

THE SUNRISE CITY

FORT PIERCE *Florida*

Fort Pierce Farmer's Market



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2018

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



For Fiscal Year Ended September 30, 2018

Prepared by:

**Johnna S. Morris
Director of Finance**

City of Fort Pierce Finance Department

FOR. 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.”

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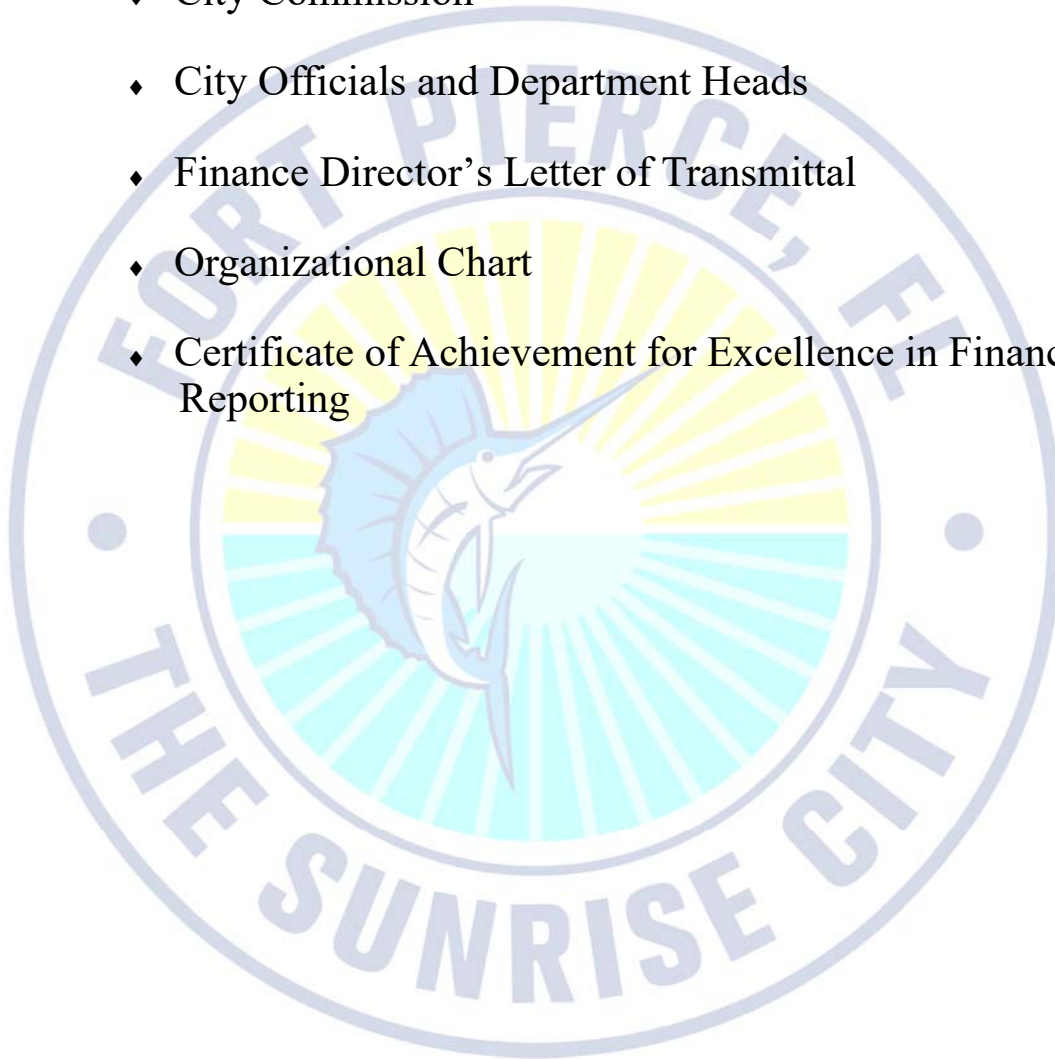




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City Commission



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 Hobleby-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*
Daniel Visconti, *Golf Course Manager*
Sharon Engle, *Interim Director, Sunrise Theatre*
Kevin Browning, *Human Resources Manager*



March 20, 2019

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, 2018. 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, 2018, 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, 2018, 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 35.05 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 45,581 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 continued increase in the real estate market and the construction industry has had a positive 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, continual, 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 5.9% is down from 6.5% 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.

Significant progress 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 currently reviewing statements of qualifications from interested parties in developing this site. The City completed construction of the public restrooms in the downtown area. The City used restricted revenue to complete the project. Currently, 2 major stormwater improvement projects, on Virginia Ave and Mayflower 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's Mariana completed construction of dinghy docks using grant funds. The City's Planning Department continues to actively work with retailers looking to open business's within the City limits.

The 2018 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 2018, the City was able to replace fleet vehicles in the Police division and the City, add a grapple truck in the Solid Waste division, update some technological equipment, and continue road resurfacing. The capital additions were through leasing proceeds and operating revenue. The City's long-term debt at 9/30/2018 was \$89,699,933.

2018-2019 Budget Issues

The City of Fort Pierce budget for fiscal 2019 increased from fiscal 2018. The budget for 2019 is \$38,909,613 and 2018 was \$36,886,199, an increase of \$2,023,414.

The City's taxable valuation is \$2,360,949,717 compared to last year's final valuation of \$2,243,131,859. This represents an increase of approximately 5.25% or \$117,767,088. The City Commission elected to maintain the millage rate at 6.9000. The continued 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 2019 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 \$836,909 from fund balance to balance General Fund’s budget.

The 2019 budget (General Fund) included a 3% pay increase for all employees. Retirement rates for general members are 16.99%, down from 17.35%, Police officers increased to 12.00% upfrom 11.98%. These wage and benefit changes equated to an increase of \$581,631.

The 2019 budget (General Fund) included the addition of 13 new personnel positions, which equate to an increase of \$312,239.

During FY 2018, the City entered into capital leases to assist in the acquisition of capital assets resulting in an increase in debt payment of \$454,000 for FY 2019.

The General Fund did not budget any transfer to Fort Pierce Redevelopment Agency, to assist in its operations; 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 the level of unreserved funding that should be set aside for unforeseen expenditures. The policy established and requires 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
2017	36,886,199	3,688,620	4,852,321
2018	38,909,613	3,890,962	6,169,645

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, 2017. 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-nine 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.

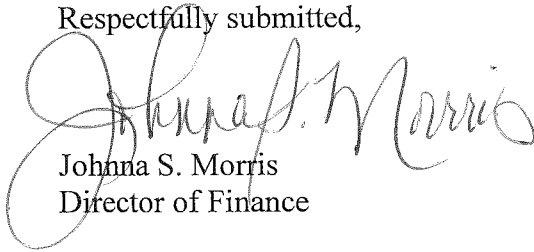
Acknowledgments

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 Karen Logue, the City's Chief Accountant and Wendy Rydzewski, Accountant.

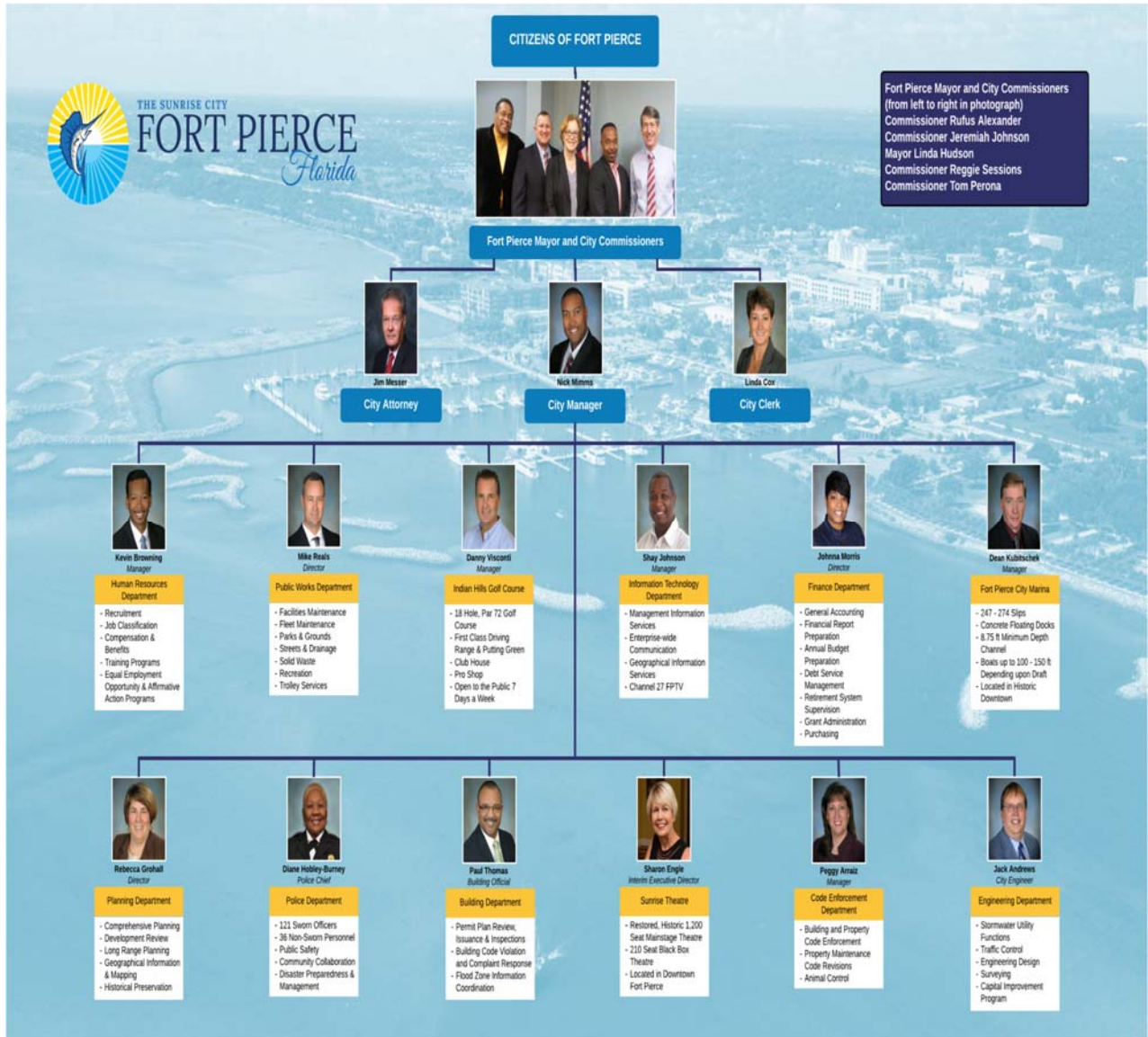
Sincere appreciation is extended to the firm of DiBartolomeo, McBee, Hartley & Barnes for their professional approach and high standard in the conduct of their independent audit of the City's financial records and transactions.

Respectfully submitted,

A handwritten signature in cursive script that reads "Johnna S. Morris". The signature is written in black ink and is positioned to the right of the typed name and title.

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, 2017

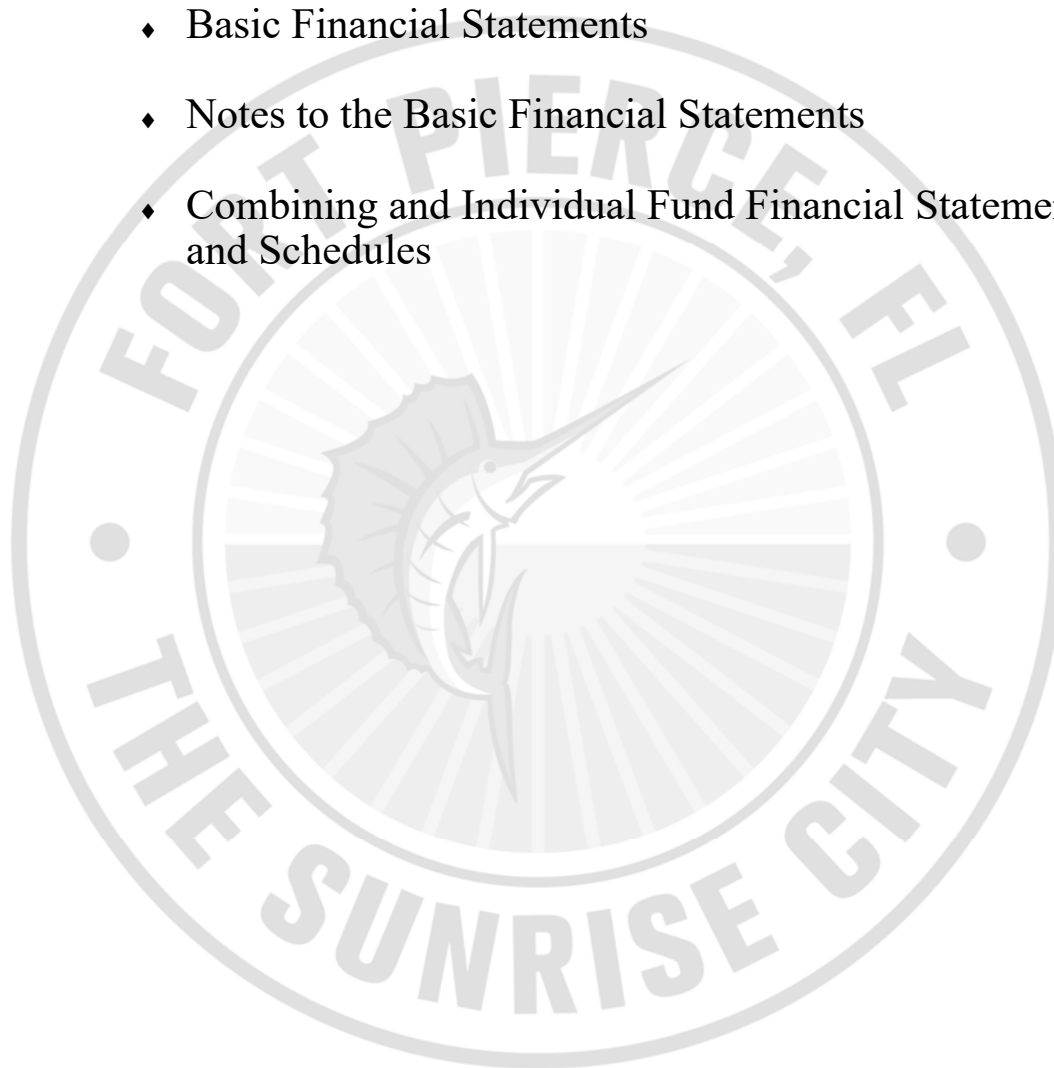
Christopher P. Morill

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 7, 2019

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, 2018, 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, 2018, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, and Community Redevelopment Agency 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 7, 2019

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 7, 2019 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.

A. Bartolomeo, M. Bee, Hartley & Barred

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, 2018. 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 \$118,910,733 of which \$50,107,787 is governmental and \$68,802,946 is the total for business-type activities.
- The City's revenues for Governmental Activities at year end were \$46,253,494 a 10.30% increase, and expenses were \$42,368,281 a 0.39% decrease before transfers in of \$309,475. Revenues exceeded expenses by \$3.89 million. The revenue increase from 2017 was \$4.32 million; this can be attributed to increases in the following: operating grants and contributions of \$2.50 million, ad valorem and other taxes of \$1.23 million, intergovernmental revenue of \$0.21 million, contributions from component unit of \$0.17 million, and unrestricted investment earnings of \$0.22 million. The decrease in expenses in comparison to last year was (\$0.16 million), resulting from decreases in the following: general government (\$0.23 million), public safety (\$0.08 million) and interest on long-term debt (\$0.68 million) off-set by increases in the following: transportation \$0.16 million, economic environment \$0.42 million, culture and recreation \$0.024 million
- Business-type funds revenues were \$21,717,356 a increase of 14.11% or \$2,686,144 before transfers out of \$309,475, and expenses were \$21,098,765, a decrease of (7.26%) or (\$1,652,197) from the previous year. The increase in revenue from the prior year is attributable to the increase in operating and capital grants and contributions \$1.10 million and the increase of \$1.6 in charges for services. The decrease in expenses in comparison to the prior year is attributable to decreases in the following: stormwater (\$1.93) million and sunrise theatre (\$0.54) offset by increases in the following: solid waste \$0.51 million, and building department \$0.33 million.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$19,279,363, an increase of \$4,117,525; of which there were increases in the General Fund of \$3.48 million and the restricted revenue and grant funding of \$1.20 million and decreases in the debt service reserve of (\$0.56 million).

The long-term debt, net of current portion, of the City on 9/30/18 was \$83,235,244, a decrease of \$3.57 million or 4.11%. 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 \$118,910,733 at the close of the most recent fiscal year.

Approximately 92% 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 2018 and 2017

	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other Assets	24,313,055	20,505,971	5,187,922	3,174,349	29,500,977	23,680,320
Capital Assets	106,426,955	108,061,235	86,493,377	87,298,544	192,920,322	195,359,779
Total Assets	130,740,010	128,567,206	91,681,299	90,472,893	222,421,309	219,040,099
Deferred Outflows	8,761,778	10,709,437	976,456	1,299,409	9,738,234	12,008,846
Long-term Liabilities O/S	78,513,822	82,025,964	19,096,070	19,746,268	97,609,892	101,772,232
Other Liabilities	6,980,745	6,819,103	4,044,656	2,835,935	11,025,401	9,655,038
Total Liabilities	85,494,567	88,845,067	23,140,726	22,582,203	108,635,293	111,427,270
Deferred Inflows	3,899,434	3,500,561	714,083	479,382	4,613,517	3,979,943
Net Position:						
Net Invested in Capital Assets	41,656,393	41,206,642	68,117,114	68,530,285	109,773,507	109,736,927
Restricted	2,347,896	2,906,878	-	-	656,818	2,906,878
Unrestricted	6,103,498	2,817,495	685,832	180,432	8,480,408	2,997,927
Total Net Position	50,107,787	46,931,015	68,802,946	68,710,717	118,910,733	115,641,732

The City's net position increased by \$3,269,001 during the fiscal year, without consideration of the restatement of net position for the implementation of GASB 75; which had a net effect of (\$1,017,916) on Governmental Fund net position and (\$216,887) on business type funds. The net position of the Governmental Funds increased by \$3.18 million and business type funds increased by \$0.09 million. Assets of the Governmental Funds increased \$2.17 million and liabilities decreased by \$3.35 million. Deferred outflows of the Governmental Funds decreased by \$1.95 million and deferred inflows increased by \$0.40. In the enterprise funds, the assets had an increase of 1.34% or approximately \$1.21 million and liabilities had an increase of 2.47% or approximately \$0.56 million. Deferred outflows of the enterprise funds decreased by \$0.32 million and deferred inflows increased by \$0.23 million.

City of Fort Pierce Statement of Activities- FY 2018 and 2017

	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	9,956,734	9,967,608	19,833,703	18,244,352	29,790,437	28,211,960
Operating grants and Contributions	3,922,855	1,422,785	1,433,973	712,500	5,356,828	2,135,285
Capital Grants and Contributions	-	-	351,428	-	351,428	-
General Revenues:						
Ad Valorem Taxes	15,118,042	13,973,397	-	-	15,118,042	13,973,397
Other Taxes	6,462,405	6,373,938	-	-	6,462,405	6,373,938
Unrestricted grants and contributions	-	-	-	-	-	-
Intergovernmental	3,711,709	3,498,879	-	-	3,711,709	3,498,879
Miscellaneous	412,663	417,715	-	-	412,663	417,715
Contributions from Component Units	6,138,645	5,968,785	-	-	6,138,645	5,968,785
Unrestricted investment earnings	530,441	312,404	98,252	74,360	628,693	386,764
Total Revenues	46,253,494	41,935,511	21,717,356	19,031,212	67,970,850	60,966,723

City of Fort Pierce Statement of Activities- FY 2018 and 2017 (Cont.)

	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Expenses						
General government	12,453,169	12,679,532	-	-	12,453,169	12,679,532
Public safety	16,341,557	16,426,201	-	-	16,341,557	16,426,201
Transportation	6,382,606	6,224,923	-	-	6,382,606	6,224,923
Economic Environment	1,526,508	1,104,259	-	-	1,526,508	1,104,259
Culture & recreation	2,773,173	2,529,937	-	-	2,773,173	2,529,937
Interest on long-term debt	2,891,268	3,567,822	-	-	2,891,268	3,567,822
Solid Waste	-	-	6,745,265	6,235,640	6,745,265	6,235,640
Marina	-	-	4,180,073	4,078,834	4,180,073	4,078,834
Stormwater	-	-	3,275,415	5,202,294	3,275,415	5,202,294
Golf Course	-	-	1,432,238	1,553,141	1,432,238	1,553,141
Sunrise Theatre	-	-	3,832,927	4,376,238	3,832,927	4,376,238
Building Department	-	-	1,632,847	1,304,815	1,632,847	1,304,815
Total Expenses	42,368,281	42,532,674	21,098,765	22,750,962	63,467,046	65,283,636
Increase (Decrease) in net position						
before transfers	3,885,213	(597,163)	618,591	(3,719,750)	4,503,804	(4,316,913)
Transfers In (Out)	309,475	(1,810,121)	(309,475)	1,810,121	-	-
Changes in net position	4,194,688	(2,407,284)	309,116	(1,909,629)	4,503,804	(4,316,913)
Net Position - Beginning - restated	45,913,099	49,338,299	68,493,830	70,620,346	114,406,929	119,958,645
Net Position – Ending	50,107,787	46,931,015	68,802,946	68,710,717	118,910,733	115,641,732

Governmental activities. Governmental activities accounted for a positive incline of \$3,885,213 in net position of the City, beginning net position was restated with the implementation of GASB 75.

Revenues increased \$4.32 million or 10.30% in Fiscal Year 2018. There are increases in the several categories. Operating grants and contributions increased by \$2.50 million, in relation to reimbursements for hurricanes. Property values continue to increase, resulting in an increase of \$1.14 million in ad valorem revenue. Intergovernmental revenues increased by \$0.21 million Contributions from component unit increased by \$0.17 million and unrestricted investment earnings increased by \$0.22 million. The (0.39%) or (\$0.16 million) decrease in expenses was attributed to decreases of (\$0.99 million) between the following categories: general government (\$0.23 million), public safety (\$0.08 million) and interest on long-term debt (\$0.68 million) offset by an increase of \$0.82 million in the following categories: transportation \$0.18 million, economic environment \$0.42 million and culture and recreation \$0.24 million.

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 \$2.69 million, charges for services accounted for \$1.59 million of the increase and remaining \$1.07 million relates to operating and capital grants services. Expenses decreased

\$1.65 million. The solid waste operations, marina, and the building department expenses increased \$0.51 million, \$0.10 million, and \$0.33 million respectively; offset by a decrease of (\$1.93 million) in the stormwater utility program, (\$0.12 million) in the golf course and (\$0.54 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 \$19,279,363 an increase of \$4,117,525 in comparison with the prior year. The non-spendable portion is \$418,116, restricted is \$8,019,789, \$836,909 is committed, \$5,485,722 is assigned and \$4,518,827 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 2018 is \$9,650,552, which increased \$3.48 million. The 56% increase relates to the increases in tax revenues and grant reimbursements while working to maintain expenses. The increase in fund balance is reflective mainly in the change in the unassigned portion. The debt service reserve fund balance is \$2,347,896 a decrease of (\$0.56 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; 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 9/30/2018 is \$7,280,915, an increase of \$1.20 million, \$1.32 million of the increase relates to the increase in funds reserved for special purposes and projects off-set by a decrease of (\$0.13) million relating to funding reserved for grants.

Business Type Funds. The enterprise funds have unrestricted net position of \$685,832. Net investment in capital assets is \$68,117,114 with a combined net position total of \$68,802,946. The increase in net position of \$0.92 million from the prior year is reflective of the operating gain relating to golf course.

General Fund Budgetary Highlights

The General Fund 2018 budget revenue was \$36,901,634; the amount realized was \$43,813,088, an increase of \$6,911,454 or 18.73%. The expenditure budget was \$36,886,199, and the actual amount was \$40,332,181, an increase of \$3,445,982 or 9.34%. 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 \$3,480,907; the changes were substantial in some categories, listed below are the major notable amendments:

- \$759,917 or 3.65% increase in taxes; increases in ad valorem taxes \$247,512, local option taxes \$204,418, and utility and other taxes \$307,987.

