capitalized as plant utility construction costs.

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

	<b>Project Total</b>	<b>Expended to Date</b>	<b>Remaining Commitment</b>	<b>Required Further Financing</b>
Water	\$ 5,040,000	\$ 1,730,000	\$ 3,310,000	None
Wastewater	2,796,000	1,699,000	1,097,000	None
Gas	185,000	5,000	180,000	None
Electric	7,000	5,000	2,000	None
	<u>\$ 8,028,000</u>	<u>\$ 3,439,000</u>	<u>\$ 4,589,000</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, 2017, costs of \$1,262,000 were authorized under these contracts, \$1,042,000 has been spent, and authorized amounts of \$220,000 remained.

***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 3-30 years.

**Membership**

At September 30, 2017, 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 2015, 2016 and 2017, employer contributions to the Plan, all made in accordance with actuarially determined requirements, were \$4,093,268, \$4,211,311 and \$4,565,884 which was 15.66%, 15.43% and 15.33% respectively, of annual covered payroll.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Contributions**

The total payroll for employees covered by the System for the year ended September 30, 2017 was \$29,789,176 which includes \$12,768,134 for Fort Pierce Utilities Authority employees. One hundred percent of required contributions were actually made for 2015, 2016 and 2017.

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

At September 30, 2017, the City and Fort Pierce Utilities Authority (FPUA) reported their proportional share of the following:

	<u>City</u>	<u>Component Unit FPUA</u>
Net Pension Liability	9,793,225	10,090,305
Employer Allocation Percentage	49.25%	50.75%
Proportional Share of Plan Pension Expense	3,985,715	4,361,654

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>
<b>Primary Government:</b>		
Difference between Expected and Actual Experience	130	172,270
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	2,176,334	2,666,865
Change of Assumptions	5,189,491	-
Changes in Proportion and Differences between Employer Contributions and Share of Contributions	218,699	608,306
Difference between Expected and Actual Experience	-	-
	<u>7,584,654</u>	<u>3,447,441</u>
<b>Component Unit-FPUA:</b>		
Difference between Expected and Actual Experience	133	177,495
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	2,242,354	2,747,765
Change of Assumptions	5,346,916	-
Changes in Proportion and Differences between Employer Contributions and Share of Contributions	389,608	-
Difference between Expected and Actual Experience	-	-
	<u>7,979,011</u>	<u>2,925,260</u>
	<u>15,563,665</u>	<u>6,372,701</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

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

Year Ending September 30	Net Deferred Outflows of Resources
2018	4,043,084
2019	4,043,082
2020	1,425,676
2021	(320,878)
2022	-
Thereafter	-
TOTAL	<u>\$ 9,190,964</u>

**Pension Payable**

At September 30, 2017, the City and FPUA reported payable's to the pension for their final payroll of the fiscal year of \$72,302 (including member contributions of \$12,928) for the City and \$50,533 (including member contributions of \$12,927) 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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Allocation-weighted Long-term Expected Real Rate of Return
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, 2017, the annual money-weighted rate of return, net of investment expenses was 11.79%.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

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**NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions**

The annual required contribution for the current year was determined as part of the September 30, 2017 actuarial valuation of the Plan. The following methods and assumptions were used to determine the contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	3-30 years as of September 30, 2015
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	3.5%
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. A 2.5% load was used as a margin for future mortality improvement.
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 7.75% is used to measure the total pension liability. This single rate was based on the expected rate of return on pension plan investments of 7.75%. The projection of cash flows used to determine this single discount rate assumes that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**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 7.75%, 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 6.75	Current Single Discount Rate Assumption 7.75	1% Increase 8.75
\$ 44,103,956	\$ 19,883,530	\$ (512,156)

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 I - 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, 2017, 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 \$329,933. 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, 2017 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, 2017

**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, 2017, the City reported a liability of \$572,510 for its share of the net pension liability. The net pension liability was measured at September 30, 2017 with an actuarial valuation date of September 30, 2017.

For the year ended September 30, 2017, the city recognized pension expense of \$241,863. 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	177,277	143,375
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	440,973	255,471
Change of Assumptions	-	133,654
Changes in Proportion and Differences between Employer Contributions and Share of Contributions	-	-
Difference between Expected and Actual Experience	-	-
Total Deferred Outflows/Inflows of Resources	<u>618,250</u>	<u>532,500</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>
2018	125,904
2019	125,905
2020	(94,582)
2021	(64,341)
2023	(12,562)
Thereafter	5,426
TOTAL	<u>\$ 85,750</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Pension Payable**

At September 30, 2017, the City reported a payable to the police pension related to employee contributions of \$8,897 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, 2017 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%	9.70%	1.10%
Small/Mid Cap Equity	14%	10.30%	1.10%
Global Ex-US Equity	15%	5.40%	0.40%
Domestic Fixed Income	30%	6.00%	1.00%
MLP	6%	12.20%	0.60%
High Yield	6%	8.40%	0.40%
Convertible Bonds	8%	8.50%	0.50%
Real Estate	5%	9.30%	0.30%
Cash	1%	3.40%	0.00%
	<u>100%</u>		<u>5.40%</u>

For the year ended September 30, 2017, the annual money-weighted rate of return, net of investment expenses was 10.68%.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**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, 2017, were as follows:

Service cost	\$	492,850
Interest		1,000,403
Benefit change		-
Difference between actual & expected experience		
experience		206,823
Assumption changes		(155,930)
Benefit payments		(566,773)
Refunds		(40,689)
<b>Net Change in Total Pension Liability</b>		<u>936,684</u>

<b>Total Pension Liability-Beginning</b>		<u>13,609,537</u>
<b>Total Pension Liability-Ending (a)</b>	\$	<u><u>14,546,221</u></u>

**Plan Fiduciary Net Position:**

Contributions-employer	\$	-
Contributions-employer (from state)		329,933
Contributions-Employee(Including buyback contributions)		487,044
Net investment income		1,130,702
Benefit payments		(566,773)
Refunds		(40,689)
Administrative expense		(34,525)
Other		-
<b>Net Change in Plan Fiduciary Net Position</b>		<u>1,305,692</u>

<b>Plan Fiduciary Net Position-Beginning</b>		<u>12,668,019</u>
<b>Plan Fiduciary Net Position-Ending (b)</b>	\$	<u><u>13,973,711</u></u>

<b>Net Pension Liability-Ending (a) - (b)</b>		572,510
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**NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions**

The annual required contribution for the current year was determined as part of the September 30, 2017 actuarial valuation of the Plan. The following methods and assumptions were used to determine the contribution rates:

Valuation date	September 30, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	18 years
Asset valuation method	4-year smoothed market
Inflation rate	2.5%
Salary increases	3.5% to 6.5%
Investment rate of return	7.25%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table(for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants(for postretirement mortality), with mortality improvements projected for all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for special risk class members of the Florida Retirement System(FRS), as mandated by Florida House Bill 1309.

**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.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**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:

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.25%	7.25%	8.25%
	\$ 2,445,564	\$ 572,510	\$ (981,083)

Currently an annual actuarial evaluation is performed for both Plans. The most recent actuarial valuations were performed for the year ended September 30, 2017. 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 City's pension expense for all pension plans for the year ending September 30, 2017 was:

	Primary Government	Component Unit FPUA
General Employees Retirement Benefit System	3,985,715	4,361,654
Municipal Police Officer's Retirement Trust Fund	241,863	-
Total	<u>4,227,578</u>	<u>4,361,654</u>

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, 2017

**NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF  
FIDUCIARY FUNDS NET POSITION**  
September 30, 2017

	Pension Trusts		Total
	General Employees	Police Officers	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,750,926	\$ 827,815	\$ 2,578,741
Investments, at fair value:			
U.S. Government Securities	19,458,250	1,472,788	20,931,038
Mutual Funds	109,577,169	4,811,666	114,388,835
Common Stock	14,901,644	3,904,879	18,806,523
Corporate Bonds	25,818,039	1,212,139	27,030,178
Real Estate Trust L.P.	21,671,230	-	21,671,230
Common Trust Fund	-	1,328,569	1,328,569
Money Market	1,105,126	417,167	1,522,293
Total investments	<u>192,531,458</u>	<u>13,147,208</u>	<u>205,678,666</u>
Total cash and investments	194,282,384	13,975,023	208,257,407
Accounts receivable	122,835	8,897	131,732
Prepaid Taxes	500	-	500
Accrued interest receivable	399,229	14,558	413,787
Total assets	<u>\$ 194,804,948</u>	<u>\$ 13,998,478</u>	<u>\$ 208,803,426</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	<u>\$ 30,836</u>	<u>\$ 24,767</u>	<u>\$ 55,603</u>
<b>NET POSITION-RESTRICTED FOR PENSION BENEFITS</b>			
	<u>\$ 194,774,112</u>	<u>\$ 13,973,711</u>	<u>\$ 208,747,823</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF CHANGES**  
**IN FIDUCIARY FUNDS NET POSITION**  
Year ended September 30, 2017

	Pension Trusts		Total
	General Employees	Police Officers	
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 4,565,884	\$ -	\$ 4,565,884
Employees	1,669,207	487,044	2,156,251
State-via the general fund	-	329,933	329,933
Total contributions	6,235,091	816,977	7,052,068
Investment income			
Interest	2,117,127	114,096	2,231,223
Dividends	1,335,025	276,904	1,611,929
Net appreciation (depreciation) in fair value of investments	16,275,928	818,675	17,094,603
Total investment income	19,728,080	1,209,675	20,937,755
Investment expenses	(749,062)	(106,844)	(855,906)
Net investment income	18,979,018	1,102,831	20,081,849
Total increases	25,214,109	1,919,808	27,133,917
<b>DEDUCTIONS</b>			
Retirement benefits paid	13,168,952	567,738	13,736,690
Refunds of employee contributions	257,587	40,689	298,276
Administrative expenses	200,068	6,692	206,760
Insurance expense	19,406	-	19,406
Total deductions	13,646,013	615,119	14,261,132
Net Increase	11,568,096	1,304,689	12,872,785
<b>NET POSITION-RESTRICTED FOR PENSION BENEFITS</b>			
Beginning of year	183,206,016	12,669,022	195,875,038
End of year	\$ 194,774,112	\$ 13,973,711	\$ 208,747,823

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**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 - LONG TERM DEBT**

Bond and note obligations of the **primary government** as of September 30, 2017 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 of \$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 \$1,065,000.	-	1,065,000
\$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, 2017

**NOTE K – LONG TERM DEBT (CONTINUED)**

	<u>Business-type Activities</u>	<u>Government Activities</u>
<p>\$2,935,000 Taxable Capital Improvement Revenue Refunding Bonds, Series 2010B, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 5.344% interest payable semi-annually and annual sinking fund installments ranging from 325,000 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 325,000.</p>	-	1,805,000
<p>\$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.</p>	-	1,980,000
<p>\$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 330,347 to 535,541 beginning in 2014 through December 1, 2028. Proceeds used to purchase energy conservation equipment. Current portion of note is 330,347.</p>	-	5,160,461
<p>\$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 244,619 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 244,619.</p>	3,514,486	-

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE K – LONG TERM DEBT (CONTINUED)**

	<b>Business-type Activities</b>	<b>Government Activities</b>
<p>\$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 \$855,000.</p>	11,970,000	-
<p>\$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 455,000 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 455,000.</p>	-	27,345,000
<p>\$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 \$1,040,000 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 \$1,040,000.</p>	-	18,095,000
<p>\$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 \$570,000 to \$905,000 through May 1, 2031. Proceeds used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$570,000.</p>		9,950,000

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE K – LONG TERM DEBT (CONTINUED)**

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$1,280,000 Fort Pierce Taxable Capital Improvement Revenue Note, 2016A , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 4.25%, payable semi-annually and sinking fund installments ranging from \$110,000 to \$150,000 through August 1, 2026. Proceeds used to repay Fort Pierce Utility Authority. Current portion is \$110,000.		1,160,000
\$820,000 Fort Pierce Capital Improvement Revenue Note, 2016B , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 3.09%, payable semi-annually and sinking fund installments ranging from \$45,000 to \$65,000 through August 1, 2026. Proceeds used for land purchase. Current portion is \$45,000.		770,000
\$1,435,000 Fort Pierce Taxable Capital Improvement Revenue Note, 2016C , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 2.35%, payable semi-annually and sinking fund installments ranging from \$195,000 to \$215,000 through August 1, 2023. Proceeds used for new radios. Current portion is \$195,000.	-	1,235,000
	<u>17,331,343</u>	<u>73,543,604</u>
Less: current portion payable from restricted assets	(1,099,619)	(4,418,347)
Unamortized items	(34,761)	256,930
	<u>\$ 16,196,963</u>	<u>\$ 69,382,187</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

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**NOTE K – LONG TERM DEBT (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>
2018	\$ 4,418,347	2,445,652	\$ 6,863,999
2019	4,544,892	2,276,521	6,821,413
2020	5,048,827	2,131,946	7,180,773
2021	5,225,384	1,964,355	7,189,739
2022	5,398,023	1,790,537	7,188,560
2023-2027	25,597,570	6,443,574	32,041,144
2028-2032	23,310,561	2,083,444	25,394,005
	<u>\$ 73,543,604</u>	<u>\$ 19,136,029</u>	<u>\$ 92,679,633</u>

**Business-Type Activities:**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,099,619	549,586	\$ 1,649,205
2019	1,127,486	516,925	1,644,411
2020	1,290,494	483,431	1,773,925
2021	1,325,639	442,459	1,768,098
2022	1,371,053	403,382	1,774,435
2023-2027	7,550,070	1,316,400	8,866,470
2028-2031	3,566,982	222,169	3,789,151
	<u>\$ 17,331,343</u>	<u>\$ 3,934,352</u>	<u>\$ 21,265,695</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE K – LONG TERM DEBT (CONTINUED)**

Long-term liability activity of the **primary government** for the year ended September 30, 2017 was as follows:

	<b>Beginning Balance 10/1/2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 9/30/2017</b>	<b>Amounts Due within One Year</b>	<b>Amounts Due after One Year</b>
<b>Governmental Activities:</b>						
Notes, bonds payable, and loans:						
Revenue notes	\$ 62,865,226	\$ 3,535,000	\$ 2,684,765	\$ 63,715,461	\$ 2,745,347	\$ 60,970,114
Revenue bonds	9,168,143	-	1,320,000	7,848,143	1,390,000	6,458,143
Section 108 Loan	2,263,000	-	283,000	1,980,000	283,000	1,697,000
Unamortized items	285,771	-	28,841	256,930	-	256,930
	<u>74,582,140</u>	<u>3,535,000</u>	<u>4,316,606</u>	<u>73,800,534</u>	<u>4,418,347</u>	<u>69,382,187</u>
Capital lease payable						
Capital lease payable	-	54,373	1,487	52,886	10,309	42,577
Other Liabilities:						
Other post employment benefits	855,395	26,583	-	881,978	-	881,978
Net Pension Liability	7,860,104	852,070	-	8,712,174	-	8,712,174
Compensated absences	2,936,188	1,341,102	1,164,623	3,112,667	105,619	3,007,048
Total governmental activities	<u>\$ 86,233,827</u>	<u>\$ 5,809,128</u>	<u>\$ 5,482,716</u>	<u>\$ 86,560,239</u>	<u>\$ 4,534,275</u>	<u>\$ 82,025,964</u>
<b>Business-type Activities:</b>						
Notes, bonds payable, and capital leases:						
Revenue notes	\$ 17,496,476	\$ -	\$ 2,011,990	\$ 15,484,486	\$ 1,099,619	\$ 14,384,867
Revenue bonds	1,846,857	-	-	1,846,857	-	1,846,857
Unamortized items	(39,017)	-	(4,256)	(34,761)	-	(34,761)
	<u>19,304,316</u>	<u>-</u>	<u>2,007,734</u>	<u>17,296,582</u>	<u>1,099,619</u>	<u>16,196,963</u>
Capital lease payable						
Capital lease payable	-	1,524,415	52,738	1,471,677	292,721	1,178,956
Other Liabilities:						
Other post employment benefits	152,811	5,666	-	158,477	-	158,477
Net Pension Liability	1,269,026	384,535	-	1,653,561	-	1,653,561
Compensated absences	576,629	283,165	249,796	609,998	51,687	558,311
Total business activities	<u>\$ 21,302,782</u>	<u>\$ 2,197,781</u>	<u>\$ 2,310,268</u>	<u>\$ 21,190,295</u>	<u>\$ 1,444,027</u>	<u>\$ 19,746,268</u>

<b>Compensated absences</b>	<b>Beginning Balance 10/1/2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 9/30/2017</b>
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**Governmental Activities:**

General Fund	\$ 2,925,245	\$ 1,328,281	\$ 1,156,150	\$ 3,097,376
Community Development Block Grant	10,943	12,821	8,473	15,291
	<u>\$ 2,936,188</u>	<u>\$ 1,341,102</u>	<u>\$ 1,164,623</u>	<u>\$ 3,112,667</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 – LONG TERM DEBT (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, 2017

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***NOTE K – LONG TERM DEBT (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

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, 2017

**NOTE K – LONG TERM DEBT (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.

Redevelopment Revenue Refunding Note, Series 2016 A, B and C

The Series 2016 Notes were issued for the purpose of: (i) repay the loan from the Fort Pierce Utilities Authority (ii) purchase land for public parking (iii) purchase radios and related equipment for use by the city’s emergency services employees.

The Series 2016 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 2016 Notes when due.

Defeasance of Revenue Bonds Payable

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

At September 30, 2017 the following bonds are considered defeased:

Bond Issue	Series	Beginning Balance 10-1-2016	Additions	Retirement	Ending Balance 9-30-2017
Capital Improvement Bonds	2001	\$ 525,000	\$ -	\$ 95,000	\$ 430,000
Redevelopment Revenue Bonds	2003	4,465,000		555,000	3,910,000
Capital Improvement Bonds	2008	22,090,000	-	-	22,090,000
Redevelopment Revenue Bonds	2006	14,915,000	-	650,000	14,265,000
		<u>\$ 41,995,000</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ 40,695,000</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE K – LONG TERM DEBT (CONTINUED)**

Component Unit

Bond obligations of the FPUA (a component unit) as of September 30, 2017 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, yield varying from 5.70% to 5.90%. The accreted value at September 30, 2017 is \$28,571,000. The bonds mature October 1, 2016, through October 1, 2024, with principal amounts totaling \$34,695,000 due in those years in annual amounts ranging from \$4,335,000 to \$4,340,000.	28,571,000
\$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 \$295,000 to \$3,451,000.	9,373,000
\$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 ranging from \$1,210,000 to \$7,285,000 through October 1, 2029.	<u>34,800,000</u>
	<u>72,744,000</u>
Less: Unamortized portion of bond premium and discounts	53,000
Unamortized deferred bond loss	-
Current portion payable from restricted assets	<u>5,840,000</u>
	<u><u>\$ 66,851,000</u></u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE K – LONG TERM DEBT (CONTINUED)**

Long-term liability activity of the **FPUA** (a component unit) for the year ended September 30, 2017 was as follows:

	<b>Balance 10/1/2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 9/30/2017</b>	<b>Due within One Year</b>
Loans and revenue bonds	\$ 78,641,000	\$ 11,776,000	\$ (17,549,000)	\$ 72,868,000	\$ 5,840,000
Deferred Amounts	(58,000)	-	5,000	(53,000)	-
Net Pension Liability	6,655,000	3,435,000	-	10,090,000	-
Capital Leases	49,000	-	(38,000)	11,000	11,000
Other Liabilities:					
Compensated absences	1,802,000	1,490,000	(1,324,000)	1,968,000	-
Other Post Employment Benefits	711,000	62,000	(31,000)	742,000	-
Pollution Remediation	21,000	-	(21,000)	-	-
<b>Total</b>	<b>\$ 87,821,000</b>	<b>\$ 16,763,000</b>	<b>\$ (18,958,000)</b>	<b>\$ 85,626,000</b>	<b>\$ 5,851,000</b>

Requirements to pay principal and interest on the **FPUA** (a component unit) obligations in each of the years/periods ending September 30, 2017 are as follows

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	18,424,000	4,345,000	22,769,000
2023-2027	19,224,000	3,225,000	22,449,000
2028-2032	17,515,000	1,052,000	18,567,000
	<u>78,868,000</u>	<u>15,319,000</u>	<u>94,187,000</u>
Future accretion on capital appreciation bonds	<u>(6,124,000)</u>	<u>6,124,000</u>	<u>-</u>
	<u>\$ 72,744,000</u>	<u>\$ 21,443,000</u>	<u>\$ 94,187,000</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

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***NOTE K – LONG TERM DEBT (CONTINUED)***

Other Requirements

The Series 1999, 2009, 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, 2017.

The 2002 Bonds maturing in the year 2027 were 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 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, 2017, 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, 2017

**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, 2017, the long-term portion of the advance was \$806,288.

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, 2017, the long-term portion of the advance was \$1,081,495.

The composition of interfund balances as of and for the year ended September 30, 2017, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor	\$ 308,216
General	Community Redevelopment Agency	21,024
General	Solid Waste	608,667
General	Marina	15,095
General	Stormwater	143,327
General	Golf Course	255,843
General	Building Fund	7,763
General	Sunrise Theatre	228,911
		<u>\$ 1,588,846</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	\$ 253,263
Community Redevelopment Agency	FPUA	1,886
Solid waste fund	FPUA	624,875
Storm Water Fund	FPUA	10,074
		<u>\$ 898,098</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**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>Storm Water</u>	<u>Sunrise Theatre</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Transfers out:</b>							
General	\$ -	\$ 1,526,901	\$ 170,000	-	\$ 156,000	\$ 3,923,946	\$ 5,776,847
Community Redev.							
Agency	2,694,762	-	-	-	450,000	2,647,146	5,791,908
Solid Waste *	660,609	-	-	-	-	-	660,609
Marina	250,000	-	-	-	-	-	250,000
Golf Course	7,000	-	-	-	-	-	7,000
Building	5,340	-	-	-	-	-	5,340
Nonmajor	3,768,003	-	-	1,864,905	96,825	262,447	5,992,180
	<u>\$ 7,385,714</u>	<u>\$ 1,526,901</u>	<u>\$ 170,000</u>	<u>\$ 1,864,905</u>	<u>\$ 702,825</u>	<u>\$ 6,833,539</u>	<u>\$ 18,483,884</u>

\* Solid Waste Fund transferred \$4,660 of capital assets to the general fund during the current year.

Transfers into the Nonmajor funds were for debt service payments made from the various debt service funds. The transfer into the Sunrise Theatre from the Community Redevelopment Agency special revenue fund and General Fund were to provide support for operations. The General Fund received a transfer from the Community Redevelopment Agency Fund and Nonmajor Funds to subsidize projects in the redevelopment district. The Storm Water Fund also received funds from Nonmajor Funds for construction projects. The General Fund also received an annual transfer from the Solid Waste Fund, Marina Fund, Golf Course, and Building Fund. 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, 2017

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***NOTE M - TRANSACTIONS WITH COMPONENT UNITS (CONTINUED)***

Total charges to the City for nonmetered and metered services for the year ended September 30, 2017 were approximately \$1,694,000. Total disbursements made to the City by the FPUA, including payments of utility tax and sanitation charges collected during year ended September 30, 2017, were approximately \$9,656,000. Amounts receivable from the FPUA at September 30, 2017 were \$298,000.

The Fort Pierce City Charter, Article XII, Section 178, 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, 2017, the amount transferred to the General Fund under this provision was \$5,969,000.

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, 2017, the City paid premiums of approximately \$1,855,000 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, 2017

**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 \$293,000 and \$241,000, 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 26 City retirees and 46 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	161,464	74,000
Interest on Net OPEB Obligation	40,329	28,000
Adjustment on Annual Required Distribution	<u>(33,607)</u>	<u>(40,000)</u>
	168,186	62,000
Contributions made	(135,938)	(30,000)
Interest on Contributions	-	(1,000)
Increase in Net OPEB Obligation	<u>32,248</u>	<u>31,000</u>
Net OPEB Obligation-beginning of year	<u>1,008,207</u>	<u>711,000</u>
Net OPEB Obligation-end of year	\$ <u><u>1,040,455</u></u>	\$ <u><u>742,000</u></u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**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 2017 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	9/30/2015	182,489	95,280	52%	967,981
	9/30/2016	166,547	126,322	76%	1,008,207
	9/30/2017	168,185	135,938	81%	1,040,455
FPUA	9/30/2015	84,000	25,000	29.8%	681,000
	9/30/2016	61,000	30,000	49.2%	711,000
	9/30/2017	62,000	30,000	48.4%	742,000

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 \$16,868,704 and \$15,096,000 for the City and FPUA. The ratio of the UAAL to covered payroll was 13% for the City and 4% for the FPUA. As of September 30, 2017, 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, 2017 is \$7,979,000. The Authority is committed under the agreements to payments totaling \$7,850,000 for the year ending September 30, 2018.

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 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 173,800 MMBtu of natural gas at a cost of \$573,000. The amounts purchased under these contracts for fiscal 2017 and fiscal 2016 were \$1,724,000 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, 2017.

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 2017 totaled \$1,794,000.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**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 5 year agreement effective February 2017, for body camera equipment and support at \$7,500 per month extending to February 2022.

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 operating leases for each of the years/period ending September 30 are as follows:

2018	\$	122,302
2019		122,302
2020		122,302
2021		122,302
2022		69,802
Thereafter		484,530
	\$	<u>1,175,020</u>

Rent expense for the above referenced leases was \$87,362 for the year ended September 30, 2017.

Capital Leases:

The City has entered into lease agreements as lessee for financing the acquisition of vehicles and certain equipment. These lease agreements qualify as capital leases for accounting purposes and accordingly have been recorded at the present value of their future minimum lease payments as of the inception date. Aggregate cost and accumulated depreciation of assets acquired through capital leases are as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Machinery and Equipment	\$ 54,373	\$ 1,524,415
Less: accumulated depreciation	(906)	(25,407)
Total	<u>\$ 53,467</u>	<u>\$ 1,499,008</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE R – LEASES(CONTINUED)**

The future minimum lease obligations and net present value of these minimum lease payments as of September 30, 2017, were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2018	\$ 11,580	\$ 332,734
2019	11,635	332,764
2020	11,634	332,734
2021	11,635	332,734
2022	10,037	249,551
	<u>56,521</u>	<u>1,580,517</u>
Less: Amount representing interest	<u>(3,635)</u>	<u>(108,840)</u>
Present value of future minimum lease payments	<u>\$ 52,886</u>	<u>\$ 1,471,677</u>

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 2017 were \$6,000. The Future minimum lease payments for this capital lease are as follows:

	<u>Amount</u>
2018	11,000
	<u>\$ 11,000</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 \$236,051 from the tenant for the year ended September 30, 2017. The minimum future rental payments beyond that date cannot be determined.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

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***NOTE S - OPERATING LESSOR (CONTINUED)***

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, 2017, on a month to month basis. Rent is payable monthly within five business days of the closing of any monthly period. Rent is computed at the greater of 7.25% of all gross revenues or \$6,500 per month. The City collected \$179,916 from the tenant for the year ended September 30, 2017.

***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, 2017, 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 (ordinance) of the City Commission, the highest level of decision making authority. Commitments may be changed or lifted only by the City Commission taking the same formal action(ordinance) that imposed the original constraint.