- \$249,236 or 68.94% increase in licenses and permits; \$72,273 increase in occupational licenses and \$176,963 more in other permits; planning and zoning amendments and miscellaneous fees were greater than budgeted.
- \$2,946,555 or 90.41% increase in intergovernmental revenue; \$2,303,004 increase in state and federal grants relating to emergency mitigation reimbursement, \$195,623 increase in state shared revenue, \$348,973 increase in half cent sales tax \$107,113 more in state retirement contribution, and \$6,573 decrease in other intergovernmental.
- \$133,017 or 53.27% increase in charges for services; community center produced \$27,942 more, \$33,930 in youth activities, \$26,779 parking fees, \$30,071 in traffic fines, and \$14,295 in other service charges.
- \$294,137 or 134.93% increase in fines and forfeitures; \$148,842 increase in alarm violations, \$208,471 in property code violations, offset by \$61,742 decrease in judgements and fees.
- \$2,528,592 increase in other revenues and other financing sources; \$1,865,490 in capital lease obligations were not budgeted, \$18,821 increase in settlement of claims, \$257,784 increase in interest, \$175,797 increase in contribution from component unit, \$225,209 increase in transfer from other funds increase related to reimbursement of expenses paid through general, \$131,600 increase in private donations, \$52,672 increase in payments in lieu, \$139,795 increase in other miscellaneous reimbursement sand revenues, off-set by \$341,566 decrease in administrative reimbursements.
- \$3,445,982 or 9.34% increase in expenditures from various departments. The major increases were: Administration \$2,414,808 primarily relating to increases in capital outlay, Public Safety \$498,200 relating to capital outlay initiative and administrative expenses, Culture and recreation \$261,954 relating to personal services and the implementation of youth activities, and Building maintenance \$194,445 relating to contract services and supplies.

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, 2018 amounts to \$192,920,332 (this is net of accumulated depreciation). Significant additions during the year consisted of street reconstruction, 65 new vehicles, a grapple truck in solid waste, construction of restrooms downtown, dinghy docks at the Marina, the start of reconstruction on 2 major canals, and various equipment and machinery. Notable disposals consisted of old vehicles and old computer equipment. See Note H for detail information on the primary government's Capital Assets.

City of Fort Pierce Capital Assets - FY 2018 and 2017 (net of depreciation)						
	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land & CIP	27,942,357	27,867,828	2,699,821	690,670	30,642,178	28,558,498
Buildings	26,846,329	27,548,481	10,093,100	10,678,533	36,939,429	38,227,014
Improvements Other than Buildings	21,740,718	19,763,742	70,803,967	73,004,809	92,544,685	92,768,551
Machinery & Equipment	5,479,617	7,113,978	2,896,489	2,924,532	8,376,106	10,038,510
Infrastructure	24,417,934	25,767,206	-	-	24,417,934	25,767,206
Total	106,426,955	108,061,235	86,493,377	87,298,544	192,920,332	195,359,779

Debt. At the end of the current fiscal year, the City had total long-term debt outstanding, net of current portion of \$83,235,244.

City of Fort Pierce Outstanding Debt Revenue Bond, Road Improvement Notes , Intergovernmental Notes & Capital Leases						
	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue bonds, road improvement notes , intergovernmental notes & capital leases	71,323,670	73,853,420	18,376,263	18,768,259	89,699,933	92,621,679
Less current portion	(5,041,475)	(4,428,656)	(1,423,214)	(1,392,340)	(6,464,689)	(5,820,996)
Long-term debt, net of current portion	<u>66,282,195</u>	<u>69,424,764</u>	<u>16,953,049</u>	<u>17,375,919</u>	<u>83,235,244</u>	<u>86,800,683</u>

The City’s long-term debt, net of current portion debt decreased during the year by a net \$2.53 million. The Notes to the Financial Statements (Note I) has additional information on all debt activity.

All bonded debt is insured and carries ratings from Moody’s of A1, as of September 30. 2018. 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 2019 budget began with a 5.54% increase or \$2,043,414 in the General Fund Budget, of which \$600,000 was restricted, and expenditures exceeding revenues by approximately \$837,000; savings from the 2017 – 2018 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 2019, that caused and closed the budget gap are listed below:

- In the General Fund, the City's taxable valuation is \$2,360,949,717 compared to last year's final valuation of \$2,243,182,629. This represents an increase of approximately 5.25% or \$117,767,088. 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 \$0.65 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 \$0.34 million in intergovernmental revenue.
- The City appropriated \$0.84 million from fund balance to balance General Fund's budget.
- In the 2019 budget (General Fund) the personnel services included a 3% pay increase for all employees. General members' retirement rate is 16.99%, a decrease from 17.35%. Police officers retirement rate increased to 12.00% from 11.98%. Health insurance premiums increased 8%. These wage and benefit changes equated to an increase of \$581,631.
- The 2019 budget (General Fund) included the addition of 13 personnel positions; 1 Community Service Aide, 1 Crime Scene Investigator, 1 Purchasing Agent, 1 Senior Code Enforcement position, 3 Administrative Assistant positions, 1 in Information Technology, 1 in the Risk Department, and 1 in Code Enforcement, 1 part-time crossing guard, 1 Maintenance Repair worker, 1 Recreation Program Specialist, and 2 part-time trolley driver. The addition of these positions equated to an increase of \$312,239.
- The 2019 budget included an increase of \$83,000 for payment of the new debt the City entered into for the acquisition of equipment.
- An additional \$300,000 is included for capital projects.
- The Fort Pierce Redevelopment Agency tax increment financing (TIF) continues to increase. The increase in property tax values and maintaining the millage rate resulted in an increase of \$1,065,444; from \$5.2 million to \$6.3 million. In the past, the budget was unable 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. To help balance the budget transfers from General were used, in FY 2019 because of the increase in tax revenues, no transfer was budgeted.

- As for the business-type activities, the Marina and the Building Department had to make up their budget shortfalls by appropriating retained earnings of \$797,594 and \$222,170 respectively in FY 2019. Transfers from other funds were used to balance the budget of the Sunrise Theatre (\$450,000 from Redevelopment Agency). Solid Waste, Stormwater, and Golf Course were able to sufficiently fund their budgets with budgeted revenues.

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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
ASSETS				
Current assets:				
Cash and investments	\$ 17,001,869	\$ 2,135,397	\$ 19,137,266	\$ 28,615,696
Receivables (net of allowance for uncollectibles)	1,386,035	2,578,844	3,964,879	14,125,733
Due from component unit	244,158	667,396	911,554	-
Internal balances	2,390,760	(2,390,760)	-	-
Due from other governments	1,001,546	1,723,778	2,725,324	1,961,699
Inventories and other current assets	418,116	274,097	692,213	4,791,838
Restricted Assets:				
Temporarily restricted:				
Cash and investments	-	177,335	177,335	26,066,811
Total current assets	22,442,484	5,166,087	27,608,571	75,561,777
Noncurrent assets:				
Prepaid Insurance	27,962	21,835	49,797	-
Notes Receivable	1,842,609	-	1,842,609	-
FMPA working capital receivable	-	-	-	1,918,608
Investment in Public Gas Partners Pool	-	-	-	428,036
Capital assets, not being depreciated:				
Land	27,796,483	674,008	28,470,491	9,947,000
Construction in progress	145,874	2,025,813	2,171,687	18,051,916
Capital assets (net of accumulated depreciation):				
Buildings	42,701,001	17,903,077	60,604,078	-
Improvements other than buildings	45,391,630	97,456,982	142,848,612	-
Equipment	19,128,482	11,207,010	30,335,492	-
Infrastructure	108,924,361	-	108,924,361	445,697,784
Accumulated depreciation	(137,660,876)	(42,773,513)	(180,434,389)	(259,868,943)
Total noncurrent assets	108,297,526	86,515,212	194,812,738	216,174,401
Total assets	\$ 130,740,010	\$ 91,681,299	\$ 222,421,309	\$ 291,736,178
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	3,806,108	128,640	3,934,748	114,679
Pensions	4,952,003	847,192	5,799,195	4,772,667
Other post employment benefits	3,667	624	4,291	-
Total deferred outflows of resources	8,761,778	976,456	9,738,234	4,887,346

The accompanying notes are an integral part of this statement.

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 1,027,299	\$ 1,806,671	\$ 2,833,970	\$ 8,976,968
Unearned revenue	178,167	416,146	594,313	657,703
Accrued compensated absences	309,042	24,825	333,867	-
Capital leases payable	456,466	300,845	757,311	24,364
Due to other governments	-	-	-	801,451
Notes and revenue bonds-current	4,585,009	1,122,369	5,707,378	5,897,000
Accrued interest payable	367,774	196,465	564,239	881,182
Liabilities payable from restricted assets:				
Customer deposits	56,988	177,335	234,323	8,280,173
Total current liabilities	<u>6,980,745</u>	<u>4,044,656</u>	<u>11,025,401</u>	<u>25,518,841</u>
Noncurrent liabilities:				
Notes and bonds payable, net	65,081,978	16,050,209	81,132,187	62,479,479
Capital Leases	1,200,217	902,840	2,103,057	113,620
Accrued compensated absences	2,902,282	478,480	3,380,762	2,014,982
Other post employment benefits	1,922,945	327,407	2,250,352	856,298
Net Pension Liability	7,406,400	1,337,134	8,743,534	7,407,938
Total noncurrent liabilities	<u>78,513,822</u>	<u>19,096,070</u>	<u>97,609,892</u>	<u>72,872,317</u>
Total liabilities	<u>85,494,567</u>	<u>23,140,726</u>	<u>108,635,293</u>	<u>98,391,158</u>
DEFERRED INFLOWS OF RESOURCES				
Payments received in advance	-	-	-	4,482,076
Pensions	3,891,068	712,659	4,603,727	3,873,806
Other post employment benefits	8,366	1,424	9,790	43,591
Total deferred inflows of resources	<u>3,899,434</u>	<u>714,083</u>	<u>4,613,517</u>	<u>8,399,473</u>
NET POSITION				
Net Invested in capital assets	41,656,393	68,117,114	109,773,507	140,434,660
Restricted for:				
Capital improvement charges	-	-	-	4,151,629
Debt service and other	2,347,896	-	2,347,896	5,456,825
Unrestricted	<u>6,103,498</u>	<u>685,832</u>	<u>6,789,330</u>	<u>39,789,779</u>
Total net position	<u>\$ 50,107,787</u>	<u>\$ 68,802,946</u>	<u>\$ 118,910,733</u>	<u>\$ 189,832,893</u>

City of Fort Pierce, Florida
STATEMENT OF ACTIVITIES
Year ended September 30, 2018

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 12,453,169	\$ 1,581,796	\$ 2,883,926	\$ -
Public safety	16,341,557	915,607	263,508	-
Transportation	6,382,606	580,770	-	-
Economic environment	1,526,508	6,452,713	775,421	-
Culture and recreation	2,773,173	425,848	-	-
Interest on long-term debt	2,891,268	-	-	-
Total governmental activities	<u>42,368,281</u>	<u>9,956,734</u>	<u>3,922,855</u>	<u>-</u>
Business-type activities:				
Solid waste	6,745,265	7,806,315	-	-
Marina	4,180,073	3,635,137	-	351,428
Storm Water	3,275,415	2,691,049	1,433,973	-
Golf Course	1,432,238	1,127,258	-	-
Sunrise Theatre	3,832,927	2,415,352	-	-
Building Fund	1,632,847	2,158,592	-	-
Total business-type activities	<u>21,098,765</u>	<u>19,833,703</u>	<u>1,433,973</u>	<u>351,428</u>
Total primary government	<u>\$ 63,467,046</u>	<u>\$ 29,790,437</u>	<u>\$ 5,356,828</u>	<u>\$ 351,428</u>
Component units:				
Fort Pierce Utilities Authority	\$ 95,341,093	\$ 100,210,044	\$ 456,520	\$ 291,445
Total component units	<u>\$ 95,341,093</u>	<u>\$ 100,210,044</u>	<u>\$ 456,520</u>	<u>\$ 291,445</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-restated				
Net position - ending				

Net (expense) Revenue and Change in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
\$ (7,987,447)	\$ -	\$ (7,987,447)	\$ -
(15,162,442)	-	(15,162,442)	-
(5,801,836)	-	(5,801,836)	-
5,701,626	-	5,701,626	-
(2,347,325)	-	(2,347,325)	-
(2,891,268)	-	(2,891,268)	-
<u>(28,488,692)</u>	<u>-</u>	<u>(28,488,692)</u>	<u>-</u>
-	1,061,050	1,061,050	-
-	(193,508)	(193,508)	-
-	849,607	849,607	-
-	(304,980)	(304,980)	-
-	(1,417,575)	(1,417,575)	-
-	525,745	525,745	-
<u>-</u>	<u>520,339</u>	<u>520,339</u>	<u>-</u>
<u>\$ (28,488,692)</u>	<u>\$ 520,339</u>	<u>\$ (27,968,353)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,616,916</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,616,916</u>
\$ 15,118,042	-	\$ 15,118,042	\$ -
2,129,418	-	2,129,418	-
4,332,987	-	4,332,987	-
1,445,623	-	1,445,623	-
1,898,973	-	1,898,973	-
367,113	-	367,113	-
6,138,645	-	6,138,645	(6,138,645)
412,663	-	412,663	-
530,441	98,252	628,693	2,669,494
-	-	-	(654)
309,475	(309,475)	-	-
<u>32,683,380</u>	<u>(211,223)</u>	<u>32,472,157</u>	<u>(3,469,805)</u>
4,194,688	309,116	4,503,804	2,147,111
<u>45,913,099</u>	<u>68,493,830</u>	<u>114,406,929</u>	<u>187,685,782</u>
<u>\$ 50,107,787</u>	<u>\$ 68,802,946</u>	<u>\$ 118,910,733</u>	<u>\$ 189,832,893</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, 2018

	General Fund	Community Redevelopment Agency
ASSETS		
Cash and investments	\$ 8,833,869	\$ 314,698
Accounts receivables	4,583,962	293,138
Liens receivables	4,406,539	-
Due from component unit	244,158	-
Due from other funds	2,045,578	-
Advances to other funds	-	-
Due from other governments	822,663	-
Prepaid items	323,327	12,798
Inventories	80,528	-
Notes receivable	-	-
Total assets	\$ 21,340,624	\$ 620,634
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 946,584	\$ 4,877
Deposits	56,988	-
Due to other funds	-	21,024
Advances from other funds	915,602	-
Revenue in advance	178,166	-
Total liabilities	2,097,340	25,901
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	9,592,732	266,533
Total Deferred Inflows	9,592,732	266,533
FUND BALANCES		
Nonspendable	403,855	12,798
Restricted	-	315,402
Committed	836,909	-
Assigned	3,890,961	-
Unassigned	4,518,827	-
Total fund balances	9,650,552	328,200
Total liabilities, deferred inflows of resources, and fund balances	\$ 21,340,624	\$ 620,634

The accompanying notes are an integral part of this statement.

Restricted Revenue Fund	Other Governmental Funds	Totals
\$ 4,891,374	\$ 2,961,928	\$ 17,001,869
25,618	35,345	4,938,063
-	-	4,406,539
-	-	244,158
-	-	2,045,578
-	1,590,178	1,590,178
22,003	156,880	1,001,546
-	1,463	337,588
-	-	80,528
-	1,842,609	1,842,609
<u>\$ 4,938,995</u>	<u>\$ 6,588,403</u>	<u>\$ 33,488,656</u>

\$ 13,746	\$ 62,092	\$ 1,027,299
-	-	56,988
-	308,370	329,394
-	-	915,602
-	-	178,166
<u>13,746</u>	<u>370,462</u>	<u>2,507,449</u>

-	1,842,579	11,701,844
-	1,842,579	11,701,844

-	1,463	418,116
4,920,666	2,783,721	8,019,789
-	-	836,909
4,583	1,590,178	5,485,722
-	-	4,518,827
<u>4,925,249</u>	<u>4,375,362</u>	<u>19,279,363</u>

<u>\$ 4,938,995</u>	<u>\$ 6,588,403</u>	<u>\$ 33,488,656</u>
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City of Fort Pierce, Florida

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

September 30, 2018

Total fund balance per this statement	\$	19,279,363
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 \$244,087,831 and the accumulated depreciation is \$137,660,876		106,426,955
Deferred inflows related to pensions and other post employment benefits are not financial resources and therefore are not reported in governmental funds		(3,899,434)
Long-term liabilities (capital lease obligations, intergovernmental notes, other post employment benefits, accrued compensated absences, and pension liability) of \$83,636,250 plus unamortized premiums of \$228,089 are not due and payable and therefore, are not reported in the funds.		(83,864,339)
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.		(367,774)
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.		3,834,070
Deferred outflows related to pensions and other post employment benefits are not financial resources and therefore are not reported in governmental funds		4,955,670
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.		3,743,276
Net position of governmental activities	\$	<u>50,107,787</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, 2018

	General Fund	Community Redevelopment Agency
Revenues		
Taxes	\$ 21,580,447	\$ -
Licenses and permits	610,736	-
Intergovernmental	6,205,555	5,809,829
Charges for services	382,717	-
Fines and forfeitures	512,137	-
Contributions from component unit	6,138,645	-
Investment income	322,784	8,807
Other	2,207,658	215,028
Total revenues	<u>37,960,679</u>	<u>6,033,664</u>
Expenditures		
Current		
General government	12,259,917	-
Public safety	15,131,970	-
Transportation	3,074,578	-
Economic environment	-	329,019
Culture and recreation	2,444,590	-
Capital outlay	2,645,019	87,469
Debt service		
Principal	-	-
Interest and fees	31,163	654
Other	-	-
Total expenditures	<u>35,587,237</u>	<u>417,142</u>
Excess of revenues over (under) expenditures	2,373,442	5,616,522
Other financing sources (uses)		
Transfers in	3,986,919	274,994
Debt issuance	-	-
Capital lease issuance	1,865,490	-
Payment on Advance Refunding	-	-
Transfers out	<u>(4,744,944)</u>	<u>(5,802,501)</u>
Total other financing sources (uses)	<u>1,107,465</u>	<u>(5,527,507)</u>
Net change in fund balances	3,480,907	89,015
Fund balances - beginning of year	<u>6,169,645</u>	<u>239,185</u>
Fund balances - end of year	<u>\$ 9,650,552</u>	<u>\$ 328,200</u>

The accompanying notes are an integral part of this statement.

Restricted Revenue Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ 21,580,447
296,702	-	907,438
206,492	976,366	13,198,242
-	-	382,717
-	40,008	552,145
-	-	6,138,645
61,494	137,356	530,441
1,131,685	176,145	3,730,516
<u>1,696,373</u>	<u>1,329,875</u>	<u>47,020,591</u>
-	-	12,259,917
-	476,873	15,608,843
-	-	3,074,578
-	1,106,833	1,435,852
-	-	2,444,590
285,460	15,000	3,032,948
-	4,742,039	4,742,039
-	2,444,222	2,476,039
-	113,527	113,527
<u>285,460</u>	<u>8,898,494</u>	<u>45,188,333</u>
1,410,913	(7,568,619)	1,832,258
-	6,704,856	10,966,769
-	5,003,520	5,003,520
-	-	1,865,490
-	(4,893,218)	(4,893,218)
(85,505)	(24,344)	(10,657,294)
<u>(85,505)</u>	<u>6,790,814</u>	<u>2,285,267</u>
1,325,408	(777,805)	4,117,525
3,599,841	5,153,167	15,161,838
<u>\$ 4,925,249</u>	<u>\$ 4,375,362</u>	<u>\$ 19,279,363</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, 2018

Net change in fund balances-total governmental funds	\$ 4,117,525
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 (\$4,662,866) exceeds capital outlay (\$3,032,948) in the current period.	(1,629,918)
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.	(4,359)
Repayment of bond and note principal (\$4,742,039) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	4,742,039
Debt issuance (\$5,003,520) used to refund bonds (\$4,893,218) are other financing sources(uses) in the governmental funds, but increase(decrease) long-term liabilities in the Statement of Net Assets.	(110,302)
Capital lease issuance (\$1,865,490) 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.	(1,865,490)
Compensated Absences of (\$98,657) 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.	(98,657)
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.	46,089
Governmental funds do not recognize expenditures for the Change in Net Pension Liability and OPEB each year. This represents the change in the Net Pension Liability and OPEB in the current year.	(1,063,976)
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 (\$319,971)	(319,971)
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.	381,708
Change in Net position of governmental activities	<u>\$ 4,194,688</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Taxes	\$ 20,820,530	\$ 21,580,447	\$ 21,580,447	\$ -
Licenses and permits	361,500	610,736	610,736	-
Intergovernmental	3,259,000	6,205,555	6,205,555	-
Charges for services	249,700	382,717	382,717	-
Fines and forfeitures	218,000	512,137	512,137	-
Contributions from component unit	7,040,848	6,138,645	6,138,645	-
Investment income	65,000	322,784	322,784	-
Other	2,203,346	2,207,658	2,207,658	-
Total revenues	<u>34,217,924</u>	<u>37,960,679</u>	<u>37,960,679</u>	-
Expenditures				
General government	11,967,485	14,598,571	14,598,571	-
Public safety	14,956,829	15,455,029	15,455,029	-
Transportation	3,027,296	3,074,578	3,074,578	-
Culture and recreation	2,197,105	2,459,059	2,459,059	-
Total expenditures	<u>32,148,715</u>	<u>35,587,237</u>	<u>35,587,237</u>	-
Excess of revenues over expenditures	2,069,209	2,373,442	2,373,442	-
Other financing sources (uses)				
Capital lease issuance	-	1,865,490	1,865,490	-
Transfers in	2,683,710	3,986,919	3,986,919	-
Transfers out	<u>(4,737,484)</u>	<u>(4,744,944)</u>	<u>(4,744,944)</u>	-
Total other financing sources (uses)	<u>(2,053,774)</u>	<u>1,107,465</u>	<u>1,107,465</u>	-
Net change in fund balances	15,435	3,480,907	3,480,907	-
Fund balance - beginning of year	<u>6,169,645</u>	<u>6,169,645</u>	<u>6,169,645</u>	-
Fund balance - end of year	<u>\$ 6,185,080</u>	<u>\$ 9,650,552</u>	<u>\$ 9,650,552</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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 5,240,683	\$ 5,809,829	\$ 5,809,829	\$ -
Investment income	500	8,807	8,807	-
Other	182,000	215,028	215,028	-
Total revenues	<u>5,423,183</u>	<u>6,033,664</u>	<u>6,033,664</u>	<u>-</u>
Expenditures				
Current				
Economic environment	333,000	329,019	329,019	-
Capital outlay	-	87,469	87,469	-
Debt service	-	654	654	-
Total expenditures	<u>333,000</u>	<u>417,142</u>	<u>417,142</u>	<u>-</u>
Excess of revenues over expenditures	5,090,183	5,616,522	5,616,522	-
Other financing sources (uses)				
Transfers in	550,967	274,994	274,994	-
Transfers out	<u>(5,641,150)</u>	<u>(5,802,501)</u>	<u>(5,802,501)</u>	<u>-</u>
Total other financing sources (uses)	(5,090,183)	(5,527,507)	(5,527,507)	-
Net change in fund balances	-	89,015	89,015	-
Fund balance - beginning of year	<u>239,185</u>	<u>239,185</u>	<u>239,185</u>	<u>-</u>
Fund balance - end of year	<u>\$ 239,185</u>	<u>\$ 328,200</u>	<u>\$ 328,200</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

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City of Fort Pierce, Florida
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
September 30, 2018