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

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

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

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE T-FUND BALANCE (CONTINUED)**

As of September 30, 2017, the fund balances of the governmental funds are:

	General Fund	Community Redevelopment Agency	Hurricane Housing Recovery Grant Fund	Other Governmental Funds	Totals
<b>FUND BALANCES</b>					
<b>Nonspendable:</b>					
Inventories	\$ 72,142	\$ -	\$ -	\$ -	\$ 72,142
Prepaid Items	275,428	12,067		37	287,532
Advances to Other Funds	-	-	-	1,887,783	1,887,783
<b>Restricted for:</b>					
Law Enforcement	-	-	-	66,208	66,208
Debt Service	-	-	-	1,019,095	1,019,095
Grant-CDBG	-	-	-	740,446	740,446
Redevelopment Projects	-	227,118	-	-	227,118
State Housing Initiatives	-	-	-	447,777	447,777
Grant-Administration	-	-	991,821	-	991,821
Impact Fees-Capital Improv.	-	-	-	1,064,660	1,064,660
PSFRD-Capital Improv.	-	-	-	59,729	59,729
Park Improvements	-	-	-	703,953	703,953
Special Projects	-	-	-	1,130,824	1,130,824
Capital Improvement:					
Roads	-	-	-	600,000	600,000
Redevelopment Projects	-	-	-	36,091	36,091
<b>Committed to:</b>					
Budget Appropriations	710,407	-	-	-	710,407
<b>Assigned to:</b>					
10% Reserve Policy	3,688,620	-	-	-	3,688,620
Art in Public Places	-	-	-	4,584	4,584
<b>Unassigned:</b>	1,423,048	-	-	-	1,423,048
	<u>\$ 6,169,645</u>	<u>\$ 239,185</u>	<u>\$ 991,821</u>	<u>\$ 7,761,187</u>	<u>\$ 15,161,838</u>

**NOTE U – TAX ABATEMENTS**

The city provides tax abatements under the Economic Development Ad Valorem Tax Exemption program(EDATE). The city established the EDATE program by ordinance in accordance with Florida Statutes Section 196.1995. The abatements are up to 100% of the assessed value of all improvements to real property and are used to attract and/or expand businesses. The City entered into an EDATE agreement in 2010 with Wal-mart related to the construction of a distribution center and annexation of the property into the City. By agreeing to the annexation, Wal-mart qualified for the tax abatement. The agreement does not include any recapture provisions. The agreement allowed for tax abatements of 100% for 2010-2015, 80% in 2016, 60% in 2017, 40% in 2018, and 20% in 2019. At September 30, 2017, the abated taxes related to the distribution center were approximately \$161,000.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

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**NOTE V - 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, 2017 are as follows:

**Business-type activities:**

Cash and investments:	
Customer deposits	\$ 174,669
	<u>174,669</u>

The restricted assets of the **FPUA** (a component unit) as of September 30, 2017, are as follows:

Cash and investments:	
Principal and interest on debt service	\$ 6,747,935
Capital Improvement charges	5,521,646
Debt service	5,456,825
Emergency reserve	900,000
Renewal and replacement reserve	500,000
Customer security deposits	8,029,301
	<u>\$ 27,155,707</u>

**NOTE W – 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, 2017, 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 X- 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. Voluntary Cleanup Tax Credits have been estimated to cover project costs of \$2,285,000. The amount paid by FPUA in FY 2017 is \$2,000. The final cost will be adjusted by any actual amounts received through Voluntary Cleanup Tax Credits.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

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***NOTE Y- NONEXCHANGE FINANCIAL GUARANTEES***

At September 30, 2017 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 \$262,000 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 Z- SUBSEQUENT EVENTS***

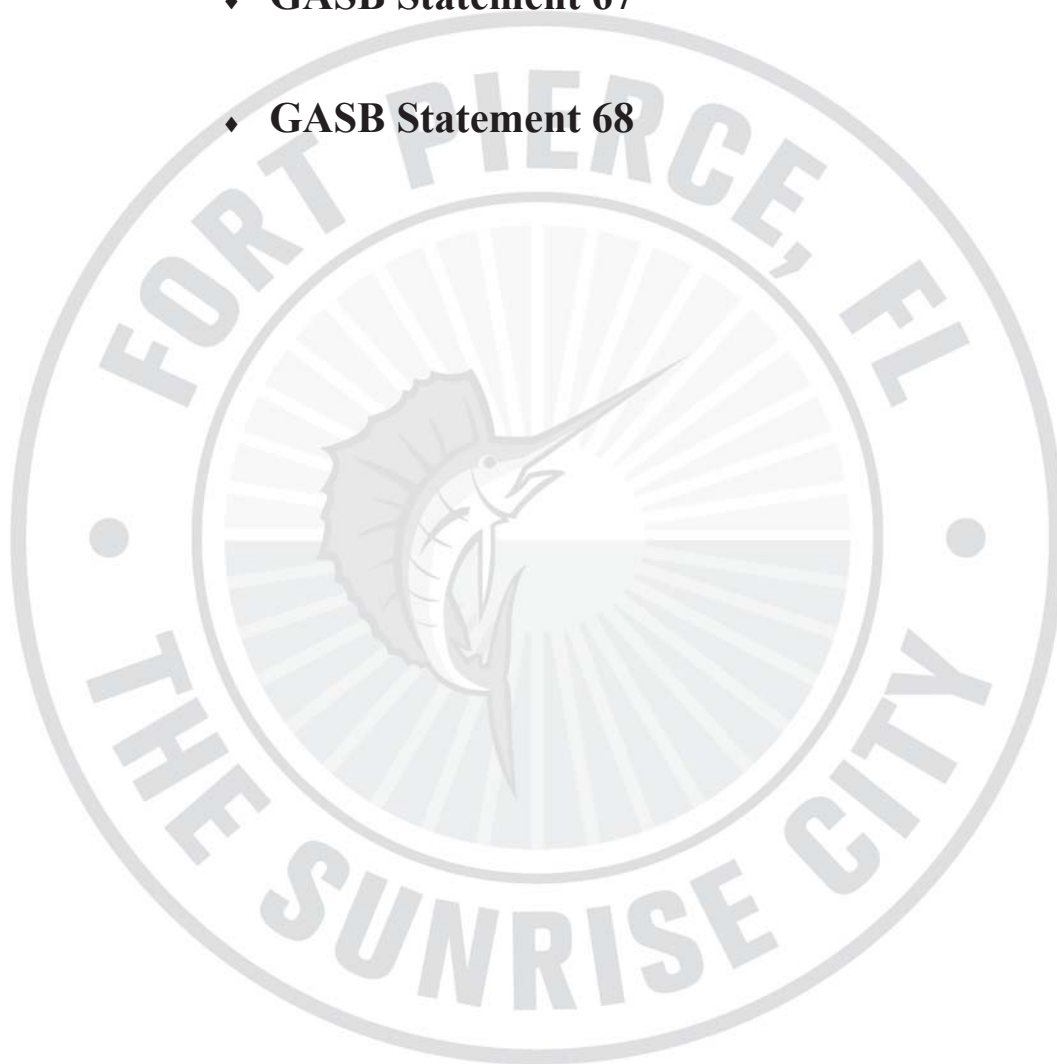
Management has performed an analysis of the activities and transactions subsequent to September 30, 2017 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2017. Management has performed their analysis through March 22, 2018, the date the financial statements were available for issuance.

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## 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, 2017  
(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 )
<b>City of Ft. Pierce</b>						
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%
9/30/2017	- \$	2,127,710 \$	2,127,710 \$	0%	\$ 16,868,704	13%
<b>FPUA(a discretely presented component unit)</b>						
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%
9/30/2017	- \$	609,000 \$	609,000 \$	0%	\$ 15,096,000	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, 2017

	2017	2016	2015	2014
<b>Total Pension Liability:</b>				
Service cost	\$ 4,587,528	\$ 4,329,645	\$ 4,044,804	\$ 4,049,351
Interest	15,490,335	14,668,388	14,241,759	13,874,945
Benefit change	-	-	-	-
Difference between actual & expected experience	344	(620,021)	-	(500,696)
Assumption changes	9,957,279	5,168,979	-	(335,946)
Benefit payments	(13,426,539)	(13,376,671)	(12,528,070)	(11,877,048)
Refunds	-	-	(287,469)	(307,836)
<b>Net Change in Total Pension Liability</b>	<b>16,608,947</b>	<b>10,170,320</b>	<b>5,471,024</b>	<b>4,902,770</b>
<b>Total Pension Liability-Beginning</b>	<b>198,048,695</b>	<b>187,878,375</b>	<b>182,407,351</b>	<b>177,504,581</b>
<b>Total Pension Liability-Ending (a)</b>	<b>\$ 214,657,642</b>	<b>\$ 198,048,695</b>	<b>\$ 187,878,375</b>	<b>\$ 182,407,351</b>
<b>Plan Fiduciary Net Position:</b>				
Contributions-employer	\$ 4,565,884	\$ 4,211,311	\$ 4,093,268	\$ 4,356,127
Contributions-member	1,669,207	1,533,510	1,473,091	1,493,529
Net investment income	19,013,825	16,472,191	2,984,072	16,939,786
Benefit payments	(13,426,539)	(13,376,671)	(12,528,070)	(11,877,048)
Refunds	-	-	(287,469)	(307,836)
Administrative expense	(209,251)	(217,891)	(176,341)	(199,552)
Other	(45,031)	(50,240)	(44,893)	(47,555)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>11,568,095</b>	<b>8,572,210</b>	<b>(4,486,342)</b>	<b>10,357,451</b>
<b>Plan Fiduciary Net Position-Beginning</b>	<b>183,206,017</b>	<b>174,633,807</b>	<b>179,120,149</b>	<b>168,762,698</b>
<b>Plan Fiduciary Net Position-Ending (b)</b>	<b>\$ 194,774,112</b>	<b>\$ 183,206,017</b>	<b>\$ 174,633,807</b>	<b>\$ 179,120,149</b>
<b>Net Pension Liability-Ending (a) - (b)</b>	<b>19,883,530</b>	<b>14,842,678</b>	<b>13,244,568</b>	<b>3,287,202</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.74%	92.51%	92.95%	98.20%
Covered Employee Payroll	29,789,176	27,295,114	26,139,109	26,380,878
Net Pension Liability as a Percentage of Covered Employee Payroll	66.75%	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, 2017  
 (Unaudited)

<b>SCHEDULE OF CONTRIBUTIONS</b>					
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%
9/30/2017	4,565,884	4,565,884	-	29,789,176	15.33%

**Notes to Schedule of Contributions:**

Valuation date	Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	3-30 years as of September 30, 2015
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	3.5%
Retirement Age	Age and service-based tables that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Mortality Table for males and females. A 2.5% load was used as a margin for future mortality improvements
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.

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, 2017  
 (Unaudited)

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**SCHEDULE OF INVESTMENT RETURNS MULTIYEAR\***

Annual money-weighted rate of return, net of investment expense:	Annual Return
Fiscal year ending September 30, 2014	10.48%
Fiscal year ending September 30, 2015	1.75%
Fiscal year ending September 30, 2016	9.86%
Fiscal year ending September 30, 2017	11.79%

\* 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, 2017

	2017	2016	2015	2014
<b>Total Pension Liability:</b>				
Service cost	\$ 492,850	\$ 498,450	\$ 498,038	\$ 592,432
Interest	1,000,403	952,685	916,626	861,104
Benefit change	-	-	-	-
Difference between actual & expected experience	206,823	(66,499)	(158,912)	(9,847)
Assumption changes	(155,930)	-	-	305,956
Benefit payments	(566,773)	(540,270)	(561,863)	(729,776)
Refunds	(40,689)	(293,992)	(121,468)	(132,922)
<b>Net Change in Total Pension Liability</b>	936,684	550,374	572,421	886,947
<b>Total Pension Liability-Beginning</b>	13,609,537	13,059,163	12,486,742	11,599,795
<b>Total Pension Liability-Ending (a)</b>	<u>\$ 14,546,221</u>	<u>\$ 13,609,537</u>	<u>\$ 13,059,163</u>	<u>\$ 12,486,742</u>
<b>Plan Fiduciary Net Position:</b>				
Contributions-employer	\$ -	\$ -	\$ -	\$ -
Contributions-Employer(State)	329,933	302,837	265,449	248,113
Contributions-member	487,044	471,774	452,740	449,881
Net investment income	1,130,702	1,000,576	(232,886)	896,529
Benefit payments	(566,773)	(540,270)	(561,863)	(729,776)
Refunds	(40,689)	(293,992)	(121,468)	(132,922)
Administrative expense	(34,525)	(36,110)	(30,114)	(65,371)
Other	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	1,305,692	904,815	(228,142)	666,454
<b>Plan Fiduciary Net Position-Beginning</b>	12,668,019	11,763,204	11,991,346	11,324,892
<b>Plan Fiduciary Net Position-Ending (b)</b>	<u>\$ 13,973,711</u>	<u>\$ 12,668,019</u>	<u>\$ 11,763,204</u>	<u>\$ 11,991,346</u>
<b>Net Pension Liability-Ending (a) - (b)</b>	572,510	941,518	1,295,959	495,396
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.06%	93.08%	90.08%	96.03%
Covered Employee Payroll	6,957,771	6,739,629	7,078,113	6,847,759
Net Pension Liability as a Percentage of Covered Employee Payroll	8.23%	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, 2017  
(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%
9/30/2017	186,468	329,933	(143,465)	6,957,771	4.74%

\* 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, 2016
Measurement date	September 30, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	18 years
Asset valuation method	4-year smoothed market
Inflation rate	2.5%
Salary increases	3.5% to 6.5%
Investment rate of return	7.25%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table(for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants(for postretirement mortality), with mortality improvements projected for all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for special risk class members of the Florida Retirement System(FRS), as mandated by Florida House Bill 1309.

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, 2017  
(Unaudited)

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**SCHEDULE OF INVESTMENT RETURNS MULTIYEAR\***

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	<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%
Fiscal year ending September 30, 2017	10.68%

\* 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, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>Revenues</b>			
Taxes			
Ad valorem	\$ 14,002,375	\$ 13,973,397	\$ 13,973,397
General sales and use	1,925,000	2,059,076	2,059,076
Franchise	4,000,000	4,314,864	4,314,864
	<u>19,927,375</u>	<u>20,347,337</u>	<u>20,347,337</u>
Licenses and permits			
Occupational licenses	275,000	257,429	257,429
Other	81,500	133,534	133,534
	<u>356,500</u>	<u>390,963</u>	<u>390,963</u>
Intergovernmental revenue			
State grants	-	10,922	10,922
Federal grants	-	-	-
State shared revenue	2,849,000	3,307,542	3,307,542
State retirement contribution	250,000	329,933	329,933
County shared revenue	55,000	53,046	53,046
	<u>3,154,000</u>	<u>3,701,443</u>	<u>3,701,443</u>
Charges for services			
General government	188,100	239,782	239,782
Physical environment	33,000	45,738	45,738
	<u>221,100</u>	<u>285,520</u>	<u>285,520</u>
Fines and forfeitures			
Court cases	73,500	52,200	52,200
Code violation	116,000	136,939	136,939
	<u>189,500</u>	<u>189,139</u>	<u>189,139</u>
Other			
Contributions from component unit	7,031,260	5,968,785	5,968,785
Investment income	55,000	157,411	157,411
Rents	52,852	55,964	55,964
Administrative and contractual services	484,306	700,170	700,170
Reimbursements by other funds	1,484,500	1,565,314	1,565,314
Special assessments	10,000	12,961	12,961
Impact fees	-	9,349	9,349
Miscellaneous	112,100	548,138	548,138
	<u>9,230,018</u>	<u>9,018,092</u>	<u>9,018,092</u>
Total revenues	33,078,493	33,932,494	33,932,494
<b>Other financing sources</b>			
Transfers in	2,614,221	7,385,714	7,385,714
Capital lease proceed	-	54,373	54,373
Total other financing sources	<u>2,614,221</u>	<u>7,440,087</u>	<u>7,440,087</u>
Total revenues, other financing sources,	<u>\$ 35,692,714</u>	<u>\$ 41,372,581</u>	<u>\$ 41,372,581</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, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>Expenditures</b>			
General Government			
Legislative			
City Commission	\$ 243,603	\$ 236,589	\$ 236,589
Executive			
City Manager	535,282	552,793	552,793
City Clerk	316,211	304,260	304,260
Financial and administrative			
General administration	5,592,143	8,036,038	8,036,038
Finance	773,428	758,564	758,564
MIS	1,073,500	889,010	889,010
Purchasing	301,437	276,591	276,591
Human Resources	422,500	455,538	455,538
Legal counsel			
City Attorney	696,572	613,098	613,098
Comprehensive planning			
Planning	478,772	466,328	466,328
Public works			
Director	93,351	87,938	87,938
Garage	620,981	599,324	599,324
Building maintenance	899,574	1,096,409	1,096,409
	<u>12,047,354</u>	<u>14,372,480</u>	<u>14,372,480</u>
Public safety			
Law enforcement			
Police	4,940,912	5,029,181	5,029,181
Police- Operations	7,362,023	7,520,825	7,520,825
Police- Support Operations	1,061,077	1,199,740	1,199,740
Code Enforcement	894,695	864,398	864,398
	<u>14,258,707</u>	<u>14,614,144</u>	<u>14,614,144</u>
Transportation			
Road and street facilities			
Engineering	1,157,454	1,110,569	1,110,569
Street maintenance	1,688,544	1,957,855	1,957,855
	<u>2,845,998</u>	<u>3,068,424</u>	<u>3,068,424</u>
Culture and recreation			
Parks and recreation	2,037,053	2,050,255	2,050,255
Riverwalk Center	154,822	173,107	173,107
	<u>2,191,875</u>	<u>2,223,362</u>	<u>2,223,362</u>
Total expenditures	31,343,934	34,278,410	34,278,410
<b>Other financing uses</b>			
Transfers out	4,459,187	5,776,847	5,776,847
Total expenditures and other financing uses	<u>\$ 35,803,121</u>	<u>\$ 40,055,257</u>	<u>\$ 40,055,257</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 (CDBG)**

This fund is used to account for major grants administered by Grants Administration 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.

◆ **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.

## NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

### DEBT SERVICE FUNDS (CONT'D.)

◆ **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 Improvement Revenue Note Fund, Series 2016A**

This fund is used to account for the accumulation of monies to pay \$1,280,000 of financing used to repay Fort Pierce Utility Authority. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2016-2026.

◆ **Capital Improvement Revenue Note Fund, Series 2016B**

This fund is used to account for the accumulation of monies to pay \$820,000 of financing used to purchase land. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2016-2026.

◆ **Capital Improvement Revenue Note Fund, Series 2016C**

This fund is used to account for the accumulation of monies to pay \$1,435,000 of financing used to purchase radios. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2016-2023.

◆ **Capital Lease**

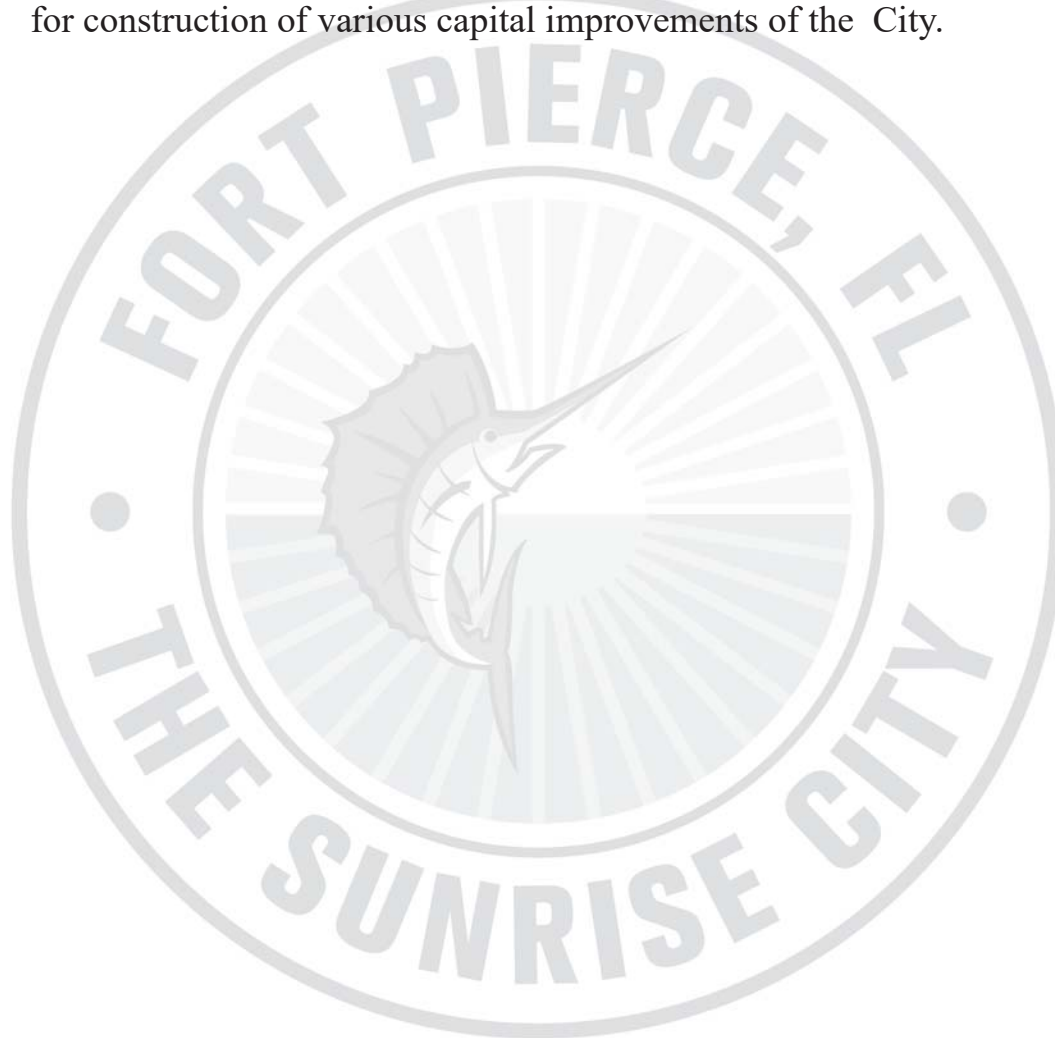
This fund is used to account for the accumulation of monies to pay \$54,373 of capital lease obligations.

## NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

### CAPITAL PROJECT FUNDS

- ◆ **Special Capital Projects Fund**

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



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City of Fort Pierce, Florida  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2017

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 4,792,560	\$ 1,019,095	\$ -	\$ 5,811,655
Accounts Receivable	44,532	-	-	44,532
Advance to other funds	-	1,887,783	-	1,887,783
Due from other governments	443,953	-	-	443,953
Prepays	37	-	-	37
Notes Receivable	300,457	-	-	300,457
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total assets	<u>\$ 5,581,539</u>	<u>\$ 2,906,878</u>	<u>\$ -</u>	<u>\$ 8,488,417</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 118,587	\$ -	\$ -	\$ 118,587
Due to other funds	308,216	-	-	308,216
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total liabilities	<u>426,803</u>	<u>-</u>	<u>-</u>	<u>426,803</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	300,427	-	-	300,427
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
<b>FUND BALANCES</b>				
Nonspendable	37	1,887,783	-	1,887,820
Restricted	4,849,688	1,019,095	-	5,868,783
Assigned	4,584	-	-	4,584
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total fund balances	<u>4,854,309</u>	<u>2,906,878</u>	<u>-</u>	<u>7,761,187</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,581,539</u>	<u>\$ 2,906,878</u>	<u>\$ -</u>	<u>\$ 8,488,417</u>

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended September 30, 2017

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Intergovernmental	\$ 1,587,347	\$ -	\$ -	\$ 1,587,347
Investment income	35,753	86,208	17,161	139,122
Miscellaneous	1,843,938	-	-	1,843,938
Total revenues	3,467,038	86,208	17,161	3,570,407
<b>Expenditures</b>				
Current				
General Government	1,985	-	4	1,989
Public safety	730,066	-	-	730,066
Economic environment	693,109	-	-	693,109
Capital Outlay	528,043	-	-	528,043
Debt service				
Principal	-	4,289,252	-	4,289,252
Interest and fees	-	2,630,240	-	2,630,240
Other	-	71,193	-	71,193
Total expenditures	1,953,203	6,990,685	4	8,943,892
Excess of revenues over (under) expenditures	1,513,835	(6,904,477)	17,157	(5,373,485)
<b>Other financing sources (uses)</b>				
Transfers in	58,813	6,774,726	-	6,833,539
Proceeds of Notes	-	3,535,000	-	3,535,000
Transfers out	(175,756)	(3,472,464)	(2,343,960)	(5,992,180)
Total other financing sources (uses)	(116,943)	6,837,262	(2,343,960)	4,376,359
Net change in fund balances	1,396,892	(67,215)	(2,326,803)	(997,126)
Fund balance - beginning of year	3,457,417	2,974,093	2,326,803	8,758,313
Fund balance - end of year	\$ 4,854,309	\$ 2,906,878	\$ -	\$ 7,761,187

City of Fort Pierce, Florida  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
September 30, 2017

	Police Grants Fund	Law Enforcement Trust Fund	State Housing Initiatives Program (S.H.I.P.)
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 66,208	\$ 461,319
Accounts Receivable	20,000	-	-
Due from other governments	358,597	-	-
Prepaid Expenses	-	-	-
Notes receivable	-	-	28,281
	<u>-</u>	<u>-</u>	<u>28,281</u>
Total assets	<u>\$ 378,597</u>	<u>\$ 66,208</u>	<u>\$ 489,600</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 70,439	\$ -	\$ 13,510
Due to other funds	308,158	-	32
	<u>378,597</u>	<u>-</u>	<u>13,542</u>
Total liabilities	<u>378,597</u>	<u>-</u>	<u>13,542</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	28,281
	<u>-</u>	<u>-</u>	<u>28,281</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 378,597</u>	<u>\$ 66,208</u>	<u>\$ 489,600</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	66,208	447,777
Assigned	-	-	-
Total fund balances	<u>-</u>	<u>66,208</u>	<u>447,777</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 378,597</u>	<u>\$ 66,208</u>	<u>\$ 489,600</u>

Community Development Block Grant	Restricted Revenue Fund	Disaster Relief	Total Nonmajor Special Revenue Funds
\$ 691,955	\$ 3,573,078	\$ -	\$ 4,792,560
15,295	9,237	-	44,532
67,830	17,526	-	443,953
37	-	-	37
272,176	-	-	300,457
<u>\$ 1,047,293</u>	<u>\$ 3,599,841</u>	<u>\$ -</u>	<u>\$ 5,581,539</u>
\$ 34,638	\$ -	\$ -	\$ 118,587
26	-	-	308,216
<u>34,664</u>	<u>-</u>	<u>-</u>	<u>426,803</u>
272,146	-	-	300,427
37	-	-	37
740,446	3,595,257	-	4,849,688
-	4,584	-	4,584
<u>740,483</u>	<u>3,599,841</u>	<u>-</u>	<u>4,854,309</u>
<u>\$ 1,047,293</u>	<u>\$ 3,599,841</u>	<u>\$ -</u>	<u>\$ 5,581,539</u>

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS**  
Year ended September 30, 2017

	Police Grants Fund	Law Enforcement Trust Fund	State Housing Initiatives Program (S.H.I.P.)
<b>Revenues</b>			
Intergovernmental	\$ 607,828	\$ -	\$ 270,530
Investment income	-	563	3,116
Miscellaneous	80,000	-	7,050
Total revenues	687,828	563	280,696
<b>Expenditures</b>			
Current			
General Government	-	-	-
Public safety	712,050	18,016	-
Economic environment	-	-	90,980
Capital outlay	28,363	-	-
Total expenditures	740,413	18,016	90,980
Excess of revenues over (under) expenditures	(52,585)	(17,453)	189,716
<b>Other financing sources (uses)</b>			
Transfers in	58,813	-	-
Transfers out	-	-	-
Total other financing sources (uses)	58,813	-	-
Net change in fund balances	6,228	(17,453)	189,716
Fund balance - beginning of year	(6,228)	83,661	258,061
Fund balance - end of year	\$ -	\$ 66,208	\$ 447,777