	Business-type Activities		
	Solid Waste	Marina	Storm Water
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 613,942	\$ 3,554	\$ 49,356
Receivables - net of allowances:			
Accounts	970,275	136,024	1,277,559
Unbilled services	187,488	-	-
Due from component units	666,821	-	-
Due from other governments	-	351,428	1,372,350
Inventories and other current assets	74,445	88,410	-
Restricted Assets			
Cash and investments	-	129,352	-
Total current assets	<u>2,512,971</u>	<u>708,768</u>	<u>2,699,265</u>
NON-CURRENT ASSETS			
Prepaid Insurance	-	3,114	18,721
Non-depreciable capital assets			
Land	-	9,197	-
Construction in progress	-	-	2,025,813
Depreciable capital assets			
Buildings	122,858	843,196	-
Improvements other than buildings	47,243	45,141,274	49,493,634
Equipment	8,846,313	187,436	1,012,413
Accumulated depreciation	<u>(6,951,623)</u>	<u>(11,850,945)</u>	<u>(14,937,699)</u>
Total non-current assets	<u>2,064,791</u>	<u>34,333,272</u>	<u>37,612,882</u>
Total assets	<u>4,577,762</u>	<u>35,042,040</u>	<u>40,312,147</u>
DEFERRED OUTFLOWS			
Deferred charge on refunding	-	128,640	-
Pensions	389,676	90,038	-
OPEB	291	64	-
Total deferred outflows	<u>389,967</u>	<u>218,742</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

<u>Golf Course</u>	<u>Sunrise Theatre</u>	<u>Building Fund</u>	<u>Business-type Activities Totals</u>
\$ 950	\$ 6,100	\$ 1,461,495	\$ 2,135,397
1,080	6,418	-	2,391,356
-	-	-	187,488
-	-	575	667,396
-	-	-	1,723,778
46,112	57,676	7,454	274,097
-	47,983	-	177,335
<u>48,142</u>	<u>118,177</u>	<u>1,469,524</u>	<u>7,556,847</u>
-	-	-	21,835
314,811	350,000	-	674,008
-	-	-	2,025,813
877,676	16,059,347	-	17,903,077
2,774,831	-	-	97,456,982
564,530	213,635	382,683	11,207,010
<u>(2,049,982)</u>	<u>(6,723,608)</u>	<u>(259,656)</u>	<u>(42,773,513)</u>
<u>2,481,866</u>	<u>9,899,374</u>	<u>123,027</u>	<u>86,515,212</u>
<u>2,530,008</u>	<u>10,017,551</u>	<u>1,592,551</u>	<u>94,072,059</u>
-	-	-	128,640
38,159	128,214	201,105	847,192
12	98	159	624
<u>38,171</u>	<u>128,312</u>	<u>201,264</u>	<u>976,456</u>

City of Fort Pierce, Florida
STATEMENT OF NET POSITION- (CONTINUED)
PROPRIETARY FUNDS
September 30, 2018

	Business-type Activities		
	Solid Waste	Marina	Storm Water
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 472,926	\$ 90,653	\$ 847,400
Contracts payable - retainage	-	-	186,679
Due to other funds	608,667	73,730	117,798
Accrued compensated absences	5,099	4,292	-
Revenue bonds and notes - current	-	267,369	855,000
Capital Lease Payable-current	300,845	-	-
Accrued interest - revenue bonds and notes	-	22,900	173,565
Liabilities payable from restricted assets			
Customer deposits	-	129,352	-
Revenue in Advance	-	-	-
	<hr/>	<hr/>	<hr/>
Total current liabilities	1,387,537	588,296	2,180,442
NON-CURRENT LIABILITIES			
Advances from other funds	-	674,576	-
Other Post Employment Benefits	152,515	33,868	-
Accrued compensated absences	231,902	88,693	-
Net Pension Liability	615,030	142,109	-
Capital Lease Payable	902,840	-	-
Revenue bonds and notes payable, net	-	4,962,835	11,087,374
	<hr/>	<hr/>	<hr/>
Total non-current liabilities	1,902,287	5,902,081	11,087,374
Total liabilities	<hr/>	<hr/>	<hr/>
	3,289,824	6,490,377	13,267,816
DEFERRED INFLOWS			
Pensions	327,795	75,740	-
OPEB	664	147	-
Total deferred inflows	<hr/>	<hr/>	<hr/>
	328,459	75,887	-
NET POSITION			
Net Invested in capital assets	861,106	29,099,954	25,651,787
Unrestricted	488,340	(405,436)	1,392,544
Total net position	<hr/>	<hr/>	<hr/>
	\$ 1,349,446	\$ 28,694,518	\$ 27,044,331

The accompanying notes are an integral part of this statement.

			Business-type Activities Totals
Golf Course	Sunrise Theatre	Building Fund	
\$ 70,183	\$ 68,270	\$ 70,560	\$ 1,619,992
-	-	-	186,679
346,707	559,287	9,995	1,716,184
1,888	7,231	6,315	24,825
-	-	-	1,122,369
-	-	-	300,845
-	-	-	196,465
-	47,983	-	177,335
-	416,146	-	416,146
418,778	1,098,917	86,870	5,760,840
-	-	-	674,576
6,366	51,369	83,289	327,407
3,559	53,769	100,557	478,480
60,227	202,361	317,407	1,337,134
-	-	-	902,840
-	-	-	16,050,209
70,152	307,499	501,253	19,770,646
488,930	1,406,416	588,123	25,531,486
32,101	107,853	169,170	712,659
28	223	362	1,424
32,129	108,076	169,532	714,083
2,481,866	9,899,374	123,027	68,117,114
(434,746)	(1,268,003)	913,133	685,832
\$ 2,047,120	\$ 8,631,371	\$ 1,036,160	\$ 68,802,946

City of Fort Pierce, Florida
**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS**
Year ended September 30, 2018

	Business-type Activities		
	Solid Waste	Marina	Storm Water
Operating revenues			
Sales and charges for services	\$ 7,512,395	\$ 1,878,817	\$ 2,691,049
Gas and oil sales	-	1,237,730	-
Other	293,920	518,590	-
Total operating revenues	<u>7,806,315</u>	<u>3,635,137</u>	<u>2,691,049</u>
Operating expenses			
Personal services	2,319,507	407,953	-
General and administrative	80,000	-	289,269
Cost of goods and services sold	2,430,059	1,125,930	-
Depreciation	487,631	1,117,618	1,311,892
Other operating expenses	1,391,054	1,315,944	1,322,922
Total operating expenses	<u>6,708,251</u>	<u>3,967,445</u>	<u>2,924,083</u>
Operating income (loss)	1,098,064	(332,308)	(233,034)
Non-operating revenues (expenses)			
Investment income	9,961	11,460	59,640
Intergovernmental	-	-	1,433,973
Interest expense	(37,014)	(212,628)	(351,332)
Total non-operating revenues (expenses)	<u>(27,053)</u>	<u>(201,168)</u>	<u>1,142,281</u>
Income (loss) before transfers and capital contributions	1,071,011	(533,476)	909,247
Capital Contributions	-	351,428	-
Transfers in	-	-	-
Transfers out	(860,925)	(250,000)	-
CHANGE IN NET POSITION	210,086	(432,048)	909,247
Total net position - beginning-restated	<u>1,139,360</u>	<u>29,126,566</u>	<u>26,135,084</u>
Total net position - end of year	<u>\$ 1,349,446</u>	<u>\$ 28,694,518</u>	<u>\$ 27,044,331</u>

The accompanying notes are an integral part of this statement.

			Business-type Activities Totals	
Golf Course	Sunrise Theatre	Building Fund		
\$ 1,061,188	\$ 2,273,708	\$ 2,130,674	\$ 17,547,831	
-	-	-	1,237,730	
66,070	141,644	27,918	1,048,142	
<u>1,127,258</u>	<u>2,415,352</u>	<u>2,158,592</u>	<u>19,833,703</u>	
214,982	613,469	1,015,292	4,571,203	
58,110	93,434	-	520,813	
40,190	1,002,018	-	4,598,197	
135,347	546,199	62,001	3,660,688	
983,609	1,577,807	555,554	7,146,890	
<u>1,432,238</u>	<u>3,832,927</u>	<u>1,632,847</u>	<u>20,497,791</u>	
(304,980)	(1,417,575)	525,745	(664,088)	
132	780	16,279	98,252	
-	-	-	1,433,973	
-	-	-	(600,974)	
<u>132</u>	<u>780</u>	<u>16,279</u>	<u>931,251</u>	
(304,848)	(1,416,795)	542,024	267,163	
-	-	-	351,428	
358,000	455,726	-	813,726	
(7,000)	-	(5,276)	(1,123,201)	
46,152	(961,069)	536,748	309,116	
<u>2,000,968</u>	<u>9,592,440</u>	<u>499,412</u>	<u>68,493,830</u>	
<u>\$ 2,047,120</u>	<u>\$ 8,631,371</u>	<u>\$ 1,036,160</u>	<u>\$ 68,802,946</u>	

City of Fort Pierce, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2018

	Business-type Activities	
	Solid Waste	Marina
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 7,731,238	\$ 3,426,478
Receipts from rental property	-	232,234
Payments to suppliers for goods and services	(3,981,352)	(2,557,511)
Payments to employees for services	(1,352,149)	(253,829)
Payments for benefits on behalf of employees	(662,852)	(129,404)
Net cash provided (used) by operating activities	<u>1,734,885</u>	<u>717,968</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	-	-
Transfers (out)	(860,925)	(250,000)
Net cash provided (used) by noncapital financing activities	<u>(860,925)</u>	<u>(250,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(209,734)	(416,434)
Receipts from Intergovernmental	-	-
Bond and loan principal payments	(267,992)	(267,620)
Bond and loan interest payments	(37,014)	(201,646)
Net cash provided (used) by capital and related financing activities	<u>(514,740)</u>	<u>(885,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and investments	9,961	11,460
Net cash provided (used) by investing activities	<u>9,961</u>	<u>11,460</u>
Net increase (decrease) in cash and investments	369,181	(406,272)
Cash and investments at beginning of year	244,761	539,178
Cash and investments at end of year	<u>\$ 613,942</u>	<u>\$ 132,906</u>
Cash and investments-unrestricted	\$ 613,942	\$ 3,554
Cash and investments-restricted	-	129,352
	<u>\$ 613,942</u>	<u>\$ 132,906</u>

The accompanying notes are an integral part of this statement.

				Business-type Activities Totals
Storm Water	Golf Course	Sunrise Theatre	Building Fund	
\$ 2,711,730	\$ 1,126,178	\$ 2,507,426	\$ 2,158,017	\$ 19,661,067
-	-	-	-	232,234
(667,731)	(987,312)	(2,337,664)	(596,656)	(11,128,226)
-	(181,697)	(494,881)	(571,703)	(2,854,259)
-	(261,516)	(155,874)	(294,980)	(1,504,626)
<u>2,043,999</u>	<u>(304,347)</u>	<u>(480,993)</u>	<u>694,678</u>	<u>4,406,190</u>
-	358,000	455,726	-	813,726
-	(7,000)	-	(5,276)	(1,123,201)
-	351,000	455,726	(5,276)	(309,475)
(2,025,813)	(46,785)	(5,754)	(151,000)	(2,855,520)
71,611	-	-	-	71,611
-	-	-	-	(535,612)
(177,767)	-	-	-	(416,427)
<u>(2,131,969)</u>	<u>(46,785)</u>	<u>(5,754)</u>	<u>(151,000)</u>	<u>(3,735,948)</u>
59,640	132	780	16,279	98,252
59,640	132	780	16,279	98,252
(28,330)	-	(30,241)	554,681	459,019
77,686	950	84,324	906,814	1,853,713
<u>\$ 49,356</u>	<u>\$ 950</u>	<u>\$ 54,083</u>	<u>\$ 1,461,495</u>	<u>\$ 2,312,732</u>
\$ 49,356	\$ 950	\$ 6,100	\$ 1,461,495	\$ 2,135,397
-	-	47,983	-	177,335
<u>\$ 49,356</u>	<u>\$ 950</u>	<u>\$ 54,083</u>	<u>\$ 1,461,495</u>	<u>\$ 2,312,732</u>

City of Fort Pierce, Florida
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
Year ended September 30, 2018

	Business-type Activities	
	Solid Waste	Marina
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 1,098,064	\$ (332,308)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	487,631	1,117,618
(Increase) decrease in accounts receivable	(33,131)	(4,051)
(Increase) decrease in due from component unit	(41,946)	-
(Increase) decrease in inventories and other current assets	(11,312)	(56,484)
(Increase) decrease in deferred outflows	(63,209)	73,170
Increase (decrease) in accounts payable and accrued liabilities	(71,402)	15,506
Increase (decrease) in due to other funds	-	(73,077)
Increase (decrease) in customer deposits	-	27,626
Increase (decrease) in other post employment benefits	(27,734)	(1,260)
Increase (decrease) in Net Pension Liability	199,585	(65,581)
Increase (decrease) in Deferred Inflows	207,354	15,529
Increase (decrease) in accrued compensated absences	(9,015)	1,280
Net cash provided (used) by operating activities	<u>\$ 1,734,885</u>	<u>\$ 717,968</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Transfer of capital assets to governmental fund	\$ -	\$ -
Equipment purchased with capital leases	-	-
Transfer of Accrued Compensated Absence Liability	\$ -	\$ -
	<u>\$ -</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>	
\$ (233,034)	\$ (304,980)	\$ (1,417,575)	525,745	\$ (664,088)
1,311,892	135,347	546,199	62,001	3,660,688
10,607	(1,080)	4,137	-	(23,518)
10,074	-	-	(575)	(32,447)
4,202	(33,259)	(10,917)	(1,383)	(109,153)
-	205,652	133,388	103,216	452,217
965,787	30,512	12,778	(34,120)	919,061
(25,529)	90,865	330,376	2,232	324,867
-	-	87,937	-	115,563
-	(47,237)	4,679	24,396	(47,156)
-	(250,035)	(130,541)	(69,857)	(316,429)
-	(57,846)	11,342	56,899	233,278
-	(72,286)	(52,796)	26,124	(106,693)
<u>\$ 2,043,999</u>	<u>\$ (304,347)</u>	<u>\$ (480,993)</u>	<u>\$ 694,678</u>	<u>\$ 4,406,190</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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TRUST FUNDS

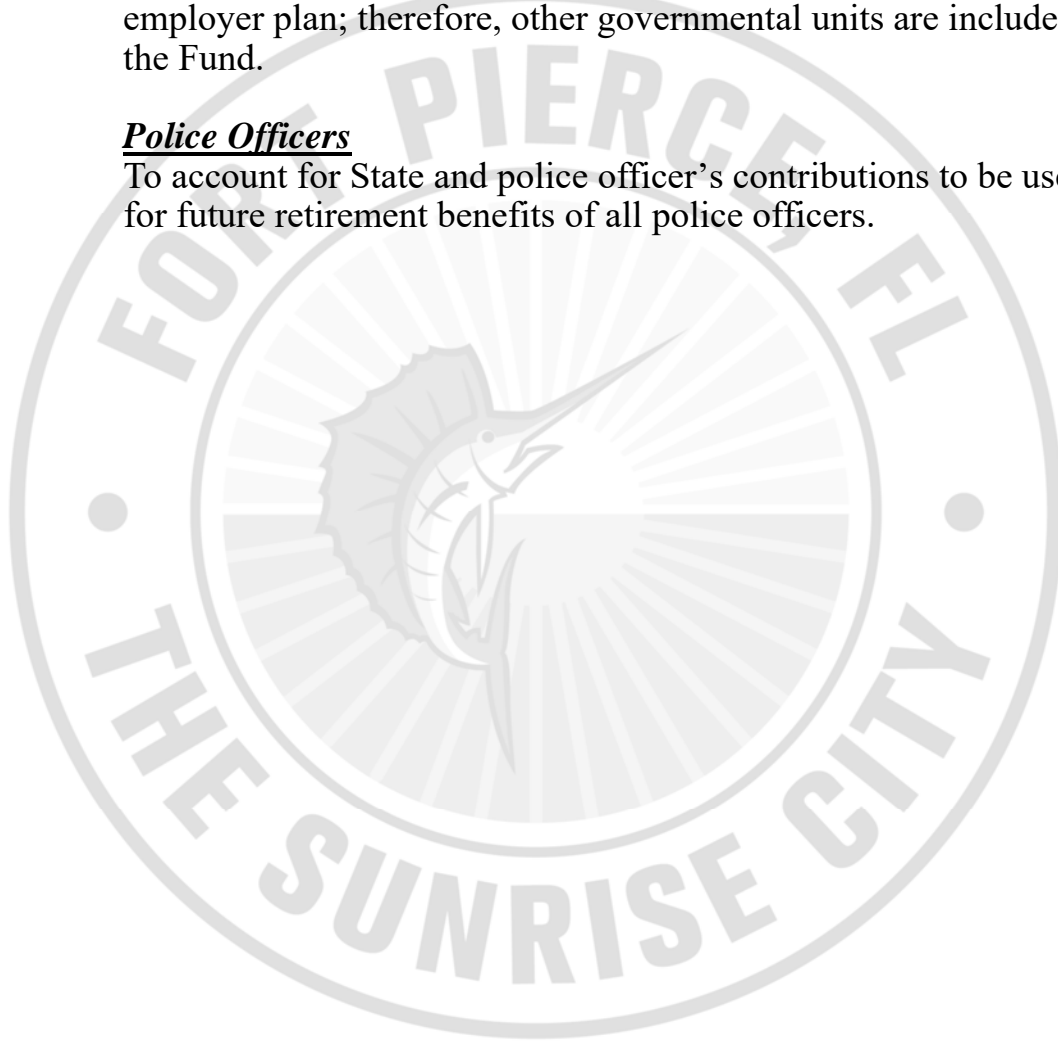
◆ Pension Trust

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, 2018

	<u>Pension Trusts</u>
ASSETS	
Cash and cash equivalents	\$ 3,279,372
Investments, at fair value:	
U.S. Government Securities	21,146,746
Mutual Funds	125,651,821
Common Stock	22,282,979
Corporate Bonds	26,485,247
Real Estate Trust L.P.	20,292,935
Common Trust Fund	898,466
Money Market	762,393
Total investments	<u>217,520,587</u>
Total cash and investments	220,799,959
Accounts receivable	655,911
Accrued interest receivable	<u>406,537</u>
 Total assets	 <u>221,862,407</u>
 LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	<u>42,481</u>
 Total liabilities	 <u>42,481</u>
 NET POSITION-RESTRICTED FOR PENSION BENEFITS	 <u>\$ 221,819,926</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, 2018

	Pension Trusts
ADDITIONS	
Contributions	
Employer	\$ 4,909,654
Employees	2,192,861
State-Via the General Fund	367,113
Total contributions	7,469,628
Investment income	
Interest	2,172,983
Dividends	2,083,017
Net appreciation in fair value of investments	17,024,865
Total investment income	21,280,865
Investment expenses	(929,231)
Net investment income	20,351,634
Total additions	27,821,262
DEDUCTIONS	
Retirement benefits paid	14,170,078
Refunds of employee contributions	344,428
Administrative expenses	215,247
Insurance expense	19,406
Total deductions	14,749,159
Net Increase	13,072,103
NET POSITION-RESTRICTED FOR PENSION	
BENEFITS	
Beginning of year	208,747,823
End of year	\$ 221,819,926

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.

I. 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 35.05 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 45,581 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, 2018.

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

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 *restricted revenue fund-special revenue fund* accounts for all revenue that is restricted as to the purpose the money generated can be utilized.

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, 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 and OPEB 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 and OPEB for certain actuarially determined differences between projected and actual experience.

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

h. Compensated absences

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

i. Other Post Employment Benefits

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

j. Long-term obligations

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

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

k. Fund equity

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

l. New Accounting Standards Adopted

GASB Statement No. 86 – Certain Debt Extinguishment Issues. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.” As a result of this implementation, prepaid insurance on bonds that were defeased in substance has been reclassified as a deferred outflow “Loss on Bond Defeasance”.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. New Accounting Standards Adopted(continued)

GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Benefits. The principal objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees—both active employees and inactive employees—are provided with postemployment benefits other than pensions. These benefits are referred to as other postemployment benefits (OPEB). One aspect of that objective is to provide information about the effects of OPEB-related transactions and other events on the elements of the basic financial statements. This information will assist users in assessing accountability and the relationship between a government’s inflows of resources and its total cost (including OPEB expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government’s OPEB obligations and the resources, if any, available to satisfy those obligations.” As a result of the implementation of this standard, the City has restated beginning net position and recorded a net OPEB liability as described in Note N.

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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. RESTATEMENT OF PRIOR YEAR NET POSITION

The October 1, 2017 beginning net position has been restated due to the implementation of GASB Statement 75:

	Governmental Activities	Business-type Activities	Total		
Beginning Net Position	\$ 46,931,015	\$ 68,710,717	115,641,732		
Adjustment to record net OPEB liability	<u>(1,017,916)</u>	<u>(216,887)</u>	<u>(1,234,803)</u>		
Beginning Net Position- Restated	<u>\$ 45,913,099</u>	<u>\$ 68,493,830</u>	<u>\$ 114,406,929</u>		
	Proprietary Funds				
	Solid Waste	Marina	Golf Course	Sunrise Theatre	Building Fund
Beginning Net Position	\$ 1,244,938	\$ 29,147,575	\$ 2,025,329	9,617,783	540,008
Adjustment to record net OPEB liability	<u>(105,578)</u>	<u>(21,009)</u>	<u>(24,361)</u>	<u>(25,343)</u>	<u>(40,596)</u>
Beginning Net Position- Restated	<u>\$ 1,139,360</u>	<u>\$ 29,126,566</u>	<u>\$ 2,000,968</u>	<u>\$ 9,592,440</u>	<u>\$ 499,412</u>

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

The appropriated budget is the expenditure authority created by the appropriation ordinance which is signed into law along with related estimated revenues for the general fund, one major special revenue fund; community redevelopment agency fund, and the following non-major special revenue funds: police grant fund, state housing initiatives program fund, community development block grant fund, and hurricane housing recovery grant fund. The major special revenue fund; restricted revenue fund was not legally required to adopt a budget.

The amended budget reflects the appropriated budget for the general fund and certain special revenue funds. Budgets are not adopted for governmental funds other than the general fund and previously noted major and non-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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY(CONTINUED)

- 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, certain major and non-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, certain major and non-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.

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 \$19,279,363 differs from the “net position” of governmental activities \$50,107,787 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	\$ 27,942,357
Cost of capital assets, being depreciated	216,145,474
Accumulated depreciation	(137,660,876)
Total	\$ 106,426,955

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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, 2018 were:

Bonds and notes payable	\$ (69,666,987)
Capital lease obligations	(1,656,683)
Other post employment benefits	(1,922,945)
Net Pension Liability	(7,406,400)
Compensated absences	(3,211,324)
Total	<u><u>\$ (83,864,339)</u></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><u>\$ (367,774)</u></u>
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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	<u><u>\$ 27,962</u></u>
Net Deferred charge on refunding	<u><u>\$ 3,806,108</u></u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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	\$ 9,137,244
Loans receivable	8,033
Notes receivable	1,842,579
Due from other governments	713,985
Allowance for doubtful accounts	(7,958,565)
Deferred revenues	<u>\$ 3,743,276</u>

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 and OPEB	<u>\$ (3,899,434)</u>
Deferred Outflows-Pensions and OPEB	<u>\$ 4,955,670</u>

Elimination of inter-fund receivables/payables

Inter-fund receivables and payables in the amount of \$1,244,996 between governmental funds have been eliminated for the Statement of Net Position.

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

The “net change in fund balances” for government funds \$4,117,525 differs from the “change in net position” for governmental activities \$4,194,688 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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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	\$ 3,032,948
Depreciation expense	(4,662,866)
	<u>\$ (1,629,918)</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 disposed	<u>\$ (4,359)</u>
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Long-term debt transactions

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

Bond, notes, and capital lease principal payments	<u>\$ 4,742,039</u>
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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>\$ (27,750)</u>
Net change in compensated absences	<u>\$ (98,657)</u>
Net interest adjustment	<u>\$ 46,089</u>
Net Change in Pension Liability	<u>\$ (1,036,226)</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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.

Debt Issuance	\$ (5,003,520)
Payment on advance refunding	4,893,218
Capital lease proceeds	(1,865,490)
	<u>\$ (1,975,792)</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>\$ (319,971)</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>\$ 381,708</u>
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Reclassification and Eliminations

The General Fund recognizes revenues in the amount of \$1,144,444 for the general administrative charges to the various functions. These revenues and expenditures must be eliminated to avoid “double counting”. Transfers in and transfers out in the amount of \$10,657,294 between governmental activities are eliminated in the government-wide financial statements.

NOTE D – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments. The carrying amount of these deposits at September 30, 2018 was \$19,314,601 and the bank balance was \$21,195,075. 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, 2018, or with banks in which depository insurance was sufficient to cover the deposit balance.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE D – CASH AND INVESTMENTS (CONTINUED)

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 \$5,394,089 balance at September 30, 2018. 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.

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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE D – CASH AND INVESTMENTS (CONTINUED)

A summary of pooled cash and investments as of September 30, 2018 is as follows:

	<u>Primary Government</u>	<u>Component Unit-FPUA</u>
Cash	\$ 2,487,452	\$ 6,903,018
Investments:		
Certificates of Deposit	10,081,484	3,268,911
State Board of Administration pooled trust fund	-	5,394,089
Florida Municipal Investment trust	48,484	-
Money market	-	7,113,847
Repurchase agreements	6,697,181	32,002,642
Total investments	<u>16,827,149</u>	<u>47,779,489</u>
Total pooled cash and investments	<u>\$ 19,314,601</u>	<u>\$ 54,682,507</u>

All investments held in the primary government and component unit at September 30, 2018 have maturity dates less than one year.

A summary of investments held in pension trust funds as of September 30, 2018 is as follows:

	<u>Fair Value Measurements</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Agencies	\$ 20,731,686	\$ -	\$ -
U.S. Treasuries	415,060	-	-
Corporate obligations	-	26,485,247	-
Common stock	22,282,979	-	-
Mutual funds-equity	125,651,821	-	-
Real estate trust L.P.	-	-	20,292,935
Common trust fund	-	-	898,466
Money market funds	762,393	-	-
	<u>\$169,843,939</u>	<u>\$ 26,485,247</u>	<u>\$21,191,401</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE D – CASH AND INVESTMENTS (CONTINUED)

	Investment Maturities in Years					total
	under 1	1-5	6-10	10-20	over 20	
U.S. Agencies	\$ -	\$ 1,657,522	\$ 3,293,359	\$ 1,086,775	\$ 14,694,030	\$ 20,731,686
U.S. Treasuries	-	139,442	-	-	275,618	415,060
Corporate obligations	-	16,888,385	5,350,828	2,246,950	1,999,084	26,485,247
Common stock	22,282,979	-	-	-	-	22,282,979
Mutual funds-equity	125,651,821	-	-	-	-	125,651,821
Real estate trust L.P.	20,292,935	-	-	-	-	20,292,935
Common trust fund	898,466	-	-	-	-	898,466
Money market funds	762,393	-	-	-	-	762,393
	<u>\$ 169,888,594</u>	<u>\$ 18,685,349</u>	<u>\$ 8,644,187</u>	<u>\$ 3,333,725</u>	<u>\$ 16,968,732</u>	<u>\$ 217,520,587</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, 2018, the pension plans had the following fixed income investments with corresponding credit ratings:

	Credit Rating	Amount
Corporate Bonds	A1	2,863,620
Corporate Bonds	A2	4,386,280
Corporate Bonds	A3	7,695,082
Corporate Bonds	Aaa	1,214,629
Corporate Bonds	Aa1	143,238
Corporate Bonds	Aa2	825,381
Corporate Bonds	Aa3	1,009,104
Corporate Bonds	Baa1	5,668,783
Corporate Bonds	Baa2	1,752,179
Corporate Bonds	Baa3	490,117
Corporate Bonds	not rated	436,834
		<u>\$ 26,485,247</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2017, upon which the 2017-2018 levy is based, was \$2,243,131,859.

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, 2018.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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 \$3,776,865 the FPUA, respectively. The general fund accounts receivable is stated net of allowance for estimated uncollectibles of \$7,958,565. 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 \$89,706 from U.S. Department of Housing & Urban Development, \$21,428 from Federal Department of Justice, \$45,747 from the Florida Department of Law Enforcement, \$1,351,574 from the U.S. Department of Agriculture, \$14,806 from the State of Florida, \$58,051 from St. Lucie County, \$611,987 from FEMA, \$101,998 from Florida Department of Community Affairs, \$175,713 from Florida Inland Navigation, \$175,713 from Federal Fish and Wildlife, and \$78,601 due from St. Lucie County Housing Authority.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE H - CAPITAL ASSETS

Capital asset activity of the **primary government** for the year ended September 30, 2018 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	\$ 27,796,483	\$ -	\$ -	\$ -	\$ 27,796,483
Construction in Progress	71,345	80,489	-	(5,960)	145,874
Total capital assets, not being depreciated	27,867,828	80,489	-	(5,960)	27,942,357
Capital assets, being depreciated:					
Buildings	42,508,571	186,470	-	5,960	42,701,001
Improvements other than buildings	44,858,512	533,118	-	-	45,391,630
Equipment	17,604,761	2,232,871	(695,433)	(13,717)	19,128,482
Infrastructure	108,924,361	-	-	-	108,924,361
Total	213,896,205	2,952,459	(695,433)	(7,757)	216,145,474
Less accumulated depreciation for:					
Buildings	(14,960,090)	(894,581)	-	-	(15,854,671)
Improvements other than buildings	(22,115,492)	(1,535,419)	-	-	(23,650,911)
Equipment	(13,470,061)	(883,593)	691,071	13,717	(13,648,866)
Infrastructure	(83,157,155)	(1,349,273)	-	-	(84,506,428)
Total accumulated depreciation	(133,702,798)	(4,662,866)	691,071	13,717	(137,660,876)
Total capital assets, being depreciated, net	80,193,407	(1,710,407)	(4,362)	5,960	78,484,598
Total capital assets, net	<u>\$ 108,061,235</u>	<u>\$ (1,629,918)</u>	<u>\$ (4,362)</u>	<u>\$ -</u>	<u>\$ 106,426,955</u>

Depreciation expense charged to functions/programs of the **primary government** (governmental activities) for the year ended September 30, 2018 was as follows:

Governmental activities:

General government	\$ 192,980
Public safety	751,011
Transportation	3,308,027
Economic environment	82,265
Culture and recreation	328,583
Total	<u>\$ 4,662,866</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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	2,025,813	-	(16,662)	2,025,813
Total capital assets, not being depreciated	690,670	2,025,813	-	(16,662)	2,699,821
Capital assets, being depreciated:					
Buildings	17,903,077	-	-	-	17,903,077
Improvements other than buildings	97,023,886	416,434	-	16,662	97,456,982
Equipment	10,798,811	413,274	(18,792)	13,717	11,207,010
Total	125,725,774	829,708	(18,792)	30,379	126,567,069
Less accumulated depreciation for:					
Buildings	(7,224,544)	(585,433)	-	-	(7,809,977)
Improvements other than buildings	(24,019,077)	(2,374,282)	-	-	(26,393,359)
Equipment	(7,874,279)	(700,973)	18,792	(13,717)	(8,570,177)
Total accumulated depreciation	(39,117,900)	(3,660,688)	18,792	(13,717)	(42,773,513)
Total capital assets, being depreciated, net	86,607,874	(2,830,980)	-	16,662	83,793,556
Total capital assets, net	<u>\$ 87,298,544</u>	<u>\$ (805,167)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,493,377</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, 2018 was as follows:

Solid waste	\$ 487,631
Marina	1,117,618
Stormwater	1,311,892
Golf course	135,347
Sunrise Theatre	546,199
Building Fund	62,001
Total	<u>\$ 3,660,688</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE H - CAPITAL ASSETS (CONTINUED)

Capital asset activity of the **FPUA** (a component unit) for the year ended September 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Utility Plant, not being depreciated:				
Land	\$ 10,065,000	\$ 19,000	\$ (137,000)	\$ 9,947,000
Construction Work in Progress	20,124,282	14,258,634	(16,331,000)	18,051,916
Total Utility Plant, not being depreciated	30,189,282	14,277,634	(16,468,000)	27,998,916
Utility Plant, being depreciated:				
Transmission, distribution and collection systems	340,741,789	11,301,995	(2,433,000)	349,610,784
Equipment	58,471,000	2,394,000	(3,228,000)	57,637,000
Structures and improvements	37,169,000	2,258,000	(977,000)	38,450,000
Total Utility Plant being depreciated	436,381,789	15,953,995	(6,638,000)	445,697,784
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(189,816,389)	(9,317,554)	2,433,000	(196,700,943)
Equipment	(39,562,000)	(2,211,000)	3,228,000	(38,545,000)
Structures and improvements	(24,136,000)	(1,464,000)	977,000	(24,623,000)
Total accumulated depreciation	(253,514,389)	(12,992,554)	6,638,000	(259,868,943)
Total Utility Plant, being depreciated, net	182,867,400	2,961,441	-	185,828,841
Total Utility Plant, net	<u>\$ 213,056,682</u>	<u>\$ 17,239,075</u>	<u>\$ (16,468,000)</u>	<u>\$ 213,827,757</u>

Construction work in progress at September 30, 2018 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, 2018, were \$3,077,000 of which \$175,000 was capitalized as plant utility construction costs.

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

	Project Total	Expended to Date	Remaining Commitment	Required Further Financing
Water	\$ 4,911,000	\$ 1,020,000	\$ 3,891,000	None
Wastewater	2,532,000	1,204,000	1,328,000	None
Gas	344,000	202,000	142,000	None
	<u>\$ 7,787,000</u>	<u>\$ 2,426,000</u>	<u>\$ 5,361,000</u>	

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018, costs of \$287,000 were authorized under these contracts, \$126,000 has been spent, and authorized amounts of \$161,000 remained.

NOTE I – LONG TERM DEBT

Bond and note obligations of the **primary government** as of September 30, 2018 are as follows:

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$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.	129,889	350,111
\$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 340,000 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 340,000.	-	1,480,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – LONG TERM DEBT (CONTINUED)

	Business-type Activities	Government Activities
<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>	-	1,697,000
<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 351,892 to 535,541 beginning in 2014 through December 1, 2028. Proceeds used to purchase energy conservation equipment. Current portion of note is 351,892.</p>	-	4,830,114
<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 252,486 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 252,486.</p>	3,269,867	-
<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	-

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE I – LONG TERM DEBT (CONTINUED)

	Business-type Activities	Government Activities
<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 1,545,000 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 1,545,000.</p>	-	26,890,000
<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 \$1,075,000 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 \$1,075,000.</p>	-	17,055,000
<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 \$590,000 to \$905,000 through May 1, 2031. Proceeds used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$590,000.</p>	-	9,380,000
<p>\$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 \$115,000 to \$150,000 through August 1, 2026. Proceeds used to repay Fort Pierce Utility Authority. Current portion is \$115,000.</p>	-	1,050,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – LONG TERM DEBT (CONTINUED)

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$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.	-	725,000
\$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 \$200,000 to \$215,000 through August 1, 2023. Proceeds used for new radios. Current portion is \$200,000.	-	1,040,000
\$6,860,000 Fort Pierce Capital Improvement Revenue Refunding Note, 2018 , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 3.61%, payable semi-annually and sinking fund installments ranging from \$55,000 to \$750,000 through August 1, 2023. Proceeds used to defease a portion of the Series 2010A Capital Improvement Revenue Refunding Bonds. Current portion is \$55,000.	1,833,327	4,941,673
	17,203,083	69,438,898
Less: current portion payable from restricted assets	(1,122,369)	(4,585,009)
Unamortized items	(30,505)	228,089
	<u>\$ 16,050,209</u>	<u>\$ 65,081,978</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE I – 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>
2019	\$ 4,585,009	2,218,007	\$ 6,803,016
2020	5,099,885	2,062,982	7,162,867
2021	5,283,736	1,871,192	7,154,928
2022	5,449,081	1,703,630	7,152,711
2023	5,208,884	1,541,379	6,750,263
2024-2028	25,892,253	5,319,281	31,211,534
2029-2032	17,920,050	1,273,346	19,193,396
	<u>\$ 69,438,898</u>	<u>\$ 15,989,817</u>	<u>\$ 85,428,715</u>

Business-Type Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,122,369	348,538	\$ 1,470,907
2020	1,284,436	324,144	1,608,580
2021	1,327,287	285,562	1,612,849
2022	1,359,995	259,351	1,619,346
2023	1,404,335	232,456	1,636,791
2024-2028	7,677,679	728,421	8,406,100
2029-2031	3,026,982	92,188	3,119,170
	<u>\$ 17,203,083</u>	<u>\$ 2,270,660</u>	<u>\$ 19,473,743</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE I – LONG TERM DEBT (CONTINUED)

Long-term liability activity of the **primary government** for the year ended September 30, 2018 was as follows:

	Beginning Balance 10/1/2017	Additions	Reductions	Ending Balance 9/30/2018	Amounts Due within One Year	Amounts Due after One Year
Governmental Activities:						
Notes, bonds payable, and loans:						
Revenue notes	\$ 63,715,461	\$ 5,003,672	\$ 2,807,346	\$ 65,911,787	\$ 3,962,009	\$ 61,949,778
Revenue bonds	7,848,143	-	6,018,032	1,830,111	340,000	1,490,111
Section 108 Loan	1,980,000	-	283,000	1,697,000	283,000	1,414,000
Unamortized items	256,930	-	28,841	228,089	-	228,089
	<u>73,800,534</u>	<u>5,003,672</u>	<u>9,137,219</u>	<u>69,666,987</u>	<u>4,585,009</u>	<u>65,081,978</u>
Capital lease payable						
Capital lease payable	52,886	1,865,490	261,693	1,656,683	456,466	1,200,217
Other Liabilities:						
Other post employment benefits	1,899,894	23,051	-	1,922,945	-	1,922,945
Net Pension Liability	8,712,174	-	1,305,774	7,406,400	-	7,406,400
Compensated absences	3,112,667	1,643,018	1,544,361	3,211,324	309,042	2,902,282
Total governmental activities	<u>\$ 87,578,155</u>	<u>\$ 8,535,231</u>	<u>\$ 12,249,047</u>	<u>\$ 83,864,339</u>	<u>\$ 5,350,517</u>	<u>\$ 78,513,822</u>
Business-type Activities:						
Notes, bonds payable, and capital leases:						
Revenue notes	\$ 15,484,486	\$ 1,986,217	\$ 267,620	\$ 17,203,083	\$ 1,122,369	\$ 16,080,714
Revenue bonds	1,846,857	-	1,846,857	-	-	-
Unamortized items	(34,761)	-	(4,256)	(30,505)	-	(30,505)
	<u>17,296,582</u>	<u>1,986,217</u>	<u>2,110,221</u>	<u>17,172,578</u>	<u>1,122,369</u>	<u>16,050,209</u>
Capital lease payable						
Capital lease payable	1,471,677	-	267,992	1,203,685	300,845	902,840
Other Liabilities:						
Other post employment benefits	375,364	-	47,957	327,407	-	327,407
Net Pension Liability	1,653,561	-	316,427	1,337,134	-	1,337,134
Compensated absences	609,998	107,010	213,703	503,305	24,825	478,480
Total business activities	<u>\$ 21,407,182</u>	<u>\$ 2,093,227</u>	<u>\$ 2,956,300</u>	<u>\$ 20,544,109</u>	<u>\$ 1,448,039</u>	<u>\$ 19,096,070</u>

Compensated absences	Beginning Balance 10/1/2017	Additions	Reductions	Ending Balance 9/30/2018
Governmental Activities:				
General Fund	\$ 3,097,376	\$ 1,627,040	\$ 1,536,774	\$ 3,187,642
Community Development Block Grant	15,291	15,978	7,587	23,682
	<u>\$ 3,112,667</u>	<u>\$ 1,643,018</u>	<u>\$ 1,544,361</u>	<u>\$ 3,211,324</u>

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

NOTE I – LONG TERM DEBT (CONTINUED)

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

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

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

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

Section 108 Note Payable

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

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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE I – LONG TERM DEBT (CONTINUED)

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.

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 Increment 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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – LONG TERM DEBT (CONTINUED)

Capital Improvement Revenue Refunding Note, Series 2018

The Series 2018 Notes were issued for the purpose of: (i) advance refund a portion of the City’s outstanding Capital Improvement Revenue Refunding Bonds, Series 2010A (ii) finance the costs of issuance of the Series 2018 notes.

The Series 2018 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 2018 Notes when due.

Defeasance of Revenue Bonds Payable

On May 23, 2018 the city advance refunded and defeased a portion of the Series 2010 Capital Improvement Revenue Refunding Bonds maturing on September 1, 2018 through September 1, 2030 amounting to \$6,345,000. The City deposited proceeds of \$6,749,698 from Series 2018 Capital Improvement Refunding Revenue Notes in an irrevocable trust account and invested in direct obligations of the United States of America to allow for future payments of principal and interest until the redemption date of September 1, 2030 at a redemption price of 100%.

The difference in the cash flows of the old debt service compared to the new issue was a positive \$521,568. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$430,297. The City refunded the issue to reduce debt service costs over the term of the loan.

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, 2018 the following bonds are considered defeased:

<u>Bond Issue</u>	<u>Series</u>	<u>Beginning Balance 10-1-2017</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending Balance 9-30-2018</u>
Capital Improvement Bonds	2001	\$ 430,000	\$ -	\$ 100,000	\$ 330,000
Redevelopment Revenue Bonds	2003	3,910,000	-	580,000	3,330,000
Capital Improvement Bonds	2008	22,090,000	-	-	22,090,000
Redevelopment Revenue Bonds	2006	14,265,000	-	680,000	13,585,000
Capital Improvement Revenue Refunding Bonds	2010	-	6,345,000	-	6,345,000
		<u>\$ 40,695,000</u>	<u>\$ 6,345,000</u>	<u>\$ 1,360,000</u>	<u>\$ 45,680,000</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE I – LONG TERM DEBT (CONTINUED)

Component Unit

Bond obligations of the FPUA (a component unit) as of September 30, 2018 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 5.80% to 5.90%. The accreted value at September 30, 2018 is \$25,679,000. The bonds mature October 1, 2018, through October 1, 2024, with principal amounts totaling \$30,360,000 due in those years in annual amounts ranging from \$4,335,000 to \$4,340,000.	25,679,000
\$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, 2018, through October 1, 2028, with principal amounts ranging from \$302,000 to \$3,451,000.	9,078,000
\$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 4.0% to 5.00% on the remaining annual principal amounts ranging from \$1,255,000 to \$7,285,000 through October 1, 2029.	<u>33,590,000</u>
	<u>68,347,000</u>
Less: Unamortized portion of bond premium and discounts	47,000
Current portion payable from restricted assets	<u>5,897,000</u>
	<u>\$ 62,403,000</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE I – LONG TERM DEBT (CONTINUED)

Long-term liability activity of the **FPUA** (a component unit) for the year ended September 30, 2018 was as follows:

	Balance 10/1/2017	Additions	Reductions	Balance 9/30/2018	Due within One Year
Loans and revenue bonds	\$ 72,744,000	\$ 7,340,000	\$ (11,737,000)	\$ 68,347,000	\$ 5,897,000
Deferred Amounts	(53,000)	-	5,000	(48,000)	-
Due to St. Lucie County	124,000	-	(47,000)	77,000	-
Net Pension Liability	10,090,000	-	(2,682,000)	7,408,000	-
Capital Leases	11,000	138,000	(11,000)	138,000	24,000
Other Liabilities:					
Compensated absences	1,968,000	1,502,000	(1,455,000)	2,015,000	-
Other Post Employment Benefits	742,000	205,000	(91,000)	856,000	-
Total	\$ 85,626,000	\$ 9,185,000	\$ (16,018,000)	\$ 78,793,000	\$ 5,921,000

Requirements to pay principal and interest on the **FPUA** (a component unit) obligations in each of the years/periods ending September 30, 2018 are as follows

	Principal	Interest	Total
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
2022-2024	18,424,000	4,345,000	22,769,000
2025-2027	19,224,000	3,225,000	22,449,000
2028-2030	17,515,000	1,052,000	18,567,000
	<u>73,028,000</u>	<u>13,557,000</u>	<u>86,585,000</u>
Future accretion on capital appreciation bonds	<u>(4,681,000)</u>	<u>4,681,000</u>	<u>-</u>
	<u>\$ 68,347,000</u>	<u>\$ 18,238,000</u>	<u>\$ 86,585,000</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE I – 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, 2018.

The 2016 Utilities Refunding Bonds, maturing on October 1, 2026 with an interest rate of 2.14% 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.

NOTE J - 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, 2018, the long-term portion of the advance was \$674,576.

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, 2018, the long-term portion of the advance was \$915,602.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

The composition of interfund balances as of and for the year ended September 30, 2018, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor	\$ 308,370
General	Community Redevelopment Agency	21,024
General	Solid Waste	608,667
General	Marina	73,730
General	Stormwater	117,798
General	Golf Course	346,707
General	Building Fund	9,995
General	Sunrise Theatre	559,287
		<u>\$ 2,045,578</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	\$ 244,158
Community Redevelopment Agency	FPUA	-
Solid waste fund	FPUA	666,821
Building fund	FPUA	575
		<u>\$ 911,554</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

Inter-fund transfers:

	General	Community Redev. Agency	Golf Course	Sunrise Theatre	Nonmajor Funds	Total
Transfers out:						
General	\$ -	\$ 274,994	\$ 358,000	\$ -	\$ 4,111,950	\$ 4,744,944
Community Redev.						
Agency	2,783,939	-	-	450,000	2,568,562	5,802,501
Restricted Rev.	79,779	-	-	5,726	-	85,505
Solid Waste	860,925	-	-	-	-	860,925
Marina	250,000	-	-	-	-	250,000
Golf Course	7,000	-	-	-	-	7,000
Building	5,276	-	-	-	-	5,276
Nonmajor	-	-	-	-	24,344	24,344
	<u>\$ 3,986,919</u>	<u>\$ 274,994</u>	<u>\$ 358,000</u>	<u>\$ 455,726</u>	<u>\$ 6,704,856</u>	<u>\$ 11,780,495</u>

Transfers into the Nonmajor funds were for debt service payments made from the various debt service funds. The transfer into the Sunrise Theatre from the Community Redevelopment Agency special revenue fund and Restricted Fund were to provide support for operations and capital expenses, respectively. The General Fund received a transfer from the Community Redevelopment Agency Fund to subsidize redevelopment district projects and related debt. 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 K - 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, 2018

NOTE K - TRANSACTIONS WITH COMPONENT UNITS(CONTINUED)

Total charges to the City for nonmetered and metered services for the year ended September 30, 2018 were approximately \$1,689,000. Total disbursements made to the City by the FPUA, including payments of utility tax and sanitation charges collected during year ended September 30, 2018, were approximately \$10,501,000. Amounts receivable from the FPUA at September 30, 2018 were approximately \$911,000.

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, 2018, the amount transferred to the General Fund under this provision was \$6,139,000.

NOTE L - 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, 2018, the City paid premiums of approximately \$2,175,800 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 X.

NOTE M - 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 M - 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, 2018, the Plan's membership consisted of: (1) 505 retirees and beneficiaries currently receiving benefits and 45 terminated employees entitled to benefits but not yet receiving them; (2) 297 vested active employees; and (3) 242 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 2016, 2017 and 2018, employer contributions to the Plan, all made in accordance with actuarially determined requirements, were \$4,211,311, \$4,565,884 and \$4,565,884 which was 15.43%, 15.33% and 16.27% respectively, of annual covered payroll.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contributions

The total payroll for employees covered by the System for the year ended September 30, 2018 was \$30,176,465 which includes \$13,400,529 for Fort Pierce Utilities Authority employees. One hundred percent of required contributions were actually made for 2016, 2017 and 2018.