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Community Development Block Grant	Restricted Fund	Disaster Relief	Total Non-Major Special Revenue Funds
\$ 515,251	\$ 193,738	\$ -	\$ 1,587,347
7,043	25,031	-	35,753
25,795	1,731,093	-	1,843,938
548,089	1,949,862	-	3,467,038
-	1,985	-	1,985
-	-	-	730,066
602,129	-	-	693,109
16,776	482,904	-	528,043
618,905	484,889	-	1,953,203
(70,816)	1,464,973	-	1,513,835
-	-	-	58,813
-	(163,717)	(12,039)	(175,756)
-	(163,717)	(12,039)	(116,943)
(70,816)	1,301,256	(12,039)	1,396,892
811,299	2,298,585	12,039	3,457,417
\$ 740,483	\$ 3,599,841	\$ -	\$ 4,854,309

City of Fort Pierce, Florida  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
September 30, 2017

	Capital Improvement Revenue 2008	Capital Improvement Refunding 2010	Capital Improvement Revenue 2014	Section 108 Loan	Fort Pierce Redevelopment Refunding 2015
<b>ASSETS</b>					
Cash and investments	\$ 926	\$ 4,013	\$ 436,304	\$ 78,392	\$ 479,073
Advance to other funds	-	-	-	1,887,783	-
Total Assets	<u>\$ 926</u>	<u>\$ 4,013</u>	<u>\$ 436,304</u>	<u>\$ 1,966,175</u>	<u>\$ 479,073</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	1,887,783	-
Restricted	926	4,013	436,304	78,392	479,073
Total fund balance	<u>926</u>	<u>4,013</u>	<u>436,304</u>	<u>1,966,175</u>	<u>479,073</u>
Total liabilities and fund balance	<u>\$ 926</u>	<u>\$ 4,013</u>	<u>\$ 436,304</u>	<u>\$ 1,966,175</u>	<u>\$ 479,073</u>

Capital Improvement Refunding 2015	Capital Improvement Note A 2016	Capital Improvement Note B 2016	Capital Improvement Note C 2016	Capital Lease	Total Nonmajor Debt Service Funds
\$ 837	\$ 3,232	\$ 16,318	\$ -	\$ -	\$ 1,019,095
-	-	-	-	-	1,887,783
<u>\$ 837</u>	<u>\$ 3,232</u>	<u>\$ 16,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,906,878</u>
-	-	-	-	-	1,887,783
<u>837</u>	<u>3,232</u>	<u>16,318</u>	<u>-</u>	<u>-</u>	<u>1,019,095</u>
<u>837</u>	<u>3,232</u>	<u>16,318</u>	<u>-</u>	<u>-</u>	<u>2,906,878</u>
<u>\$ 837</u>	<u>\$ 3,232</u>	<u>\$ 16,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,906,878</u>

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE**  
**NONMAJOR DEBT SERVICE FUNDS**  
 Year Ended September 30, 2017

	Capital Improvement Revenue 2008	Capital Improvement Refunding 2010	Capital Improvement Revenue 2014	Section 108 Loan	Fort Pierce Redevelopment Refunding 2015
<b>Revenues</b>					
Investment income	\$ 6,300	\$ 2,989	\$ 1,962	\$ 63,367	\$ 5,084
<b>Expenditures</b>					
Debt service					
Principal	1,015,000	305,000	309,765	283,000	1,565,000
Interest and fees	123,900	361,598	162,384	53,570	947,227
Other	-	1,426	-	-	5,000
Total expenditures	1,138,900	668,024	472,149	336,570	2,517,227
Excess of revenues over (under) expenditures	(1,132,600)	(665,035)	(470,187)	(273,203)	(2,512,143)
<b>Other financing sources (uses)</b>					
Transfers in	1,133,526	649,188	670,332	-	2,512,520
Proceeds of Notes	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	1,133,526	649,188	670,332	-	2,512,520
Net change in fund balances	926	(15,847)	200,145	(273,203)	377
Fund balances - beginning of year	-	19,860	236,159	2,239,378	478,696
Fund balances - end of year	\$ 926	\$ 4,013	\$ 436,304	\$ 1,966,175	\$ 479,073

Capital Improvement Refunding 2015	Capital Improvement Note A 2016	Capital Improvement Note B 2016	Capital Improvement Note C 2016	Capital Lease	Total Nonmajor Debt Service Funds
\$ 6,003	\$ 65	\$ 383	\$ 55	\$ -	\$ 86,208
440,000	120,000	50,000	200,000	1,487	4,289,252
905,791	36,267	16,892	22,482	129	2,630,240
-	23,312	14,708	26,132	615	71,193
1,345,791	179,579	81,600	248,614	2,231	6,990,685
(1,339,788)	(179,514)	(81,217)	(248,559)	(2,231)	(6,904,477)
1,340,625	156,267	66,892	243,145	2,231	6,774,726
-	1,280,000	820,000	1,435,000	-	3,535,000
-	(1,253,521)	(789,357)	(1,429,586)	-	(3,472,464)
1,340,625	182,746	97,535	248,559	2,231	6,837,262
837	3,232	16,318	-	-	(67,215)
-	-	-	-	-	2,974,093
\$ 837	\$ 3,232	\$ 16,318	\$ -	\$ -	\$ 2,906,878

City of Fort Pierce, Florida  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
September 30, 2017

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	Capital Project Fund Special Capital Projects Fund	Total Nonmajor Capital Project Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and investments	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>

**LIABILITIES, AND FUND BALANCES**

**FUND BALANCES**

Restricted	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>

City of Fort Pierce, Florida

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

Year ended September 30, 2017

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	Capital Project Fund Special Capital Projects Fund	Total Nonmajor Capital Project Funds
	<u>                    </u>	<u>                    </u>
<b>Revenues</b>		
Investment income	\$ 17,161	\$ 17,161
	<u>                    </u>	<u>                    </u>
Total revenues	17,161	17,161
<b>Expenditures</b>		
Operating Expenses	4	4
Capital outlay	-	-
	<u>                    </u>	<u>                    </u>
Total expenditures	4	4
Excess of revenues over (under) expenditures	<u>17,157</u>	<u>17,157</u>
<b>Other financing sources (uses)</b>		
Transfers in	-	-
Transfers out	(2,343,960)	(2,343,960)
	<u>                    </u>	<u>                    </u>
Total other financing sources (uses)	(2,343,960)	(2,343,960)
Net change in fund balances	(2,326,803)	(2,326,803)
Fund balance - beginning of year	<u>2,326,803</u>	<u>2,326,803</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>

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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.

City of Fort Pierce, Florida  
**MISCELLANEOUS STATISTICS**  
**September 30, 2017**

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<b>Date of Incorporation:</b>	February 2, 1901	<b>City of Fort Pierce Population:</b>	
<b>Adoption of City Charter:</b>	1957	1940	8,040
<b>Form of Govt:</b>	Commission/City Manager	1950	13,502
<b>Fiscal Year:</b>	October 1, 2016 through September 30, 2017	1960	25,113
<b>Area:</b>	34.8 square miles as of 9/30/2017	1970	29,721
		1980	33,802
<b>Number of Employees:</b>	635.0	1990	36,830
City	365.0	2000	38,401
Utilities Authority	270.0	2010	41,590
<b>Police Protection:</b>		<b>Recreation:</b>	
Number of Stations	2	Acres of Public Parks	294.3
Number of Arresting Personnel	121	Miles of Public Beach	2.3
<b>Fire Protection:</b>		Baseball Practice Fields	23
(County wide)		Basketball Courts	11
Number of Stations	17	Boat Ramps	10
Number of Firemen & Officers	380	Football Fields	1
<b>Infrastructure:</b>		Playgrounds	12
City Buildings	23	Municipal Pools	2
Cemeteries (not City owned)	5	Racquetball/Handball Courts	2
City Bridges	15	Shuffleboard Courts	1
*Vehicle	6	Tennis Courts	18
*Pedestrian	9	<b>Utilities Customers:</b>	
Traffic Lights	211	Electric	28,300
*Flashing Lights	32	Water	20,100
*Traffic & Caution Lights	179	Wastewater	15,100
Street Lights	5,327	Natural Gas	4,150
Miles of:		<b>County Schools Enrollment:</b>	
*Paved Streets	139.9	ESE (all grades)	5,817
*Unpaved Streets	1.4	Elementary , Non ESE	16,045
Total Streets	141.3	Middle , Non ESE	8,335
Canals	10.1	High School , Non ESE	11,261
Curbs and Gutters	122.2	Total Enrollment	41,458
Seawalls	1.1	<b>Solid Waste Customers:</b>	
Sidewalks	116.2	Commercial	1,786
Storm Sewers	73.3	Residential	11,933
<b>Building Permits New Construction:</b>	24	Public	30
Construction Valuation	\$ 12,011,349		

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**

	<b>Fiscal Year</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Governmental activities</b>				
Net invested in capital assets	\$ 41,206,642	\$ 39,077,396	\$ 37,055,350	\$ 34,114,524
Restricted	2,906,878	5,300,896	6,911,826	7,644,201
Unrestricted	2,817,495	4,960,007	5,825,232	9,166,286
Adjustment to record net pension liability	*			(1,761,220)
<b>Total governmental activities net Position</b>	<b>\$ 46,931,015</b>	<b>\$ 49,338,299</b>	<b>\$ 49,792,408</b>	<b>\$ 49,163,791</b>
<b>Business type activities</b>				
Net invested in capital assets	\$ 68,530,285	\$ 69,349,261	\$ 72,258,131	\$ 66,234,195
Restricted	-	-	-	-
Unrestricted	180,432	1,271,085	4,277,533	13,349,535
Adjustment to record net pension liability	*			(270,999)
<b>Total business-type activities net Position</b>	<b>\$ 68,710,717</b>	<b>\$ 70,620,346</b>	<b>\$ 76,535,664</b>	<b>\$ 79,312,731</b>
<b>Primary Government</b>				
Net invested in capital assets	\$ 109,736,927	\$ 108,426,657	\$ 109,313,481	\$ 100,348,719
Restricted	2,906,878	5,300,896	6,911,826	7,644,201
Unrestricted	2,997,927	6,231,092	10,102,765	22,515,821
Adjustment to record net pension liability	*			(2,032,219)
<b>Total primary government net Position</b>	<b>\$ 115,641,732</b>	<b>\$ 119,958,645</b>	<b>\$ 126,328,072</b>	<b>\$ 128,476,522</b>

Source: Statement of Net Position

\* Implementation of GASB 68

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ \$ 32,136,904	\$ \$ 30,700,782	\$ \$ 31,066,247	\$ \$ 28,668,343	\$ \$ 36,179,711	\$ \$ 39,596,736
3,612,651	4,469,991	7,448,269	7,448,269	6,262,950	8,583,007
12,820,034	14,694,145	13,854,615	18,329,988	13,913,684	9,190,260
<hr/>					
\$ \$ 48,569,589	\$ \$ 49,864,918	\$ \$ 52,369,131	\$ \$ 54,446,600	\$ \$ 56,356,345	\$ \$ 57,370,003
<hr/>					
\$ \$ 65,104,588	\$ \$ 53,122,423	\$ \$ 44,669,243	\$ \$ 45,408,923	\$ \$ 40,490,367	\$ \$ 28,158,381
-	-	-	-	-	-
12,551,494	13,672,962	13,960,371	10,201,851	12,419,077	18,071,190
<hr/>					
\$ \$ 77,656,082	\$ \$ 66,795,385	\$ \$ 58,629,614	\$ \$ 55,610,774	\$ \$ 52,909,444	\$ \$ 46,229,571
<hr/>					
\$ \$ 97,241,492	\$ \$ 83,823,205	\$ \$ 75,735,490	\$ \$ 77,472,266	\$ \$ 76,670,078	\$ \$ 67,755,117
3,612,651	4,469,991	7,448,269	7,448,269	6,262,950	8,583,007
25,371,528	28,367,107	27,814,986	25,868,516	26,332,761	27,261,450
<hr/>					
\$ \$ 126,225,671	\$ \$ 116,660,303	\$ \$ 110,998,745	\$ \$ 110,789,051	\$ \$ 109,265,789	\$ \$ 103,599,574
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**City of Fort Pierce, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2017	2016	2015	2014
<b>Expenses</b>				
Government activities:				
General government	\$ 12,679,532	\$ 10,188,059	\$ 9,615,174	\$ 9,098,006
Public Safety	16,426,201	15,293,734	15,130,557	14,753,228
Transportation	6,224,923	5,868,560	5,729,773	6,071,542
Economic Environment	1,104,259	1,262,385	1,513,335	1,110,448
Culture and recreation	2,529,937	2,153,169	2,206,744	2,522,271
Interest of long-term debt	3,567,822	4,624,442	3,778,626	3,754,510
Total government activities expenses	<u>\$ 42,532,674</u>	<u>\$ 39,390,349</u>	<u>\$ 37,974,209</u>	<u>\$ 37,310,005</u>
Business-type activities				
Solid Waste	\$ 6,235,640	\$ 5,689,842	\$ 5,708,431	\$ 5,264,288
Marina	4,078,834	3,512,275	3,344,558	2,610,077
Storm Water	5,202,294	7,939,853	5,658,447	6,130,795
Golf Course	1,553,141	1,510,721	1,574,074	1,587,070
Sunrise Theater	4,376,238	4,595,335	4,440,222	4,080,883
Building Fund	1,304,815	1,194,096	1,175,458	1,014,511
Total business-type activities	<u>\$ 22,750,962</u>	<u>\$ 24,442,122</u>	<u>\$ 21,901,190</u>	<u>\$ 20,687,624</u>
Total primary government expenses	<u>\$ 65,283,636</u>	<u>\$ 63,832,471</u>	<u>\$ 59,875,399</u>	<u>\$ 57,997,629</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 2,127,748	\$ 1,180,822	\$ 1,107,288	\$ 489,335
Public Safety	402,673	559,349	478,889	391,592
Transportation	299,620	246,932	116,573	87,391
Economic Environment	6,883,000	7,296,531	6,047,847	3,904,780
Culture and recreation	254,567	166,683	177,797	200,402
Operating grants and contributions	1,422,785	385,082	1,823,584	4,169,400
Capital grants and contributions	-	-	527,089	3,599,755
Total governmental activities program revenue	<u>\$ 11,390,393</u>	<u>\$ 9,835,399</u>	<u>\$ 10,279,067</u>	<u>\$ 12,842,655</u>
Business-type activities				
Charges for services:				
Solid Waste	\$ 6,676,775	\$ 6,544,120	\$ 6,376,443	\$ 6,264,167
Marina	3,729,402	2,856,262	2,196,705	1,737,088
Storm Water	2,724,106	2,708,419	3,259,131	2,707,758
Golf Course	979,461	1,235,869	1,373,744	1,417,093
Sunrise Theater	2,765,443	3,342,281	3,539,762	2,959,181
Building Fund	1,369,165	1,360,416	1,231,122	1,276,557
Operating grants and contributions	712,500	-	-	-
Capital grants and contributions	-	407,561	1,959,954	7,142,646
Total business-type activities	<u>\$ 18,956,852</u>	<u>\$ 18,454,928</u>	<u>\$ 19,936,861</u>	<u>\$ 23,504,490</u>
Total primary government revenues	<u>\$ 30,347,245</u>	<u>\$ 28,290,327</u>	<u>\$ 30,215,928</u>	<u>\$ 36,347,145</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	(31,142,281)	(29,554,950)	(27,695,142)	(24,467,350)
Business-type activities	<u>\$ (3,794,110)</u>	<u>\$ (5,987,194)</u>	<u>\$ (1,964,329)</u>	<u>\$ 2,816,866</u>
Total primary government net expenses	<u>\$ (34,936,391)</u>	<u>\$ (35,542,144)</u>	<u>\$ (29,659,471)</u>	<u>\$ (21,650,484)</u>