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

At September 30, 2018, 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	7,871,592	7,407,938
Employer Allocation Percentage	51.52%	48.48%
Proportional Share of Plan Pension Expense	3,952,909	3,852,858

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>
Primary Government:		
Difference between Expected and Actual Experience	205,290	110,575
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	1,138,193	4,005,689
Change of Assumptions	3,643,861	-
Changes in Proportion and Differences between Employer Contributions and Share of Contributions	-	79,089
	<u>4,987,344</u>	<u>4,195,353</u>
Component Unit-FPUA:		
Difference between Expected and Actual Experience	193,198	104,062
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	1,071,150	3,769,744
Change of Assumptions	3,429,229	-
Changes in Proportion and Differences between Employer Contributions and Share of Contributions	79,089	-
	<u>4,772,666</u>	<u>3,873,806</u>
	<u><u>9,760,010</u></u>	<u><u>8,069,159</u></u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE M - 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		
	Component		
	City	Unit FPUA	Total
2019	1,581,416	1,621,051	3,202,467
2020	245,250	339,811	585,061
2021	(566,193)	(595,300)	(1,161,493)
2023	(468,482)	(466,702)	(935,184)
2024	-	-	-
Thereafter	-	-	-
TOTAL	\$ 791,991	\$ 898,860	\$ 1,690,851

Pension Payable

At September 30, 2018, the City reported payable's to the pension for their final two payrolls of the fiscal year of \$196,427 (including member contributions of \$48,085) for the City and the final payroll of the fiscal year \$64,438 (including member contributions of \$16,355) 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, 2018 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	26%	4.75%	1.24%
Small/Mid Cap Equity	12%	5.00%	0.60%
Global Ex-US Equity	25%	5.00%	1.25%
Domestic Fixed Income	27%	1.50%	0.41%
Real Estate	10%	4.00%	0.40%
	100%		3.90%

For the year ended September 30, 2018, the annual money-weighted rate of return, net of investment expenses was 9.38%.

NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

The annual required contribution for the current year was determined as part of the September 30, 2018 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
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	3-30 years as of September 30, 2016
Asset valuation method	4-year smoothed market
Wage Inflation	4.0%
Salary increases	General & Utilities Authority; 4.0% to 6.5%, including inflation Police; 4.0% to 8.0%
Investment rate of return	7.75%
Long-term municipal bond rate	3.83%
Retirement Age	Age and service-based tables that are specific to the type of eligibility condition
Mortality	The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE M - 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
Total Pension Liability	\$ 247,166,561	\$ 222,244,792	201,234,195
Net Position Restricted for Pensions	206,965,262	206,965,262	206,965,262
Net Pension Liability	<u>\$ 40,201,299</u>	<u>\$ 15,279,530</u>	<u>\$ (5,731,067)</u>

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 certified 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 M - 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, 2018, Plan membership consisted of: (1) 37 retirees and beneficiaries currently receiving benefits and 3 terminated employees entitled to benefits but not yet receiving them; (2) 37 vested active employees; and (3) 73 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 \$367,113. The revenue and corresponding expense are recorded in the general fund. In accordance with City Code Section 13-169 each Plan member is required to make contributions of 7% 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, 2018 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, 2018

NOTE M - 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, 2018, the City reported a liability of \$871,942 for its share of the net pension liability. The net pension liability was measured at September 30, 2018 with an actuarial valuation date of September 30, 2018.

For the year ended September 30, 2018, the city recognized pension expense of \$348,816. The City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	401,977	112,951
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	409,874	184,043
Change of Assumptions	-	111,378
Total Deferred Outflows/Inflows of Resources	<u>811,851</u>	<u>408,372</u>

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

Year Ending September 30	<u>Net Deferred Outflows of Resources</u>
2019	216,344
2020	(4,143)
2021	26,098
2023	77,876
2024	48,518
Thereafter	38,786
TOTAL	<u>\$ 403,479</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Pension Payable

At September 30, 2018, the City reported a payable to the police pension related to employee contributions of \$27,433 withheld from the City's final payroll of the fiscal year, and the state contribution of \$367,113 received by the City after the fiscal year-end.

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, 2018 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	15%	8.20%	1.20%
Small/Mid Cap Equity	14%	8.60%	1.20%
Global Ex-US Equity	15%	3.10%	0.50%
Domestic Fixed Income	25%	3.20%	0.80%
MLP	6%	6.30%	0.40%
High Yield	6%	5.60%	0.30%
Convertible Bonds	8%	6.70%	0.50%
REITS	5%	6.80%	0.30%
Real Estate	5%	4.90%	0.20%
Cash	1%	0.70%	0.00%
	100%		5.40%

For the year ended September 30, 2018, the annual money-weighted rate of return, net of investment expenses was 6.47%.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE M - 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, 2018, were as follows:

Total Pension Liability:

Service cost	\$	548,415
Interest		1,067,784
Benefit change		-
Difference between actual & expected experience experience		297,338
Assumption changes		-
Benefit payments		(637,505)
Refunds		(95,647)
Net Change in Total Pension Liability		<u>1,180,385</u>

Total Pension Liability-Beginning		<u>14,546,221</u>
Total Pension Liability-Ending (a)	\$	<u><u>15,726,606</u></u>

Plan Fiduciary Net Position:

Contributions-employer	\$	-
Contributions-employer (from state)		367,113
Contributions-Employee(Including buyback contributions)		502,051
Net investment income		780,019
Benefit payments		(637,505)
Refunds		(95,647)
Administrative expense		(35,078)
Other		-
Net Change in Plan Fiduciary Net Position		<u>880,953</u>

Plan Fiduciary Net Position-Beginning		<u>13,973,711</u>
Plan Fiduciary Net Position-Ending (b)	\$	<u><u>14,854,664</u></u>

Net Pension Liability-Ending (a) - (b)		871,942
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NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

The annual required contribution for the current year was determined as part of the September 30, 2018 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	21 years (single equivalent amortization period)
Asset valuation method	4-year smoothed market
Inflation rate	2.5%
Salary increases	3.5% to 6.5% depending on completed years of service including inflation
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 required under Chapter 112.63, Florida Statutes.

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, 2018

NOTE M - 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 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
\$ 2,877,030	\$ 871,942	\$ (789,447)

Currently an annual actuarial evaluation is performed for both Plans. The most recent actuarial valuations were performed for the year ended September 30, 2018. 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, 2018 was:

	Primary Government	Component Unit FPUA
General Employees Retirement Benefit System	3,952,909	3,852,858
Municipal Police Officer's Retirement Trust Fund	348,816	-
Total	4,301,725	3,852,858

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, 2018

NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

City of Fort Pierce, Florida
**COMBINING STATEMENT OF
FIDUCIARY FUNDS NET POSITION**
September 30, 2018

	Pension Trusts		Total
	General Employees	Police Officers	
ASSETS			
Cash and cash equivalents	\$ 2,931,573	\$ 347,799	\$ 3,279,372
Investments, at fair value:			
U.S. Government Securities	19,834,863	1,311,883	21,146,746
Mutual Funds	119,590,852	6,060,969	125,651,821
Common Stock	17,613,492	4,669,487	22,282,979
Corporate Bonds	25,512,177	973,070	26,485,247
Real Estate Trust L.P.	20,292,935	-	20,292,935
Common Trust Fund	-	898,466	898,466
Money Market	561,288	201,105	762,393
Total investments	<u>203,405,607</u>	<u>14,114,980</u>	<u>217,520,587</u>
Total cash and investments	206,337,180	14,462,779	220,799,959
Accounts receivable	260,865	394,546	655,411
Prepaid Taxes	500	-	500
Accrued interest receivable	<u>406,537</u>	<u>-</u>	<u>406,537</u>
Total assets	<u>\$ 207,005,082</u>	<u>\$ 14,857,325</u>	<u>\$ 221,862,407</u>
LIABILITIES			
Accounts payable and accrued liabilities	<u>\$ 39,820</u>	<u>\$ 2,661</u>	<u>\$ 42,481</u>
NET POSITION-RESTRICTED FOR PENSION BENEFITS			
	<u>\$ 206,965,262</u>	<u>\$ 14,854,664</u>	<u>\$ 221,819,926</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

City of Fort Pierce, Florida
**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY FUNDS NET POSITION**
Year ended September 30, 2018

	Pension Trusts		Total
	General Employees	Police Officers	
ADDITIONS			
Contributions			
Employer	\$ 4,909,654	\$ -	\$ 4,909,654
Employees	1,690,810	502,051	2,192,861
State-via the general fund	-	367,113	367,113
Total contributions	6,600,464	869,164	7,469,628
Investment income			
Interest	2,103,616	69,367	2,172,983
Dividends	1,684,252	398,765	2,083,017
Net appreciation (depreciation) in fair value of investments	16,644,607	380,258	17,024,865
Total investment income	20,432,475	848,390	21,280,865
Investment expenses	(835,177)	(94,054)	(929,231)
Net investment income	19,597,298	754,336	20,351,634
Total increases	26,197,762	1,623,500	27,821,262
DEDUCTIONS			
Retirement benefits paid	13,532,573	637,505	14,170,078
Refunds of employee contributions	248,781	95,647	344,428
Administrative expenses	205,852	9,395	215,247
Insurance expense	19,406	-	19,406
Total deductions	14,006,612	742,547	14,749,159
Net Increase	12,191,150	880,953	13,072,103
NET POSITION-RESTRICTED FOR PENSION BENEFITS			
Beginning of year	194,774,112	13,973,711	208,747,823
End of year	\$ 206,965,262	\$ 14,854,664	\$ 221,819,926

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE N - 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 \$324,600 and \$229,000, 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.

Plan Description

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.

Funding Policy

As of September 30, 2018, the most recent actuarial measurement date, the city's and FPUA's plans were unfunded.

Membership

At September 30, 2018, the City's Plan membership consisted of: (1) 25 retirees and beneficiaries, and (2) 329 active employees. At September 30, 2018, the FPUA's Plan membership consisted of: (1) 22 retirees and beneficiaries, and (2) 254 active employees.

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

At September 30, 2018, the City and FPUA reported an OPEB liability of \$2,250,352, and \$856,298. The net OPEB liability was measured at September 30, 2018 with an actuarial valuation date of September 30, 2016.

For the year ended September 30, 2018, the city and FPUA recognized OPEB expense of \$180,275, and \$53,155, respectively.

	Primary Government	Component Unit FPUA
OPEB Expense:		
Service Cost	\$ 107,246	\$ 19,960
Interest on the Total OPEB Liability	78,531	33,195
Recognition of Outflow(Inflow) of of Resources Due to Liabilities	(5,499)	-
	<u>\$ 180,278</u>	<u>\$ 53,155</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

Recognition of Deferred Outflows and Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period. At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 2,601 years. Additionally, the total plan membership (active employees and inactive employees) was 354. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 7.3484 years.

The City and FPUA 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>
Primary Government:		
Difference between Expected and Actual Experience	27,244	(62,151)
	<u>27,244</u>	<u>(62,151)</u>
Component Unit-FPUA:		
Difference between Expected and Actual Experience	(50,737)	7,146
	<u>(50,737)</u>	<u>7,146</u>

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

Year Ending September 30	<u>Net Deferred Outflows of Resources</u>	
	<u>Primary Government</u>	<u>Component Unit FPUA</u>
2019	(5,499)	(7,146)
2020	(5,499)	(7,146)
2021	(5,499)	(7,146)
2022	(5,499)	(7,146)
2023	(5,499)	(7,146)
Thereafter	(7,412)	(7,861)
TOTAL	<u>\$ (34,907)</u>	<u>\$ (43,591)</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

Net OPEB Liability

	Primary Government	Component Unit FPUA
Total OPEB Liability:		
Service cost	\$ 107,243	\$ 19,960
Interest	78,531	33,195
Benefit change	-	-
Difference between actual & expected experience	31,535	(50,737)
Assumption changes	(71,941)	-
Benefit payments	<u>(170,274)</u>	<u>(40,626)</u>
Net Change in Total OPEB Liability	(24,906)	(38,208)
Total OPEB Liability-Beginning	<u>2,275,258</u>	<u>894,506</u>
Total OPEB Liability-Ending (a)	<u><u>\$ 2,250,352</u></u>	<u><u>\$ 856,298</u></u>
Covered Payroll	17,543,452	15,838,042
Net OPEB Liability as a Percentage of Covered Employee Payroll	12.83%	5.41%

Actuarial Assumptions and Methods

Valuation date	September 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, open 30-year period
Wage Inflation	2.5%
Salary increases	General : 4.0% to 6.5%, including inflation Police; 4% to 8%
Retirement Age	Age and service-based tables that are specific to the type of eligibility
Mortality	The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Health Care Trend Rates	Trend starting at 9.0% and gradually decreasing to an ultimate trend rate of 4.0%
Aging Factors	Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"
Expenses	Administrative expenses are included in the premium costs

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.83% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 3.50% as of the prior measurement date.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

Sensitivity of Total OPEB Liability

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.83%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Sensitivity of the Total OPEB Liability to the Discount Rate Assumption

1% Decrease	Current Single Discount Rate Assumption	1% Increase
2.83	3.83	4.83
\$ 2,477,454	\$ 2,250,352	\$ 2,051,218

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Sensitivity of Total OPEB Liability to Healthcare Cost Rate Assumption

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 2,007,857	\$ 2,250,352	\$ 2,534,511

NOTE O - 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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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 all capacity and energy necessary for their electric system from FMPA’s ARP during the term of the contract. The contract is a 30 year evergreen, automatically renewing on October 1 of each year unless notification is provided one year prior to the automatic extension date.

Prior to being involved in the ARP, 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, 2018 is \$8,135,000. The Authority is committed under the agreements to payments totaling \$8,096,000 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 2018, 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 2018 and fiscal 2017 were \$1,763,000 and 1,724,000, 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, 2018.

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 2018 totaled \$1,828,000.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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 August 2018, for body camera equipment and support at \$7,500 per month extending to August 2023.

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:

2019	\$	122,302
2020		122,302
2021		122,302
2022		122,302
2023		114,802
Thereafter		452,228
	\$	<u>1,187,718</u>

Rent expense for the above referenced leases was \$106,129 for the year ended September 30, 2018.

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:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 1,919,863	\$ 1,524,415
Less: accumulated depreciation	(206,277)	(1,168,718)
Total	<u>\$ 1,713,586</u>	<u>\$ 355,697</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE R – LEASES(CONTINUED)

The future minimum lease obligations and net present value of these minimum lease payments as of September 30, 2018, were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2019	\$ 526,158	\$ 332,734
2020	428,179	332,764
2021	428,179	332,734
2022	390,168	277,278
2023	58,148	-
	<u>1,830,832</u>	<u>1,275,510</u>
Less: Amount representing interest	<u>(174,149)</u>	<u>(71,825)</u>
Present value of future minimum lease payments	<u>\$ 1,656,683</u>	<u>\$ 1,203,685</u>

FPUA(component unit) entered into a five-year capital lease on January 14, 2018 for equipment capitalized at \$154,000. The interest/maintenance costs for 2018 were \$18,000. The Future minimum lease payments for this capital lease are as follows:

	<u>Amount</u>
2019	45,000
2020	45,000
2021	45,000
2022	45,000
2023	11,000
	<u>\$ 191,000</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 current lease expired in August 2018. Both parties are continuing to operate under the terms of this lease as of September 30, 2018, on a month to month basis. 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 5% of the tenant’s gross revenues. The City collected \$238,971 from the tenant for the year ended September 30, 2018. The minimum future rental payments beyond that date cannot be determined.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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 current lease agreement extends to June 30, 2021. Rent is payable monthly within five business days of the closing of any monthly period. Rent is the computed at the greater of 7.25% of all gross revenues or \$6,500 per month. The City collected \$185,674 from the tenant for the year ended September 30, 2018.

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, 2018, 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, 2018

NOTE T-FUND BALANCE (CONTINUED)

As of September 30, 2018, the fund balances of the governmental funds are:

FUND BALANCES	General Fund	Community Redevelopment Agency	Restricted Revenue Fund	Other Governmental Funds	Totals
Nonspendable:					
Inventories	\$ 80,528	\$ -	\$ -	\$ -	\$ 80,528
Prepaid Items	323,327	12,798	-	1,463	337,588
Restricted for:					
Law Enforcement	-	-	-	108,811	108,811
Debt Service	-	-	-	757,718	757,718
Grant-CDBG	-	-	-	749,776	749,776
Redevelopment Projects	-	315,402	-	-	315,402
State Housing Initiatives	-	-	-	150,981	150,981
Grant-Administration	-	-	-	1,016,435	1,016,435
Impact Fees-Capital Improv.	-	-	2,077,883	-	2,077,883
PSFRD-Capital Improv.	-	-	59,729	-	59,729
Park Improvements	-	-	723,975	-	723,975
Special Projects	-	-	1,318,989	-	1,318,989
Capital Improvement:					
Roads	-	-	600,000	-	600,000
Theatre Restoration	-	-	140,090	-	140,090
Committed to:					
Budget Appropriations	836,909	-	-	-	836,909
Assigned to:					
10% Reserve Policy	3,890,961	-	-	-	3,890,961
Art in Public Places	-	-	4,583	-	4,583
Advances to Other Funds	-	-	-	1,590,178	1,590,178
Unassigned:	4,518,827	-	-	-	4,518,827
	<u>\$ 9,650,552</u>	<u>\$ 328,200</u>	<u>\$ 4,925,249</u>	<u>\$ 4,375,362</u>	<u>\$ 19,279,363</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, 2018, the abated taxes related to the distribution center were approximately \$161,000.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018 are as follows:

Business-type activities:

Cash and investments:	
Customer deposits	\$ 177,335
	<u>177,335</u>

The restricted assets of the **FPUA** (a component unit) as of September 30, 2018, are as follows:

Cash and investments:	
Principal and interest on debt service	\$ 6,778,184
Capital Improvement charges	4,151,629
Debt service	5,456,825
Emergency reserve	900,000
Renewal and replacement reserve	500,000
Customer security deposits	8,280,173
	<u>26,066,811</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, 2018, 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. There were no amounts payable to the FPRA at September 30, 2018. The amount paid by FPUA in FY 2018 is \$1,000. The work concluded and the final cost will be reevaluated based on the actual amounts received through Voluntary Cleanup Tax Credits.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE Y- NONEXCHANGE FINANCIAL GUARANTEES

At September 30, 2018 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 February 1, 2021. 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, 2018 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2018. Management has performed their analysis through March 7, 2019, the date the financial statements were available for issuance.

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REQUIRED SUPPLEMENTARY INFORMATION

- ◆ **GASB Statement 75**
- ◆ **GASB Statement 67**
- ◆ **GASB Statement 68**



City of Fort Pierce, Florida
GASB STATEMENT 75 REQUIREMENT SUPPLEMENTARY INFORMATION
City of Ft. Pierce Other Post Employment Benefits
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
September 30, 2018
(Unaudited)

Primary Government	
	<u>2018</u>
Total OPEB Liability:	
Service cost	\$ 107,243
Interest	78,531
Benefit change	-
Difference between actual & expected experience	31,535
Assumption changes	(71,941)
Benefit payments	<u>(170,274)</u>
Net Change in Total OPEB Liability	(24,906)
Total OPEB Liability-Beginning	<u>2,275,258</u>
Total OPEB Liability-Ending (a)	<u><u>\$ 2,250,352</u></u>
Covered Payroll	17,543,452
Net OPEB Liability as a Percentage of Covered Payroll	12.83%
Component Unit-FPUA	
Service cost	\$ 19,960
Interest	33,195
Benefit change	-
Difference between actual & expected experience	(50,737)
Assumption changes	-
Implicit rate subsidy	<u>(40,626)</u>
Net Change in Total OPEB Liability	(38,208)
Total OPEB Liability-Beginning	<u>894,506</u>
Total OPEB Liability-Ending (a)	<u><u>\$ 856,298</u></u>
Covered Payroll	15,838,042
Net OPEB Liability as a Percentage of Covered Payroll	5.41%

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

City of Fort Pierce, Florida

GASB STATEMENT 75 REQUIREMENT SUPPLEMENTARY INFORMATION

City of Ft. Pierce Other Post Employment Benefits

Schedule of Changes in the City's Net OPEB Liability and Related

Ratios September 30, 2018

(Unaudited)

ACTUARIAL ASSUMPTIONS AND METHODS

Valuation date	September 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, open 30-year period
Wage Inflation	2.5%
Salary increases	General : 4.0% to 6%, including inflation Police; 4% to 8%
Retirement Age	Age and service-based tables that are specific to the type of eligibility
Mortality	The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP_2000 Mortality Tables with projection scale BB.
Health Care	
Trend Rates	Trend starting at 9.0% and gradually decreasing to an ultimate trend rate of
Aging Factors	4.0% Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"
Expenses	Administrative expenses are included in the premium costs

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, 2018

	2018	2017	2016	2015	2014
Total Pension Liability:					
Service cost	\$ 4,568,028	\$ 4,587,528	\$ 4,329,645	\$ 4,044,804	\$ 4,049,351
Interest	16,278,951	15,490,335	14,668,388	14,241,759	13,874,945
Benefit change	-	-	-	-	-
Difference between actual & expected experience	521,525	344	(620,021)	-	(500,696)
Assumption changes	-	9,957,279	5,168,979	-	(335,946)
Benefit payments	(13,781,354)	(13,426,539)	(13,376,671)	(12,528,070)	(11,877,048)
Refunds	-	-	-	(287,469)	(307,836)
Net Change in Total Pension Liability	7,587,150	16,608,947	10,170,320	5,471,024	4,902,770
Total Pension Liability-Beginning	214,657,642	198,048,695	187,878,375	182,407,351	177,504,581
Total Pension Liability-Ending (a)	\$222,244,792	\$ 214,657,642	\$ 198,048,695	\$ 187,878,375	\$ 182,407,351
Plan Fiduciary Net Position:					
Contributions-employer	\$ 4,909,654	\$ 4,565,884	\$ 4,211,311	\$ 4,093,268	\$ 4,356,127
Contributions-member	1,690,811	1,669,207	1,533,510	1,473,091	1,493,529
Net investment income	19,626,060	19,013,825	16,472,191	2,984,072	16,939,786
Benefit payments	(13,781,354)	(13,426,539)	(13,376,671)	(12,528,070)	(11,877,048)
Refunds	-	-	-	(287,469)	(307,836)
Administrative expense	(207,265)	(209,251)	(217,891)	(176,341)	(199,552)
Other	(46,756)	(45,031)	(50,240)	(44,893)	(47,555)
Net Change in Plan Fiduciary Net Position	12,191,150	11,568,095	8,572,210	(4,486,342)	10,357,451
Plan Fiduciary Net Position-Beginning	194,774,112	183,206,017	174,633,807	179,120,149	168,762,698
Plan Fiduciary Net Position-Ending (b)	\$206,965,262	\$ 194,774,112	\$ 183,206,017	\$ 174,633,807	\$ 179,120,149
Net Pension Liability-Ending (a) - (b)	15,279,530	19,883,530	14,842,678	13,244,568	3,287,202
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.12%	90.74%	92.51%	92.95%	98.20%
Covered Payroll	30,176,465	29,789,176	27,295,114	26,139,109	26,380,878
Net Pension Liability as a Percentage of Covered Payroll	50.63%	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, 2018
 (Unaudited)

CITY OF FT. PIERCE
SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Employer's Proportion of the Net Pension Liability(Asset)	7,871,592	9,793,225	8,187,612	7,716,429
Employer's Proportionate share of the Net Pension Liability(Asset)	51.52%	49.25%	55.16%	58.26%
Employer's Covered Payroll	16,775,936	16,580,599	14,786,848	13,707,805
Employer's Proportionate share of the Net Pension Liability(Asset) as a Percentage of Covered Payroll	46.92%	59.06%	55.37%	56.29%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.12%	90.74%	92.51%	92.95%

FORT PIERCE UTILITY AUTHORITY(component unit)
SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Employer's Proportion of the Net Pension Liability(Asset)	7,407,938	10,090,305	6,655,066	5,528,139
Employer's Proportionate share of the Net Pension Liability(Asset)	48.48%	50.75%	44.84%	41.74%
Employer's Covered Payroll	13,400,529	13,208,577	12,508,266	12,431,304
Employer's Proportionate share of the Net Pension Liability(Asset) as a Percentage of Covered Payroll	55.28%	76.39%	53.21%	44.47%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.12%	90.74%	92.51%	92.95%

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, 2018
 (Unaudited)

**CITY OF FT. PIERCE
 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	2,302,840	2,302,840	-	14,546,191	15.83%
9/30/2015	2,006,447	2,006,447	-	13,707,805	14.64%
9/30/2016	2,172,613	2,172,613	-	14,786,848	14.69%
9/30/2017	2,418,554	2,418,554	-	16,580,599	14.59%
9/30/2018	2,507,774	2,507,774	-	16,775,936	14.95%

**FORT PIERCE UTILITY AUTHORITY(component unit)
 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	2,053,287	2,053,287	-	11,834,687	17.35%
9/30/2015	2,086,821	2,086,821	-	12,431,304	16.79%
9/30/2016	2,038,699	2,038,699	-	12,508,266	16.30%
9/30/2017	2,147,330	2,147,330	-	13,208,577	16.26%
9/30/2018	2,401,880	2,401,880	-	13,400,529	17.92%

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, 2018
 (Unaudited)

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, 2016
Asset valuation method	4-year smoothed market
Wage Inflation	4.0%
Salary increases	General & Utilities Authority; 4.0% to 6.5%, including inflation Police; 4.0% to 8.0%
Investment rate of return	7.75%
Long-term municipal bond rate	3.83%
Retirement Age	Age and service-based tables that are specific to the type of eligibility condition.
Mortality	The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
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, 2018
 (Unaudited)

SCHEDULE OF INVESTMENT RETURNS MULTIYEAR*

	Annual Return
Annual money-weighted rate of return, net of investment expense:	
Fiscal year ending September 30, 2014	10.48%
Fiscal year ending September 30, 2015	1.75%
Fiscal year ending September 30, 2016	9.86%
Fiscal year ending September 30, 2017	11.79%
Fiscal year ending September 30, 2018	9.38%

* 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, 2018

	2018	2017	2016	2015	2014
Total Pension Liability:					
Service cost	\$ 548,415	\$ 492,850	\$ 498,450	\$ 498,038	\$ 592,432
Interest	1,067,784	1,000,403	952,685	916,626	861,104
Benefit change	-	-	-	-	-
Difference between actual & expected experience	297,338	206,823	(66,499)	(158,912)	(9,847)
Assumption changes	-	(155,930)	-	-	305,956
Benefit payments	(637,505)	(566,773)	(540,270)	(561,863)	(729,776)
Refunds	(95,647)	(40,689)	(293,992)	(121,468)	(132,922)
Net Change in Total Pension Liability	1,180,385	936,684	550,374	572,421	886,947
Total Pension Liability-Beginning	14,546,221	13,609,537	13,059,163	12,486,742	11,599,795
Total Pension Liability-Ending (a)	\$15,726,606	\$14,546,221	\$13,609,537	\$13,059,163	\$12,486,742
Plan Fiduciary Net Position:					
Contributions-employer	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions-Employer(State)	367,113	329,933	302,837	265,449	248,113
Contributions-member	502,051	487,044	471,774	452,740	449,881
Net investment income	780,019	1,130,702	1,000,576	(232,886)	896,529
Benefit payments	(637,505)	(566,773)	(540,270)	(561,863)	(729,776)
Refunds	(95,647)	(40,689)	(293,992)	(121,468)	(132,922)
Administrative expense	(35,078)	(34,525)	(36,110)	(30,114)	(65,371)
Other	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	880,953	1,305,692	904,815	(228,142)	666,454
Plan Fiduciary Net Position-Beginning	13,973,711	12,668,019	11,763,204	11,991,346	11,324,892
Plan Fiduciary Net Position-Ending (b)	\$14,854,664	\$13,973,711	\$12,668,019	\$11,763,204	\$11,991,346
Net Pension Liability-Ending (a) - (b)	871,942	572,510	941,518	1,295,959	495,396
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.46%	96.06%	93.08%	90.08%	96.03%
Covered Payroll	7,172,157	6,957,771	6,739,629	6,450,909	6,426,871
Net Pension Liability as a Percentage of Covered Payroll	12.16%	8.23%	13.97%	20.09%	7.71%

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

City of Fort Pierce, Florida
REQUIREMENT SUPPLEMENTARY INFORMATION
Municipal Police Officers' Retirement Trust Fund
September 30, 2018
(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%
9/30/2018	200,820	367,113	(166,293)	7,172,157	5.12%

* 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, 2017
Measurement date	September 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	21 years (single equivalent amortization period)
Asset valuation method	4-year smoothed market
Inflation rate	2.5%
Salary increases	3.5% to 6.5% depending on completed years of service, including inflation
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 required under Chapter 112.63, Florida Statutes.

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, 2018
(Unaudited)

SCHEDULE OF INVESTMENT RETURNS MULTIYEAR*

	Annual Return
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%
Fiscal year ending September 30, 2018	6.47%

* 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



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GENERAL FUND

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



City of Fort Pierce, Florida
**SCHEDULE OF GENERAL FUND REVENUES AND
OTHER FINANCING SOURCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**
Year ended September 30, 2018

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Taxes			
Ad valorem	\$ 14,870,530	\$ 15,118,042	\$ 15,118,042
General sales and use	1,925,000	2,129,418	2,129,418
Franchise	4,025,000	4,332,987	4,332,987
	<u>20,820,530</u>	<u>21,580,447</u>	<u>21,580,447</u>
Licenses and permits			
Occupational licenses	275,000	347,273	347,273
Other	86,500	263,463	263,463
	<u>361,500</u>	<u>610,736</u>	<u>610,736</u>
Intergovernmental revenue			
State grants	-	133,063	133,063
Federal grants	-	2,169,941	2,169,941
State shared revenue	2,949,000	3,492,011	3,492,011
State retirement contribution	260,000	367,113	367,113
County shared revenue	50,000	43,427	43,427
	<u>3,259,000</u>	<u>6,205,555</u>	<u>6,205,555</u>
Charges for services			
General government	216,700	301,457	301,457
Physical environment	33,000	81,260	81,260
	<u>249,700</u>	<u>382,717</u>	<u>382,717</u>
Fines and forfeitures			
Court cases	73,500	11,758	11,758
Code violation	144,500	500,379	500,379
	<u>218,000</u>	<u>512,137</u>	<u>512,137</u>
Other			
Contributions from component unit	7,040,848	6,138,645	6,138,645
Investment income	65,000	322,784	322,784
Rents	54,746	55,615	55,615
Administrative and contractual services	550,000	651,372	651,372
Reimbursements by other funds	1,486,000	1,035,996	1,035,996
Special assessments	10,000	14,644	14,644
Impact fees	-	32,822	32,822
Miscellaneous	102,600	417,209	417,209
	<u>9,309,194</u>	<u>8,669,087</u>	<u>8,669,087</u>
Total revenues	34,217,924	37,960,679	37,960,679
Other financing sources			
Transfers in	2,683,710	3,986,919	3,986,919
Capital lease issuance	-	1,865,490	1,865,490
Total other financing sources	<u>2,683,710</u>	<u>5,852,409</u>	<u>5,852,409</u>
Total revenues, other financing sources,	<u>\$ 36,901,634</u>	<u>\$ 43,813,088</u>	<u>\$ 43,813,088</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, 2018

	Budgeted Amounts		Actual
	Original	Final	
Expenditures			
General Government			
Legislative			
City Commission	\$ 239,208	\$ 250,047	\$ 250,047
Executive			
City Manager	567,103	570,597	570,597
City Clerk	330,926	309,689	309,689
Financial and administrative			
General administration	5,251,069	7,665,877	7,665,877
Finance	833,699	851,871	851,871
MIS	1,129,314	1,097,546	1,097,546
Purchasing	258,451	236,929	236,929
Human Resources	492,035	547,543	547,543
Legal counsel			
City Attorney	725,698	714,215	714,215
Comprehensive planning			
Planning	505,246	484,179	484,179
Public works			
Director	96,228	131,465	131,465
Garage	589,999	595,659	595,659
Building maintenance	948,509	1,142,954	1,142,954
	<u>11,967,485</u>	<u>14,598,571</u>	<u>14,598,571</u>
Public safety			
Law enforcement			
Police	5,125,000	5,135,113	5,135,113
Police- Operations	7,633,168	7,944,196	7,944,196
Police- Support Operations	1,250,000	1,222,659	1,222,659
Code Enforcement	948,661	1,153,061	1,153,061
	<u>14,956,829</u>	<u>15,455,029</u>	<u>15,455,029</u>
Transportation			
Road and street facilities			
Engineering	1,223,747	1,017,629	1,017,629
Street maintenance	1,803,549	2,056,949	2,056,949
	<u>3,027,296</u>	<u>3,074,578</u>	<u>3,074,578</u>
Culture and recreation			
Parks and recreation	2,025,903	2,121,685	2,121,685
Riverwalk Center	171,202	337,374	337,374
	<u>2,197,105</u>	<u>2,459,059</u>	<u>2,459,059</u>
Total expenditures	32,148,715	35,587,237	35,587,237
Other financing uses			
Transfers out	4,737,484	4,744,944	4,744,944
Total expenditures and other financing uses	<u>\$ 36,886,199</u>	<u>\$ 40,332,181</u>	<u>\$ 40,332,181</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.

◆ **Hurricane Housing Recovery Grant Fund**

This fund is used to account for hurricane housing assistance program revenue, down payment assistance, rehabilitation assistance and donation grants.

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**

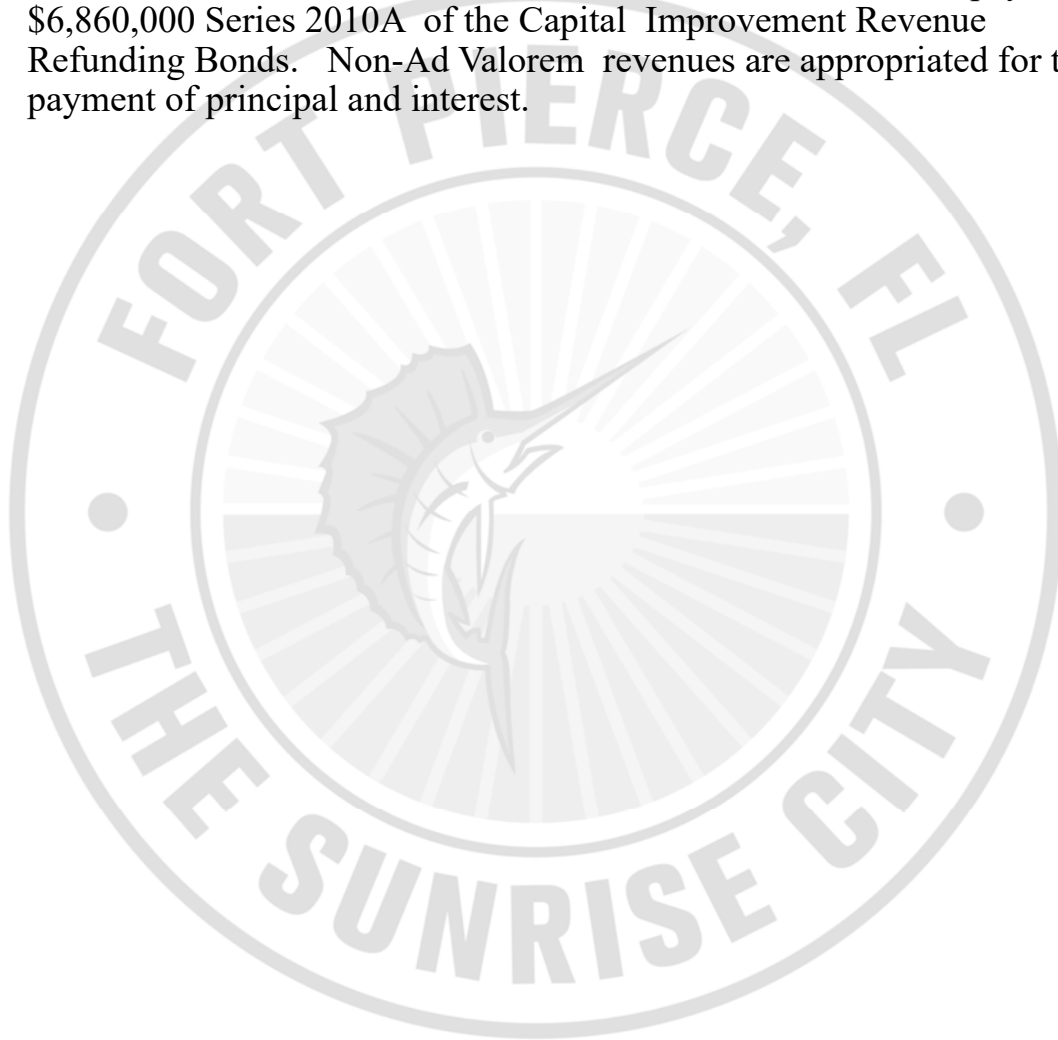
This fund is used to account for the accumulation of monies to pay \$1,435,000 of financing used to purchase radios. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2016-2023.
- ◆ **Capital Lease**

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

NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

DEBT SERVICE FUNDS (CONT'D.)

- ◆ **Capital Improvement Revenue Refunding Note Fund, Series 2018**
This fund is used to account for the accumulation of monies to pay \$6,860,000 Series 2010A of the Capital Improvement Revenue Refunding Bonds. Non-Ad Valorem revenues are appropriated for the payment of principal and interest.



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City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 2,204,210	\$ 757,718	\$ 2,961,928
Accounts Receivable	35,345	-	35,345
Advance to other funds	-	1,590,178	1,590,178
Due from other governments	156,880	-	156,880
Prepays	1,463	-	1,463
Notes Receivable	1,842,609	-	1,842,609
	<u>\$ 4,240,507</u>	<u>\$ 2,347,896</u>	<u>\$ 6,588,403</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 62,092	\$ -	\$ 62,092
Due to other funds	308,370	-	308,370
	<u>370,462</u>	<u>-</u>	<u>370,462</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	1,842,579	-	1,842,579
FUND BALANCES			
Nonspendable	1,463	-	1,463
Restricted	2,026,003	757,718	2,783,721
Assigned	-	1,590,178	1,590,178
	<u>2,027,466</u>	<u>2,347,896</u>	<u>4,375,362</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,240,507</u>	<u>\$ 2,347,896</u>	<u>\$ 6,588,403</u>

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**
Year ended September 30, 2018

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$ 976,366	\$ -	\$ 976,366
Fines and forfeitures	40,008	-	40,008
Investment income	37,500	99,856	137,356
Miscellaneous	176,145	-	176,145
Total revenues	1,230,019	99,856	1,329,875
Expenditures			
Current			
Public safety	476,873	-	476,873
Economic environment	1,106,833	-	1,106,833
Capital Outlay	15,000	-	15,000
Debt service			
Principal	-	4,742,039	4,742,039
Interest and fees	-	2,444,222	2,444,222
Other	-	113,527	113,527
Total expenditures	1,598,706	7,299,788	8,898,494
Excess of revenues over (under) expenditures	(368,687)	(7,199,932)	(7,568,619)
Other financing sources (uses)			
Transfers in	149,864	6,554,992	6,704,856
Debt issuance	-	5,003,520	5,003,520
Payment on Advance Refunding	-	(4,893,218)	(4,893,218)
Transfers out	-	(24,344)	(24,344)
Total other financing sources (uses)	149,864	6,640,950	6,790,814
Net change in fund balances	(218,823)	(558,982)	(777,805)
Fund balance - beginning of year	2,246,289	2,906,878	5,153,167
Fund balance - end of year	\$ 2,027,466	\$ 2,347,896	\$ 4,375,362

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2018

	Police Grants Fund	Law Enforcement Trust Fund	State Housing Initatives Program (S.H.I.P.)
ASSETS			
Cash and investments	\$ 235,555	\$ 99,986	\$ 183,704
Accounts Receivable	20,000	-	-
Due from other governments	67,174	-	-
Prepaid Expenses	1,324	-	-
Notes receivable	-	-	28,589
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 324,053</u>	<u>\$ 99,986</u>	<u>\$ 212,293</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 5,746	\$ -	\$ 32,700
Due to other funds	308,158	-	23
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>313,904</u>	<u>-</u>	<u>32,723</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	28,589
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES			
Nonspendable	1,324	-	-
Restricted	8,825	99,986	150,981
Total fund balances	<u>10,149</u>	<u>99,986</u>	<u>150,981</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 324,053</u>	<u>\$ 99,986</u>	<u>\$ 212,293</u>

Community Development Block Grant	Hurricane Housing Recovery Grant Fund	Total Nonmajor Special Revenue Funds
\$ 658,007	\$ 1,026,958	\$ 2,204,210
15,295	50	35,345
89,706	-	156,880
91	48	1,463
<u>280,128</u>	<u>1,533,892</u>	<u>1,842,609</u>
<u>\$ 1,043,227</u>	<u>\$ 2,560,948</u>	<u>\$ 4,240,507</u>
\$ 13,073	\$ 10,573	\$ 62,092
189	-	308,370
<u>13,262</u>	<u>10,573</u>	<u>370,462</u>
<u>280,098</u>	<u>1,533,892</u>	<u>1,842,579</u>
91	48	1,463
749,776	1,016,435	2,026,003
<u>749,867</u>	<u>1,016,483</u>	<u>2,027,466</u>
<u>\$ 1,043,227</u>	<u>\$ 2,560,948</u>	<u>\$ 4,240,507</u>

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**
Year ended September 30, 2018

	Police Grants Fund	Law Enforcement Trust Fund	State Housing Initiatives Program (S.H.I.P.)
Revenues			
Intergovernmental	\$ 263,508	\$ -	\$ 185,644
Fines and forfeitures	-	40,008	-
Investment income	-	1,770	5,631
Miscellaneous	80,000	-	6,000
Total revenues	343,508	41,778	197,275
Expenditures			
Current			
Public safety	468,873	8,000	-
Economic environment	-	-	494,071
Capital outlay	-	-	-
Total expenditures	468,873	8,000	494,071
Excess of revenues over (under) expenditures	(125,365)	33,778	(296,796)
Other financing sources (uses)			
Transfers in	135,514	-	-
Total other financing sources (uses)	135,514	-	-
Net change in fund balances	10,149	33,778	(296,796)
Fund balance - beginning of year	-	66,208	447,777
Fund balance - end of year	\$ 10,149	\$ 99,986	\$ 150,981

Community Development Block Grant	Hurricane Housing Recovery Grant Fund	Total Non-Major Special Revenue Funds
\$ 455,340	\$ 71,874	\$ 976,366
-	-	40,008
12,968	17,131	37,500
46,645	43,500	176,145
<u>514,953</u>	<u>132,505</u>	<u>1,230,019</u>
-	-	476,873
504,919	107,843	1,106,833
15,000	-	15,000
<u>519,919</u>	<u>107,843</u>	<u>1,598,706</u>
(4,966)	24,662	(368,687)
<u>14,350</u>	<u>-</u>	<u>149,864</u>
14,350	-	149,864
9,384	24,662	(218,823)
<u>740,483</u>	<u>991,821</u>	<u>2,246,289</u>
<u>\$ 749,867</u>	<u>\$ 1,016,483</u>	<u>\$ 2,027,466</u>

City of Fort Pierce, Florida

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
POLICE GRANTS FUND**

Year ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 866,449	\$ 263,508	\$ 263,508	\$ -
Other	-	80,000	80,000	-
Total revenues	<u>866,449</u>	<u>343,508</u>	<u>343,508</u>	<u>-</u>
Expenditures				
Current				
Economic environment	587,149	468,873	468,873	-
Capital outlay	<u>329,300</u>	-	-	-
Total expenditures	<u>916,449</u>	<u>468,873</u>	<u>468,873</u>	<u>-</u>
Excess of revenues over expenditures	(50,000)	(125,365)	(125,365)	-
Other financing sources (uses)				
Transfers in	<u>50,000</u>	<u>135,514</u>	<u>135,514</u>	<u>-</u>
Total other financing sources (uses)	50,000	135,514	135,514	-
Net change in fund balances	-	10,149	10,149	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 10,149</u>	<u>\$ 10,149</u>	<u>\$ -</u>

City of Fort Pierce, Florida

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
STATE HOUSING INITIATIVES PROGRAM(SHIP)
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 260,000	\$ 185,644	\$ 185,644	\$ -
Investment income	500	5,631	5,631	-
Other	470,974	6,000	6,000	-
Total revenues	<u>731,474</u>	<u>197,275</u>	<u>197,275</u>	<u>-</u>
Expenditures				
Current				
Economic environment	<u>731,474</u>	<u>494,071</u>	<u>494,071</u>	<u>-</u>
Total expenditures	<u>731,474</u>	<u>494,071</u>	<u>494,071</u>	<u>-</u>
Excess of revenues over expenditures	-	(296,796)	(296,796)	-
Net change in fund balances	-	(296,796)	(296,796)	-
Fund balance - beginning of year	<u>447,777</u>	<u>447,777</u>	<u>447,777</u>	<u>-</u>
Fund balance - end of year	<u>\$ 447,777</u>	<u>\$ 150,981</u>	<u>\$ 150,981</u>	<u>\$ -</u>

City of Fort Pierce, Florida

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

Year ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 477,456	\$ 455,340	\$ 455,340	\$ -
Investment income	1,000	12,968	12,968	-
Other	467,082	46,645	46,645	-
Total revenues	<u>945,538</u>	<u>514,953</u>	<u>514,953</u>	<u>-</u>
Expenditures				
Current				
Economic environment	970,715	504,919	504,919	-
Capital outlay	-	15,000	15,000	-
Total expenditures	<u>970,715</u>	<u>519,919</u>	<u>519,919</u>	<u>-</u>
Excess of revenues over expenditures	(25,177)	(4,966)	(4,966)	-
Other financing sources (uses)				
Transfers in	<u>25,177</u>	<u>14,350</u>	<u>14,350</u>	<u>-</u>
Total other financing sources (uses)	25,177	14,350	14,350	-
Net change in fund balances	-	9,384	9,384	-
Fund balance - beginning of year	<u>740,483</u>	<u>740,483</u>	<u>740,483</u>	<u>-</u>
Fund balance - end of year	<u>\$ 740,483</u>	<u>\$ 749,867</u>	<u>\$ 749,867</u>	<u>\$ -</u>

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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 71,874	\$ 71,874	\$ -
Investment income	250	17,131	17,131	-
Other	269,250	43,500	43,500	-
Total revenues	<u>269,500</u>	<u>132,505</u>	<u>132,505</u>	<u>-</u>
Expenditures				
Current				
Economic environment	269,500	107,843	107,843	-
Total expenditures	<u>269,500</u>	<u>107,843</u>	<u>107,843</u>	<u>-</u>
Excess of revenues over expenditures	-	24,662	24,662	-
Net change in fund balances	-	24,662	24,662	-
Fund balance - beginning of year	<u>991,821</u>	<u>991,821</u>	<u>991,821</u>	<u>-</u>
Fund balance - end of year	<u>\$ 991,821</u>	<u>\$ 1,016,483</u>	<u>\$ 1,016,483</u>	<u>\$ -</u>

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2018

	Capital Improvement Revenue 2008	Capital Improvement Refunding 2010	Capital Improvement Revenue 2014	Section 108 Loan	Fort Pierce Redevelopment Refunding 2015
ASSETS					
Cash and investments	\$ 3,423	\$ 451	\$ 158,367	\$ 100,900	\$ 487,346
Advance to other funds	-	-	-	1,590,178	-
Total Assets	<u>\$ 3,423</u>	<u>\$ 451</u>	<u>\$ 158,367</u>	<u>\$ 1,691,078</u>	<u>\$ 487,346</u>
LIABILITIES AND FUND BALANCES					
FUND BALANCES					
Restricted	3,423	451	158,367	100,900	487,346
Assigned	-	-	-	1,590,178	-
Total fund balance	<u>3,423</u>	<u>451</u>	<u>158,367</u>	<u>1,691,078</u>	<u>487,346</u>
Total liabilities and fund balance	<u>\$ 3,423</u>	<u>\$ 451</u>	<u>\$ 158,367</u>	<u>\$ 1,691,078</u>	<u>\$ 487,346</u>

Capital Improvement Refunding 2015	Capital Improvement Note A 2016	Capital Improvement Note B 2016	Capital Improvement Note C 2016	Capital Lease	Capital Improvement Refunding 2018	Total Nonmajor Debt Service Funds
\$ 1,043	\$ 17	\$ 93	\$ -	\$ -	\$ 6,078	\$ 757,718
-	-	-	-	-	-	1,590,178
<u>\$ 1,043</u>	<u>\$ 17</u>	<u>\$ 93</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,078</u>	<u>\$ 2,347,896</u>
1,043	17	93	-	-	6,078	757,718
-	-	-	-	-	-	1,590,178
<u>1,043</u>	<u>17</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>6,078</u>	<u>2,347,896</u>
<u>\$ 1,043</u>	<u>\$ 17</u>	<u>\$ 93</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,078</u>	<u>\$ 2,347,896</u>

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE**
NONMAJOR DEBT SERVICE FUNDS
 Year Ended September 30, 2018

	Capital Improvement Revenue 2008	Capital Improvement Refunding 2010	Capital Improvement Revenue 2014	Section 108 Loan	Fort Pierce Redevelopment Refunding 2015
Revenues					
Investment income	\$ 10,689	\$ 4,024	\$ 3,785	\$ 57,115	\$ 14,215
Expenditures					
Debt service					
Principal	1,065,000	325,000	330,347	283,000	1,610,000
Interest and fees	63,656	229,673	152,606	49,212	897,382
Other	850	2,427	-	-	6,000
Total expenditures	1,129,506	557,100	482,953	332,212	2,513,382
Excess of revenues over (under) expenditures	(1,118,817)	(553,076)	(479,168)	(275,097)	(2,499,167)
Other financing sources (uses)					
Transfers in	1,128,656	549,514	201,231	-	2,507,440
Debt issuance	-	-	-	-	-
Payment on Advance Refunding	-	-	-	-	-
Transfers out	(7,342)	-	-	-	-
Total other financing sources (uses)	1,121,314	549,514	201,231	-	2,507,440
Net change in fund balances	2,497	(3,562)	(277,937)	(275,097)	8,273
Fund balances - beginning of year	926	4,013	436,304	1,966,175	479,073
Fund balances - end of year	<u>\$ 3,423</u>	<u>\$ 451</u>	<u>\$ 158,367</u>	<u>\$ 1,691,078</u>	<u>\$ 487,346</u>

Capital Improvement Refunding 2015	Capital Improvement Note A 2016	Capital Improvement Note B 2016	Capital Improvement Note C 2016	Capital Lease	Capital Improvement Refunding 2018	Total Nonmajor Debt Service Funds
\$ 8,875	\$ 350	\$ 777	\$ -	\$ -	\$ 26	\$ 99,856
455,000	110,000	45,000	195,000	261,693	61,999	4,742,039
891,447	49,300	23,793	29,023	8,958	49,172	2,444,222
-	-	-	-	-	104,250	113,527
1,346,447	159,300	68,793	224,023	270,651	215,421	7,299,788
(1,337,572)	(158,950)	(68,016)	(224,023)	(270,651)	(215,395)	(7,199,932)
1,337,778	155,735	68,793	224,023	270,651	111,171	6,554,992
-	-	-	-	-	5,003,520	5,003,520
-	-	-	-	-	(4,893,218)	(4,893,218)
-	-	(17,002)	-	-	-	(24,344)
1,337,778	155,735	51,791	224,023	270,651	221,473	6,640,950
206	(3,215)	(16,225)	-	-	6,078	(558,982)
837	3,232	16,318	-	-	-	2,906,878
\$ 1,043	\$ 17	\$ 93	\$ -	\$ -	\$ 6,078	\$ 2,347,896

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STATISTICAL SECTION



A-1 STATISTICAL TABLES

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

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

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

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

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

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

MISCELLANEOUS STATISTICS

September 30, 2018

Date of Incorporation:	February 2, 1901	City of Fort Pierce Population:	
Adoption of City Charter:	1957	1940	8,040
Form of Govt:	Commission/City Manager	1950	13,502
Fiscal Year:	October 1, 2017 through September 30, 2018	1960	25,113
Area:	35.05 square miles as of 9/30/2018	1970	29,721
		1980	33,802
Number of Employees:	643.0	1990	36,830
City	365.0	2000	38,401
Utilities Authority	278.0	2010	41,590
Police Protection:		Recreation:	
Number of Stations	2	Acres of Public Parks	294.3
Number of Arresting Personnel	119	Miles of Public Beach	2.3
		Baseball Practice Fields	23
Fire Protection:		Basketball Courts	11
(County wide)		Boat Ramps	10
Number of Stations	17	Football Fields	1
Number of Firemen & Officers	389	Playgrounds	12
		Municipal Pools	2
Infrastructure:		Racquetball/Handball Courts	2
City Buildings	23	Shuffleboard Courts	1
Cemeteries (not City owned)	5	Tennis Courts	18
City Bridges	15		
*Vehicle	6	Utilities Customers:	
*Pedestrian	9	Electric	28,300
Traffic Lights	211	Water	20,220
*Flashing Lights	32	Wastewater	15,100
*Traffic & Caution Lights	179	Natural Gas	4,130
Street Lights	5,313		
Miles of:		County Schools Enrollment:	
*Paved Streets	152.4	ESE (all grades)	5,863
*Unpaved Streets	3.0	Elementary , Non ESE	15,482
Total Streets	155.4	Middle , Non ESE	8,130
Canals	10.1	High School , Non ESE	10,685
Curbs and Gutters	121.4	Total Enrollment	40,160
Seawalls	1.1		
Sidewalks	113.2	Solid Waste Customers:	
Storm Sewers	74.7	Commercial	1,792
Building Permits New Construction:	67	Residential	12,073
Construction Valuation	\$ 26,892,731	Public	32

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

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

	Fiscal Year			
	2018	2017	2016	2015
Governmental activities				
Net invested in capital assets	\$ 41,656,393	\$ 41,206,642	\$ 39,077,396	\$ 37,055,350
Restricted	2,347,896	2,906,878	5,300,896	6,911,826
Unrestricted	6,103,498	2,817,495	4,960,007	5,825,232
Adjustment to record net pension liability	*			
Adjustment to record net OPEB liability	**	(1,017,916)		
Total governmental activities net Position	\$ 50,107,787	\$ 45,913,099	\$ 49,338,299	\$ 49,792,408
Business type activities				
Net invested in capital assets	\$ 68,117,114	\$ 68,530,285	\$ 69,349,261	\$ 72,258,131
Restricted	-	-	-	-
Unrestricted	685,832	180,432	1,271,085	4,277,533
Adjustment to record net pension liability	*			
Adjustment to record net OPEB liability	**	(216,887)		
Total business-type activities net Position	\$ 68,802,946	\$ 68,493,830	\$ 70,620,346	\$ 76,535,664
Primary Government				
Net invested in capital assets	\$ 109,773,507	\$ 109,736,927	\$ 108,426,657	\$ 109,313,481
Restricted	2,347,896	2,906,878	5,300,896	6,911,826
Unrestricted	6,789,330	2,997,927	6,231,092	10,102,765
Adjustment to record net pension liability	*	*		
Adjustment to record net OPEB liability	**	(1,234,803)		
Total primary government net Position	\$ 118,910,733	\$ 114,406,929	\$ 119,958,645	\$ 126,328,072

Source: Statement of Net Position

* Implementation of GASB 68

** Implementation of GASB 75

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 34,114,524	\$ 32,136,904	\$ 30,700,782	\$ 31,066,247	\$ 28,668,343	\$ 36,179,711
7,644,201	3,612,651	4,469,991	7,448,269	7,448,269	6,262,950
9,166,286	12,820,034	14,694,145	13,854,615	18,329,988	13,913,684
(1,761,220)					
<u>\$ 49,163,791</u>	<u>\$ 48,569,589</u>	<u>\$ 49,864,918</u>	<u>\$ 52,369,131</u>	<u>\$ 54,446,600</u>	<u>\$ 56,356,345</u>
\$ 66,234,195	\$ 65,104,588	\$ 53,122,423	\$ 44,669,243	\$ 45,408,923	\$ 40,490,367
-	-	-	-	-	-
13,349,535	12,551,494	13,672,962	13,960,371	10,201,851	12,419,077
(270,999)					
<u>\$ 79,312,731</u>	<u>\$ 77,656,082</u>	<u>\$ 66,795,385</u>	<u>\$ 58,629,614</u>	<u>\$ 55,610,774</u>	<u>\$ 52,909,444</u>
\$ 100,348,719	\$ 97,241,492	\$ 83,823,205	\$ 75,735,490	\$ 77,472,266	\$ 76,670,078
7,644,201	3,612,651	4,469,991	7,448,269	7,448,269	6,262,950
22,515,821	25,371,528	28,367,107	27,814,986	25,868,516	26,332,761
(2,032,219)					
<u>\$ 128,476,522</u>	<u>\$ 126,225,671</u>	<u>\$ 116,660,303</u>	<u>\$ 110,998,745</u>	<u>\$ 110,789,051</u>	<u>\$ 109,265,789</u>

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

	Fiscal Year			
	2018	2017	2016	2015
Expenses				
Government activities:				
General government	\$ 12,453,169	\$ 12,679,532	\$ 10,188,059	\$ 9,615,174
Public Safety	16,341,557	16,426,201	15,293,734	15,130,557
Transportation	6,382,606	6,224,923	5,868,560	5,729,773
Economic Environment	1,526,508	1,104,259	1,262,385	1,513,335
Culture and recreation	2,773,173	2,529,937	2,153,169	2,206,744
Interest of long-term debt	2,891,268	3,567,822	4,624,442	3,778,626
Total government activities expenses	<u>\$ 42,368,281</u>	<u>\$ 42,532,674</u>	<u>\$ 39,390,349</u>	<u>\$ 37,974,209</u>
Business-type activities				
Solid Waste	\$ 6,745,265	\$ 6,235,640	\$ 5,689,842	\$ 5,708,431
Marina	4,180,073	4,078,834	3,512,275	3,344,558
Storm Water	3,275,415	5,202,294	7,939,853	5,658,447
Golf Course	1,432,238	1,553,141	1,510,721	1,574,074
Sunrise Theater	3,832,927	4,376,238	4,595,335	4,440,222
Building Fund	1,632,847	1,304,815	1,194,096	1,175,458
Total business-type activities	<u>\$ 21,098,765</u>	<u>\$ 22,750,962</u>	<u>\$ 24,442,122</u>	<u>\$ 21,901,190</u>
Total primary government expenses	<u><u>\$ 63,467,046</u></u>	<u><u>\$ 65,283,636</u></u>	<u><u>\$ 63,832,471</u></u>	<u><u>\$ 59,875,399</u></u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,581,796	\$ 2,127,748	\$ 1,180,822	\$ 1,107,288
Public Safety	915,607	402,673	559,349	478,889
Transportation	580,770	299,620	246,932	116,573
Economic Environment	6,452,713	6,883,000	7,296,531	6,047,847
Culture and recreation	425,848	254,567	166,683	177,797
Operating grants and contributions	3,922,855	1,422,785	385,082	1,823,584
Capital grants and contributions		-	-	527,089
Total governmental activities program revenue:	<u>\$ 13,879,589</u>	<u>\$ 11,390,393</u>	<u>\$ 9,835,399</u>	<u>\$ 10,279,067</u>
Business-type activities				
Charges for services:				
Solid Waste	\$ 7,806,315	\$ 6,676,775	\$ 6,544,120	\$ 6,376,443
Marina	3,635,137	3,729,402	2,856,262	2,196,705
Storm Water	2,691,049	2,724,106	2,708,419	3,259,131
Golf Course	1,127,258	979,461	1,235,869	1,373,744
Sunrise Theater	2,415,352	2,765,443	3,342,281	3,539,762
Building Fund	2,158,592	1,369,165	1,360,416	1,231,122
Operating grants and contributions	1,433,973	712,500	-	-
Capital grants and contributions	351,428		407,561	1,959,954
Total business-type activities	<u>\$ 21,619,104</u>	<u>\$ 18,956,852</u>	<u>\$ 18,454,928</u>	<u>\$ 19,936,861</u>
Total primary government revenues	<u><u>\$ 35,498,693</u></u>	<u><u>\$ 30,347,245</u></u>	<u><u>\$ 28,290,327</u></u>	<u><u>\$ 30,215,928</u></u>
Net (Expense) Revenue				
Governmental activities	(28,488,692)	(31,142,281)	(29,554,950)	(27,695,142)
Business-type activities	<u>\$ 520,339</u>	<u>\$ (3,794,110)</u>	<u>\$ (5,987,194)</u>	<u>\$ (1,964,329)</u>
Total primary government net expenses	<u><u>\$ (27,968,353)</u></u>	<u><u>\$ (34,936,391)</u></u>	<u><u>\$ (35,542,144)</u></u>	<u><u>\$ (29,659,471)</u></u>

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ 9,098,006	\$ 9,073,474	\$ 9,368,691	\$ 9,578,646	\$ 11,039,863	\$ 12,967,795	
14,753,228	14,305,679	13,758,635	13,353,710	14,614,487	16,893,985	
6,071,542	6,263,011	6,277,776	6,347,717	7,375,759	6,647,625	
1,110,448	1,774,472	3,361,379	2,040,019	6,075,167	7,863,601	
2,522,271	2,231,912	2,268,586	2,321,424	2,548,710	2,642,486	
3,754,510	3,727,940	3,821,411	3,841,700	3,680,658	4,001,465	
<u>\$ 37,310,005</u>	<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>	
\$ 5,264,288	\$ 4,974,739	\$ 5,440,958	\$ 5,486,548	\$ 5,245,043	\$ 4,747,297	
2,610,077	2,605,281	2,155,455	2,353,376	2,300,594	2,233,160	
6,130,795	3,368,903	3,241,933	3,182,318	2,648,312	2,578,157	
1,587,070	1,658,894	1,610,301	1,600,742	1,908,161	1,933,926	
4,080,883	4,223,143	4,173,135	3,816,102	3,845,893	4,017,465	
1,014,511	1,004,080	951,656	997,636	915,411	-	
<u>\$ 20,687,624</u>	<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>\$ 57,997,629</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>	
\$ 489,335	\$ 1,578,442	\$ 451,139	\$ 695,767	\$ 1,320,108	\$ 2,396,587	
391,592	434,898	335,806	338,144	480,040	1,120,931	
87,391	28,068	18,850	102,831	124,853	121,646	
3,904,780	4,876,129	5,021,998	5,565,047	9,151,126	293,568	
200,402	126,687	133,913	132,696	721,037	10,167	
4,169,400	1,013,850	2,968,721	1,977,408	3,228,715	12,358,009	
3,599,755	1,635,302	1,311,204	659,333	510,645	2,966,734	
<u>\$ 12,842,655</u>	<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>	
\$ 6,264,167	\$ 6,348,420	\$ 6,139,701	\$ 6,078,244	\$ 6,177,815	\$ 6,079,811	
1,737,088	1,800,958	1,920,455	1,626,788	1,531,036	1,551,310	
2,707,758	2,598,840	2,679,764	2,720,486	2,608,393	2,599,139	
1,417,093	1,418,505	1,439,569	1,350,526	1,373,150	1,471,253	
2,959,181	2,887,153	3,066,474	2,625,109	2,156,753	2,211,941	
1,276,557	1,053,183	845,845	976,606	1,044,916	-	
-	-	-	-	4,727,554	3,825,307	
7,142,646	13,354,340	10,145,196	4,046,662	-	4,208,215	
<u>\$ 23,504,490</u>	<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>\$ 36,347,145</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>	
(24,467,350)	(27,683,112)	(28,614,847)	(28,011,990)	(29,798,120)	(31,749,315)	
<u>\$ 2,816,866</u>	<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>\$ (21,650,484)</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>	

General Revenues and Other Changes in Net Position

	Fiscal Year			
	2018	2017	2016	2015
Governmental Activities:				
Taxes				
Ad valorem tax	\$ 15,118,042	\$ 13,973,397	\$ 13,171,397	\$ 11,882,126
General Sales and use tax	2,129,418	2,059,076	2,082,894	2,072,741
Utility service and franchise	4,332,987	4,314,862	4,261,492	4,209,187
State Revenue Sharing	1,445,623	1,392,722	1,323,800	1,282,595
Additional one-cent sales tax	1,898,973	1,776,224	1,666,089	1,603,223
Unrestricted grants and contributions	367,113	329,933	302,837	265,449
Component unit transfer	6,138,645	5,968,785	5,809,302	5,735,240
Miscellaneous	412,663	417,715	201,096	259,054
Investment earnings	530,441	312,404	305,599	166,607
Special Item-Sale of Land		-	-	-
Transfers	309,475	(1,810,121)	(23,665)	847,537
Total government activities	<u>\$ 32,683,380</u>	<u>\$ 28,734,997</u>	<u>\$ 29,100,841</u>	<u>\$ 28,323,759</u>
Business-type activities				
Investment earnings	\$ 98,252	\$ 74,360	\$ 48,211	\$ 34,799
Insurance proceeds-unrestricted				
Miscellaneous				
Transfers	(309,475)	1,810,121	23,665	(847,537)
Total business-type activities	<u>\$ (211,223)</u>	<u>\$ 1,884,481</u>	<u>\$ 71,876</u>	<u>\$ (812,738)</u>
Total primary government	<u>\$ 32,472,157</u>	<u>\$ 30,619,478</u>	<u>\$ 29,172,717</u>	<u>\$ 27,511,021</u>
Change in Net Position				
Governmental Activities	\$ 4,194,688	\$ (2,407,284)	\$ (454,109)	\$ 628,617
Business-type activities	309,116	(1,909,629)	(5,915,318)	(2,777,067)
Total primary government	<u>\$ 4,503,804</u>	<u>\$ (4,316,913)</u>	<u>\$ (6,369,427)</u>	<u>\$ (2,148,450)</u>

Source: Statement of Activities

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ 11,958,161	\$ 10,082,823	\$ 10,009,972	\$ 11,144,640	\$ 11,867,277	\$ 14,476,029	
2,084,479	2,183,003	2,268,673	2,326,799	2,334,521	2,523,926	
4,213,534	4,456,865	4,708,357	4,656,869	4,771,753	4,886,723	
1,211,575	1,166,983	1,153,572	1,149,797	1,146,272	1,148,859	
1,495,885	1,378,666	1,330,114	1,387,116	1,333,339	1,353,418	
248,113	249,148	241,799	241,312	262,634	276,943	
5,605,157	5,365,879	4,767,268	4,925,280	4,853,329	5,045,811	
91,884	346,124	196,028	202,640	286,804	237,912	
193,528	243,884	191,827	194,349	249,136	273,147	
-	-	-	-	-	-	
815,331	914,408	1,243,024	(294,281)	783,310	512,889	
<u>\$ 27,917,647</u>	<u>\$ 26,387,783</u>	<u>\$ 26,110,634</u>	<u>\$ 25,934,521</u>	<u>\$ 27,888,375</u>	<u>\$ 30,735,657</u>	
\$ 44,148	\$ 64,567	\$ 79,883	\$ 87,750	\$ 122,060	\$ 142,244	
	84,179	665,346	-	-	-	
(815,331)	(914,408)	(1,243,024)	654,803	606,377	613,547	
<u>\$ (771,183)</u>	<u>\$ (765,662)</u>	<u>\$ (497,795)</u>	<u>\$ 1,036,834</u>	<u>\$ (54,873)</u>	<u>\$ 242,902</u>	
<u>\$ 27,146,464</u>	<u>\$ 25,622,121</u>	<u>\$ 25,612,839</u>	<u>\$ 26,971,355</u>	<u>\$ 27,833,502</u>	<u>\$ 30,978,559</u>	
\$ 3,450,297	\$ (1,295,329)	\$ (2,504,213)	\$ (2,077,469)	\$ (1,909,745)	\$ (1,013,658)	
2,045,683	10,860,697	8,165,771	3,024,533	2,701,330	6,679,873	
<u>\$ 5,495,980</u>	<u>\$ 9,565,368</u>	<u>\$ 5,661,558</u>	<u>\$ 947,064</u>	<u>\$ 791,585</u>	<u>\$ 5,666,215</u>	

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

	Fiscal Year			
	**2018	2017	2016	2015
General Fund				
Nonspendable	\$ 403,855	\$ 347,570	\$ 316,714	\$ 74,213
Restricted	-	-	-	-
Committed	836,909	710,407	550,000	550,000
Assigned	3,890,961	3,688,620	3,582,326	3,582,326
Unassigned	4,518,827	1,423,048	403,281	255,096
Unreserved	-	-	-	-
Total General Fund	\$ 9,650,552	\$ 6,169,645	\$ 4,852,321	\$ 4,461,635
All Other Government Funds				
Special Revenue:				
Restricted	\$ 7,262,071	\$ 6,068,627	\$ 4,445,596	\$ 2,493,441
Nonspendable	14,261	12,067	16,573	-
Assigned	4,583	4,584	184,984	184,984
Committed	-	-	-	290,254
Debt Service:				
Restricted	757,718	1,019,095	2,974,093	3,750,413
Assigned	1,590,178	1,887,820		
Capital projects:				
Restricted	-	-	2,326,803	3,161,413
Total all other governmental funds	\$ 9,628,811	\$ 8,992,193	\$ 9,948,049	\$ 9,880,505
Total governmental and general funds	\$ 19,279,363	\$ 15,161,838	\$ 14,800,370	\$ 14,342,140

* Implementation of GASB 54 in 2011

* * Implementation of GASB 74 in 2018

Source: Balance Sheet Governmental Funds

Fiscal Year						
2014	2013	2012	* 2011	2010	2009	
\$ 295,821	\$ 78,134	\$ 260,206	\$ 415,980	\$ -	\$ -	
-	-	-	-	-	-	
723,134	1,219,933	1,219,933	894,680	-	-	
3,404,652	3,232,604	3,232,604	3,222,160	-	-	
(126,374)	(286,355)	95,628	565,717	-	-	
-	-	-	-	4,149,368	4,525,073	
<u>\$ 4,297,233</u>	<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>	
\$ 2,339,723	\$ 1,184,459	\$ 1,434,093	\$ 1,867,420	\$ 2,196,502	\$ 662,216	
18,429	1,084	16,437	16,591	-	-	
184,984	190,062	190,062	190,062	-	-	
130,783	946,613	544,490	567,140	-	-	
3,722,988	991,103	1,561,513	2,168,777	3,416,600	2,492,069	
3,921,213	2,621,548	2,908,478	3,077,881	4,031,669	8,225,425	
<u>\$ 10,318,120</u>	<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>\$ 14,615,353</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>	

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

	Fiscal Year			
	2018	2017	2016	2015
Revenues				
Taxes	\$ 21,580,447	\$ 20,347,337	\$ 19,515,783	\$ 18,164,053
Licenses, fees and permits	907,438	390,963	374,499	435,346
Intergovernmental	13,198,242	10,448,502	9,899,947	10,661,557
Charges for services	382,717	285,520	288,911	261,508
Fines and penalties	552,145	189,139	301,765	245,930
Contributions from component units	6,138,645	5,968,785	5,809,302	5,735,240
Investment earnings	530,441	312,404	305,599	166,607
Other revenues	3,730,516	5,476,101	5,088,808	3,656,005
Total revenues	<u>\$ 47,020,591</u>	<u>\$ 43,418,751</u>	<u>\$ 41,584,614</u>	<u>\$ 39,326,246</u>
Expenditures				
General government	12,259,917	12,538,429	10,409,135	10,013,455
Public safety	15,608,843	15,253,746	13,870,188	13,873,313
Transportation	3,074,578	3,068,423	2,747,800	2,684,573
Economic environment	1,435,852	1,021,717	1,182,662	1,434,987
Culture and recreation	2,444,590	2,217,612	1,902,214	1,948,803
Capital outlay	3,032,948	3,263,816	3,253,508	3,575,611
Debt service:				
Principal	4,742,039	4,289,252	3,788,108	3,151,895
Interest	2,476,039	3,107,687	3,935,165	3,760,086
Other	113,527	71,193	552,254	4,273
Total expenditures	<u>\$ 45,188,333</u>	<u>\$ 44,831,875</u>	<u>\$ 41,641,034</u>	<u>\$ 40,446,996</u>
Excess of Revenues over and (under) expenditures	<u>\$ 1,832,258</u>	<u>\$ (1,413,124)</u>	<u>\$ (56,420)</u>	<u>\$ (1,120,750)</u>
Other Financing sources (Uses)				
Transfers in	\$ 10,966,769	\$ 15,746,154	\$ 10,826,011	\$ 13,675,604
Transfers out	(10,657,294)	(17,560,935)	(10,982,301)	(12,828,067)
Issuance of debt/Capital Lease	6,869,010	3,589,373	-	-
Discount on issuance of debt		-	-	-
Proceeds from refunding			59,370,000	-
Total other financing		-	-	-
Payment on Current Refunding			(17,400,000)	-
Payment on Advance Refunding	(4,893,218)		(41,299,060)	-
Total sources (uses)	<u>\$ 2,285,267</u>	<u>\$ 1,774,592</u>	<u>\$ 514,650</u>	<u>\$ 847,537</u>
Special Item-Sale of Land				
Net change in fund balances	<u>\$ 4,117,525</u>	<u>\$ 361,468</u>	<u>\$ 458,230</u>	<u>\$ (273,213)</u>
Debt service as a percentage of non capital expenditures	17.1%	17.8%	20.1%	18.7%

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ 18,256,174	\$ 16,722,691	\$ 16,987,002	\$ 18,128,308	\$ 18,973,552	\$ 21,886,678	
333,806	327,558	353,390	465,984	393,408	946,089	
15,104,540	11,384,520	11,338,211	9,157,273	12,180,543	16,068,886	
226,708	215,829	195,748	180,180	74,964	93,280	
202,277	222,445	193,114	207,067	350,920	521,193	
5,605,157	5,365,879	4,767,268	4,925,280	4,853,329	5,045,811	
193,528	243,884	196,028	202,640	286,804	237,912	
4,734,719	2,977,234	2,799,953	3,490,107	2,970,580	3,844,946	
\$ 44,656,909	\$ 37,460,040	\$ 36,830,714	\$ 36,756,839	\$ 40,084,100	\$ 48,644,795	
10,151,988	9,764,941	10,351,426	10,158,774	12,178,323	14,914,645	
14,032,891	13,453,506	12,972,368	12,555,394	13,918,785	16,191,118	
3,122,509	3,089,871	3,058,459	2,981,763	3,130,854	3,783,786	
1,033,042	1,735,007	3,277,492	1,944,850	6,042,952	7,759,398	
2,150,857	1,968,202	1,943,145	1,988,264	2,144,593	2,389,376	
10,185,718	3,765,513	2,383,608	2,118,083	3,642,606	6,236,137	
2,718,000	2,168,000	1,820,000	1,695,000	1,645,484	1,887,041	
3,647,762	3,709,460	3,761,440	3,813,474	3,644,993	3,821,412	
72,534	4,207	28,763	14,687	419,481	912,131	
\$ 47,115,301	\$ 39,658,707	\$ 39,596,701	\$ 37,270,289	\$ 46,768,071	\$ 57,895,044	
\$ (2,458,392)	\$ (2,198,667)	\$ (2,765,987)	\$ (513,450)	\$ (6,683,971)	\$ (9,250,249)	
\$ 14,954,554	\$ 11,239,805	\$ 10,639,613	\$ 6,319,305	\$ 13,083,132	\$ 18,338,952	
(14,139,223)	(10,325,397)	(9,396,589)	(6,613,586)	(12,313,489)	(17,105,170)	
-	-	-	-	459,099	-	
-	-	-	-	-	(450,795)	
6,079,229	-	-	-	11,308,143	29,840,000	
-	-	-	-	-	-	
-	-	-	-	(7,963,557)	(30,150,000)	
-	-	-	-	-	-	
\$ 6,894,560	\$ 914,408	\$ 1,243,024	\$ (294,281)	\$ 4,573,328	\$ 472,987	
\$ 4,436,168	\$ (1,284,259)	\$ (1,522,963)	\$ (807,731)	\$ (2,110,643)	\$ (8,777,262)	
17.2%	16.4%	15.0%	15.7%	12.3%	11.1%	

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

	Fiscal Year			
	2018	2017	2016	2015
Additions				
Employer	\$ 4,909,654	\$ 4,565,884	\$ 4,211,312	\$ 4,093,268
Employees	2,192,861	2,156,251	2,005,283	1,925,831
State	367,113	329,933	302,837	265,449
Other			-	-
Investment income (net of expenses)	\$ 20,351,634	\$ 20,081,849	\$ 17,392,106	\$ 2,511,123
Total additions to plan net position	\$ 27,821,262	\$ 27,133,917	\$ 23,911,538	\$ 8,795,671
Deductions				
Benefit payments	\$ 14,170,078	\$ 13,736,690	\$ 13,389,859	\$ 12,959,826
Refunds	344,428	298,276	786,340	408,937
Administrative expenses	215,247	206,760	204,174	153,522
Other expenses	19,406	19,406	19,406	21,601
Total deductions from plan net position	\$ 14,749,159	\$ 14,261,132	\$ 14,399,779	\$ 13,543,886
Change in net position	\$ 13,072,103	\$ 12,872,785	\$ 9,511,759	\$ (4,748,215)

Source: Combining Statement of Changes in Fiduciary Funds Net Position

		Fiscal Year									
		2014	2013	2012	2011	2010	2009				
\$	4,356,127	\$	4,266,803	\$	3,566,751	\$	3,181,446	\$	3,377,350	\$	3,580,089
	1,943,411		1,920,330		1,874,591		1,738,084		1,929,755		2,168,561
	248,113		249,148		241,799		241,312		262,634		276,943
	-		-		-		-		-		-
\$	17,721,192	\$	21,583,070	\$	26,881,779	\$	1,482,590	\$	14,806,065	\$	4,352,746
\$	24,268,843	\$	28,019,351	\$	32,564,920	\$	6,643,432	\$	20,375,804	\$	10,378,339
\$	12,606,823	\$	11,993,098	\$	10,874,268	\$	10,413,658	\$	9,727,760	\$	7,160,364
	440,758		585,930		346,839		274,419		496,099		443,021
	176,528		134,550		129,911		141,620		198,932		186,494
	20,829		19,416		18,992		19,122		18,218		18,479
\$	13,244,938	\$	12,732,994	\$	11,370,010	\$	10,848,819	\$	10,441,009	\$	7,808,358
\$	11,023,905	\$	15,286,357	\$	21,194,910	\$	(4,205,387)	\$	9,934,795	\$	2,569,981

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

Fiscal Year Ended September 30,	Real Property	Personal Property	Centrally Assessed Property
2018	\$ 2,807,904,420	\$ 200,953,767	\$ 11,459,927
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

Less: Exemption	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 777,135,485	\$ 2,243,131,859	6.9000
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

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

Fiscal Year	County Parks MSTU	Co Public Transit MSTU	Erosion District E	Law Enf. Jail, Judicial Sys	Co General Revenue Fund	St. Lucie County Port Bond	Childrens Services Council	St Lucie Co Fire District
2018	0.2313	0.1269	0.0925	3.4538	4.1077	-	0.4765	3.0000
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

Source: St. Lucie County Property Appraisers Office

FL Inland Navigation Dist	City of Fort Pierce	County School District	Mosquito Control	S FL Water Mgmt District	Beach Bond	Environ Signif Land Bond	Everglades Construction Project	Total
0.0320	6.9000	6.5740	0.2164	0.3100	-	-	-	25.5211
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

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

Collected within the Fiscal Year of the Levy

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy
2018	\$ 16,142,879	\$ 15,686,319	97.17%
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%

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

Total Collections to Date

Collections in Subsequent Years	Amount	Percentage of Levy
\$ 178,690	\$ 15,865,010	98.28%
(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%

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

2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wal-Mart Stores East	60,027,074	1	2.67604%
Bellsouth Telecommunication % James D	39,864,551	2	1.77718%
HCA Attn: Tax Dept	27,762,873	3	1.23768%
Ehden NV C/O Fraga Properties	21,718,132	4	0.96821%
Lawnwood Medical Center % DuCharme	21,495,443	5	0.95828%
Destin Beach Inc % Carmela Bell	19,623,517	6	0.87483%
Landings Fort Pierce LLC	17,350,682	7	0.77350%
Treasure Cay Properties LLC	12,502,898	8	0.55739%
Woods Family Limited Ptnr II	12,247,838	9	0.54602%
CC Sands LLC	11,114,352	10	0.49548%
AT&T Florida			
Prime Homes at Portofino Land			
Riverfront Development LC			
Cornerstone Fort Pierce Dev			
Florida East Coast Railroad			
Orange Blossom Investment LLC			
Total	\$ 243,707,360		10.8646%
* Total assessed valuation is	\$ 2,243,131,859		

2009		
Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
18,677,114	10	0.6645%
39,936,768	1	1.4209%
25,687,266	7	0.9139%
37,261,113	4	1.3257%
38,098,571	2	1.3555%
37,656,277	3	1.3398%
26,691,154	5	0.9497%
26,428,949	6	0.9403%
20,687,616	8	0.7361%
19,545,698	9	0.6954%
<u>\$ 290,670,526</u>		<u>10.3420%</u>
 \$ 2,810,584,353		

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

Fiscal Year	State Revenue Sharing	1/2 Cent Sales Tax	Mobile Home License	Beverage License	Fuel Tax Refund	Total Receipts
2018	\$ 1,445,623	\$ 1,898,973	\$ 45,579	\$ 45,403	\$ 56,434	\$ 3,492,012
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

Source: City of Fort Pierce Finance Records

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

AGENCY	Fiscal Year			
	2018	2017	2016	2015
City of Fort Pierce				
CRA 1 (Res 82-25) *	53,285,719	50,541,442	47,636,647	48,076,622
CRA 2 (Res 95-89)	3,196,843	3,150,181	2,742,460	2,742,460
CRA 3 (Res 96-15)	4,085,487	3,942,324	3,853,477	3,853,477
CRA 4 (Res 01-98) *	673,134,776	632,670,747	589,287,949	592,159,262
CFP Total	733,702,825	690,304,694	643,520,533	646,831,821
St. Lucie County				
CRA 1 (Res 82-25) **	53,500,126	50,720,476	47,840,681	49,841,776
CRA 2 (Res 95-89)	3,196,843	3,150,181	2,742,460	2,742,460
CRA 3 (Res 96-15)	4,085,487	3,942,324	3,853,477	3,853,477
CRA 4 (Res 01-98) **	669,506,626	629,469,959	586,114,655	571,482,215
SLC Total	730,289,082	687,282,940	640,551,273	627,919,928

* City with historic but no senior exemption

** County with senior but no historic exemption

Fiscal Year					
2014	2013	2012	2011	2010	2009
49,234,611	51,157,598	54,952,729	56,168,470	70,131,326	62,234,031
2,591,500	2,477,100	2,590,239	2,820,864	3,011,140	3,468,650
3,173,700	3,467,600	3,832,104	3,822,122	3,985,240	4,547,200
561,639,632	561,948,017	577,410,385	609,706,475	705,029,914	869,644,929
616,639,443	619,050,315	638,785,457	672,517,931	782,157,620	939,894,810
49,765,511	52,074,098	55,982,929	57,710,070	71,885,126	64,496,546
2,591,500	2,477,100	2,590,239	2,820,864	3,011,140	3,468,650
3,173,700	3,467,600	3,832,104	3,822,122	3,985,240	4,547,200
558,849,211	559,212,624	574,247,439	606,278,371	701,361,001	866,035,908
614,379,922	617,231,422	636,652,711	670,631,427	780,242,507	938,548,304

City of Fort Pierce, Florida
Legal Debt Margin Information
September 30, 2018

	Fiscal Year			
	2018	2017	2016	2015
Debit Limit	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000
Total Net Debt Applicable to Limit * (1)	58,465,244	60,365,683	60,736,702	59,086,556
Debit Margin	\$ 8,534,756	\$ 6,634,317	\$ 6,263,298	\$ 7,913,444
Total net debt applicable to the limit as a percentage of debt limit	87.262%	90.098%	90.652%	88.189%

* 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.

City of Fort Pierce
Direct and Overlapping Governmental Activities Debt
September 30, 2018

Jurisdiction	Governmental Bonded Debt Outstanding	Percent Applicable to City*	Total Applicable to City
Overlapping Debt:			
St. Lucie County	156,603,963	13.54%	21,199,184
St. Lucie County District School Board**	<u>235,074,000</u>	12.86%	<u>30,239,271</u>
Overlapping Debt Totals	391,677,963		51,438,455
Direct Debt:			
City of Fort Pierce (1)	<u>69,666,987</u>	100.00%	<u>69,666,987</u>
Total direct and overlapping debt	<u><u>461,344,950</u></u>		<u><u>121,105,442</u></u>

Sources: St. Lucie County

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

** School Board: Exemptions for Economic Development and
 Additional Homestead are not included.

(1) City direct debt includes unamortized items

Sources: St. Lucie County School Board
 St. Lucie County Clerk of Court
 St. Lucie County Property Appraiser
 City of Fort Pierce Finance Department

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000
61,940,246	53,835,180	59,250,000	60,480,000	61,655,000	59,002,378
\$ 5,059,754	\$ 13,164,820	\$ 7,750,000	\$ 6,520,000	\$ 5,345,000	\$ 7,997,622
92.448%	80.351%	88.433%	90.269%	92.022%	88.063%

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

Governmental Activities

Fiscal Year	Redevelopment Bonds	Sales Tax Increment Bonds	Non-ad Valorum	Capital Leases
2018	\$ 26,435,000	\$ -	\$ 43,231,987	\$ 1,656,683
2017	28,045,000	-	45,720,773	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	-

Source: City of Fort Pierce Financial Statements

** Debt includes unamortized items

Business-Type Activities

	Marina	Storm water	Solid Waste	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$	5,230,204	\$ 11,942,374	\$ -	\$ 1,203,685	\$ 89,699,933	7.02%	1,968
	5,361,342	11,970,000	-	\$ 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

Pledged Revenue Coverage

Last Ten Fiscal Years

Governmental Activities

Non-ad Valorum Bonds

Fiscal Year	Revenue ¹		Less: Operating Expenses ²		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2018	\$	29,828,824	\$	19,680,890	\$	10,147,934	\$	1,244,692	\$	1,347,312	3.92
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

Redevelopment Bonds ³

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2018	\$	6,033,664	\$	3,179,060	\$	2,854,604	\$	2,884,000	\$	1,124,766	0.71
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

Sales Tax Increment Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2018	\$	1,898,973	\$	-	\$	1,898,973	\$	-	\$	-	-
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

*** No bonds outstanding

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

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

³ Funded by (TIF) Tax Increment Funds

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

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

Total operating expenses (less depr)

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

Business Activities ⁴

Marina Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2018	\$	3,646,597	\$	2,849,827	\$	796,770	\$	267,369	\$	174,335	1.80
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

Storm Water Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2018	\$	2,750,689	\$	1,612,191	\$	1,138,498	\$	-	\$	351,332	3.24
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

Solid Waste Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2018	\$	7,816,276	\$	6,220,620	\$	1,595,656	\$	***	\$	***	***
2017		6,680,064		5,926,721		753,343		***		30,446	***
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

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

Calendar Year	City of Ft. Pierce Population	Personal Income	Median Household Income *	School Enrollment**	Unemployment Rate
2018	45,581	1,277,407,525	28,025	40,160	5.9%
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%

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

** St. Lucie County School Board (Countywide)

Function / Program	Fiscal Year			
	2018	2017	2016	2015
Primary government:				
Government activities:				
General government	69.5	69.5	65.5	68.0
Public safety	174.0	170.5	166.5	167.0
Transportation	26.0	25.0	25.0	26.0
Economic environment	3.0	2.0	2.0	2.0
Culture and recreation	26.0	26.0	26.0	26.0
Total governmental activities	298.5	293.0	285.0	289.0
Business type activities				
Buidling Inspections	18.0	13.0	11.0	11.0
Marina	6.5	6.5	5.0	5.0
Solid Waste	33.0	33.0	33.0	33.0
Golf Course	2.0	12.5	12.5	13.0
Sunrise Theatre	7.0	7.0	7.0	7.0
Total Business type activities	66.5	72.0	68.5	69.0
Total all activities	365.0	365.0	353.5	358.0

Source: City of Fort Pierce Budget Document

* 2010 First year of collecting data

Fiscal Year					
2014	2013	2012	2011	2010	2009
69.0	69.0	71.0	70.0	73.0	94.0
164.0	164.0	155.0	165.0	168.0	203.0
26.0	26.0	26.0	26.0	30.0	39.0
2.0	6.0	8.0	6.0	8.0	8.0
26.0	26.0	26.0	26.0	27.0	29.0
287.0	291.0	286.0	293.0	306.0	373.0
12.0	12.0	12.0	12.0	13.0	*
5.0	6.0	6.0	5.0	5.0	7.0
33.0	34.0	34.0	34.0	31.0	32.0
13.0	16.0	16.0	16.0	21.0	20.0
6.0	8.0	8.0	7.0	7.0	9.0
69.0	76.0	76.0	74.0	77.0	68.0
356.0	367.0	362.0	367.0	383.0	441.0

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

Function/Program	Fiscal Year			
	2018	2017	2016	2015
Police/Code Enforcement				
Physical arrests	2,690	2,520	2,626	2,975
Parking Violations	593	316	433	341
Traffic Violations	2,895	3,310	6,496	9,984
Fire (County wide)				
Emergency responses	39,736	47,000	45,796	43,045
Fires calls	3,754	6,301	4,928	4,659
Refuse collections				
Refuse collected (tons per day)	137	134	124	133
Other public works				
Street resurfacing (miles)	2	2	2	1
Potholes repaired *	222	222	412	440
Parks and recreation				
Athletic fields permits issued	450	287	269	280
River Walk Center permits issued	101	91	97	85
Garden Club permits issued	59	65	57	48
Maravilla permits issued	90	82	86	92
Special Events	154	143	168	163
Old City Hall	39	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					
2014	2013	2012	2011	2010	2009
3,189	3,064	2,899	2,510	3,794	3,145
298	230	211	336	959	969
8,791	5,619	4,782	171	720	5,744
40,033	39,189	34,161	38,989	33,906	33,673
4,483	4,229	3,629	4,626	4,430	4,515
131	129	201	123	126	106
1	1	-	2	-	0
428	478	215	200	600	380
278	218	358	397	415	447
64	66	69	73	139	57
33	20	19	10	34	17
66	56	47	10	****	****
186	151	150	141	****	****
***	***	***	***	***	***

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

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Police				
Stations	2	2	3	3
Sworn Officers	119	121	115	115
Fire				
Stations	17	17	17	17
Firefighters	389	380	389	386
Refuse collections				
Commercial	1,792	1,786	1,751	1,730
Residential	12,073	11,993	12,173	11,871
Public	32	30	30	30
Other public works				
Streets (miles)	152	141	141	185
Streetlights	5,313	5,327	5,313	5,313
Traffic signals	211	211	211	211
Parks and recreations				
Acreage	294.3	294.3	294.3	294.3
Playgrounds	12	12	12	12
Baseball/football fields/basketball courts	35	35	35	35
Tennis/handball/racquetball/shuffleboard	21	21	21	21
Community Centers	2	2	2	2
Miles of public beach	2.3	2.3	2.3	2.3
Pools	2	2	2	2
Utility Customers				
Electric	28,300	28,300	28,100	28,096
Water	20,220	20,100	19,750	19,756
Wastewater	15,100	15,100	15,000	14,987
Natural Gas	4,130	4,150	4,225	4,223

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

* Parks Transferred to the City from St. Lucie County

Fiscal Year					
2014	2013	2012	2011	2010	2009
3	3	3	3	3	3
118	115	107	110	107	115
17	18	18	18	18	18
370	370	364	370	376	420
1,685	1,695	1,675	1,678	1,963	1,972
11,611	11,550	11,427	12,843	12,840	12,926
30	32	35	36	36	39
179	152	152	152	152	152
5,313	5,313	5,106	5,028	5,028	5,138
177	177	177	177	177	70
294.3	294.3	294.3	294.3	294.3	116.9
11	12	12	12	12	6
24	23	23	23	22	22
21	21	21	21	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
27,630	27,770	28,413	27,697	27,859	28,413
19,250	19,280	19,394	19,180	19,048	19,394
14,640	14,450	14,842	14,377	14,460	14,842
4,180	4,190	4,039	3,892	3,982	4,039

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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 7, 2019

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, 2018, 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 7, 2019.

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
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the year ended September 30, 2018

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures	Pass-Through to Sub- Recipients
<u>FEDERAL PROGRAMS:</u>				
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Program:</i>				
Community Development Block Grant Entitlement	14.218	B14-MC-12-0031	7,552	-
Community Development Block Grant Entitlement	14.218	B15-MC-12-0031	4,321	-
Community Development Block Grant Entitlement	14.218	B16-MC-12-0031	146,693	-
Community Development Block Grant Entitlement	14.218	B17-MC-12-0031	296,774	-
			455,340	-
<u>U.S. Department of Justice</u>				
<i>Direct Program:</i>				
Youth Gang Prevention	16.544	2016-VJV-FX-0002	102,593	-
Bullet Proof Vests	16.607		9,438	-
<i>Indirect Program:</i>				
<i>Passed through Florida Attorney General:</i>				
Victims of Crime Act	16.575	VOCA-2017-FPPD-00553	12,692	-
<i>Passed through Florida Department of Law Enforcement:</i>				
Stop Violence Against Women Formula Grant	16.588	18-8004-LE-INV	62,818	-
Edward Byrne Memorial Competitive Grant Prog.	16.571	2017-JAGC-STLU-1-F9-179	32,942	-
			220,483	-
Federal Environmental Protection Agency				
<i>Passed through Florida Department of Environmental protection:</i>				
Nonpoint Source Implementation Grants	66.460	GO417	25,000	-
U.S. Department of Interior				
<i>Passed through Florida Department of Environmental protection:</i>				
Sportfishing and Boating Safety Act	15.622	16074	175,713	-
<u>Federal Emergency Management Administration:</u>				
Emergency Mgmt- Hurricane Loss Mitigation Prog	97.036	17-PA-U5-10-66-01-126	177,573	-
Emergency Mgmt- Hurricane Loss Mitigation Prog	97.036	PA-00-10-66-01-165	611,987	-
			789,560	-
<u>U.S. Department of Agriculture Natural Resources Conservation Service</u>				
Emergency Watershed Protection Program	10.923	NR184209XXXXC002	1,351,574	-
			\$ 3,017,670	\$ -
<u>STATE PROJECTS:</u>				
<u>Florida Department of Transportation</u>				
Florida Highway Beautification	55.003	G0T02	\$ 16,000	-
Florida Shared-Use Nonmotorized Trail Network Prog.	55.038	G0J91	55,400	-
<u>Florida Housing Finance Agency:</u>				
State Housing Initiatives Partnership Program	40.901		185,444	-
<u>Executive Office of The Governor</u>				
Emergency Mgmt- Hurricane Loss Mitigation Prog	31.066	17-PA-U5-10-66-01-126	28,704	-
Emergency Mgmt- Hurricane Loss Mitigation Prog	31.066	PA-00-10-66-01-165	101,998	-
			\$ 387,546	\$ -

City of Fort Pierce, Florida
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the year ended September 30, 2018

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

To the City Council
City of Fort Pierce, Florida

March 7, 2019

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*, that could have a direct and material effect on each of its major federal awards programs for the year ended September 30, 2018. The City of Fort Pierce, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its Federal programs applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Fort Pierce, Florida's major Federal programs 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). Those standards, and the Uniform Guidance, requires that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program 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

In our opinion, the City of Fort Pierce, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Fort Pierce, Florida's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Accordingly, this report is not suitable for any other purpose.

A. Bartolomeo, M. Bee, Hartley & Barred

Certified Public Accountants
Fort Pierce, Florida

I. Summary of Auditor Findings

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

Federal Programs:

CFDA Number: 10.923 Emergency Watershed Protection Program

CFDA Number: 97.036 Emer. Mgmt Hurricane Loss Mitigation Program

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

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

II. Financial Statement Findings

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

III. Federal Program Findings and Questioned Costs

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

IV. Summary Schedule of Prior Audit Findings

There were no prior audit findings.

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

To the City Commission
Fort Pierce, Florida

March 7, 2019

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, 2018. 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, 2018.

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 7, 2019

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, 2018, and have issued our report thereon dated March 7, 2019, 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 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*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 7, 2019, 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.

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. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)3, Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts and grant agreements or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. 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