Fiscal Year						
2013	2012	2011	2010	2009	2008	
\$ 9,073,474	\$ 9,368,691	\$ 9,578,646	\$ 11,039,863	\$ 12,967,795	\$ 15,157,106	
14,305,679	13,758,635	13,353,710	14,614,487	16,893,985	16,773,117	
6,263,011	6,277,776	6,347,717	7,375,759	6,647,625	7,003,523	
1,774,472	3,361,379	2,040,019	6,075,167	7,863,601	7,758,223	
2,231,912	2,268,586	2,321,424	2,548,710	2,642,486	2,825,114	
3,727,940	3,821,411	3,841,700	3,680,658	4,001,465	3,537,105	
<u>\$ 37,376,488</u>	<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>	
\$ 4,974,739	\$ 5,440,958	\$ 5,486,548	\$ 5,245,043	\$ 4,747,297	\$ 5,168,303	
2,605,281	2,155,455	2,353,376	2,300,594	2,233,160	2,459,231	
3,368,903	3,241,933	3,182,318	2,648,312	2,578,157	2,499,171	
1,658,894	1,610,301	1,600,742	1,908,161	1,933,926	1,813,631	
4,223,143	4,173,135	3,816,102	3,845,893	4,017,465	3,821,918	
1,004,080	951,656	997,636	915,411	-	-	
<u>\$ 17,835,040</u>	<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>\$ 55,211,528</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>	
\$ 1,578,442	\$ 451,139	\$ 695,767	\$ 1,320,108	\$ 2,396,587	\$ 3,551,313	
434,898	335,806	338,144	480,040	1,120,931	1,724,209	
28,068	18,850	102,831	124,853	121,646	259,442	
4,876,129	5,021,998	5,565,047	9,151,126	293,568	507,295	
126,687	133,913	132,696	721,037	10,167	78,877	
1,013,850	2,968,721	1,977,408	3,228,715	12,358,009	13,141,206	
1,635,302	1,311,204	659,333	510,645	2,966,734	2,086,094	
<u>\$ 9,693,376</u>	<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>	
\$ 6,348,420	\$ 6,139,701	\$ 6,078,244	\$ 6,177,815	\$ 6,079,811	\$ 6,185,722	
1,800,958	1,920,455	1,626,788	1,531,036	1,551,310	1,630,162	
2,598,840	2,679,764	2,720,486	2,608,393	2,599,139	2,498,258	
1,418,505	1,439,569	1,350,526	1,373,150	1,471,253	1,659,221	
2,887,153	3,066,474	2,625,109	2,156,753	2,211,941	2,254,689	
1,053,183	845,845	976,606	1,044,916	-	-	
-	-	-	4,727,554	3,825,307	2,544,073	
13,354,340	10,145,196	4,046,662	-	4,208,215	5,164,319	
<u>\$ 29,461,399</u>	<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>\$ 39,154,775</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>	
(27,683,112)	(28,614,847)	(28,011,990)	(29,798,120)	(31,749,315)	(31,705,752)	
<u>\$ 11,626,359</u>	<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>\$ (16,056,753)</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>	

**General Revenues and Other Changes in Net Position**

	<b>Fiscal Year</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Governmental Activities:</b>				
Taxes				
Ad valorem tax	\$ 13,973,397	\$ 13,171,397	\$ 11,882,126	\$ 11,958,161
General Sales and use tax	2,059,076	2,082,894	2,072,741	2,084,479
Utility service and franchise	4,314,862	4,261,492	4,209,187	4,213,534
State Revenue Sharing	1,392,722	1,323,800	1,282,595	1,211,575
Additional one-cent sales tax	1,776,224	1,666,089	1,603,223	1,495,885
Unrestricted grants and contributions	329,933	302,837	265,449	248,113
Component unit transfer	5,968,785	5,809,302	5,735,240	5,605,157
Miscellaneous	417,715	201,096	259,054	91,884
Investment earnings	312,404	305,599	166,607	193,528
Special Item-Sale of Land	-	-	-	-
Transfers	(1,810,121)	(23,665)	847,537	815,331
<b>Total government activities</b>	<b>\$ 28,734,997</b>	<b>\$ 29,100,841</b>	<b>\$ 28,323,759</b>	<b>\$ 27,917,647</b>
<b>Business-type activities</b>				
Investment earnings	\$ 74,360	\$ 48,211	\$ 34,799	\$ 44,148
Insurance proceeds-unrestricted				
Miscellaneous				
Transfers	1,810,121	23,665	(847,537)	(815,331)
<b>Total business-type activities</b>	<b>\$ 1,884,481</b>	<b>\$ 71,876</b>	<b>\$ (812,738)</b>	<b>\$ (771,183)</b>
<b>Total primary government</b>	<b>\$ 30,619,478</b>	<b>\$ 29,172,717</b>	<b>\$ 27,511,021</b>	<b>\$ 27,146,464</b>
<b>Change in Net Position</b>				
Governmental Activities	\$ (2,407,284)	\$ (454,109)	\$ 628,617	\$ 3,450,297
Business-type activities	(1,909,629)	(5,915,318)	(2,777,067)	2,045,683
<b>Total primary government</b>	<b>\$ (4,316,913)</b>	<b>\$ (6,369,427)</b>	<b>\$ (2,148,450)</b>	<b>\$ 5,495,980</b>

Source: Statement of Activities

		Fiscal Year									
		2013	2012	2011	2010	2009	2008				
\$	10,082,823	\$	10,009,972	\$	11,144,640	\$	11,867,277	\$	14,476,029	\$	15,983,798
	2,183,003		2,268,673		2,326,799		2,334,521		2,523,926		2,408,440
	4,456,865		4,708,357		4,656,869		4,771,753		4,886,723		4,729,859
	1,166,983		1,153,572		1,149,797		1,146,272		1,148,859		1,167,446
	1,378,666		1,330,114		1,387,116		1,333,339		1,353,418		1,550,221
	249,148		241,799		241,312		262,634		276,943		345,472
	5,365,879		4,767,268		4,925,280		4,853,329		5,045,811		4,951,964
	346,124		196,028		202,640		286,804		237,912		521,986
	243,884		191,827		194,349		249,136		273,147		1,202,125
	-		-		-		-		-		3,207,299
	914,408		1,243,024		(294,281)		783,310		512,889		879,659
\$	26,387,783	\$	26,110,634	\$	25,934,521	\$	27,888,375	\$	30,735,657	\$	36,948,269
\$	64,567	\$	79,883	\$	87,750	\$	122,060	\$	142,244	\$	620,760
					-		-		-		-
	84,179		665,346		654,803		606,377		613,547		436,635
	(914,408)		(1,243,024)		294,281		(783,310)		(512,889)		(879,659)
\$	(765,662)	\$	(497,795)	\$	1,036,834	\$	(54,873)	\$	242,902	\$	177,736
\$	25,622,121	\$	25,612,839	\$	26,971,355	\$	27,833,502	\$	30,978,559	\$	37,126,005
\$	(1,295,329)	\$	(2,504,213)	\$	(2,077,469)	\$	(1,909,745)	\$	(1,013,658)	\$	5,242,517
	10,860,697		8,165,771		3,024,533		2,701,330		6,679,873		6,351,926
\$	9,565,368	\$	5,661,558	\$	947,064	\$	791,585	\$	5,666,215	\$	11,594,443

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

	Fiscal Year			
	2017	2016	2015	2014
General Fund				
Nonspendable	\$ 347,570	\$ 316,714	\$ 74,213	\$ 295,821
Restricted	-	-	-	-
Committed	710,407	550,000	550,000	723,134
Assigned	3,688,620	3,582,326	3,582,326	3,404,652
Unassigned	1,423,048	403,281	255,096	(126,374)
Unreserved	-	-	-	-
Total General Fund	<u>\$ 6,169,645</u>	<u>\$ 4,852,321</u>	<u>\$ 4,461,635</u>	<u>\$ 4,297,233</u>
All Other Government Funds				
Special Revenue:				
Restricted	\$ 6,068,627	\$ 4,445,596	\$ 2,493,441	\$ 2,339,723
Nonspendable	12,067	16,573	-	18,429
Assigned	4,584	184,984	184,984	184,984
Committed	-	-	290,254	130,783
Debt Service:				
Restricted	1,019,095	2,974,093	3,750,413	3,722,988
Nonspendable	1,887,820	-	-	-
Capital projects:				
Restricted	-	2,326,803	3,161,413	3,921,213
Total all other governmental funds	<u>\$ 8,992,193</u>	<u>\$ 9,948,049</u>	<u>\$ 9,880,505</u>	<u>\$ 10,318,120</u>
Total governmental and general funds	<u>\$ 15,161,838</u>	<u>\$ 14,800,370</u>	<u>\$ 14,342,140</u>	<u>\$ 14,615,353</u>

\* Implementation of GASB 54 in 2011

Source: Balance Sheet Governmental Funds

Fiscal Year						
2013	2012	* 2011	2010	2009	2008	
\$ 78,134	\$ 260,206	\$ 415,980	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
1,219,933	1,219,933	894,680	-	-	3,000,000	
3,232,604	3,232,604	3,222,160	-	-	-	
(286,355)	95,628	565,717	-	-	-	
-	-	-	4,149,368	4,525,073	4,868,200	
<u>\$ 4,244,316</u>	<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>	
\$ 1,184,459	\$ 1,434,093	\$ 1,867,420	\$ 2,196,502	\$ 662,216	\$ 3,495,240	
1,084	16,437	16,591	-	-	-	
190,062	190,062	190,062	-	-	-	
946,613	544,490	567,140	-	-	-	
991,103	1,561,513	2,168,777	3,416,600	2,492,069	6,044,864	
-	-	-	-	-	-	
2,621,548	2,908,478	3,077,881	4,031,669	8,225,425	7,273,739	
<u>\$ 5,934,869</u>	<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>\$ 10,179,185</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>	

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

	Fiscal Year			
	2017	2016	2015	2014
<b>Revenues</b>				
Taxes	\$ 20,347,337	\$ 19,515,783	\$ 18,164,053	\$ 18,256,174
Licenses, fees and permits	390,963	374,499	435,346	333,806
Intergovernmental	10,448,502	9,899,947	10,661,557	15,104,540
Charges for services	285,520	288,911	261,508	226,708
Fines and penalties	189,139	301,765	245,930	202,277
Contributions from component units	5,968,785	5,809,302	5,735,240	5,605,157
Investment earnings	312,404	305,599	166,607	193,528
Other revenues	5,476,101	5,088,808	3,656,005	4,734,719
Total revenues	\$ 43,418,751	\$ 41,584,614	\$ 39,326,246	\$ 44,656,909
<b>Expenditures</b>				
General government	12,538,429	10,409,135	10,013,455	10,151,988
Public safety	15,253,746	13,870,188	13,873,313	14,032,891
Transportation	3,068,423	2,747,800	2,684,573	3,122,509
Economic environment	1,021,717	1,182,662	1,434,987	1,033,042
Culture and recreation	2,217,612	1,902,214	1,948,803	2,150,857
Capital outlay	3,263,816	3,253,508	3,575,611	10,185,718
Debt service:				
Principal	4,289,252	3,788,108	3,151,895	2,718,000
Interest	3,107,687	3,935,165	3,760,086	3,647,762
Other	71,193	552,254	4,273	72,534
Total expenditures	\$ 44,831,875	\$ 41,641,034	\$ 40,446,996	\$ 47,115,301
<b>Excess of Revenues over and (under) expenditures</b>	\$ (1,413,124)	\$ (56,420)	\$ (1,120,750)	\$ (2,458,392)
<b>Other Financing sources (Uses)</b>				
Transfers in	\$ 15,746,154	\$ 10,826,011	\$ 13,675,604	\$ 14,954,554
Transfers out	(17,560,935)	(10,982,301)	(12,828,067)	(14,139,223)
Issuance of debt/Capital Lease	3,589,373	-	-	-
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)	\$ 1,774,592	\$ 514,650	\$ 847,537	\$ 6,894,560
Special Item-Sale of Land				
Net change in fund balances	\$ 361,468	\$ 458,230	\$ (273,213)	\$ 4,436,168
Debt service as a percentage of non capital expenditures	17.8%	20.1%	18.7%	17.2%

Fiscal Year						
2013	2012	2011	2010	2009	2008	
\$ 16,722,691	\$ 16,987,002	\$ 18,128,308	\$ 18,973,552	\$ 21,886,678	\$ 23,122,097	
327,558	353,390	465,984	393,408	946,089	1,629,310	
11,384,520	11,338,211	9,157,273	12,180,543	16,068,886	18,493,398	
215,829	195,748	180,180	74,964	93,280	85,260	
222,445	193,114	207,067	350,920	521,193	475,811	
5,365,879	4,767,268	4,925,280	4,853,329	5,045,811	4,951,964	
243,884	196,028	202,640	286,804	237,912	1,202,125	
2,977,234	2,799,953	3,490,107	2,970,580	3,844,946	5,272,877	
<u>\$ 37,460,040</u>	<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>	
9,764,941	10,351,426	10,158,774	12,178,323	14,914,645	16,553,623	
13,453,506	12,972,368	12,555,394	13,918,785	16,191,118	15,842,453	
3,089,871	3,058,459	2,981,763	3,130,854	3,783,786	3,794,313	
1,735,007	3,277,492	1,944,850	6,042,952	7,759,398	7,439,327	
1,968,202	1,943,145	1,988,264	2,144,593	2,389,376	2,729,348	
3,765,513	2,383,608	2,118,083	3,642,606	6,236,137	12,115,028	
2,168,000	1,820,000	1,695,000	1,645,484	1,887,041	1,777,174	
3,709,460	3,761,440	3,813,474	3,644,993	3,821,412	3,501,542	
4,207	28,763	14,687	419,481	912,131	48,800	
<u>\$ 39,658,707</u>	<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>	
\$ (2,198,667)	\$ (2,765,987)	\$ (513,450)	\$ (6,683,971)	\$ (9,250,249)	\$ (8,568,766)	
\$ 11,239,805	\$ 10,639,613	\$ 6,319,305	\$ 13,083,132	\$ 18,338,952	\$ 11,573,501	
(10,325,397)	(9,396,589)	(6,613,586)	(12,313,489)	(17,105,170)	(10,693,843)	
-	-	-	459,099	-	-	
-	-	-	-	(450,795)	-	
-	-	-	11,308,143	29,840,000	-	
-	-	-	-	-	-	
-	-	-	(7,963,557)	(30,150,000)	-	
-	-	-	-	-	-	
<u>\$ 914,408</u>	<u>\$ 1,243,024</u>	<u>\$ (294,281)</u>	<u>\$ 4,573,328</u>	<u>\$ 472,987</u>	<u>\$ 879,658</u>	
					3,207,299	
<u>\$ (1,284,259)</u>	<u>\$ (1,522,963)</u>	<u>\$ (807,731)</u>	<u>\$ (2,110,643)</u>	<u>\$ (8,777,262)</u>	<u>\$ (4,481,809)</u>	
16.4%	15.0%	15.7%	12.3%	11.1%	10.2%	

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

	<b>Fiscal Year</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Additions</b>				
Employer	\$ 4,565,884	\$ 4,211,312	\$ 4,093,268	\$ 4,356,127
Employees	2,156,251	2,005,283	1,925,831	1,943,411
State	329,933	302,837	265,449	248,113
Other		-	-	-
Investment income (net of expenses)	\$ 20,081,849	\$ 17,392,106	\$ 2,511,123	\$ 17,721,192
<b>Total additions to plan net position</b>	<b>\$ 27,133,917</b>	<b>\$ 23,911,538</b>	<b>\$ 8,795,671</b>	<b>\$ 24,268,843</b>
<b>Deductions</b>				
Benefit payments	\$ 13,736,690	\$ 13,389,859	\$ 12,959,826	\$ 12,606,823
Refunds	298,276	786,340	408,937	440,758
Administrative expenses	206,760	204,174	153,522	176,528
Other expenses	19,406	19,406	21,601	20,829
<b>Total deductions from plan net position</b>	<b>\$ 14,261,132</b>	<b>\$ 14,399,779</b>	<b>\$ 13,543,886</b>	<b>\$ 13,244,938</b>
<b>Change in net position</b>	<b>\$ 12,872,785</b>	<b>\$ 9,511,759</b>	<b>\$ (4,748,215)</b>	<b>\$ 11,023,905</b>

Source: Combining Statement of Changes in Fiduciary Funds Net Position

Fiscal Year						
2013	2012	2011	2010	2009	2008	
\$ 4,266,803	\$ 3,566,751	\$ 3,181,446	\$ 3,377,350	\$ 3,580,089	\$ 4,053,604	
1,920,330	1,874,591	1,738,084	1,929,755	2,168,561	2,122,748	
249,148	241,799	241,312	262,634	276,943	345,472	
-	-	-	-	-	-	
\$ 21,583,070	\$ 26,881,779	\$ 1,482,590	\$ 14,806,065	\$ 4,352,746	\$ (23,183,079)	
\$ 28,019,351	\$ 32,564,920	\$ 6,643,432	\$ 20,375,804	\$ 10,378,339	\$ (16,661,255)	
\$ 11,993,098	\$ 10,874,268	\$ 10,413,658	\$ 9,727,760	\$ 7,160,364	\$ 6,833,788	
585,930	346,839	274,419	496,099	443,021	306,553	
134,550	129,911	141,620	198,932	186,494	126,355	
19,416	18,992	19,122	18,218	18,479	19,984	
\$ 12,732,994	\$ 11,370,010	\$ 10,848,819	\$ 10,441,009	\$ 7,808,358	\$ 7,286,680	
\$ 15,286,357	\$ 21,194,910	\$ (4,205,387)	\$ 9,934,795	\$ 2,569,981	\$ (23,947,935)	

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

<b>Fiscal Year Ended September 30,</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Centrally Assessed Property</b>
2017	\$ 2,656,205,901	\$ 199,752,821	\$ 10,889,970
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

**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.

<b>Less: Exemption</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
\$ 759,747,984	\$ 2,107,100,708	6.9000
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

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

<b>Fiscal Year</b>	<b>County Parks MSTU</b>	<b>Co Public Transit MSTU</b>	<b>Erosion District E</b>	<b>Law Enf. Jail, Judicial Sys</b>	<b>Co General Revenue Fund</b>	<b>St. Lucie County Port Bond</b>	<b>Childrens Services Council</b>	<b>St Lucie Co Fire District</b>
2017	0.2313	0.1269	0.0925	3.2838	4.1077	-	0.4765	3.0000
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

**Source:** St. Lucie County Property Appraisers Office

<b>FL Inland Navigation Dist</b>	<b>City of Fort Pierce</b>	<b>County School District</b>	<b>Mosquito Control</b>	<b>S FL Water Mgmt District</b>	<b>Environ Signif Land Bond</b>	<b>Everglades Construction Project</b>	<b>Total</b>
0.0320	6.9000	6.9270	0.2164	0.3307	-	-	25.7248
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

**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
2017	\$ 14,596,858	\$ 13,990,878	95.85%
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%

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

**Total Collections to Date**

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<b>Collections in Subsequent Years</b>	<b>Amount</b>	<b>Percentage of Levy</b>
\$ (17,481)	\$ 13,973,397	95.73%
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%

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

<b>2017</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Wal-Mart Stores East Inc	51,226,670	1	2.43114%
Landings Fort Pierce LLC	47,795,743	2	2.26832%
Bellsouth Telecommunications	44,339,747	3	2.10430%
HCA	22,217,073	4	1.05439%
Ehden NV	20,943,491	5	0.99395%
Lawnwood Medical Center	19,664,296	6	0.93324%
Destin Beach Inc	19,589,409	7	0.92969%
Treasure Cay Properties LLC.	11,183,138	8	0.53074%
Woods Family Limited Ptnr II	10,948,709	9	0.51961%
CC Sands LLC	10,797,336	10	0.51243%
G Flash GP, Inc (TR)			
King Maritime Group, LLC			
Aux Flotilla 8 Div 1 Inc			
Harbour Isle Dev Comm, LLC			
No Wake, LLC			
Harbor Federal Savings & Loan			
Marcus's Fieldbrook, Inc			
At Water Investment Group			
Tropical Water Properties, LLC			
Total	<u>\$ 258,705,612</u>		<u>12.2778%</u>

\* Total assessed valuation is \$ 2,107,100,708

<b>2008</b>		
<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
36,414,592	1	1.1892%
18,250,424	2	0.5960%
11,845,803	3	0.3868%
9,423,608	4	0.3077%
8,437,229	5	0.2755%
7,490,276	6	0.2446%
7,405,886	7	0.2418%
7,184,686	8	0.2346%
5,784,131	9	0.1889%
5,744,090	10	0.1876%
<u>\$ 117,980,725</u>		<u>3.8528%</u>

\$ 3,062,235,349

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

<b>Fiscal Year</b>	<b>State Revenue Sharing</b>	<b>1/2 Cent Sales Tax</b>	<b>Mobile Home License</b>	<b>Beverage License</b>	<b>Fuel Tax Refund</b>	<b>Total Receipts</b>
2017	\$ 1,392,722	\$ 1,776,224	\$ 37,548	\$ 47,214	\$ 53,834	\$ 3,307,542
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

**Source:** City of Fort Pierce Finance Records

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

AGENCY	Fiscal Year			
	2017	2016	2015	2014
<b>City of Fort Pierce</b>				
CRA 1 (Res 82-25) *	50,541,442	47,636,647	48,076,622	49,234,611
CRA 2 (Res 95-89)	3,150,181	2,742,460	2,742,460	2,591,500
CRA 3 (Res 96-15)	3,942,324	3,853,477	3,853,477	3,173,700
CRA 4 (Res 01-98) *	632,670,747	589,287,949	592,159,262	561,639,632
<b>CFP Total</b>	<b>690,304,694</b>	<b>643,520,533</b>	<b>646,831,821</b>	<b>616,639,443</b>
<b>St. Lucie County</b>				
CRA 1 (Res 82-25) **	50,720,476	47,840,681	49,841,776	49,765,511
CRA 2 (Res 95-89)	3,150,181	2,742,460	2,742,460	2,591,500
CRA 3 (Res 96-15)	3,942,324	3,853,477	3,853,477	3,173,700
CRA 4 (Res 01-98) **	629,469,959	586,114,655	571,482,215	558,849,211
<b>SLC Total</b>	<b>687,282,940</b>	<b>640,551,273</b>	<b>627,919,928</b>	<b>614,379,922</b>

\* City with historic but no senior exemption

\*\* County with senior but no historic exemption

<b>Fiscal Year</b>					
<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
51,157,598	54,952,729	56,168,470	70,131,326	62,234,031	65,332,302
2,477,100	2,590,239	2,820,864	3,011,140	3,468,650	3,646,427
3,467,600	3,832,104	3,822,122	3,985,240	4,547,200	3,921,700
561,948,017	577,410,385	609,706,475	705,029,914	869,644,929	1,020,903,984
<b>619,050,315</b>	<b>638,785,457</b>	<b>672,517,931</b>	<b>782,157,620</b>	<b>939,894,810</b>	<b>1,093,804,413</b>
52,074,098	55,982,929	57,710,070	71,885,126	64,496,546	66,948,502
2,477,100	2,590,239	2,820,864	3,011,140	3,468,650	3,646,427
3,467,600	3,832,104	3,822,122	3,985,240	4,547,200	3,921,700
559,212,624	574,247,439	606,278,371	701,361,001	866,035,908	1,017,625,788
<b>617,231,422</b>	<b>636,652,711</b>	<b>670,631,427</b>	<b>780,242,507</b>	<b>938,548,304</b>	<b>1,092,142,417</b>

**City of Fort Pierce, Florida**  
**Legal Debt Margin Information**  
**September 30, 2017**

	<b>Fiscal Year</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Debit Limit	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000
Total Net Debt Applicable to Limit * (1)	60,365,683	60,736,702	59,086,556	61,940,246
Debit Margin	\$ 6,634,317	\$ 6,263,298	\$ 7,913,444	\$ 5,059,754
Total net debt applicable to the limit as a percentage of debt limit	90.098%	90.652%	88.189%	92.448%

\* Includes all net long-term debt except debt obligations of the Community Redevelopment Agency  
(1) debt includes unamortized items

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.

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**City of Fort Pierce**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2017**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable *</b>	<b>Share of Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
St. Lucie County	\$ -	7.4790%	\$ -
<b>Other Debt</b>			
St. Lucie County	8,140,000	0.00%	-
Subtotal, overlapping debt			\$ -
<b>City direct debt (1)</b>			<u>73,853,420</u>
<b>Total direct and overlapping debt</b>			<u>\$ 73,853,420</u>

Sources: St. Lucie County

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

(1) City direct debt includes unamortized item

<b>Fiscal Year</b>					
<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000
53,835,180	59,250,000	60,480,000	61,655,000	59,002,378	61,054,320
\$ 13,164,820	\$ 7,750,000	\$ 6,520,000	\$ 5,345,000	\$ 7,997,622	\$ 5,945,680
80.351%	88.433%	90.269%	92.022%	88.063%	91.126%

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

**Governmental Activities\*\***

<b>Fiscal Year</b>	<b>Redevelopment Bonds</b>	<b>Sales Tax Increment Bonds</b>	<b>Non-ad Valorum</b>	<b>Capital Leases *</b>
2017	\$ 28,045,000	\$ -	\$ 45,755,534	\$ 52,886
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	-

**Source:** City of Fort Pierce Financial Statements

\* First year reporting

\*\* Debt includes unamortized items

**Business-Type Activities\*\***

	<b>Marina</b>	<b>Storm water</b>	<b>Solid Waste</b>	<b>Capital Leases *</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
\$	5,356,510	\$ 11,940,072	\$ -	\$ \$1,471,677	\$ 92,621,679	7.72%	2,045
	5,598,333	13,745,000	-	-	93,639,702	8.21%	2,105
	5,827,371	13,935,000	-	-	93,511,848	8.20%	2,102
	1,846,857	14,570,000	-	-	88,279,000	7.67%	2,025
	1,846,857	15,185,000	-	-	90,572,000	7.59%	2,178
	1,846,857	15,775,000	-	-	93,330,000	6.93%	2,226
	1,846,857	16,345,000	-	-	95,720,000	7.38%	2,270
	1,846,857	16,890,000	-	-	97,960,000	6.27%	2,355
	1,846,857	17,420,000	26,894	-	96,262,377	6.14%	2,188
	2,026,292	17,930,000	52,360	-	99,174,320	7.02%	2,242

City of Fort Pierce, Florida  
Pledged Revenue Coverage  
Last Ten Fiscal Years

Governmental Activities

Non-ad Valorum Bonds

Fiscal Year	Revenue <sup>1</sup>		Less: Operating Expenses <sup>2</sup>		Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2017	\$	32,811,589	\$	20,322,433	\$ 12,489,156	\$ 967,987	\$ 1,325,055	5.45
2016		30,423,143		16,406,115	14,017,028	\$ 530,000	1,119,194	8.50
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

Redevelopment Bonds <sup>3</sup>

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2017	\$	7,349,601	\$	4,228,262	\$ 3,121,339	\$ 2,848,500	\$ 1,117,279	0.79
2016		8,192,527		2,511,834	5,680,693	2,685,000	1,542,822	1.34
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

Sales Tax Increment Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2017	\$	1,776,224	\$	-	\$ 1,776,224	\$ -	\$ -	-
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

\*\*\* No bonds outstanding

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

<sup>2</sup> Expenses: Governmental Expenditures and Public Safety Debt Financed from the Sources, and Ad Valorum Credit which started in 2004

<sup>3</sup> Funded by (TIF) Tax Increment Funds

<sup>4</sup> 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 Valorum Debt: 2001 & 2002 the City of Fort Pierce paid before maturity 2.5 million in Long-Term Debt

Business Activities <sup>4</sup>

## Marina Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2017	\$	3,086,148	\$	2,474,008	\$	612,140	\$	244,619	\$	208,933	1.35
2016		2,569,916		1,846,488		723,428		236,990		245,716	1.50
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

## Storm Water Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2017	\$	2,765,987	\$	3,550,865	\$	(784,878)	\$	855,000	\$	371,055	(0.64)
2016		2,747,322		4,856,140		(2,108,818)		950,000		542,329	(1.41)
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

## Solid Waste Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2017	\$	6,680,064	\$	5,926,721	\$	753,343	\$	-	\$	30,446	24.74
2016		6,544,121		5,478,947		1,065,174		***		***	***
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

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

<b>Calendar Year</b>	<b>City of Ft. Pierce Population</b>	<b>Personal Income</b>	<b>Median Household Income *</b>	<b>School Enrollment**</b>	<b>Unemployment Rate</b>
2017	45,295	1,200,453,385	26,503	41,458	6.5%
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%

\* 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*	2017			2008		
	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	5,465	1	7.50%	4,597	1	8.83%
Indian River State College*	2,338	2	3.21%	1,547	3	2.97%
Lawnwood Regional Medical Ctr & Heart Institut	1,339	3	1.84%	1,082	6	2.08%
Convey Health Solutions	950	4	1.30%			0.00%
Wal-Mart Distribution Center	890	5	1.22%	2,790	2	5.36%
St. Lucie County	763	6	1.05%	982	8	1.89%
St. Lucie County Fire District	434	7	0.60%			0.00%
MAXIMUS	354	8	0.49%			0.00%
City of Fort Pierce	335	9	0.46%			0.00%
Tropicana Products Inc	275	10	0.38%			0.00%
Publix Supermarkets				1,163	4	2.23%
QVC				1,137	5	2.18%
Riverside Bank				1,023	7	1.97%
FPL Group				797	9	1.53%
National City				699	10	1.34%
<b>Total</b>	<b>13,143</b>		<b>18.04%</b>	<b>15,817</b>		<b>30.39%</b>

\* Total industry jobs in St. Lucie County

72,863

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, 2017 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			
	2017	2016	2015	2014
<b>Primary government:</b>				
<b>Government activities:</b>				
General government	69.5	65.5	68.0	69.0
Public safety	170.5	166.5	167.0	164.0
Transportation	25.0	25.0	26.0	26.0
Economic environment	2.0	2.0	2.0	2.0
Culture and recreation	26.0	26.0	26.0	26.0
Total governmental activities	293.0	285.0	289.0	287.0
Business type activities				
Buidling Inspections	13.0	11.0	11.0	12.0
Marina	6.5	5.0	5.0	5.0
Solid Waste	33.0	33.0	33.0	33.0
Golf Course	12.5	12.5	13.0	13.0
Sunrise Theatre	7.0	7.0	7.0	6.0
Total Business type activities	72.0	68.5	69.0	69.0
Total all activities	365.0	353.5	358.0	356.0

**Source:** City of Fort Pierce Budget Document

\* 2010 First year of collecting data

<b>Fiscal Year</b>					
<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
69.0	71.0	70.0	73.0	94.0	94.0
164.0	155.0	165.0	168.0	203.0	217.0
26.0	26.0	26.0	30.0	39.0	39.0
6.0	8.0	6.0	8.0	8.0	12.0
26.0	26.0	26.0	27.0	29.0	29.0
291.0	286.0	293.0	306.0	373.0	391.0
12.0	12.0	12.0	13.0	*	*
6.0	6.0	5.0	5.0	7.0	9.0
34.0	34.0	34.0	31.0	32.0	34.0
16.0	16.0	16.0	21.0	20.0	31.0
8.0	8.0	7.0	7.0	9.0	9.0
76.0	76.0	74.0	77.0	68.0	83.0
367.0	362.0	367.0	383.0	441.0	474.0

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

	Fiscal Year			
	2017	2016	2015	2014
<b><u>Function/Program</u></b>				
Police/Code Enforcement				
Physical arrests	2,520	2,626	2,975	3,189
Parking Violations	316	433	341	298
Traffic Violations	3,310	6,496	9,984	8,791
Fire (County wide)				
Emergency responses	47,000	45,796	43,045	40,033
Fires calls	6,301	4,928	4,659	4,483
Refuse collections				
Refuse collected (tons per day)	134	124	133	131
Other public works				
Street resurfacing (miles)	2	2	1	1
Potholes repaired *	222	412	440	428
Parks and recreation				
Athletic fields permits issued	287	269	280	278
River Walk Center permits issued	91	97	85	64
Garden Club permits issued	65	57	48	33
Maravilla permits issued	82	86	92	66
Special Events	143	168	163	186
Old City Hall	38	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					
2013	2012	2011	2010	2009	2008
3,064	2,899	2,510	3,794	3,145	3,032
230	211	336	959	969	860
5,619	4,782	171	720	5,744	6,993
39,189	34,161	38,989	33,906	33,673	32,182
4,229	3,629	4,626	4,430	4,515	4,790
129	201	123	126	106	169
1	-	2	-	0	4
478	215	200	600	380	281
218	358	397	415	447	533
66	69	73	139	57	**
20	19	10	34	17	**
56	47	10	****	****	****
151	150	141	****	****	****
***	***	***	***	***	***

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

<b><u>Function/Program</u></b>	<b>Fiscal Year</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Police</b>				
Stations	2	3	3	3
Sworn Officers	121	115	115	118
<b>Fire</b>				
Stations	17	17	17	17
Firefighters	380	389	386	370
<b>Refuse collections</b>				
Commercial	1,786	1,751	1,730	1,685
Residential	11,993	12,173	11,871	11,611
Public	30	30	30	30
<b>Other public works</b>				
Streets (miles)	141	141	185	179
Streetlights	5,327	5,313	5,313	5,313
Traffic signals	211	211	211	177
<b>Parks and recreations</b>				
Acreage	294.3	294.3	294.3	294.3
Playgrounds	12	12	12	11
Baseball/football fields/basketball courts	35	35	35	24
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
<b>Utility Customers</b>				
Electric	28,300	28,100	28,096	27,630
Water	20,100	19,750	19,756	19,250
Wastewater	15,100	15,000	14,987	14,640
Natural Gas	4,150	4,225	4,223	4,180

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

\* Parks Transferred to the City from St. Lucie County

Fiscal Year					
2013	2012	2011	2010	2009	2008
3	3	3	3	3	3
115	107	110	107	115	117
18	18	18	18	18	15
370	364	370	376	420	402
1,695	1,675	1,678	1,963	1,972	1,978
11,550	11,427	12,843	12,840	12,926	13,180
32	35	36	36	39	30
152	152	152	152	152	166
5,313	5,106	5,028	5,028	5,138	4,798
177	177	177	177	70	70
294.3	294.3	294.3	294.3	116.9	116.9
12	12	12	12	6	7
23	23	23	22	22	26
21	21	21	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
27,770	28,413	27,697	27,859	28,413	28,584
19,280	19,394	19,180	19,048	19,394	19,278
14,450	14,842	14,377	14,460	14,842	14,737
4,190	4,039	3,892	3,982	4,039	4,171

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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 22, 2018

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, 2017, 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 22, 2018.

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, 2017

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures	Pass-Through to Sub- Recipients
<b><u>FEDERAL PROGRAMS:</u></b>				
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Direct Program:</i>				
Community Development Block Grant Entitlement	14.218	B14-MC-12-0031	68,586	-
Community Development Block Grant Entitlement	14.218	B15-MC-12-0031	87,551	-
Community Development Block Grant Entitlement	14.218	B16-MC-12-0031	359,114	-
			515,251	-
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Program:</i>				
Public Safety Partnership and Community Policing	16.710	2013-UM-WX-0053	238,630	-
Youth Gang Prevention	16.544	2014-JV-FX-0002	160,021	-
Bullet Proof Vests	16.607		8,160	-
<i>Indirect Program:</i>				
<i>Passed through Florida Attorney General:</i>				
Victims of Crime Act	16.575	V057-14089	30,665	-
<i>Passed through Florida Department of Law Enforcement:</i>				
Stop Violence Against Women Formula Grant	16.588	16-8004-LE-INV	69,798	-
Technical Improvement Program	16.738	2017-JAGC-STLU-1-F9-179	32,903	-
Edward Byrne Memorial Competitive Grant Prog.	16.571	2017-JAGE-STLU-3-E8-010	5,775	-
<i>Passed through St. Lucie County, Florida:</i>				
Edward Byrne Memorial Justice asst. grant prog	16.738	2014-DJ-BX-0391	15,171	-
Edward Byrne Memorial Justice asst. grant prog	16.738	2015-DJ-BX-0743	26,467	-
Edward Byrne Memorial Justice asst. grant prog	16.738	2016-DJ-BX-0606	29,433	-
			617,023	-
<i>Passed through Florida Department of Environmental protection:</i>				
Nonpoint Source Implementation Grants	66.460	GO417	150,500	-
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$ 1,282,774</b>	<b>\$ -</b>
<b><u>STATE PROJECTS:</u></b>				
<b><u>Florida Department of Transportation</u></b>				
Florida Highway Beautification	55.003	GOH18	\$ 10,922	-
<b><u>Florida Housing Finance Agency:</u></b>				
State Housing Initiatives Partnership Program	40.901		270,480	-
<b><u>Department of Environmental Protection</u></b>				
STW Restoration/Wastewater Proj	37.039	SO696	462,000	-
<b><u>Department of Economic Opportunity</u></b>				
Community Development Projects	40.012		100,000	-
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<b>\$ 843,402</b>	<b>\$ -</b>

City of Fort Pierce, Florida

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**AND STATE FINANCIAL ASSISTANCE**

For the year ended September 30, 2017

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**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.

**NOTE B-INDIRECT COST RATE**

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Independent Auditor's Report on Compliance For Each Major Federal Awards Program and State Project, and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General

To the City Council  
City of Fort Pierce, Florida

March 22, 2018

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the compliance of the City of Fort Pierce, Florida with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, 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, 2017. The City of Fort Pierce, Florida's major federal programs and state financial assistance projects 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 federal and state statutes, regulations, and the terms and conditions of its Federal programs and State projects applicable to its Federal programs and State projects.

**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 and State projects 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); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, 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 or State project occurred. 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 and State Project**

In our opinion, the City of Fort Pierce, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and State projects for the year ended September 30, 2017.

## **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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, and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*A. Bartolomeo, M. Bee, Hartley & Barnes*

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 were disclosed during the audit of the major federal awards programs and State projects.
5. The independent certified public accountant's report on compliance for the major federal awards programs and state projects expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards programs or state projects.
7. The programs tested as major programs/projects were as follows:

Federal Programs:

CFDA Number: 16.544 Youth Gang Prevention

CFDA Number: 16.710 Public Safety Partnership and Community Policing

State Projects:

CSFA Number: 37.039 STW Restoration/Wastewater Projects

The threshold for distinguishing between Type A and Type B programs was \$750,000 for major federal programs and \$300,000 for State projects

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) or state projects as defined by Rule 10.654(1)(g)4.

**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 22, 2018

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, 2017. 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, 2017.

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 22, 2018

### **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, 2017, and have issued our report thereon dated March 22, 2018, 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) and Chapter 10.550, Rules of the Auditor General.

### **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 State Project 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 22, 2018, 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, 2017, 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, 2017. 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

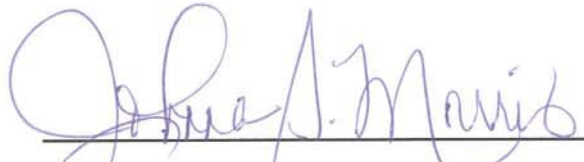


**AFFIDAVIT**

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 19<sup>th</sup> day of March, 2018.

  
 \_\_\_\_\_  
 NOTARY PUBLIC  
 Print Name Queen Thompson

Personally known  or produced identification \_\_\_\_\_

Type of identification produced \_\_\_\_\_

My Commission Expires:

