

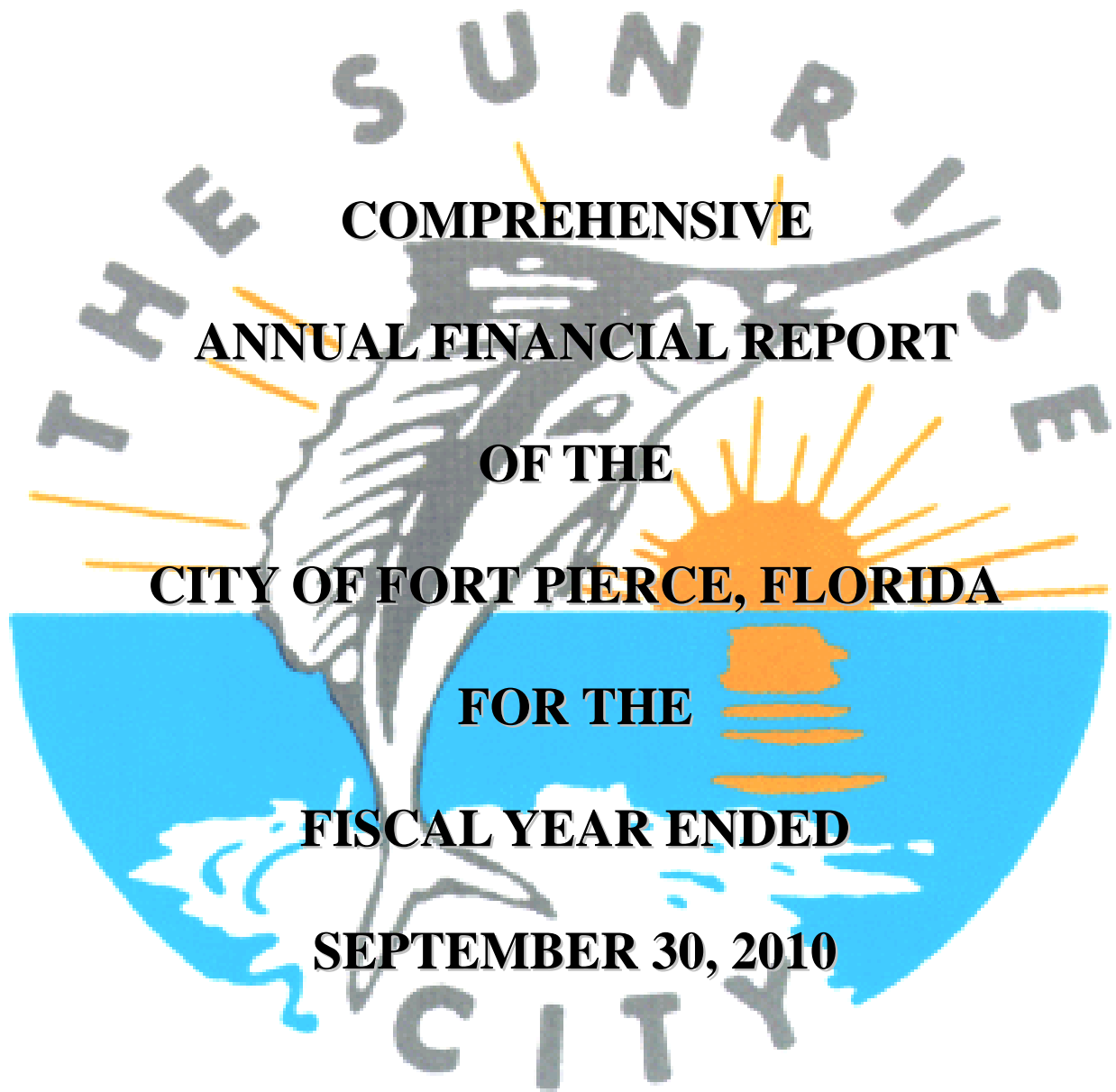


COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2010

City of Fort Pierce, Florida

**Prepared by
The Finance Department**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
CITY OF FORT PIERCE, FLORIDA
FOR THE
FISCAL YEAR ENDED
SEPTEMBER 30, 2010**

Prepared by:
Gloria J. Johnson, Director of Finance
The Finance Department

FORT PIERCE CITY HALL



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

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- ❖ Finance Director's Letter of Transmittal
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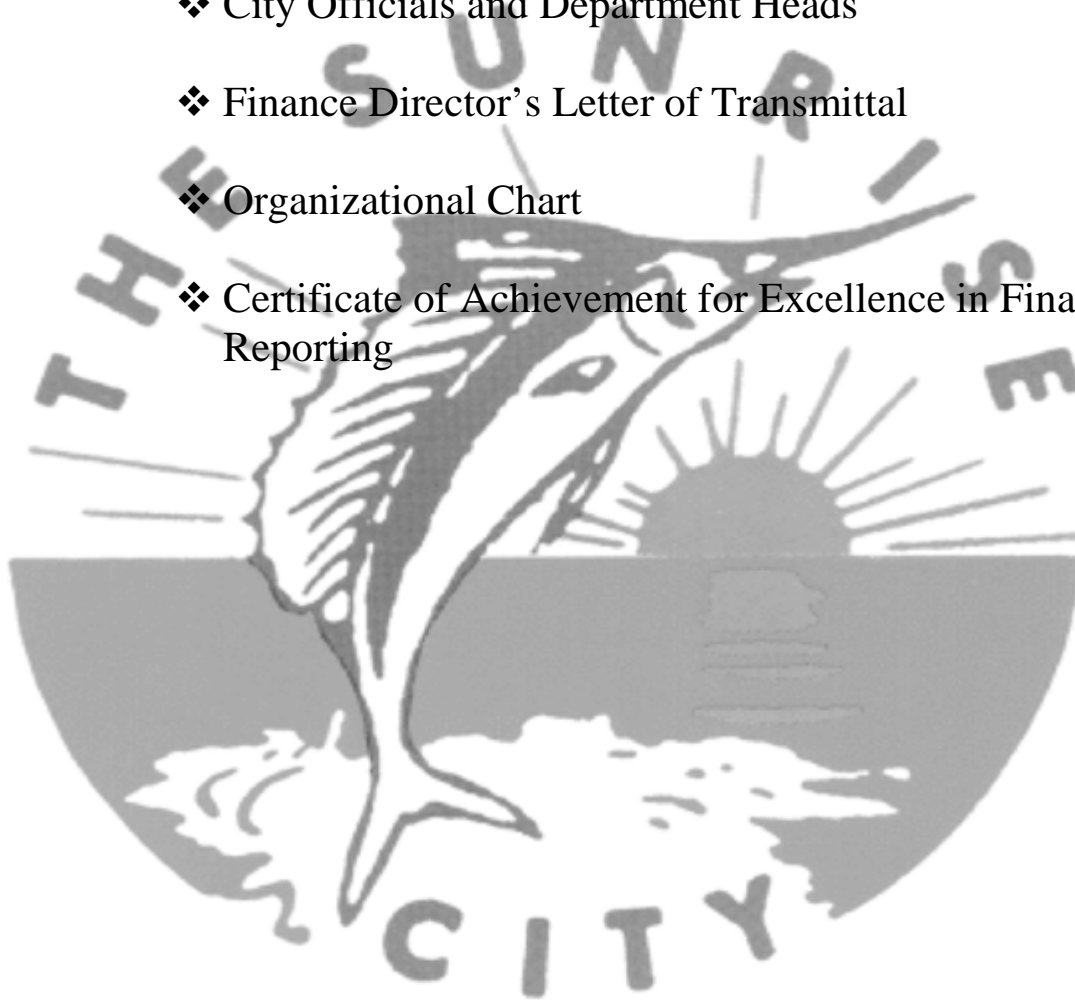




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CITY COMMISSION



Robert J. Benton III, Mayor



Rufus J. Alexander III



Edward Becht



Thomas K. Perona



Reginald Sessions

CITY OFFICIALS



David L. Recor



Robert V. Schwerer
City Attorney

Cassandra Steele
City Clerk

Mazella D. Smith, *Director of Administrative Services*

Gloria J. Johnson, *Director of Finance*

Samuel L. Barnes, *Director of Purchasing*

Matthew Margotta, *Director of Development/Planning*

Marc Meyers, *Building Official*

Jon Ward, *Director of Housing & Urban Redevelopment*

R. Sean Baldwin, *Chief of Police*

Nicholas Mimms, *Director of Public Works*

John R. Andrews, *City Engineer*

Nicholas Mimms, *Director of Solid Waste*

Dean Kubitschek, *Marina Manager*

Greg Martzolf, *Golf Course Director*

John Wilkes, *Director, Sunrise Theater*

Marjorie B. Gaskin, *Director of Management Information Systems*

DiBartolomeo, McBee, Hartley & Barnes, P.A.
City Auditors



OFFICE OF
DIRECTOR OF FINANCE
CITY HALL, 100 NORTH U.S. 1
P.O. BOX 1480
FORT PIERCE, FLORIDA 34954-1480

TEL. (772) 460-2200
FAX (772) 489-2594

March 30, 2011

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, 2010. 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, 2010, 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 unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2010, 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 the 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 29.04 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 41,590 residents. In addition, the City operates a solid waste enterprise activity, a marina, a golf course, a theatre, a stormwater utility fund and a building and code 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 Combined Financial Statement. The FPUA is reported in a separate column to emphasize that it is legally separate from the City.

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

Fort Pierce Retirement and Benefit System and the Municipal Police Officers' Retirement Trust Fund. The accounts of these two retirement plans are included in the financial statements as the General Employees' Pension Trust, and the Police Officers' Pension Trust. Both of the pension trust funds are governed by a separate Board of Trustees subject to the requirements of local ordinances and by applicable provisions of Florida Law which require participation in the respective governing

authorities by certain key City officials. Additional criteria include the scope of public service provided by organizations which exist for the benefit of the employees of the City of Fort Pierce.

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

Economic Condition and Outlook

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

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

The past five years the local economy has counted on construction as the number one industry in the county. However, with the downturn of the housing market this has created the greatest percentage of the unemployment rate.

The slowdown in the real estate market and the construction industry has had a significant impact on the local economy. The unemployment rate has been adversely impacted along with the revenues generated by the businesses associated with the real estate and construction activities.

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

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

The City continues its pursuit of an aggressive annexation program which in the past has increased the tax base, and also provided additional customers for the City's owned and operated utility systems. This year 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 city continues its commitment to the revitalization of the downtown area, commercial properties and residential neighborhoods. This year the City demolished an old electric utility plant in the downtown area. The City has been awarded a \$600,000 brownfill grant to clean-up the property. This

land is contemplated on being used to expand the City's existing Marina and or building a five star hotel. The City in partnership with a developer applied for a brownfill grant and Section 108 funding to complete phase one of a shopping center (Coral Square). The City applied for federal funds loaning the money to the developer for the clean-up and completion of the first phase and the repayment is due in three years. Another project was the Moores Creek project a multimillion dollar project it also created a beautiful walk-way and addressed stormwater, environmental and infrastructure issues associated with the creek. This project replaced 7 beautiful bridges that crossed the creek and a park with meandering walkways. This year marked the completion of the Moore's Creek Linear Park and Bridges projects along with the Coral Square development.

The 2010 budget had no funding for capital equipment or improvements. The budget with limited resources has not been able to support capital purchases in four years. The capital improvements constructed were through bond proceeds or grant funding. The City's long-term debt at 9/30/2010 was \$95,032,454.

2010-2011 Budget Issues

The City of Fort Pierce budget for fiscal 2011 faced a huge budget gap of \$5.2 million that seemed insurmountable. There were different strategies implemented to whittle the deficit to where current resources would be adequate to finance the reduced services to the City's citizenry. A Budget Committee was approved by the Commission to give recommendations as to how the deficit could be addressed. The committee suggested a number of recommendations and the budget was developed with 61% of the suggestions.

The ad valorem rate had to be maintained at 5.4567 and has been for the past four years. The City of Fort Pierce is not exempt from the effects of the declining economy. The City has experienced a 7% decrease in property value for operating purposes. The decline effected the ad valorem revenues received by the City in 2011, that amount was \$11,078,469; 1.5 million less than 2009 fiscal year.

One year after bidding our health insurance, the policy was rebid because of the 10% increase in the policy. The result of changing carriers amounted to a saving of approximately 400,000.

Another cost saving measure was to require all employees to take 96 hours or (12 days) furlough. The implementation of the furloughs closed the gap by \$815,000.

Refunding bonds were issued and the debt service requirements were structured to save the City 1.3 million annually for the next three years to give the budget some relief. Additionally there was a one time savings of 1.1 million in principle and interest scheduled to be paid however, was not required. This amount was used to supplement the budget.

Further saving was derived from the first year of implementation of the Deferred Retirement Option Plan (DROP). There were 26 employees who participated in plan. In doing so the City no longer has to make contribution to the retirement system. The City saved \$125,000 this year and it is anticipated to be more next year.

Reserve Policy

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

Fiscal Year	Budget	10% Reserve	Beginning Fund Balance
2010	35,649,407	3,564,941	4,525,073
2009	40,139,899	4,013,990	4,837,799

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, 2009. 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-two consecutive years. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

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

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

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,

Gloria J. Johnson
Director of Finance

GJJ/jsm



ORGANIZATIONAL CHART



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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

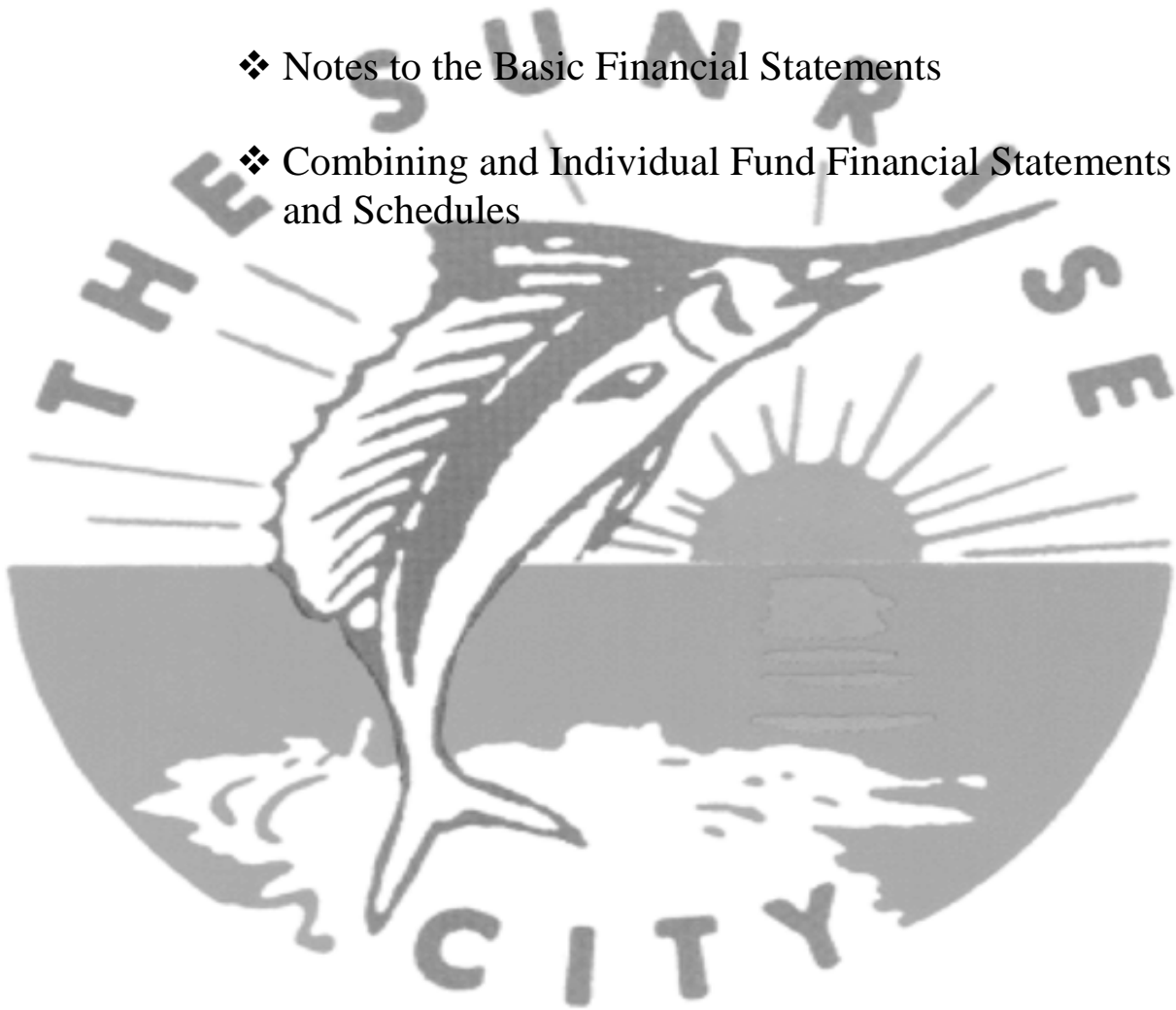


President

Executive Director

II. 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





DiBartolomeo, McBee, Hartley & Barnes, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the City Commission
Fort Pierce, Florida

March 30, 2011

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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Community Development Block Grant Fund, Community Redevelopment Agency Fund, and Hurricane Housing Recovery Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.


In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2011 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* and should be considered in assessing the results of our audit.

To the City Commission
Fort Pierce, Florida

March 30, 2011

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual fund statements, statistical tables, and other schedules listed in the Table of Contents section 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements of the City. The combining and individual fund financial statements, budgetary comparison information, schedule of expenditures of federals awards and state financial assistance, and other schedules listed in the Table of Contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is 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 on them.


Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fort Pierce (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2010. 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 \$110,057,374 of which \$54,446,600 is governmental and \$55,610,774 is the total for business-type activities.
- The City's revenues for Governmental Activities at year end were \$43,424,899 an 11.99% decrease before transfers in of \$783,310, and expenses were \$45,334,644 an 11.14% decrease. The expenses exceeded the revenues by \$1,909 million. The major revenue decrease from 2009 was 6.1 million; this can be attributed to a decrease in taxes (\$2.9 million) and (11.6 million) in operating and capital grants. Plus an increase of (8.6 million) in charges for services. The decrease in expenditures in comparison to last year was 5.6 million and the reduction was in all categories except long-term debt, in which there was an increase of .32 million. The expenditure decreases included general governmental expenditures (1.9 million), public safety (2.3 million), transportation (.7 million and culture and recreation (.09 million).
- Business-type funds revenues were \$20,348,054 a decrease of \$2,354,713 before transfers out (783,310), and expenses were \$16,863,414, 8.72% or (\$1,353,409) increase from the previous year.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$13,794,139, a decrease of \$2,110,644 a decrease of \$.04 million in General Fund, 3.3 million in debt service reserve and finally a 1.5 million increase in grant funding.

The long-term bonded debt of the City on 9/30/10 was \$95,032,454, an increase of 3.0%. The City of Fort Pierce received a \$3.395 million Section 108 Loan to assist a developer in building a shopping center and also refinanced an existing note with a refunding bond issue. 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 two different types of proprietary funds.

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$110,573,374 at the close of the most recent fiscal year.

Approximately 69.9% of the City's net assets reflect 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.

	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2009</u>		<u>2009</u>	
Current and other Assets	<u>29,137,063</u>	<u>28,470,457</u>	<u>13,464,457</u>	<u>16,232,780</u>	<u>43,332,897</u>	<u>44,703,237</u>
Capital Assets	<u>110,668,619</u>	<u>112,594,947</u>	<u>64,076,104</u>	<u>59,709,164</u>	<u>174,744,723</u>	<u>172,301,111</u>
Total Assets	<u>140,537,059</u>	<u>141,065,404</u>	<u>77,540,561</u>	<u>75,941,944</u>	<u>218,077,620</u>	<u>217,007,348</u>
Long-term Liabilities O/S	<u>80,014,970</u>	<u>77,333,104</u>	<u>18,645,195</u>	<u>18,927,332</u>	<u>98,660,165</u>	<u>96,260,436</u>
Other Liabilities	<u>5,343,812</u>	<u>7,375,955</u>	<u>3,284,592</u>	<u>4,105,168</u>	<u>8,628,404</u>	<u>11,481,123</u>
Total Liabilities	<u>85,358,782</u>	<u>84,709,059</u>	<u>21,929,787</u>	<u>23,032,500</u>	<u>107,288,569</u>	<u>107,741,559</u>
Net Assets:						
Invested in Capital Assets, Net of						
Related Debt	<u>28,668,343</u>	<u>36,179,711</u>	<u>45,408,923</u>	<u>40,490,367</u>	<u>77,472,266</u>	<u>76,670,078</u>
Restricted	<u>7,448,269</u>	<u>6,262,950</u>	<u>--</u>	<u>--</u>	<u>7,448,269</u>	<u>6,262,950</u>
Unrestricted	<u>18,329,988</u>	<u>13,913,684</u>	<u>10,201,851</u>	<u>12,419,077</u>	<u>25,868,516</u>	<u>26,332,761</u>
Total net Assets	<u>54,446,600</u>	<u>56,356,345</u>	<u>55,610,774</u>	<u>52,909,444</u>	<u>110,789,051</u>	<u>109,265,789</u>

The City's net assets increased by \$791,585 during the fiscal year. The net assets of the Governmental Funds decreased by \$1.9 million and business type funds increased by \$2.7 million. Assets of the Governmental Funds decreased \$0.53 million and liabilities increased by \$0.65 million. However, for the enterprise funds, the assets had an increase of 2% or approximately \$1.5 million and liabilities had a decrease of 4.7% or approximately \$1.1 million.

City of Fort Pierce Net Assets- FY 2010 and 2009

	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues						
Program Revenues						
Charges for Services	11,797,164	3,942,899	14,892,063	13,913,454	27,420,904	17,888,357
Operating grants and Contributions	3,228,715	12,358,009	4,727,554	3,825,307	7,956,269	16,116,303
Capital Grants and Contributions	510,645	2,966,734	-	4,208,215	510,645	7,174,949
General Revenues:						
Ad Valorem Taxes	11,867,277	14,476,029			11,867,277	14,476,029
Other Taxes	7,106,274	7,410,649			7,106,274	7,410,649
Unrestricted grants and contributions	-	276,943			-	246,943
Intergovernmental	2,742,245	2,502,277			2,742,245	2,502,277
Miscellaneous	249,136	237,912	606,377	613,547	855,513	851,459
Contributions from Component Units	4,853,329	5,045,811			4,853,329	5,045,811
Unrestricted investment earnings	286,804	273,147	122,060	142,244	408,864	415,391
Total Revenues	42,641,589	49,490,410	20,348,054	22,702,767	63,721,320	72,128,168
Expenses						
General government	11,039,863	12,967,795		-	11,039,863	12,967,795
Public safety	14,614,487	16,893,985		-	14,614,487	16,893,985
Transportation	7,375,759	6,647,625		-	7,375,759	6,647,625
Economic Environment	6,075,167	7,863,601		-	6,075,167	7,863,601
Culture & recreation	2,548,710	2,642,486		-	2,548,710	2,642,486
Interest on long-term debt	3,680,658	4,001,465		-	3,680,658	4,001,465
Solid Waste		-	5,245,043	4,747,297	5,245,043	4,747,297
Marina		-	2,300,594	2,233,160	2,300,594	2,233,160
Stormwater		-	2,648,312	2,578,157	2,648,312	2,578,157
Golf Course		-	1,908,161	1,933,926	1,908,161	1,933,926
Sunrise Theatre		-	3,845,893	4,017,465	3,845,893	4,017,465
Building Department			915,411	-	915,411	
Total Expenses	45,334,644	51,016,957	16,863,414	15,510,005	62,198,058	66,526,962

City of Fort Pierce Net Assets- FY 2010 and 2009 (Cont.)

	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Increase (Decrease) in net assets before transfers	2,693,055	(1,526,547)	3,484,640	7,192,762	1,523,262	5,666,215
Transfers In (Out)	<u>783,310</u>	<u>512,889</u>	<u>(783,310)</u>	<u>(512,889)</u>	-	-
Changes in net assets	(1,909,745)	(1,013,658)	2,701,330	6,679,876	1,523,262	5,666,215
Net Assets - Beginning	56,356,345	57,370,003	52,909,444	46,229,571	109,265,789	103,599,574
Net Assets – Ending	54,446,600	56,356,345	55,610,774	52,909,444	110,789,051	109,265,789

Governmental activities. Governmental activities accounted for a negative growth of \$1,909,745 in net assets of the City.

Revenues decreased \$6,848,821 or 13.84% in Fiscal Year 2010. Revenues have decreases in a few categories and one major decrease grants and contributions \$11.6 million; in 2009 the City received over 17 million in grant funding for various projects that included transportation, housing, and FEMA projects. In charges for services, the increase was approximately \$8.6 million. Property values continue to decelerate and resulted in only 2.6 million less ad valorem revenues. The 11.14% or \$5.7 million decrease in expenses was attributed to an increase of \$.46 million in interest on debt service cost and the remaining decreases of 5.4 million is between the following categories: general government public safety, economic environment and culture and recreation.

Business-type activities. The business-type activities include the activities of a stormwater utility program, golf course, city marina, sunrise theatre and solid waste and building and code operations. Expenses were consistent with 2009, with an increase of only \$1.3 million in which .9 million is the new fund building and code. Revenues decreased by approximately 2.3 million; charges for services recorded an increase of .9 million and grants a reduction in the amount of 3.3 million.

Financial Analysis of the Government’s Funds

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

Governmental funds. The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City’s financing requirements. In particular, unreserved 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 \$13,794,139 a decrease of \$2,110,644 in comparison with the prior year. Approximately 46% (\$6,345,870) of the amount constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is committed for debt services and other restricted purposes \$3,416,600 and \$4,031,669 respectively.

The *general fund* is the chief operating fund of the City. The ending fund balance in 2010 is \$4,149,368, which decreased \$375,705. The decrease represents the amount needed to supplement the 2010 budget. The debt service reserve fund balance was \$3,416,600 an increase of \$924,531 as a result of refunding the City's 1998, 2001 and a portion of the 2008 bonds, the principal and interest payments were not required to be paid from the bond restructure. Capital projects fund balance was \$4,031,669 a reduction of \$4,193,756, which represent construction of infrastructure and other capital improvements. Finally the fund balance in the special revenue funds at 9/30/2010 is \$2,196,502, an improvement of \$1,534,286; (.5 million in grant receipts and .6 million in net parks municipal service taxing unit (mstu) funds and .3 million in impact fees).

Business Type Funds. The enterprise funds have unrestricted net assets of \$10,196,158. Investment in capital assets net of related debt is \$45,408,923 with a combined net asset total of \$55,605,081.

General Fund Budgetary Highlights

The General Fund revenues were \$33,949,275 an decrease of \$666,783 or 1.92% and expenditures were \$34,324,976, a decrease of \$1,324,427 or 3.71%. Differences between the original and final revenue and expenditure budget were substantial in some categories and a list of the more notable amendments is:

- \$267,820 or 1.39% decrease in taxes; \$360,217 less in ad valorem taxes, \$132,918 in local option taxes and \$ 235,870 more in utility taxes.
- \$418,130 or 57.59% decrease in fines and forfeitures; \$400,000 was budgeted for red light violations, however the program never materialized.
- \$347,701 or 12.48% decrease in miscellaneous revenue, settlement of claims and reimbursement of contractual services and other miscellaneous contractual \$147,406. Redevelopment administrative charges reduction of \$200,000.
- \$302,435 or 12.50% increase interfund transfers, \$164,530 police grants transfer of overtime cost and \$137,905 in debt service excess transfer.
- \$657,644 or 63.64% decrease in Fund Balance Appropriation is a direct result of cost saving measures implemented during the fiscal year.
- \$334,251 was the administrative division expenditure increases. The cost for DROP and accrued compensation payments were \$819,419. Consultant and contractual fees decreased by \$77,790. Transfers decreased \$79,079; the Building Department's \$201,160 transfer was not needed, the Golf/Recreation Department transfer increased \$52,510 and police grants \$137,721.
- \$1,821,981 decrease from all departments: Mandatory transfer of \$436,000 from salaries and benefits from all departments to the Administrative Department's contingency account

to assist in the budget shortfalls. In addition operational cost through voluntary and involuntary measures to cover the anticipated budget deficit.

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, 2010 amounts to \$174,744,723 (this is net of accumulated depreciation). Significant additions during the year consisted of building improvements for economic development, street reconstruction, park improvement, and traffic calming improvements. See Note H for detail information on the primary government's Capital Assets.

City of Fort Pierce' Capital Assets- FY 2010 and 2009 (net of depreciation)

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land & CIP	30,915,180	28,681,895	2,721,124	10,708,531	33,636,304	47,361,582
Buildings	23,118,903	23,749,970	14,707,316	15,331,602	37,826,219	31,139,005
Improvements Other than Buildings	20,143,757	22,428,091	44,748,622	31,419,872	64,892,379	29,978,684
Machinery & Equipment	2,639,420	3,534,376	1,899,042	2,249,159	4,538,462	6,289,865
Infrastructure	33,851,359	34,200,615	-	-	33,851,359	44,984,331
Total	110,668,619	112,594,947	64,076,104	59,709,164	174,744,723	172,304,111

Bonded debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$95,032,454.

City of Fort Pierce Outstanding Debt Revenue Bond, Road Improvement Notes & Intergovernmental Notes						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenue bonds, road improvement notes & intergovernmental notes	76,910,273	73,708,995	18,122,181	18,472,658	95,032,454	92,181,653

The City's bonded debt increase during the year by a net \$2.85 million. The City's governmental debt activities consist of \$9.76 million refunding revenue notes or bonds issued in the 2010 fiscal year. However the City continues to work on redevelopment projects issued under previous issues. The governmental funds added a new \$3,395 million note and issued a 7,914 million refunding issue; and retired \$9.02 million in bonds. The business-type activities issued \$1.846 million in debt, and retired \$.530 million in bonds. The Notes to the Financial Statements (Note K) has additional information on all debt activity.

All bonded debt is insured and carries ratings from Moody's of Aa3. 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 2011 budget began with General Fund expenditures exceeding revenues by approximately 5 million dollars.

Some of the significant factors considered in preparing the City's Annual Fund Budget for Fiscal Year 2011 that caused and closed the budget gap are listed below:

- The Commission established a Citizens Advisory Budget Committee to assist in meeting the budget challenges the City is currently facing in these times. The committee suggested numerous recommendations. The budget was prepared incorporating most of the suggestions.
- In the General Fund, the City's property valuation decreased by approximately 7% resulting in a \$2.6 million reduction in ad-valorem taxes. This decline in property values and the City Commission electing to hold the millage rate constant at 5.4674 for the last four years has caused a difficult task in balancing the budget. The City has experience a reduction of \$6 million in property taxes in the last 4 years.
- The City appropriated \$253,786 from fund balance to balance General Fund's budget.
- The City issued refunding debt and had the annual debt service payments restructured to save annually for the next 3 years 1.3 million dollars.
- In refinancing the 1998, 2001, and portion of 2008 bonds the principle and interest payment (\$1.1 million) due in September, was used to finance the 2011 budget.
- To meet the funding challenges of the 2011 budget (General Fund) the personnel services included 12 furlough days for each employee. The furlough days saved the City approximately \$811,000 and not having to eliminate jobs.
- Organization restructuring resulted in the merger of departments and saved \$250,000 in expenditures.
- Twelve positions were reclassified to special revenue and enterprise funds with associated benefits totaled approximately .675 million.
- The Fort Pierce Redevelopment Agency tax increment financing (TIF) soared to a high of \$8.6 million in 2008 to a low of 4.0 million in 2011. The housing market has continued to spiral downward resulting in readjustment of property values. The decrease in the valuation of property has resulted in a 22% (\$1.2 million) decrease in the TIF revenues from 2010 to 2011. The budget is unable, as it has in the past, to support a number of special projects under historic preservation and restoration; funding for neighborhood and business grants; and other cultural and community events and functions.
- As for the business-type activities, the Marina and Solid Waste operations had to make up its budget shortfalls by appropriating retained earnings of \$161,917 and \$429,823 respectively in 2010. In the 2011 budget Marina and Solid Waste appropriated \$66,534 and 871,454 respectively. Transfers from other funds were used to balance the budgets of the Golf Course (\$80,000 from General Fund); Sunrise Theatre (\$500,000 from Redevelopment Agency) and the Building and Code Fund (\$85,349).

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.



BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Fort Pierce, Florida
STATEMENT OF NET ASSETS
September 30, 2010

	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Fort Pierce Utilities Authority</u>
ASSETS				
Current assets:				
Cash and investments	\$ 12,685,111	\$ 10,840,478	\$ 23,525,589	\$ 20,394,665
Receivables (net of allowance for uncollectibles)	4,359,832	1,030,169	5,390,001	13,860,486
Due from component unit	764,298	697,905	1,462,203	-
Internal balances	75,086	(75,086)	-	-
Due from other governments	1,881,697	546,501	2,428,198	661,162
Inventories and other current assets	237,888	16,118	254,006	5,118,722
Restricted Assets:				
Temporarily restricted:				
Cash and investments	-	203,220	203,220	27,722,325
Total current assets	<u>20,003,912</u>	<u>13,259,305</u>	<u>33,263,217</u>	<u>67,757,360</u>
Noncurrent assets:				
Deferred charges	2,160,456	205,152	2,365,608	1,277,059
Notes Receivable	6,972,395	-	6,972,395	-
FMPA working capital receivable	-	-	-	1,918,608
Investment in Public Gas Partners Pool	-	-	-	864,953
Capital assets, not being depreciated:				
Land	27,165,338	674,008	27,839,346	9,949,000
Construction in progress	3,749,842	2,047,116	5,796,958	22,299,841
Capital assets (net of accumulated depreciation):				
Buildings	32,559,255	17,815,827	50,375,082	-
Improvements other than buildings	31,078,571	53,792,143	84,870,714	-
Equipment	13,246,542	8,283,481	21,530,023	-
Infrastructure	106,645,218	-	106,645,218	376,361,307
Accumulated depreciation	<u>(103,776,147)</u>	<u>(18,536,471)</u>	<u>(122,312,618)</u>	<u>(171,751,886)</u>
Total noncurrent assets	<u>119,801,470</u>	<u>64,281,256</u>	<u>184,082,726</u>	<u>240,918,882</u>
 Total assets	 <u>\$ 139,805,382</u>	 <u>\$ 77,540,561</u>	 <u>\$ 217,345,943</u>	 <u>\$ 308,676,242</u>

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	\$ 1,796,155	\$ 1,675,794	\$ 3,471,949	\$ 7,019,594
Unearned revenue	722,804	432,093	1,154,897	2,817,336
Accrued compensated absences	288,176	54,730	342,906	1,319,409
Capital leases payable	-	-	-	26,982
Due to other governments	-	-	-	755,765
Notes and revenue bonds-current	1,695,000	545,000	2,240,000	5,655,000
Accrued interest payable	765,423	373,755	1,139,178	2,010,889
Liabilities payable from restricted assets:				
Customer deposits	76,254	203,220	279,474	6,338,799
Total current liabilities	<u>5,343,812</u>	<u>3,284,592</u>	<u>8,628,404</u>	<u>25,943,774</u>
Noncurrent liabilities:				
Notes and bonds payable, net	76,910,273	18,122,181	95,032,454	102,525,099
Capital leases payable	-	-	-	71,344
Accrued compensated absences	2,587,130	444,957	3,032,087	370,629
Other post employment benefits	517,567	78,057	595,624	148,324
Total noncurrent liabilities	<u>80,014,970</u>	<u>18,645,195</u>	<u>98,660,165</u>	<u>103,115,396</u>
Total liabilities	<u>85,358,782</u>	<u>21,929,787</u>	<u>107,288,569</u>	<u>129,059,170</u>
NET ASSETS				
Invested in capital assets, net of related debt	28,668,343	45,408,923	74,077,266	129,259,093
Restricted for:				
Capital projects	4,031,669	-	4,031,669	-
Capital improvement charges	-	-	-	7,015,068
Debt service	3,416,600	-	3,416,600	6,702,538
Unrestricted	<u>18,329,988</u>	<u>10,201,851</u>	<u>28,531,839</u>	<u>36,640,373</u>
Total net assets	<u>\$ 54,446,600</u>	<u>\$ 55,610,774</u>	<u>\$ 110,057,374</u>	<u>\$ 179,617,072</u>

City of Fort Pierce, Florida
STATEMENT OF ACTIVITIES
Year ended September 30, 2010

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 11,039,863	\$ 1,320,108	\$ 173,858	\$ 510,645
Public safety	14,614,487	480,040	1,047,764	-
Transportation	7,375,759	124,853	13,514	-
Economic environment	6,075,167	9,151,126	1,993,579	-
Culture and recreation	2,548,710	721,037	-	-
Interest on long-term debt	3,680,658	-	-	-
Total governmental activities	<u>45,334,644</u>	<u>11,797,164</u>	<u>3,228,715</u>	<u>510,645</u>
Business-type activities:				
Solid waste	5,245,043	6,177,815	-	-
Marina	2,300,594	1,531,036	-	-
Storm Water	2,648,312	2,608,393	4,727,554	-
Golf Course	1,908,161	1,373,150	-	-
Sunrise Theatre	3,845,893	2,156,753	-	-
Building Fund	915,411	1,044,916	-	-
Total business-type activities	<u>16,863,414</u>	<u>14,892,063</u>	<u>4,727,554</u>	<u>-</u>
Total primary government	<u>\$ 62,198,058</u>	<u>\$ 26,689,227</u>	<u>\$ 7,956,269</u>	<u>\$ 510,645</u>
Component units:				
Fort Pierce Utilities Authority	\$ 105,152,500	\$ 108,257,719	\$ 229,920	\$ 2,981,558
Total component units	<u>\$ 105,152,500</u>	<u>\$ 108,257,719</u>	<u>\$ 229,920</u>	<u>\$ 2,981,558</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 assets				
Net assets - beginning				
Net assets - ending				

The accompanying notes are an integral part of this statement.

Net (expense) Revenue and Change in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
\$ (9,035,252)	\$ -	\$ (9,035,252)	\$ -
(13,086,683)	-	(13,086,683)	-
(7,237,392)	-	(7,237,392)	-
5,069,538	-	5,069,538	-
(1,827,673)	-	(1,827,673)	-
(3,680,658)	-	(3,680,658)	-
<u>(29,798,120)</u>	<u>-</u>	<u>(29,798,120)</u>	<u>-</u>
-	932,772	932,772	-
-	(769,558)	(769,558)	-
-	4,687,635	4,687,635	-
-	(535,011)	(535,011)	-
-	(1,689,140)	(1,689,140)	-
-	129,505	129,505	-
<u>-</u>	<u>2,756,203</u>	<u>2,756,203</u>	<u>-</u>
<u>\$ (29,798,120)</u>	<u>\$ 2,756,203</u>	<u>\$ (27,041,917)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,316,697</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,316,697</u>
\$ 11,867,277	-	\$ 11,867,277	\$ -
2,334,521	-	2,334,521	-
4,771,753	-	4,771,753	-
1,146,272	-	1,146,272	-
1,333,339	-	1,333,339	-
262,634	-	262,634	-
4,853,329	-	4,853,329	(5,363,974)
249,136	606,377	855,513	-
286,804	122,060	408,864	2,406,940
-	-	-	(75,941)
783,310	(783,310)	-	-
<u>27,888,375</u>	<u>(54,873)</u>	<u>27,833,502</u>	<u>(3,032,975)</u>
(1,909,745)	2,701,330	791,585	3,283,722
<u>56,356,345</u>	<u>52,909,444</u>	<u>109,265,789</u>	<u>176,333,350</u>
<u>\$ 54,446,600</u>	<u>\$ 55,610,774</u>	<u>\$ 110,057,374</u>	<u>\$ 179,617,072</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, 2010

	General Fund	Community Development Block Grant	Community Redevelopment Agency
ASSETS			
Cash and investments	\$ 3,891,929	\$ 4,787	\$ 44,125
Accounts receivables	546,076	450	230,603
Liens receivables	2,988,033	-	-
Due from component unit	764,298	-	-
Due from other funds	1,177,266	19,579	-
Due from other governments	158,248	871,433	14,639
Prepaid items	152,282	-	-
Inventories	85,606	-	-
Notes receivable	-	4,079,542	-
Total assets	<u>\$ 9,763,738</u>	<u>\$ 4,975,791</u>	<u>\$ 289,367</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,375,843	\$ 26,525	\$ 35,685
Contracts payable - retainage	-	15,000	8,638
Deposits	75,754	-	500
Due to other funds	-	439,941	604
Deferred revenues	4,162,773	4,075,141	218,414
Total liabilities	<u>5,614,370</u>	<u>4,556,607</u>	<u>263,841</u>
FUND BALANCES			
Reserved for:			
Debt service	-	-	-
Capital projects	-	-	-
Unreserved, undesignated reported in:			
General fund	4,149,368	-	-
Special revenue funds	-	419,184	25,526
Total fund balances	<u>4,149,368</u>	<u>419,184</u>	<u>25,526</u>
Total liabilities and fund balances	<u>\$ 9,763,738</u>	<u>\$ 4,975,791</u>	<u>\$ 289,367</u>

The accompanying notes are an integral part of this statement.

Hurricane Housing Recovery Grant Fund	Other Governmental Funds	Totals
\$ 83,140	\$ 8,661,130	\$ 12,685,111
-	629,876	1,407,005
-	-	2,988,033
-	-	764,298
-	-	1,196,845
-	837,377	1,881,697
-	-	152,282
-	-	85,606
3,562,419	26,905	7,668,866
<u>\$ 3,645,559</u>	<u>\$ 10,155,288</u>	<u>\$ 28,829,743</u>

\$ 27,397	\$ 238,973	\$ 1,704,423
-	68,094	91,732
-	-	76,254
11	681,203	1,121,759
3,558,203	26,905	12,041,436
<u>3,585,611</u>	<u>1,015,175</u>	<u>15,035,604</u>

-	3,416,600	3,416,600
-	4,031,669	4,031,669
-	-	4,149,368
59,948	1,691,844	2,196,502
<u>59,948</u>	<u>9,140,113</u>	<u>13,794,139</u>
<u>\$ 3,645,559</u>	<u>\$ 10,155,288</u>	<u>\$ 28,829,743</u>

City of Fort Pierce, Florida

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

September 30, 2010

Total fund balance per this statement	\$	13,794,139
Amounts reported for governmental activities in the Statement of Net Assets 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 \$214,444,766 and the accumulated depreciation is \$103,776,147		110,668,619
Long-term liabilities (capital lease obligations, intergovernmental notes, other post employment benefits, and accrued compensated absences) of \$82,551,538 net of unamortized costs of \$553,392 are not due and payable and therefore, are not reported in the funds.		(81,998,146)
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.		(765,423)
Debt issuance costs 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.		2,160,456
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 deferred revenue in the funds.		10,586,955
Net assets of governmental activities	\$	<u>54,446,600</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, 2010

	General Fund	Community Development Block Grant	Community Redevelopment Agency
Revenues			
Taxes	\$ 18,973,552	\$ -	\$ -
Licenses and permits	393,408	-	-
Intergovernmental	3,051,358	1,539,963	5,411,578
Charges for services	74,964	-	-
Fines and forfeitures	307,870	-	-
Contributions from component unit	4,853,329	-	-
Investment income	165,985	28,485	12,916
Other	2,307,132	19,579	92,410
Total revenues	<u>30,127,598</u>	<u>1,588,027</u>	<u>5,516,904</u>
Expenditures			
Current			
General government	12,159,663	-	-
Public safety	12,596,773	-	-
Transportation	3,130,854	-	-
Economic environment	-	4,396,323	1,204,618
Culture and recreation	2,144,593	-	-
Capital outlay	36,927	150,000	280,755
Debt service			
Principal	75,484	-	-
Interest and fees	2,075	17,520	-
Other	-	-	-
Total expenditures	<u>30,146,369</u>	<u>4,563,843</u>	<u>1,485,373</u>
Excess of revenues over (under) expenditures	(18,771)	(2,975,816)	4,031,531
Other financing sources (uses)			
Transfers in	3,821,673	-	1,247,018
Proceeds of Refunding Bonds	-	-	-
Premium on Issuance of Refunding Bonds	-	-	-
Proceeds of Section 108 Note	-	3,395,000	-
Payment on Current Refunding	-	-	-
Payment on Advance Refunding	-	-	-
Transfers out	(4,178,607)	-	(5,287,082)
Total other financing sources (uses)	<u>(356,934)</u>	<u>3,395,000</u>	<u>(4,040,064)</u>
Net change in fund balances	(375,705)	419,184	(8,533)
Fund balances - beginning of year	<u>4,525,073</u>	<u>-</u>	<u>34,059</u>
Fund balances - end of year	<u>\$ 4,149,368</u>	<u>\$ 419,184</u>	<u>\$ 25,526</u>

The accompanying notes are an integral part of this statement.

Hurricane Housing Recovery Grant Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ 18,973,552
-	-	393,408
66,434	2,111,210	12,180,543
-	-	74,964
-	43,050	350,920
-	-	4,853,329
31,013	48,405	286,804
468	550,991	2,970,580
<u>97,915</u>	<u>2,753,656</u>	<u>40,084,100</u>
-	18,660	12,178,323
-	1,322,012	13,918,785
-	-	3,130,854
15,208	426,803	6,042,952
-	-	2,144,593
-	3,174,924	3,642,606
-	1,570,000	1,645,484
-	3,625,398	3,644,993
-	419,481	419,481
<u>15,208</u>	<u>10,557,278</u>	<u>46,768,071</u>
82,707	(7,803,622)	(6,683,971)
-	8,014,441	13,083,132
-	7,913,143	7,913,143
-	459,099	459,099
-	-	3,395,000
-	(3,229,656)	(3,229,656)
-	(4,733,901)	(4,733,901)
-	(2,847,800)	(12,313,489)
<u>-</u>	<u>5,575,326</u>	<u>4,573,328</u>
82,707	(2,228,296)	(2,110,643)
(22,759)	11,368,409	15,904,782
<u>\$ 59,948</u>	<u>\$ 9,140,113</u>	<u>\$ 13,794,139</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, 2010

Net change in fund balances-total governmental funds	\$ (2,110,643)
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(\$6,015,608) exceeds capital outlay(\$3,642,606) in the current period.	(2,373,002)
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.	(63,971)
Governmental funds do not report contributions of general capital assets as financial resources, contributed capital is not reflected in the fund statement. This represents the fair market value of land contributed to the governmental unit.	510,645
Repayment of bond and note principal (\$1,645,484) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	1,645,484
Compensated absences of (\$728,544) and other post employment benefits of (\$19,178) 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.	709,366
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.	2,849
Bond proceeds (\$7,913,143), note proceeds (3,395,000) and premium (459,099) used to refund bonds (\$7,963,557) are other financing sources (uses) in the governmental funds, but increase(decrease) long-term liabilities in the Statement of Net Assets.	(3,803,685)
Bond issuance and discounts are reported as expenditures when paid. This is the amount by which the expenditures(412,804) exceeded the amortization(\$103,344).	309,460
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.	3,263,752
Net assets of governmental activities	<u>\$ (1,909,745)</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, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Taxes	\$ 19,241,371	\$ 18,973,552	\$ 18,973,552	\$ -
Licenses and permits	325,500	393,408	393,408	-
Intergovernmental	3,084,010	3,051,358	3,051,358	-
Charges for services	65,084	74,964	74,964	-
Fines and forfeitures	751,003	307,870	307,870	-
Contributions from component unit	5,943,063	4,853,329	4,853,329	-
Investment income	201,750	165,985	165,985	-
Other	2,585,039	2,307,132	2,307,132	-
Total revenues	<u>32,196,820</u>	<u>30,127,598</u>	<u>30,127,598</u>	-
Expenditures				
General government	12,999,860	12,274,149	12,274,149	-
Public safety	12,769,877	12,596,773	12,596,773	-
Transportation	3,289,570	3,130,854	3,130,854	-
Culture and recreation	2,331,226	2,144,593	2,144,593	-
Total expenditures	<u>31,390,533</u>	<u>30,146,369</u>	<u>30,146,369</u>	-
Excess of revenues over expenditures	806,287	(18,771)	(18,771)	-
Other financing sources (uses)				
Transfers in	2,419,238	3,821,673	3,821,673	-
Transfers out	<u>(4,269,405)</u>	<u>(4,178,607)</u>	<u>(4,178,607)</u>	-
Total other financing sources (uses)	<u>(1,850,167)</u>	<u>(356,934)</u>	<u>(356,934)</u>	-
Net change in fund balances	(1,043,880)	(375,705)	(375,705)	-
Fund balance - beginning of year	<u>7,524,648</u>	<u>4,525,073</u>	<u>4,525,073</u>	-
Fund balance - end of year	<u>\$ 6,480,768</u>	<u>\$ 4,149,368</u>	<u>\$ 4,149,368</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, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 7,811,960	\$ 5,411,578	\$ 5,411,578	\$ -
Fines and forfeitures	-	-	-	-
Investment income	10,000	12,916	12,916	-
Other	270,000	92,410	92,410	-
Total revenues	<u>8,091,960</u>	<u>5,516,904</u>	<u>5,516,904</u>	<u>-</u>
Expenditures				
Current				
Economic environment	5,066,222	1,204,618	1,204,618	-
Capital outlay	2,175,000	280,755	280,755	-
Total expenditures	<u>7,241,222</u>	<u>1,485,373</u>	<u>1,485,373</u>	<u>-</u>
Excess of revenues over expenditures	850,738	4,031,531	4,031,531	-
Other financing sources (uses)				
Transfers in	-	1,247,018	1,247,018	-
Transfers out	<u>(4,148,290)</u>	<u>(5,287,082)</u>	<u>(5,287,082)</u>	<u>-</u>
Total other financing sources (uses)	(4,148,290)	(4,040,064)	(4,040,064)	-
Net change in fund balances	(3,297,552)	(8,533)	(8,533)	-
Fund balance - beginning of year	<u>399,857</u>	<u>34,059</u>	<u>34,059</u>	<u>-</u>
Fund balance - end of year	<u>\$ (2,897,695)</u>	<u>\$ 25,526</u>	<u>\$ 25,526</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 DEVELOPMENT BLOCK GRANT**

Year ended September 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 688,570	\$ 1,539,963	\$ 1,539,963	\$ -
Investment income	-	28,485	28,485	-
Other	2,759	19,579	19,579	-
Total revenues	<u>691,329</u>	<u>1,588,027</u>	<u>1,588,027</u>	<u>-</u>
Expenditures				
Current				
Economic environment	4,086,329	4,396,323	4,396,323	-
Capital outlay	-	150,000	150,000	-
Interest and Fees	-	17,520	17,520	-
Total expenditures	<u>4,086,329</u>	<u>4,563,843</u>	<u>4,563,843</u>	<u>-</u>
Excess of revenues over expenditures	(3,395,000)	(2,975,816)	(2,975,816)	-
Other financing sources (uses)				
Proceeds of Section 108 Note	<u>3,395,000</u>	<u>3,395,000</u>	<u>3,395,000</u>	<u>-</u>
Total other financing sources (uses)	3,395,000	3,395,000	3,395,000	-
Net change in fund balances	-	419,184	419,184	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 419,184</u>	<u>\$ 419,184</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida

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

Year ended September 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 93,600	\$ 66,434	\$ 66,434	\$ -
Investment income	-	31,013	31,013	-
Other	-	468	468	-
Total revenues	<u>93,600</u>	<u>97,915</u>	<u>97,915</u>	<u>-</u>
Expenditures				
Current				
Economic environment	93,600	15,208	15,208	-
Capital outlay	-	-	-	-
Total expenditures	<u>93,600</u>	<u>15,208</u>	<u>15,208</u>	<u>-</u>
Excess of revenues over expenditures	-	82,707	82,707	-
Other financing sources (uses)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenue and other sources over (under) expenditures and other uses	-	82,707	82,707	-
Fund balance - beginning of year	-	(22,759)	(22,759)	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ 59,948</u>	<u>\$ 59,948</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

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City of Fort Pierce, Florida
STATEMENT OF FUND NET ASSETS -
PROPRIETARY FUNDS
September 30, 2010

	Business-type Activities		
	Solid Waste	Marina	Storm Water
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 501,262	\$ 4,566,912	\$ 5,185,143
Receivables - net of allowances:			
Accounts	478,355	103,699	250,909
Unbilled services	187,488	-	-
Due from component units	635,193	-	62,712
Due from other governments	-	1,337	545,164
Inventories and other current assets	-	14,618	-
Restricted Assets			
Cash and investments	132,568	41,322	-
Total current assets	<u>1,934,866</u>	<u>4,727,888</u>	<u>6,043,928</u>
NON-CURRENT ASSETS			
Deferred charges	-	25,974	179,178
Non-depreciable capital assets			
Land	-	9,197	-
Construction in progress	-	2,047,116	-
Depreciable capital assets			
Buildings	90,208	843,196	-
Improvements other than buildings	47,243	10,530,180	40,439,889
Equipment	6,679,103	141,733	599,761
Accumulated depreciation	<u>(5,377,493)</u>	<u>(5,440,742)</u>	<u>(4,150,749)</u>
Total non-current assets	<u>1,439,061</u>	<u>8,156,654</u>	<u>37,068,079</u>
Total assets	<u>\$ 3,373,927</u>	<u>\$ 12,884,542</u>	<u>\$ 43,112,007</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>
\$ 5,800	\$ 411,782	\$ 169,579	\$ 10,840,478
-	9,538	180	842,681
-	-	-	187,488
-	-	-	697,905
-	-	-	546,501
-	1,500	-	16,118
-	29,330	-	203,220
<u>5,800</u>	<u>452,150</u>	<u>169,759</u>	<u>13,334,391</u>
-	-	-	205,152
314,811	350,000	-	674,008
-	-	-	2,047,116
845,676	16,036,747	-	17,815,827
2,774,831	-	-	53,792,143
513,219	157,762	191,903	8,283,481
(968,945)	(2,429,245)	(169,297)	(18,536,471)
<u>3,479,592</u>	<u>14,115,264</u>	<u>22,606</u>	<u>64,281,256</u>
<u>\$ 3,485,392</u>	<u>\$ 14,567,414</u>	<u>\$ 192,365</u>	<u>\$ 77,615,647</u>

City of Fort Pierce, Florida

STATEMENT OF FUND NET ASSETS - (CONTINUED)

PROPRIETARY FUNDS

September 30, 2010

	Business-type Activities		
	Solid Waste	Marina	Storm Water
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 317,926	\$ 60,489	\$ 451,357
Contracts payable - retainage	-	-	688,173
Due to other funds	27,500	12,736	28,650
Accrued compensated absences	26,190	4,114	-
Revenue bonds - current	-	-	545,000
Accrued interest - revenue bonds and notes	-	-	373,755
Liabilities payable from restricted assets			
Customer deposits	132,568	41,322	-
Deferred revenues	-	-	-
Total current liabilities	504,184	118,661	2,086,935
NON-CURRENT LIABILITIES			
Other Post Employment Benefits	40,526	7,831	-
Accrued compensated absences	208,810	81,526	-
Revenue bonds payable, net	-	1,828,343	16,293,838
Total non-current liabilities	249,336	1,917,700	16,293,838
Total liabilities	753,520	2,036,361	18,380,773
NET ASSETS			
Invested in capital assets, net of related debt	1,439,061	6,302,337	20,050,063
Unrestricted	1,181,346	4,545,844	4,681,171
Total net assets	2,620,407	10,848,181	24,731,234
Total liabilities and net assets	\$ 3,373,927	\$ 12,884,542	\$ 43,112,007

The accompanying notes are an integral part of this statement.

			Business-type Activities Totals
Golf Course	Sunrise Theatre	Building Fund	
\$ 82,263	\$ 52,661	\$ 22,925	\$ 987,621
-	-	-	688,173
3,465	-	2,735	75,086
11,273	8,922	4,231	54,730
-	-	-	545,000
-	-	-	373,755
-	29,330	-	203,220
-	432,093	-	432,093
97,001	523,006	29,891	3,359,678
18,425	11,094	5,874	83,750
65,049	43,180	46,392	444,957
-	-	-	18,122,181
83,474	54,274	52,266	18,650,888
180,475	577,280	82,157	22,010,566
3,479,592	14,115,264	22,606	45,408,923
(174,675)	(125,130)	87,602	10,196,158
3,304,917	13,990,134	110,208	55,605,081
\$ 3,485,392	\$ 14,567,414	\$ 192,365	\$ 77,615,647

City of Fort Pierce, Florida
**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS**
Year ended September 30, 2010

	Business-type Activities		
	Solid Waste	Marina	Storm Water
Operating revenues			
Sales and charges for services	\$ 6,177,815	\$ 778,970	\$ 2,608,393
Gas and oil sales	-	752,066	-
Other	-	338,834	-
Total operating revenues	<u>6,177,815</u>	<u>1,869,870</u>	<u>2,608,393</u>
Operating expenses			
Personal services	1,594,801	311,058	-
General and administrative	172,282	-	91,314
Cost of goods and services sold	2,266,086	701,077	-
Depreciation	486,703	452,629	982,868
Other operating expenses	725,078	786,316	808,580
Total operating expenses	<u>5,244,950</u>	<u>2,251,080</u>	<u>1,882,762</u>
Operating income (loss)	932,865	(381,210)	725,631
Non-operating revenues (expenses)			
Investment income	4,926	30,197	89,281
Intergovernmental	-	-	115,617
Gain (Loss) on disposition of equipment	(3,141)	-	-
Interest expense	-	(49,497)	(765,550)
Total non-operating revenues (expenses)	<u>1,785</u>	<u>(19,300)</u>	<u>(560,652)</u>
Income (loss) before transfers and capital contributions	934,650	(400,510)	164,979
Capital Contributions		-	4,727,554
Transfers in	-	-	-
Transfers out	<u>(2,050,000)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(1,115,350)	(400,510)	4,892,533
Total net assets - beginning	<u>3,735,757</u>	<u>11,248,691</u>	<u>19,838,701</u>
Total net assets - end of year	<u>\$ 2,620,407</u>	<u>\$ 10,848,181</u>	<u>\$ 24,731,234</u>

The accompanying notes are an integral part of this statement.

			Business-type Activities Totals
Golf Course	Sunrise Theatre	Building Fund	
\$ 1,373,150	\$ 2,156,753	\$ 1,044,916	\$ 14,139,997
-	-	-	752,066
97,012	54,914	-	490,760
<u>1,470,162</u>	<u>2,211,667</u>	<u>1,044,916</u>	<u>15,382,823</u>
966,817	521,507	737,025	4,131,208
57,727	74,510	-	395,833
49,333	947,673	-	3,964,169
166,447	566,350	12,043	2,667,040
667,795	1,735,824	172,217	4,895,810
<u>1,908,119</u>	<u>3,845,864</u>	<u>921,285</u>	<u>16,054,060</u>
(437,957)	(1,634,197)	123,631	(671,237)
89	464	244	125,201
-	-	-	115,617
-	-	-	(3,141)
-	-	-	(815,047)
<u>89</u>	<u>464</u>	<u>244</u>	<u>(577,370)</u>
(437,868)	(1,633,733)	123,875	(1,248,607)
-	-	-	4,727,554
259,841	1,020,516	-	1,280,357
-	-	(13,667)	(2,063,667)
(178,027)	(613,217)	110,208	2,695,637
<u>3,482,944</u>	<u>14,603,351</u>	<u>-</u>	<u>52,909,444</u>
<u>\$ 3,304,917</u>	<u>\$ 13,990,134</u>	<u>\$ 110,208</u>	<u>\$ 55,605,081</u>

City of Fort Pierce, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2010

	Business-type Activities	
	Solid Waste	Marina
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 6,113,952	\$ 1,702,228
Receipts from rental property	-	201,267
Payments to suppliers for goods and services	(3,253,348)	(1,508,813)
Payments to employees for services	(1,158,452)	(244,771)
Payments for benefits on behalf of employees	(429,787)	(63,922)
Net cash provided (used) by operating activities	<u>1,272,365</u>	<u>85,989</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in (out)	<u>(2,050,000)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(2,050,000)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(267,806)	(2,238)
Receipts from Intergovernmental	-	-
Proceeds from sale of capital assets	5,150	-
Bond and loan principal payments	(26,894)	-
Bond and loan interest payments	(740)	(44,897)
Net cash provided (used) by capital and related financing activities	<u>(290,290)</u>	<u>(47,135)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and investments	<u>4,926</u>	<u>30,197</u>
Net cash provided (used) by investing activities	<u>4,926</u>	<u>30,197</u>
Net increase (decrease) in cash and investments	(1,062,999)	69,051
Cash and investments at beginning of year	<u>1,696,829</u>	<u>4,539,183</u>
Cash and investments at end of year	<u>\$ 633,830</u>	<u>\$ 4,608,234</u>
Cash and investments-unrestricted	\$ 501,262	\$ 4,566,912
Cash and investments-restricted	<u>132,568</u>	<u>41,322</u>
	<u>\$ 633,830</u>	<u>\$ 4,608,234</u>

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
Year ended September 30, 2010

	Business-type Activities	
	Solid Waste	Marina
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 932,865	\$ (381,210)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	486,703	452,629
(Increase) decrease in accounts receivable	(26,699)	46,917
(Increase) decrease in due from component unit	(37,164)	-
(Increase) in due from other funds	-	-
(Increase) decrease in inventories and other current assets	-	23,753
Increase (decrease) in accounts payable and accrued liabilities	22,377	(40,113)
Increase (decrease) in due to other funds	(112,279)	(5,060)
Increase (decrease) in deferred revenue	-	-
Increase (decrease) in customer deposits	-	(13,292)
Increase (decrease) in other post employment benefits	1,274	236
Increase (decrease) in accrued compensated absences	5,288	2,129
Net cash provided (used) by operating activities	<u>\$ 1,272,365</u>	<u>\$ 85,989</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Contributions of Capital Assets	\$ -	\$ -
Transfer of Accrued Compensated Absence Liability	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

				Business-type Activities Totals
Storm Water	Golf Course	Sunrise Theatre	Building Fund	
\$ 2,487,066	\$ 1,470,572	\$ 2,350,680	\$ 1,044,736	\$ 15,169,234
-	-	-	-	201,267
(1,499,743)	(764,812)	(2,747,323)	(146,557)	(9,920,596)
-	(759,056)	(414,942)	(549,677)	(3,126,898)
-	(202,589)	(93,536)	(179,167)	(969,001)
<u>987,323</u>	<u>(255,885)</u>	<u>(905,121)</u>	<u>169,335</u>	<u>1,354,006</u>
-	259,841	1,020,516	-	(769,643)
-	259,841	1,020,516	-	(769,643)
(6,731,944)	(5,637)	-	-	(7,007,625)
5,087,639	-	-	-	5,087,639
-	-	-	-	5,150
(530,000)	-	-	-	(556,894)
(758,423)	-	-	-	(804,060)
<u>(2,932,728)</u>	<u>(5,637)</u>	<u>-</u>	<u>-</u>	<u>(3,275,790)</u>
<u>89,281</u>	<u>89</u>	<u>464</u>	<u>244</u>	<u>125,201</u>
<u>89,281</u>	<u>89</u>	<u>464</u>	<u>244</u>	<u>125,201</u>
(1,856,124)	(1,592)	115,859	169,579	(2,566,226)
<u>7,041,267</u>	<u>7,392</u>	<u>325,253</u>	<u>-</u>	<u>13,609,924</u>
<u>\$ 5,185,143</u>	<u>\$ 5,800</u>	<u>\$ 441,112</u>	<u>\$ 169,579</u>	<u>\$ 11,043,698</u>
\$ 5,185,143	\$ 5,800	\$ 411,782	169,579	\$ 10,840,478
-	-	29,330	-	203,220
<u>\$ 5,185,143</u>	<u>\$ 5,800</u>	<u>\$ 441,112</u>	<u>\$ 169,579</u>	<u>\$ 11,043,698</u>

				Business-type Activities Totals
Storm Water	Golf Course	Sunrise Theatre	Building Fund	
\$ 725,631	\$ (437,957)	\$ (1,634,197)	123,631	\$ (671,237)
982,868	166,447	566,350	12,043	2,667,040
(113,211)	-	9,784	(180)	(83,389)
247,712	-	-	-	210,548
	1,124	-	2,735	3,859
-	-	64,319	-	88,072
(684,040)	5,454	(53,635)	22,925	(727,032)
(163,521)	3,465	-	-	(277,395)
(8,116)	-	125,500	-	117,384
-	410	3,729	-	(9,153)
-	581	398	5,874	8,363
-	4,591	12,631	2,307	26,946
<u>\$ 987,323</u>	<u>\$ (255,885)</u>	<u>\$ (905,121)</u>	<u>\$ 169,335</u>	<u>\$ 1,354,006</u>
\$ -	\$ -	\$ -	\$ 34,649	\$ 34,649
\$ -	\$ -	\$ -	\$ (48,316)	\$ (48,316)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,667)</u>	<u>\$ (13,667)</u>

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TRUST FUNDS

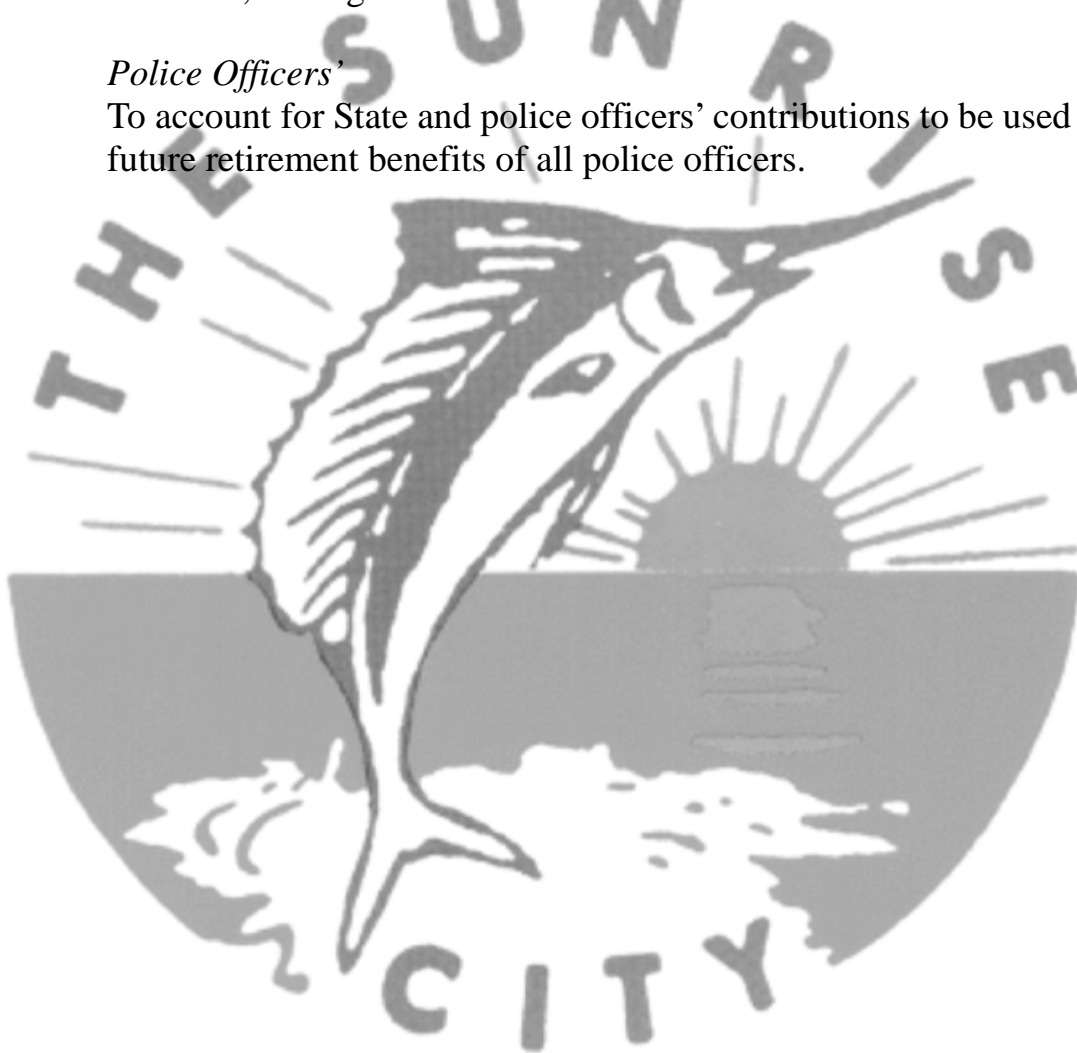
❖ Pension Trust

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 officers' contributions to be used for future retirement benefits of all police officers.



City of Fort Pierce, Florida

STATEMENT OF FIDUCIARY FUNDS NET ASSETS

September 30, 2010

	<u>Pension Trusts</u>
ASSETS	
Cash and cash equivalents	\$ 1,320,185
Investments, at fair value:	
U.S. Government Securities	7,345,993
Mutual Funds	82,631,216
Common Stock	14,038,636
Corporate Bonds	40,957,920
Money Market	895,953
Total investments	<u>145,869,718</u>
Total cash and investments	147,189,903
Accounts receivable	166,659
Accrued interest receivable	544,256
	<u>544,256</u>
Total assets	<u><u>\$ 147,900,818</u></u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 89,109
	<u>89,109</u>
Total liabilities	<u>89,109</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 147,811,709</u></u>

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida

STATEMENT OF CHANGES IN FIDUCIARY FUNDS NET ASSETS

Year ended September 30, 2010

	<u>Pension Trusts</u>
ADDITIONS	
Contributions	
Employer	\$ 3,377,350
Employees	1,929,755
State-Via the General Fund	<u>262,634</u>
Total contributions	5,569,739
Investment income	
Interest	2,455,324
Dividends	773,232
Net appreciation in fair value of investments	<u>12,136,158</u>
Total investment income	15,364,714
Investment expenses	<u>(558,649)</u>
Net investment income	14,806,065
Total additions	20,375,804
DEDUCTIONS	
Retirement benefits paid	9,727,760
Refunds of employee contributions	496,099
Administrative expenses	198,932
Insurance expense	<u>18,218</u>
Total deductions	<u>10,441,009</u>
Net Increase	9,934,795
NET ASSETS HELD IN TRUST FOR PENSION	
BENEFITS	
Beginning of year	<u>137,876,914</u>
End of year	<u>\$ 147,811,709</u>

The accompanying notes are an integral part of this statement.

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NOTES TO THE FINANCIALS



City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. REPORTING ENTITY

The City of Fort Pierce, Florida was incorporated in 1901 under the general law. This incorporation was validated by Act of the State Legislature, Chapter 5100, Acts 1901. The City covers an area of approximately 20 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 41,590 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*, 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.

Based upon the application of the criteria in GASB Statement No. 14, the financial statements of the component units listed on the following pages have been included in the City’s reporting entity as either blended or discretely presented component units.

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, 2010.

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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. REPORTING ENTITY (CONTINUED)

B. DISCRETELY PRESENTED COMPONENT UNIT

Fort Pierce Utilities Authority

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

C. RELATED ORGANIZATION

Fort Pierce Housing Authority

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

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The government-wide financial statements (i.e., the statement of net assets 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 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.

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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The city reports the following major governmental funds:

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

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

The *community development block grant-special revenue fund* accounts for the federal grant revenues received under Title I of the Housing and Community Development Act of 1974. Such grants are used to finance the City's community development program activities and are legally restricted for that purpose.

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

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins (ARBs) for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow this option.

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.

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 solid waste, golf course, sunrise theatre, and marina enterprise funds, and of the government's internal service fund 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

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. The State Board of Administration Pooled Trust Fund 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).

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

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

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

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

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. 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, AND NET ASSETS OR EQUITY (CONTINUED)

h. Other Post Employment Benefits

In 2008, the City implemented Statement No. 45, “Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.” 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 assets

i. 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 assets. Bond premiums and discounts, as well as issuance 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 issuance 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.

j. Fund equity

In the Fund Financial Statements, reserves reported in the governmental funds Balance Sheet are used to indicate the amounts that are not available for appropriation or that are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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, 2010

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

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

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

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

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

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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 assets.

“Total fund balances” as reported on the City’s Governmental Funds Balance Sheet \$13,794,139 differs from the “net assets” of governmental activities \$54,446,600 that are reported in the Statement of Net Assets. This difference primarily results from the long-term economic focus of the Statement of Net Assets 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 Assets includes those capital assets among the assets of the city as a whole:

	Cost of capital assets, not being depreciated		\$	30,915,180
	Cost of capital assets, being depreciated			183,529,586
	Accumulated depreciation			(103,776,147)
	Total		\$	<u>110,668,619</u>

Long-term debt transactions

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Assets. Balances at September 30, 2010 were:

	Bonds and notes payable		\$	(78,605,273)
	Other post employment benefits			(517,567)
	Compensated absences			(2,875,306)
	Total		\$	<u>(81,998,146)</u>

Accrued interest

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

	Bond and revenue notes		\$	<u>(765,423)</u>
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City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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

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

Bond issuance costs

Bond issuance costs in the Statement of Net Assets differs from the amount reported in governmental funds because bond issuance costs 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 note issuance costs			\$	2,160,456
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Deferred revenues

Deferred revenues in the Statement of Net Assets 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 deferred revenues. However, deferred revenues in governmental funds are subject to full accrual on the government-wide financial statements.

	Liens receivable			\$	2,896,108
	Loans receivable				65,216
	Notes receivable				7,625,631
	Deferred revenues			\$	10,586,955

Elimination of interfund receivables/payables

Interfund receivables and payables in the amount of \$1,196,846 between governmental funds have been eliminated for the Statement of Net Assets.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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

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

The “net change in fund balances” for government funds (\$2,110,643) differs from the “change in net assets” for governmental activities (\$1,909,745) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

	Capital outlay			\$	3,642,606
	Depreciation expense				(6,015,608)
				\$	<u>(2,373,002)</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.

	Sale of capital assets			\$	<u>(63,971)</u>
	Contribution of Land			\$	<u>510,645</u>

Long-term debt transactions

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

	Bond principal payments			\$	<u>1,645,484</u>
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City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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

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

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

Net change in other post employment benefits	\$	(19,178)
Net change in compensated absences	\$	728,544
Net interest adjustment	\$	2,849

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

Bond Proceeds and Premium	\$	(8,372,242)
Payment on Bond Refunding		7,963,557
Bond proceeds in excess of payments	\$	(408,685)

Section 108 Note Proceeds	\$	(3,395,000)
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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	\$	309,460
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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	\$	3,263,752
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City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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

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

Reclassification and Eliminations

The General Fund recognizes revenues in the amount of \$1,152,936 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 \$12,313,489 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, 2010 was \$23,728,809 and the bank balance was \$24,373,613. 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, 2010, or with banks in which depository insurance was sufficient to cover the deposit balance.

Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the City Finance Director. Cash equivalents consist of demand deposits, certificates of deposit, and money market accounts. Investments in the pooled fund consist of State Board of Administration (SBA) Pooled Trust Funds, Repurchase agreements (overnight), Treasury notes, and Government securities. The SBA Pooled Trust Funds is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA. Investments in the SBA consist of the Florida Prime and the Fund B surplus Trust Fund (Fund B). Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

The Florida PRIME has met the criteria as a “2a7-like” pool; this pool was assigned a rating of AAAM by the Standards and Poor’s Rating Service. The City has a \$0 balance and the FPUA has a \$2,525,654 balance at September 30, 2010. The fair value of the position in the pool is valued the same as the pooled shares.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE D – CASH AND INVESTMENTS (CONTINUED)

Fund B is accounted for using a fluctuating net asset value pool. The fair value factor at September 30, 2010 was .707058094, and the weighted average life of Fund B investments is 7.49 years at September 30, 2010. However, because Fund B consists of restructured or defaulted securities, there is a considerable uncertainty regarding the weighted average life. The pool is not rated by any nationally recognized rating agency. At September 30, 2010 the City had \$328,270 in Pool B with a fair value of \$232,106. The FPUA had \$493,614 in Pool B with a fair value of \$349,014.

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.

A summary of pooled cash and investments as of September 30, 2010 is as follows:

	Primary Government	Component Unit-FPUA
Cash	\$ 15,946,500	\$ 34,233,703
Investments:		
Certificates of Deposit	7,014,175	4,000,964
State Board of Administration pooled trust fund	232,106	2,874,668
Florida Municipal Investment trust	527,960	-
Money market	-	7,007,655
Funds-held in escrow	8,068	-
Total investments	7,782,309	13,883,287
Total pooled cash and investments	\$ 23,728,809	\$ 48,116,990

All investments held in the primary government and component unit at September 30, 2010 have maturity dates less than three months with the exception of the certificates of deposit which have original maturities of six months or more.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE D – CASH AND INVESTMENTS (CONTINUED)

A summary of investments held in pension trust funds as of September 30, 2010 is as follows:

	Investment Maturities in Years					
	under 1	1-5	6-10	10-20	over 20	total
U.S. Agencies	\$ 1,128	\$ 1,055,243	\$ 1,355,953	\$1,633,577	\$ 2,195,879	\$ 6,241,780
U.S. Treasuries	148,501	659,632	115,352	140,152	40,576	1,104,213
Corporate obligations	2,563,201	13,757,815	12,655,186	4,457,825	7,523,893	40,957,920
Common stock	14,038,636	-	-	-	-	14,038,636
Mutual funds-equity	82,631,216	-	-	-	-	82,631,216
Money market funds	895,953	-	-	-	-	895,953
	<u>\$ 100,278,635</u>	<u>\$ 15,472,690</u>	<u>\$ 14,126,491</u>	<u>\$ 6,231,554</u>	<u>\$ 9,760,348</u>	<u>\$ 145,869,718</u>

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

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

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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE D – CASH AND INVESTMENTS (CONTINUED)

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.
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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE D – CASH AND INVESTMENTS (CONTINUED)

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, 2009, upon which the 2009-2010 levy is based, was \$2,322,483,449.

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 5.4674 mills for the General Fund for the fiscal year ended September 30, 2010.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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 \$723,257 for the FPUA, respectively. The general fund accounts receivable is stated net of allowance for estimated uncollectibles of \$731,677. 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

On October 15, 2009, the city entered into a Mortgage Note Receivable for \$3,795,000 with a developer for the construction of a shopping center. The City used proceeds from a Section 108 loan from the US Department of Housing and Urban Development. The developer is paying interest only quarterly at .2% above LIBOR and annual principal payments beginning in August 2013 of August 2024.

The remaining balance in Notes Receivable is comprised of various down payment assistance loans and Mortgage receivables on City constructed homes as part of the City's redevelopment plan. The terms of the mortgages and 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 \$8,426 from the Department of Legal Affairs, \$871,433 from U.S. Department of Housing & Urban Development, \$650,834 from Department of Transportation, \$4,075 from the State of Florida, \$226,963 from the Department of Community Affairs, \$185,200 due from St. Lucie County, \$14,638 from the Ft. Pierce Utility Authority, \$3,550 due from St. Lucie County Housing Authority, \$120,106 due from the Department of Justice, \$28,919 from the U.S. Marshalls, \$86,770 due from the Department of Energy, \$225,947 from the Department of Law Enforcement and \$1,337 from the Department of Revenue.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE H - CAPITAL ASSETS

Capital asset activity of the **primary government** for the year ended September 30, 2010 was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 26,654,693	\$ -	\$ -	\$ 510,645	\$ 27,165,338
Construction in Progress	2,027,202	1,195,230	-	527,410	3,749,842
Total capital assets, not being depreciated	28,681,895	1,195,230	-	1,038,055	30,915,180
Capital assets, being depreciated:					
Buildings	32,546,294	87,304	(1,653)	(72,690)	32,559,255
Improvements other than buildings	31,268,051	2,247,187	-	(2,436,667)	31,078,571
Equipment	13,774,548	112,885	(298,541)	(342,350)	13,246,542
Infrastructure	103,996,127	-	-	2,649,091	106,645,218
Total	181,585,020	2,447,376	(300,194)	(202,616)	183,529,586
Less accumulated depreciation for:					
Buildings	(8,796,324)	(633,287)	-	(10,741)	(9,440,352)
Improvements other than buildings	(8,839,960)	(1,634,285)	-	(460,569)	(10,934,814)
Equipment	(10,240,172)	(1,231,737)	236,223	628,564	(10,607,122)
Infrastructure	(69,795,512)	(2,516,299)	-	(482,048)	(72,793,859)
Total accumulated depreciation	(97,671,968)	(6,015,608)	236,223	(324,794)	(103,776,147)
Total capital assets, being depreciated, net	83,913,052	(3,568,232)	(63,971)	(527,410)	79,753,439
Total capital assets, net	\$ 112,594,947	\$ (2,373,002)	\$ (63,971)	\$ 510,645	\$ 110,668,619

The above assets contain the FPUA's transfer of the real estate property formerly occupied by the Henry D. King Power Plant. The assets have been recorded at the transfer value of \$510,645.

Depreciation expense charged to functions/programs of the **primary government** (governmental activities) for the year ended September 30, 2010 was as follows:

Governmental activities:	
General government	\$ 248,965
Public safety	968,887
Transportation	4,267,717
Economic environment	106,131
Culture and recreation	423,908
Total	\$ 6,015,608

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE H - CAPITAL ASSETS (CONTINUED)

Business-type activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 674,008	\$ -	\$ -	\$ -	\$ 674,008
Construction in Progress	10,034,523		-	(7,987,407)	2,047,116
Total capital assets, not being depreciated	10,708,531	-	-	(7,987,407)	2,721,124
Capital assets, being depreciated:					
Buildings	17,815,827	-	-	-	17,815,827
Improvements other than buildings	39,072,792	6,731,944	-	7,987,407	53,792,143
Equipment	7,791,990	273,442	(15,000)	233,049	8,283,481
Total	64,680,609	7,005,386	(15,000)	8,220,456	79,891,451
Less accumulated depreciation for:					
Buildings	(2,484,225)	(624,286)	-	-	(3,108,511)
Improvements other than buildings	(7,652,920)	(1,390,601)	-	-	(9,043,521)
Equipment	(5,542,831)	(652,153)	6,707	(196,162)	(6,384,439)
Total accumulated depreciation	(15,679,976)	(2,667,040)	6,707	(196,162)	(18,536,471)
Total capital assets, being depreciated, net	49,000,633	4,338,346	(8,293)	8,024,294	61,354,980
Total capital assets, net	\$ 59,709,164	\$ 4,338,346	\$ (8,293)	\$ 36,887	\$ 64,076,104

Additions to accumulated depreciation and depreciation expense charged to functions/programs of the **primary government** (business-type activities) for the year ended September 30, 2010 was as follows:

Solid waste	\$ 486,703
Marina	452,629
Stormwater	982,868
Golf course	166,447
Sunrise Theatre	566,350
Building Fund	12,043
Total	\$ 2,667,040

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE H - CAPITAL ASSETS (CONTINUED)

Capital asset activity of the **FPUA** (a component unit) for the year ended September 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Utility Plant, not being depreciated:				
Land	\$ 10,429,000	\$ 31,000	\$ (511,000)	\$ 9,949,000
Construction Work in Progress	24,307,592	6,420,249	(8,428,000)	22,299,841
Total Utility Plant, not being depreciated	34,736,592	6,451,249	(8,939,000)	32,248,841
Utility Plant, being depreciated:				
Transmission, distribution and collection systems	286,912,981	9,548,326	(98,000)	296,363,307
Equipment	43,080,000	830,000	(498,000)	43,412,000
Structures and improvements	36,223,000	560,000	(197,000)	36,586,000
Total Utility Plant being depreciated	366,215,981	10,938,326	(793,000)	376,361,307
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(112,260,394)	(11,687,492)	98,000	(123,849,886)
Equipment	(28,063,000)	(2,293,000)	498,000	(29,858,000)
Structures and improvements	(16,954,000)	(1,287,000)	197,000	(18,044,000)
Total accumulated depreciation	(157,277,394)	(15,267,492)	793,000	(171,751,886)
Total Utility Plant, being depreciated, net	208,938,587	(4,329,166)	-	204,609,421
Total Utility Plant, net	\$ 243,675,179	\$ 2,122,083	\$ (8,939,000)	\$ 236,858,262

Construction work in progress at September 30, 2010 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. The total interest costs of \$5,000,000 for the year ended September 30, 2010 is included in the accompanying Statement of Activities, which includes \$129,000 of adjustments made to capitalized interest on certain utility plant construction projects. The **FPUA** has entered into contracts for the construction or expansion of various system assets as follows.

	Project Total	Expended to Date	Remaining Commitment
Electric	\$ 3,500	\$ 2,000	\$ 1,500
Water	3,900	1,800	2,100
Natural gas	20,000	1,900	18,100
	\$ 27,400	\$ 5,700	\$ 21,700

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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, 2010, there were no significant remaining contract commitments for the construction or renovation for Fort Pierce Utilities Authority system assets.

NOTE I - EMPLOYEE RETIREMENT SYSTEMS

The City participates in two retirement and benefit plans. The General Employees' Retirement and Benefit System covers all primary government and component unit employees. The Municipal Police Officers' Retirement Trust Fund covers the City's police officers. In 2010 the City and The Utilities Authority, a component unit, offered a Deferred Retirement Option Plan (DROP). The City had 17 members participating in this plan as of September 30, 2010 and the FPUA had 24.

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.

Benefits vest 100 percent after five years of service. 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.

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.

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

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

At September 30, 2010, the Plan's membership consisted of: (1) 429 retirees and beneficiaries currently receiving benefits and 24 terminated employees entitled to benefits but not yet receiving them; (2) 345 vested active employees; and (3) 231 non-vested active employees.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

For the Three years ended 2008, 2009 and 2010, employer contributions to the Plan, all made in accordance with actuarially determined requirements, were \$4,082,846, \$3,580,089 and \$3,377,350 which was 12.39%, 11.54% and 12.61% respectively, of annual covered payroll. The total payroll for employees covered by the System for the year ended September 30, 2010 was \$27,778,873 which includes \$12,119,000 for Fort Pierce Utilities Authority employees. One hundred percent of required contributions were actually made for 2008, 2009 and 2010.

The annual required contribution for the current year was determined as part of the September 30, 2010 actuarial valuation of the Plan using the individual entry age actuarial cost method. Significant actuarial assumptions included (a) a rate of return on the investment (net of administrative expenses) of 8.0%; (b) projected salary increases of 4.5% to 8.7% per year; and (c) the assumption that benefits will not increase after retirement. Assumption (a) includes an inflation component of 4.5%. The unfunded actuarial accrued liability was financed at a level percent of member payroll, closed.

	Actuarial	Actuarial	Unfunded			UAAL as a
	Actuarial	Accrued				% of
Actuarial	Value of	Liability (AAL)	AAL	Funded	Covered	Covered
Valuation	Assets	-Entry Age	(UAAL)	Ratio	Payroll	Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
9/30/2010	148,691,000	164,865,000	16,174,000	90	26,778,873	60

Municipal Police Officers' Retirement Trust Fund

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

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

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.

As of September 30, 2010, Plan membership consisted of: (1) 18 retirees and beneficiaries currently receiving benefits and 1 terminated employee entitled to benefits but not yet receiving them; (2) 46 vested active employees; and (3) 63 non-vested active employees.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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 \$262,634. 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 3.5 percent 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, 2010 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.

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability was financed at a level percent of member payroll, closed.

The annual required contribution for the current year was determined as part of the September 30, 2010 actuarial valuation of the Plan using the individual entry age actuarial cost method. Significant actuarial assumptions included (a) a rate of return on the investment (net of administrative expenses) of 7.5%; (b) projected salary increases of 5.0% to 8.8% per year; and (c) the assumption that benefits will not increase after retirement. Assumption (a) includes an inflation component of 4.0%.

	Actuarial	Actuarial	Unfunded	Funded	Covered	UAAL as a
	Value of	Accrued	AAL	Ratio	Payroll	% of
Actuarial	Assets	Liability (AAL)	(UAAL)			Covered
Valuation		-Entry Age				Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
9/30/2010	9,093,257	9,907,782	814,525	92	6,393,190	13

Following is the annual pension cost and net pension obligation for the current and prior two years:

	2008	2009	2010
Annual Pension Costs (APC)	\$ 743,740	\$ 732,525	\$ 693,958
Actual Contribution	\$ 539,012	\$ 538,597	\$ 497,848
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	-	-	-

The difference between the annual pension costs and actual contributions was funded with the excess contribution reserve.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Currently an annual actuarial evaluation is performed for both Plans. The most recent actuarial valuations were performed for the year ended September 30, 2010. Other information regarding contributions and funding progress is included as supplementary information to this report.

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

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

City of Fort Pierce, Florida			
COMBINING STATEMENT OF			
FIDUCIARY FUNDS NET ASSETS			
September 30, 2010			
	Pension Trusts		
	General Employees	Police Officers	Total
ASSETS			
Cash and cash equivalents	\$ 896,730	\$ 423,455	\$ 1,320,185
Investments, at fair value:			
U.S. Government Securities	5,185,977	2,160,016	7,345,993
Mutual Funds	80,001,260	2,629,956	82,631,216
Common Stock	11,365,304	2,673,332	14,038,636
Corporate Bonds	40,128,463	829,457	40,957,920
Money Market	676,082	219,871	895,953
Total investments	137,357,086	8,512,632	145,869,718
Total cash and investments	138,253,816	8,936,087	147,189,903
Accounts receivable	159,510	7,149	166,659
Accrued interest receivable	520,981	23,275	544,256
Total assets	<u>\$ 138,934,307</u>	<u>\$ 8,966,511</u>	<u>\$ 147,900,818</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 80,503	\$ 8,606	\$ 89,109
NET ASSETS HELD IN TRUST FOR PENSION			
BENEFITS	<u>\$ 138,853,804</u>	<u>\$ 8,957,905</u>	<u>\$ 147,811,709</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

City of Fort Pierce, Florida			
COMBINING STATEMENT OF CHANGES			
IN FIDUCIARY FUNDS NET ASSETS			
Year ended September 30, 2010			
	Pension Trusts		
	General	Police	
	Employees	Officers	Total
ADDITIONS			
Contributions			
Employer	\$ 3,377,350	\$ -	\$ 3,377,350
Employees	1,694,541	235,214	1,929,755
State-via the general fund	-	262,634	262,634
Other	-	-	-
Total contributions	5,071,891	497,848	5,569,739
Investment income			
Interest	2,336,600	118,724	2,455,324
Dividends	696,195	77,037	773,232
Net depreciation in fair value of investments	11,612,774	523,384	12,136,158
Total investment income	14,645,569	719,145	15,364,714
Investment expenses	(504,124)	(54,525)	(558,649)
Net investment income	14,141,445	664,620	14,806,065
Total deletions	19,213,336	1,162,468	20,375,804
DEDUCTIONS			
Retirement benefits paid	8,901,171	826,589	9,727,760
Refunds of employee contributions	430,558	65,541	496,099
Administrative expenses	131,640	67,292	198,932
Insurance expense	15,485	2,733	18,218
Total deductions	9,478,854	962,155	10,441,009
Net Increase (Decrease)	9,734,482	200,313	9,934,795
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	129,119,322	8,757,592	137,876,914
End of year	\$ 138,853,804	\$ 8,957,905	\$ 147,811,709

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE J - DEFERRED COMPENSATION PLAN

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

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

NOTE K - LOANS AND BONDS PAYABLE

Bond and note obligations of the **primary government** as of September 30, 2010 are as follows:

	Business-type	Government
	Activities	Activities
\$5,880,000 Stormwater Utility System Revenue Bonds, Series 2002, payable from and secured by a first lien and pledge upon the Stormwater revenues and the monies on deposit in the various funds and accounts created pursuant to the Resolution, interest ranging from 3.25% to 4.75% payable semi-annually and sinking fund installments ranging from \$185,000 to \$370,000 through October 1, 2027. Proceeds used to finance stormwater system improvements throughout the City. Current portion is \$185,000.	4,730,000	-
\$4,345,000 Sales Tax Revenue Refunding Bonds, Series 2003, collateralized by a first lien upon and pledge of the proceeds of the Local Governmental Half-Cent Sales Tax distributed by the State of Florida and income earned on bond related investment accounts, interest ranging from 3.25% to 4%, payable semi-annually and sinking fund installments ranging from \$455,000 to \$490,000 through December 1, 2012. Proceeds used to refund Sales Tax Revenue Bonds	-	1,420,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

	Business-type Activities	Government Activities
\$3,170,000 Capital Improvements Revenue Bonds, Series 2004, payable from non-advallorem revenues appropriated in the annual budget to the extent permitted by law, with interest ranging from 3.5% to 5.0%, payable semi-annually and sinking fund installments ranging from \$65,000 to \$200,000 through December 1, 2034. Proceeds used to reconstruct and improve the city-owned golf course. Current portion is \$65,000.	-	2,980,000
\$20,200,000 Fort Pierce Redevelopment Revenue and Refunding Bonds, Series 2005, payable from and secured by a first lien and pledge upon tax increment revenues, with interest ranging from 3.125% to 5%, payable semi-annually and sinking fund installments ranging from \$605,000 to \$1,310,000 through December 1, 2030. Proceeds will be used to refund the Fort Pierce Redevelopment Bonds, Series 2003, and to acquire and construct redevelopment projects.	-	18,050,000
\$20,000,000 Fort Pierce Redevelopment Revenue Bonds, Series 2006, payable from and secured by a first lien and pledge upon tax increment revenues, with interest ranging from 4.0% to 5.0%, payable semi-annually and sinking fund installments ranging from \$460,000 to \$2,600,000 through May 1, 2031. Proceeds will be used to to acquire and construct redevelopment projects. Current portion is	-	18,255,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

	Business-type Activities	Government Activities
\$13,665,000 Stormwater Utility System Revenue Bonds, Series 2006, payable from and secured by a first lien and pledge upon the Stormwater revenues and the monies on deposit in the various funds and accounts created pursuant to the Resolution, interest ranging from 3.75% to 5.00% payable semi-annually and sinking fund installments ranging from \$360,000 to \$865,000 through October 1, 2030. Proceeds used to finance stormwater system improvements throughout the City. Current portion is \$360,000.	12,160,000	-
\$23,190,000 Capital Improvement Revenue Refunding Bonds, Series 2008A, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest ranging from 4.0% to 6.0%, payable semi-annually and sinking fund installments ranging from \$115,000 to \$2,225,000 through September 1, 2032. Proceeds used to refund the 2007 Sunshine State Governmental Financing Commission Non-taxable Revenue Note. Current portion of new bonds is \$110,000.	-	23,085,000
\$6,650,000 Taxable Capital Improvement Revenue Refunding Bonds, Series 2008B, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 6.125% interest payable semi-annually and annual sinking fund installments ranging from 575,000 to 925,000 beginning in 2010 through September 1, 2018. Proceeds used to refund the 2007 Sunshine State Governmental Financing Commission Taxable Revenue Note. Current portion of new bonds is 0.	-	4,125,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

	Business-type Activities	Government Activities
\$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 new bond is 0.	1,846,857	4,978,143
\$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 260,000 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 0.		2,935,000
\$3,395,000 Section 108 Loan Payable, variable interest only monthly to 2012, annual principal payments beginning in 2012 ranging from 282,000 to 283,000 to 2023, 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 0.	-	3,395,000
	18,736,857	79,223,143
Less: current portion payable from restricted assets	(545,000)	(1,695,000)
Unamortized items	(69,676)	(617,870)
	<u>\$ 18,122,181</u>	<u>\$ 76,910,273</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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

Governmental Activities:

	Principal		Interest		Total	
2011	\$	1,695,000	\$	3,637,644	\$	5,332,644
2012		1,820,000		3,562,852		5,382,852
2013		2,168,000		3,493,205		5,661,205
2014		2,718,000		3,423,742		6,141,742
2015		2,833,000		3,309,725		6,142,725
2016-2020		16,420,111		14,519,900		30,940,011
2021-2025		18,156,021		10,630,800		28,786,821
2026-2030		25,583,011		5,674,198		31,257,209
2031-2035		7,830,000		640,625		8,470,625
	\$	79,223,143	\$	48,892,691	\$	128,115,834

Business-Type Activities:

	Principal		Interest		Total	
2011	\$	545,000	\$	836,406	\$	1,381,406
2012		570,000		810,479		1,380,479
2013		590,000		789,629		1,379,629
2014		615,000		764,249		1,379,249
2015		635,000		741,919		1,376,919
2016-2020		3,769,889		3,250,132		7,020,021
2021-2025		5,289,979		2,220,460		7,510,439
2026-2030		5,856,989		890,283		6,747,272
2031		865,000		36,763		901,763
	\$	18,736,857	\$	10,340,320	\$	29,077,177

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Long-term liability activity of the **primary government** for the year ended September 30, 2010 was as follows:

	Beginning Balance 10/1/2009	Additions	Reductions	Ending Balance 9/30/2010	Amounts Due within One Year	Amounts Due after One Year
Governmental Activities:						
Notes and bonds payable:						
Revenue bonds	\$ 76,893,143	\$ 7,913,143	\$ 8,978,143	\$ 75,828,143	\$ 1,695,000	\$ 74,133,143
Unamortized items	(553,391)	(96,314)	(31,835)	(617,870)	-	(617,870)
	76,339,752	7,816,829	8,946,308	75,210,273	1,695,000	73,515,273
Section 108 Loan	-	3,395,000	-	3,395,000	-	3,395,000
Intergovernmental notes	75,484	-	75,484	-	-	-
	76,415,236	11,211,829	9,021,792	78,605,273	1,695,000	76,910,273
Other Liabilities:						
Other post employment benefits	498,389	19,178	-	517,567	-	517,567
Compensated absences	3,603,850	417,750	1,146,294	2,875,306	288,176	2,587,130
Total governmental activities	\$ 80,517,475	\$ 11,648,757	\$ 10,168,086	\$ 81,998,146	\$ 1,983,176	\$ 80,014,970
Business-type Activities:						
Notes and bonds payable:						
Revenue bonds	\$ 19,266,857	\$ 1,846,857	\$ 2,376,857	\$ 18,736,857	\$ 545,000	\$ 18,191,857
Unamortized items	(74,956)	-	(5,280)	(69,676)	-	(69,676)
	19,191,901	1,846,857	2,371,577	18,667,181	545,000	18,122,181
Intergovernmental notes	26,894	-	26,894	-	-	-
	19,218,795	1,846,857	2,398,471	18,667,181	545,000	18,122,181
Other Liabilities:						
Other post employment benefits	75,387	2,670	-	78,057	-	78,057
Compensated absences	424,425	203,736	128,474	499,687	54,730	444,957
Total business activities	\$ 19,718,607	\$ 2,053,263	\$ 2,526,945	\$ 19,244,925	\$ 599,730	\$ 18,645,195

	Beginning Balance 10/1/2009	Additions	Reductions	Ending Balance 9/30/2010
Compensated absences				
Governmental Activities:				
General Fund	\$ 3,499,264	\$ 405,087	\$ 1,059,223	\$ 2,845,128
Community Development Block Grant	77,915	3,642	79,000	2,557
Community Redevelopment Agency	26,671	9,021	8,071	27,621
	\$ 3,603,850	\$ 417,750	\$ 1,146,294	\$ 2,875,306

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Stormwater Utility System Revenue Bonds, Series 2002

The Series 2002 Bonds were issued pursuant to Chapter 166, Part II, Florida Statutes, The City Charter and Resolution No. 02-165 as supplemented for the purpose of (i) making certain capital improvements to the City's storm-water utility system and (ii) financing the costs of issuance of the Series 2002 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 2003 Bonds. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through Ambac Assurance Corporation in the amount of \$392,248, which is the maximum bond service requirement.
2. Construction Fund – Proceeds from the bond issuance, after payment of costs and expenses related to issuance of the bonds, shall be deposited into the Construction Fund for purposes of paying project costs.

The Series 2002 Bonds and interest thereon are payable from and secured by a first lien and pledge upon the (i) Storm-water Revenues of the System and(ii) the moneys on deposit in the various funds and accounts created by the resolution, with exception to the Rebate Fund.

The Series 2002 Bonds maturing on or prior to October 1, 2013, are subject to optional redemption on or after October 1, 2012. The Series 2002 Bonds maturing on October 1, 2018 are subject to mandatory sinking fund redemption beginning October 1, 2016. The Series 2002 Bonds maturing on October 1, 2022 are subject to mandatory sinking fund redemption beginning October 1, 2019. The Series 2002 Bonds maturing on October 1, 2027 are subject to mandatory sinking fund redemption beginning October 1, 2023.

Sales Tax Revenue Refunding and Improvement Bonds, Series 2003

The Series 2003 Bonds were issued pursuant to Chapter 166, Part II, and Chapter 218, Part VI, Florida Statutes, the City Charter and Resolution No. 03-55, as supplemented for the purpose of (i) currently refund all of the City's outstanding Sales Tax Revenue Refunding, Bonds, Series 1993 (ii) to construct certain public capital projects, and (iii) finance the costs of issuance of the Series 2003 Bonds including the financial guaranty insurance premium and reserve policy premium. The resolution provides for the creation and establishment of the following funds:

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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 2003 Bonds. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through Ambac Assurance Corporation in the amount of \$512,800, which is the maximum bond service requirement.
2. Construction Fund – For deposit of all remaining bond proceeds after refunding all of the City’s outstanding Sales Tax Revenue Refunding, Bonds, Series 1993, and payment of all costs and expenses in connection with the preparation, issuance and sale of the bonds and funding of the reserve fund. Amounts deposited into the construction fund shall be used for the purpose of paying construction costs.

The Series 2003 Bonds and interest thereon are payable solely from pledged funds of the Sales Tax Revenues, including the proceeds of the local government half cent sales tax distributed to the City from the Local Government Half-cent Sales Tax Clearing Trust fund as described in Chapter 218, Part VI, Florida Statutes.

The Series 2003 Bonds maturing are not redeemable prior to their respective maturities.

Capital Improvement Revenue Bonds, Series 2004

The Series 2004 Bonds were issued pursuant to Chapter 166, Part II, and Chapter 218, Part VI, Florida Statutes, the City Charter and Resolution No. 04-20, as supplemented for the purpose of (i) financing the reconstruction and improvement of a City-owned golf course (ii) to capitalize a portion of the interest accruing on the Series 2004 Bonds, and (iii) finance the costs of issuance of the Series 2004 bonds including the financial guaranty 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 bond service requirement, (ii) 125% of the average annual bond service requirement, or (iii) 10% of the proceeds of the Series 2004 Bonds. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through Financial Guaranty Insurance Company in the amount of \$310,777, which is the maximum bond service requirement.
2. Construction Fund – For deposit of all remaining bond proceeds after payment of all costs and expenses in connection with the preparation, issuance and sale of the bonds and funding of the reserve account. Amounts deposited into the construction fund shall be used for the purpose of paying construction costs.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

The Series 2004 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 2004 Bonds when due.

The Series 2004 Bonds maturing on or after to December 1, 2014, are not redeemable prior to their respective maturities. The Series 2004 Bonds maturing in the year 2028 are subject to mandatory redemption.

Redevelopment Revenue and Refunding Bonds, Series 2005

The Series 2005 Bonds were issued under and pursuant to Chapter 163, Part III, Florida Statutes, the City Charter and Resolution No. 05-33, and Fort Pierce Redevelopment Agency as supplemented for the purpose of (i) acquiring and constructing community redevelopments, (ii) make a deposit to the Series 2005 Subaccount within the Reserve Account in an amount equal to the Reserve Account Requirement for the Series 2005 Bonds, (iii) to refund and defease all of the Agency's Outstanding Redevelopment Revenue Bonds, Series 2003(the "Refunded Bonds"), and (iv) financing the costs of issuance of the Series 2005 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. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through XL Capital Assurance.
2. Construction Fund – Proceeds from the bond issuance, after payment of costs and expenses related to issuance of the bonds, shall be deposited into the Construction Fund for purposes of paying project costs.

The Series 2005 Bonds and interest thereon are payable from and secured by a first lien and pledge upon the Tax Increment Revenues, and until applied in accordance with the provisions of the Debt resolution the City has agreed to appropriate in its annual budget, by amendment, if necessary, from non-ad valorem funds, amounts sufficient to pay principal of and interest on the Series 2005 Bonds to the extent pledged funds are insufficient thereon.

The Series 2005 Bonds maturing on or after May 1, 2016, are subject to optional redemption on or after May 1, 2015. The Series 2005 Bonds maturing on May 1, 2023 are subject to mandatory sinking fund redemption beginning May 1, 2021. The Series 2005 Bonds maturing on May 1, 2026 are subject to mandatory sinking fund redemption beginning May 1, 2024. The Series 2005 Bonds maturing on May 1, 2030 are subject to mandatory sinking fund redemption beginning May 1, 2027.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Redevelopment Revenue Bonds, Series 2006

The Series 2006 Bonds were issued under and pursuant to Chapter 163, Part III, Florida Statutes, the City Charter and Resolution No. 06-04, and Fort Pierce Redevelopment Agency as supplemented for the purpose of (i) acquiring and constructing community redevelopments, (ii) financing the costs of issuance of the Series 2006 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. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through XL Capital Assurance.
2. Construction Fund – Proceeds from the bond issuance, after payment of costs and expenses related to issuance of the bonds, shall be deposited into the Construction Fund for purposes of paying project costs.

The Series 2006 Bonds and interest thereon are payable from and secured by a first lien and pledge upon the Tax Increment Revenues and certain moneys and investments on deposit in the debt service fund.

The Series 2006 Bonds maturing on or after May 1, 2017, are subject to optional redemption on or after May 1, 2016. The Series 2006 Bonds maturing on May 1, 2031 are subject to mandatory sinking fund redemption beginning May 1, 2022. The Series 2006 Bonds maturing on May 1, 2026 are subject to mandatory sinking fund redemption beginning May 1, 2024.

Stormwater Utility System Revenue Bonds, Series 2006

The Series 2006 Bonds were issued pursuant to Chapter 166, Part II, Florida Statutes, The City Charter and Resolution No. 06-04 as supplemented for the purpose of (i) making certain capital improvements to the City's storm-water utility system and (ii) financing the costs of issuance of the Series 2006 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 2006 Bonds. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through XL Capital Assurance.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

2. Construction Fund – Proceeds from the bond issuance, after payment of costs and expenses related to issuance of the bonds, shall be deposited into the Construction Fund for purposes of paying project costs.

The Series 2006 Bonds and interest thereon are payable from and secured by a first lien and pledge upon the (i) Storm-water Revenues of the System and(ii) the moneys on deposit in the various funds and accounts created by the resolution, with exception to the Rebate Fund.

The Series 2006 Bonds maturing on or prior to October 1, 2016, are subject to optional redemption on or after October 1, 2016. The Series 2006 Bonds maturing on October 1, 2025 are subject to mandatory sinking fund redemption beginning October 1, 2021. The Series 2006 Bonds maturing on October 1, 2030 are subject to mandatory sinking fund redemption beginning October 1, 2026.

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

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

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

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

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

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

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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.

Defeasance of Revenue Bonds Payable

On August 19, 2010 the city refunded and defeased on a current basis the Series 1998 Capital Improvement Revenue Bonds maturing on September 1, 2010 through September 1, 2018 amounting to \$4,190,000. The City used proceeds of \$4,352,278 (\$3,229,656 governmental activities and \$1,122,622 Business-type) from Series 2010A Capital Improvement Revenue Refunding Bonds to currently defease the Series 1998 Bonds and pay certain costs incurred in connection with issuing the bonds.

The transactions resulted in an increase of \$2,465,923 in future debt service payments. The economic loss (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$241,357. The City refunded the issue to extend the life of the debt and reduce debt service costs over the next few years.

On August 19, 2010 the city advance refunded and defeased the Series 2001 Capital Improvement Revenue Bonds maturing on September 1, 2010 through September 1, 2021 amounting to \$2,540,000. The City deposited proceeds of \$2,638,374 (\$1,914,140 governmental activities and \$724,234 Business-type) from Series 2010A Capital Improvement Revenue Refunding Bonds in an irrevocable trust account and invested in direct obligations of the United States of America to allow for future payments of principal and interest until the redemption date of September 1, 2021 at a redemption price of 100%. The transaction resulted in an accounting loss of \$98,374.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

The difference in the cash flows of the old debt service compared to the new issue was a negative \$1,298,584. The economic loss (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$135,233. The City refunded the issue to extend the life of the debt and reduce debt service costs over the next few years.

On August 19, 2010 the city advance refunded and defeased a portion of the Series 2008B Capital Improvement Revenue Refunding Bonds maturing on September 1, 2010 through September 1, 2013 amounting to \$2,525,000. The City deposited proceeds of \$2,819,761 from Series 2010B Capital Improvement Revenue Refunding Bonds in an irrevocable trust account and invested in direct obligations of the United States of America to allow for future payments of principal and interest until the redemption date of September 1, 2021 at a redemption price of 100%. The transaction resulted in an accounting loss of \$294,761.

The difference in the cash flows of the old debt service compared to the new issue was a negative \$1,405,008. The economic loss (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$433,533. The City refunded the issue to extend the life of the debt and reduce debt service costs over the next few years.

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, 2010 the following bonds are considered defeased:

	Beginning Balance 10-1-2009	Additions	Retirement	Ending Balance 9-30-2010
Capital Improvement				
Bonds, Series 2001	\$ -	\$ 2,540,000	\$ 290,000	\$ 2,250,000
Redevelopment Revenue				
Bonds, Series 2003	7,905,000	-	535,000	7,370,000
	<u>\$ 7,905,000</u>	<u>\$ 2,540,000</u>	<u>\$ 825,000</u>	<u>\$ 9,620,000</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Component Unit

Bond obligations of the FPUA (a component unit) as of September 30, 2010 are as follows:

			Business-type Activities
\$45,050,000 Utilities Refunding Revenue Bonds, Series 1991, collateralized by pledge of and first lien on the net revenues of the combined systems, approximate yield of 6.85% on the remaining Capital Appreciation Bonds. The accreted value of the Capital Appreciation Bonds at September 30, 2010 is \$5,445,000. The bonds mature October 1, 2010.			\$ 5,445,000
\$22,445,000 Utilities Refunding Revenue Bonds, Series 1999A, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 5.0% to 5.375%, on the remaining annual principal amounts ranging from \$200,000 to \$255,000 through October 1, 2015.			1,365,000
\$10,223,254 Utilities Revenue Capital Appreciation Bonds, Series 1999B, collateralized by pledge of and first lien on the net revenues of the combined systems, yeild varying from 5.70% to 5.90%. The accreted value at September 30, 2010 is \$19,279,000. The bonds mature October 1, 2016, through October 1, 2024, with principal amounts totaling \$34,970,000 due in those years in annual amounts ranging from \$275,000 to \$4,340,000.			19,279,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

				Business-type Activities
\$9,545,000 Utilities Revenue Bonds, Series 2002, collateralized by pledge of and first lien on the net revenues of the combined systems, interest at 5%. The bonds mature October 1, 2025, through October 1, 2027, with principal amounts ranging from \$3,025,000 to \$3,340,000.				9,545,000
\$42,965,000 Utilities Refunding Revenue Bonds, Series 2003, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 2.50% to 5.00% on the remaining annual principal amounts ranging from \$10,000 to \$6,970,000 through October 1, 2016.				37,165,000
\$434,800,000 Utilities Refunding Revenue Bonds, Series 2009, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 3.9% to 5.00% on the remaining annual principal amounts ranging from \$1,210,000 to \$7,285,000 through October 1, 2029.				34,800,000
On October 6, 2009 Fort Pierce Utilities Authority entered into an interlocal agreement with St. Lucie County. St. Lucie is performing a construction project which requires relocation of utilities. St. Lucie County is providing a portion of the funds to Fort Pierce Utilities Authority for the cost of the relocation work. Fort Pierce Utilities Authority intends to repay the advance by means of in-kind services, the value of which are subject to acceptance by St. Lucie County.				234,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Requirements to pay principal and interest on the **FPUA** (a component unit) obligations in each of the years/periods ending September 30, 2010 are as follows

	Principal		Interest		Total	
2011	\$	5,655,000	\$	4,017,000	\$	9,672,000
2012		5,675,000		3,870,000		9,545,000
2013		5,955,000		3,579,000		9,534,000
2014		6,255,000		3,273,000		9,528,000
2015		6,570,000		2,951,000		9,521,000
2016-2020		31,159,000		10,938,000		42,097,000
2021-2025		29,080,000		8,968,000		38,048,000
2026-2030		33,175,000		4,213,000		37,388,000
		123,524,000		41,809,000		165,333,000
Future accretion on capital appreciation bonds		(15,691,000)		15,691,000		-
	\$	107,833,000	\$	57,500,000	\$	165,333,000

Other Requirements

The Series 1991, 1999A, 2002, and 2003 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 or sinking fund installment date. A maximum maturities reserve must be maintained at an amount equal to the maximum amount of principal and interest on all bonds becoming due in any ensuing bond year and has been provided for by purchasing a surety bond. This maximum amount is \$9,687,000 and occurs in the bond year October 1, 2011. Additionally, the issues require renewal and replacement and emergency reserve and reserve subaccount funds with minimum requirements of \$500,000, \$900,000 and \$4,380,000, respectively. These reserves are funded in the amounts of \$1,223,000, \$2,000,000, and \$3,480,000, respectively, at September 30, 2010.

Series 1999A Bonds maturing in the year 2010 and thereafter are redeemable prior to their stated dates of maturity, at the option of the Authority, beginning October 1, 2009 or any date thereafter. The redemption may occur in such manner as shall be determined by the Authority. The redemption price would be equal to par plus a premium of 1% of par if redeemed during fiscal year 2010. The redemption price would be equal to par plus interest accrued to the redemption date, on October 1, 2010 and thereafter.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

The 2002 Bonds maturing in the year 2027 are redeemable, prior to their stated dates of maturity, at the option of the Authority beginning April 1, 2012 at par.

The 2003 Bonds maturing in the year 2014 are redeemable, prior to their stated dates of maturity, at the option of the Authority beginning October 1, 2013 at par.

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 Fort Pierce Utilities 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) are redeemable, prior to their stated date of maturity, at the option of Fort Pierce Utilities Authority, on or after October 1, 2019. Those Series 2009 Bonds maturing prior to October 1, 2020 are subject to redemption prior to maturity.

In prior years, the Utilities Authority defeased certain outstanding utilities revenue bonds issued for the systems payable out of revenues derived from the operation of the utility systems. These defeasances were achieved by placing the proceeds of refunding bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities (including bond discounts and finance costs) for the defeased bonds are not included in the component unit's financial statements. At September 30, 2010, Utilities Revenue Bonds Series 1991, in the amount of \$38,610,000 are considered defeased.

NOTE L - RESTRICTED NET ASSETS – FPUA (COMPONENT UNIT)

Reserves have been established in the FPUA in order to comply with the covenants contained in the bond resolutions of the various revenue bond issues or for administrative purposes. As of September 30, 2010, the amount reserved for bond requirements was \$3,222,538.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE M - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of and for the year ended September 30, 2010, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor	\$ 661,635
General	Community Development Block	439,941
General	Community Redevelopment Agency	604
General	Solid Waste	27,500
General	Storm Water	28,650
General	Golf Course	3,465
General	Marina	12,736
General	Building Fund	2,735
Community Development Block	Hurricane Housing Recovery Grant	11
Community Development Block	Nonmajor	19,568
		<u>\$ 1,196,845</u>

Due to/Due from other funds:

Amounts due to the General Fund include general and administrative charges and various reimbursements. Amounts due to the Community Development Block Grant relate to reimbursement due to grant administration expenditures.

Due to the primary government and from the component units:		
Receivable Entity	Payable Entity	Amount
General fund	FPUA	\$ 764,298
Stormwater fund	FPUA	635,193
Solid waste fund	FPUA	62,712
		<u>\$ 1,462,203</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE M - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Inter-fund transfers:

		Community				
	General	Redevelopment Agency	Golf Course	Sunrise Theatre	Nonmajor Funds	Total
Transfers out:						
General	\$ -	\$ -	\$ 259,841	\$ -	\$ 3,918,766	\$ 4,178,607
Community						
Redev. Agency	2,419,237	-	-	142,074	2,725,771	5,287,082
Solid Waste	1,100,000	-	-	878,442	71,558	2,050,000
Nonmajor	302,436	1,247,018	-	-	1,298,346	2,847,800
	<u>\$ 3,821,673</u>	<u>\$ 1,247,018</u>	<u>\$ 259,841</u>	<u>\$ 1,020,516</u>	<u>\$ 8,014,441</u>	<u>\$ 14,363,489</u>

Transfers into the Nonmajor funds were for debt service payments made from the various debt service funds. The transfer to the golf course from the General Fund was to provide support for operations. The transfer into the Sunrise Theatre from the Community Redevelopment Agency special revenue fund and Solid Waste enterprise fund were to provide support for operations. The General Fund received a transfer from the Community Redevelopment Agency Fund to subsidize projects in the redevelopment district. The General Fund also received an annual transfer from the Solid Waste Fund and a closing transfer from a Nonmajor Fund. The Community Redevelopment Agency Fund received a transfer from Nonmajor Fund to assist with capital expenditures.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE N - 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:

Administrative Services - The City bills the FPUA monthly for various administrative services performed.

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 \$187,000 annually by the FPUA for performance of these services.

Total charges to the City for nonmetered and metered services for the year ended September 30, 2010 were approximately \$1,241,000 of which approximately \$1,179,000 was paid. Total disbursements made to the City by the FPUA, including payments of utility tax and sanitation charges collected during year ended September 30, 2010, were approximately \$14,049,000. Amounts receivable from the FPUA at September 30, 2010 were \$1,462,203.

The Fort Pierce City Charter, Article X, Section 140 (as amended by referendum on October 4, 1995), provides that each year the Utility Authority shall pay to the City of Fort Pierce a sum equal to six percent of gross revenues derived from the operation of the utilities for the preceding fiscal year. The city commission, by majority vote, may agree to accept a lesser percentage. For purposes of this section the Charter defines gross revenues as all income derived from retail sales of electricity, gas, and wastewater disposal; wholesale and retail sales of water; gains on sales of assets, interest, rents, royalties, dividends, and management fees. Where a power cost adjustment or purchase gas adjustment is utilized, gross income shall mean the amount billed based upon the applicable rate without a debit or credit for the cost adjustment. For the year ended September 30, 2010, the amount transferred to the General Fund under this provision was \$4,853,329.

NOTE O - 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, 2010, the City paid premiums of approximately \$1,496,000 to commercial insurance carriers for provisions of various liability, property, casualty and workers compensation insurance. The City has various deductible amounts ranging from \$500 to \$25,000 on various policies. At year-end, the City did not have any significant claims. There were no significant changes in coverage retention, or limits during the fiscal year. The General Fund handles property claims for the City and absorbs the loss for any amounts below the deductible amounts.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE O - RISK MANAGEMENT (CONTINUED)

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. Payments of claims were administered by Employers Mutual Inc. (EMI). Contributions were made to the health and accident insurance account bi-weekly from employees. Any deficits of the account, up to the stop loss amounts, were absorbed by the City.

The City closed the Internal Service Fund as of September 30, 2009 and accordingly, no current claims liability is reported.

NOTE P - 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 \$208,000 and \$139,000, respectively.

Section 112.0801, Florida Statutes, as amended by Sections 1 and 2 of Chapter 87-373, Laws of Florida, requires all public employers to allow their retirees to participate in the same health group plan or self-insurance plan offered to their active employees. There are currently 29 City retirees and 26 Utilities Authority retirees participating in the health insurance plan.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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

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.

	City	FPUA
Normal Cost(service cost for one year)	\$ 137,901	\$
Amortization of Unfunded Actuarial Accrued Liabilities(UAAL)	92,331	
Annual Required Contribution	230,232	274,000
Contributions made	208,384	139,000
Increase in Net OPEB Obligation	21,848	135,000
Net OPEB Obligation-beginning of year	573,776	13,000
Net OPEB Obligation-end of year	\$ 595,624	\$ 148,000

The City's and FPUA's annual OPEB cost, employer contributions toward that cost, percentage of OPEB cost contributed, and the net OPEB obligation for 2010 were as follows:

			Employer	% of	
	Fiscal	Annual	Contributions	Annual OPEB	Net
	Year	OPEB	Toward	Cost	OPEB
	<u>Ended</u>	<u>Cost</u>	<u>OPEB Cost</u>	<u>Contributed</u>	<u>Obligation</u>
City	9/30/2010	230,232	208,384	91%	595,624
FPUA	9/30/2009	274,000	139,000	50.7%	148,000

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

Funding Policy

As of September 30, 2010, the most recent actuarial valuation date, the plans were unfunded. The unfunded actuarial accrued liability was \$2,899,180 and 2,274,000 for the City and FPUA respectively.

The covered payroll for active employees covered by the plan was \$14,962,157 and 14,700,000 for the City and FPUA. The ratio of the UAAL to covered payroll was 19% for the City and 15.5% for the FPUA. As of September 30, 2010, the plan remains unfunded.

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

Actuarial Methods and Assumption

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

In the September 30, 2010 actuarial valuation, the Individual Entry Age Normal Actuarial Cost Method was used. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The entry age method then provides a systematic funding for the anticipated payments. The yearly Annual Required Contribution(ARC) is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. The Amortization method is Level Percent Open with a 30 year Amortization period.

The actuarial assumptions include a 4.5% salary increase assumption, with an annual healthcare cost trend rate initially at 10%, reduced annually to a 4.5% rate after ten years. The assumed rate of investment return is 4.5% per year, compounded annually, net of expenses and assumes no real rate of return. The growth rate for amortizing the Unfunded Actuarial Accrued Liabilities was also assumed to be 4.5%.

NOTE Q - CONTRACT COMMITMENTS

FPUA, the “Authority” (a component unit)

FMPA All-requirements Power Supply Project

As of January 1, 1998, the Authority became a participant in Florida Municipal Power Agency’s (FMPA) All-Requirements Power Supply Project (hereinafter referred to as ARP). The Authority has agreed to purchase its total bulk power requirements, in excess of certain excluded resources, from the ARP through October 1, 2030. Up until May 2008, the Authority made its generating or purchased capacity resources available to the ARP and received capacity credits from the ARP. This ended with the decommissioning of the H.D. King Power Plant.

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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE Q - CONTRACT COMMITMENTS

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.

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, 2010 is \$6,095,000. The Authority is committed under the agreements to payments totaling \$6,922,000 for the year ending September 30, 2010.

Florida Gas Transmission

The Authority has entered into a contract with Florida Gas Transmission for the purchase of firm capacity natural gas in an amount ranging from 868 to 1,500 MMBtu's per day in any given month. At September 30, 2010, \$2,038,000 is included in operating expenses by the Authority in regard to this contract. As of January 1, 1998, the Authority's commitment to Florida Gas Transmission for the purchase of firm capacity natural gas used to fuel the Authority's power generation facility was assigned to the ARP. Therefore, the Authority's remaining commitment under this contract, for the year ended September 30, 2010, is \$1,011,000.

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, 2010, after which the agreement becomes a one-year evergreen protecting both parties from a long term commitment.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE Q - CONTRACT COMMITMENTS (CONTINUED)

The Authority has been engaged as an independent contractor to manage, operate, and maintain the TCEC as it transitioned from construction to operations. The Authority Power Resources Staff was trained at the expense of FMPA under the Construction Services Agreement. Upon completion of the construction phase of the project, the Authority entered into the Operation and Maintenance Agreement with FMPA. At all times under both of these agreements the power plant employees remained on the payroll of the Authority and all cost associated with them as they relate to the TCEC will be reimbursed by FMPA.

In May of 2008, the HD King Power Plant ceased operations and the TCEC began production utilizing the employees of the Authority power plant. The fiscal year ended September 30, 2010, the TCEC incurred costs in the amount of \$1,486,000, which has been recorded as revenue.

NOTE R - 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 S - LEASES

Operating Leases:

The City entered into a 25 year lease agreement, effective September 1987, 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 30, 2012. Per the agreement, annual lease payments may be adjusted due to a change in the 5 year average consumer price index. Minimum future rental payments under the operating lease for each of the years/period ending September 30, are as follows:

	2011		\$	35,538	
	2012			59,071	
			\$	<u>94,609</u>	

Rent expense for the above referenced lease was \$33,453 for year ended September 30, 2010.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE S – LEASES(CONTINUED)

Capital Leases:

FPUA(component unit) entered into a capital lease on October 1, 2009 for equipment capitalized at \$121,000. The interest/maintenance costs for 2010 were \$20,000. The Future minimum lease payments for this capital lease are as follows:

			Amount	
	2011		\$	27,000
	2012			32,000
	2013			39,000
			\$	98,000

NOTE T - OPERATING LESSOR

On August 18, 1998, the City, as lessor, entered into an agreement with the Tiki Bar and Restaurant of Fort Pierce, Inc. (the “tenant”), the lessee, to rent the restaurant facility located at the City’s public marina and docking facility. The lease calls for an initial term of fifteen years commencing September 1, 1998 to and including August 31, 2013. The tenant shall have the option to renew this lease for an additional five-year term. Rent is payable monthly on the last day of each month. Currently the lease terms call for rent payments equal to a certain percentage of the tenant’s gross revenues. Until the tenant’s calendar year-to-date revenues exceed \$1,000,000, rent is equal to 10% of the tenant’s gross revenues. For the remainder of the calendar year, rent is equal to 4% of the tenant’s gross revenues. The City collected \$175,239 from the tenant for the year ended September 30, 2010. The minimum future rental payments beyond that date cannot be determined.

On December 15, 2005 the City, as a lessor, entered into an agreement with Ianco, LLC (the “tenant”), the lessee, to rent the restaurant facility located on the western side of the City’s public marina and docking facility. The lease calls for an initial term of six months commencing January 1, 2006 to and including June 30, 2006. Both parties are continuing to operate under the terms of this lease as of September 30, 2010, on a month to month basis. Rent is payable monthly within five business days of the closing of any monthly period. Rent is the computed at the greater of 7.5% of all gross revenues or \$6,500 per month. The City collected \$88,838 from the tenant for the year ended September 30, 2010.

On January 24, 2008 the City, as a lessor, entered into an agreement with the Boys & Girls Club of St. Lucie County, Inc (the “tenant”), the lessee, to rent the gymnasium known as the Human Development & Resources Center Gymnasium, Phase 2, located at the corner of 29th Street and Avenue D. The lease calls for an initial term of fifteen years commencing January 1, 2008 to and including December 31, 2022. Rent in the amount of \$10 is payable annually. The City collected \$10 from the tenant for the year ended September 30, 2010.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE U - RESTRICTED ASSETS

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

The restricted assets of the **primary government** as of September 30, 2010 are as follows:

Business-type activities:

	Cash and investments:		
	Customer deposits	\$	203,220

The restricted assets of the **FPUA** (a component unit) as of September 30, 2010, are as follows:

	Cash and investments:		
	Principal and interest on debt service	\$	7,665,920
	Capital Improvement Charges		7,015,068
	Debt service		3,480,000
	Emergency reserve		2,000,000
	Renewal and replacement reserve		1,222,538
	Customer security deposits		6,338,799
		\$	27,722,325

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE V – CONDUIT DEBT OBLIGATIONS

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

As of September 30, 2010, there were three series of Capital Improvement Revenue Bonds outstanding. The aggregate principal amount payable for the three series issued after October 1, 1996, is \$9,354,741.

NOTE W- EXTRAORDINARY ITEM

The Authority ceased the operations of the Henry D. King Power Plant on May 31, 2008. As a result of this decommissioning, the Authority was left with the task of disposing of assets, and demolishing the facility formerly used for power generation. The demolition is complete and the expenses incurred for environmental compliance and the administration of the project was \$76,000 for the fiscal year and is recorded as an extraordinary expense. The remaining expenses, relative to the cleanup of the property, are expected to be minimal and covered by grant funding which has been applied for.

NOTE X- SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to September 30, 2010 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2010. Management has performed their analysis through March 30, 2011 was the date the financial statements were available.

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REQUIRED SUPPLEMENTARY INFORMATION

❖ **GASB Statement 25**

❖ **GASB Statement 45**



City of Fort Pierce, Florida
GASB STATEMENT 25 REQUIREMENT SUPPLEMENTARY INFORMATION
 General Employee's Retirement and Benefit System
 September 30, 2010
 (Unaudited)

Schedule of Funding Progress							
(\$ in millions)							
Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
9/30/2001	*	165.0	137.0	(28.0)	120	35.6	(79)
9/30/2002	*	167.0	149.0	(18.0)	112	37.0	(49)
9/30/2003		168.9	162.0	(6.9)	104	40.3	(17)
9/30/2004		171.6	186.7	15.1	92	43.5	35
9/30/2005		185.8	216.5	30.7	86	48.9	63
9/30/2006	*	120	130.9	10.9	92	30.56	36
9/30/2007	*	136	139	3	98	31.0	10
9/30/2008		143	150	7	95	33.0	21
9/30/2009		147	158.7	11.7	93	31	38
9/30/2010	*	149	165	16	90	27	59

** After changes in benefit provisions and/or actuarial assumptions.

Schedule of Employer Contributions					
Fiscal Year Ended September 30	Aggregate Contribution Rates as Percent of Valuation Payroll	Projected Dollar Contribution Based on Valuation Payroll	Actual Contribution Based On Actual Payroll @	Percentage Contributed	
2001	2.35	801,012	1,195,351	100	
2002	2.34	906,649	2,158,784	100	
2003	5.22	2,048,079	2,271,079	100	
2004	7.34	2,893,397	3,610,663	100	
2005	9.2	3,948,626	5,634,357	100	
2006	13.6	6,283,117	8,975,380	100	
2007	12.8	3,624,157	4,114,963	100	
2008	12.1	3,939,766	4,082,846	100	
2009	10.4	3,517,935	3,580,089	100	
2010	11.06	3,978,173	3,377,350	100	

@ Actual City contributions are determined by applying the City's contribution rate to the emerging payroll. Projected funding requirement is based on a stable work force and projected salary increases.

City of Fort Pierce, Florida

GASB STATEMENT 25 REQUIREMENT SUPPLEMENTARY INFORMATION

General Employee's Retirement and Benefit System

September 30, 2010

(Unaudited)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as the latest actuarial valuation follows:

Valuation date:	September 30, 2010
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent of payroll, closed
Remaining amortization periods	1 - 30 years
Asset valuation method	4 year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases*	General & U.A.: 4.5% - 8.7%
	Police: 4.5% - 8.5%
*Included inflation and other increases at	4.5%
Cost-of-living adjustments	None

City of Fort Pierce, Florida
GASB STATEMENT 25 REQUIREMENT SUPPLEMENTARY INFORMATION
Municipal Police Officers' Retirement Trust Fund
September 30, 2010
(Unaudited)

Schedule of Employer and Other Contributing Entities Contributions

- This schedule is not applicable to the aggregate actuarial cost method -

Fiscal Year Ended September 30	Actuarial Valuation Date	Annual Calculated Contribution	* State Contribution	Percentage Contributed
2000	9/30/1999	88,916	286,792	322.5
2001	9/30/2000	271,891	288,412	106.1
2002	9/30/2001	287,806	294,190	102.2
2003	9/30/2002	305,841	294,190	96.2
2004	9/30/2003	409,698	294,190	71.8
2005	9/30/2004	518,466	294,190	56.7
2006	9/30/2005	450,068	294,190	65.4
2007	9/30/2006	530,485	294,190	55.5
** 2008	9/30/2007	456,784	303,324	66.4
2009	9/30/2008	520,905	276,943	53.2
2010	9/30/2009	530,943	262,634	49.5

* The City does not contribute to this plan, all contributions are from the state and the employees

** Reflects plan changes under Ordinance No. L-34

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
9/30/2005	7,487,837	8,936,741	1,448,904	84	5,943,309	24
9/30/2006	7,561,205	9,446,757	1,885,552	80	6,838,249	28
9/30/2007 **	7,883,635	8,940,664	1,057,029	88	6,323,737	17
9/30/2008	8,449,679	9,668,809	1,219,130	87	6,992,600	17
9/30/2009	9,062,193	10,060,601	998,408	90	6,754,679	15
9/30/2010	9,093,257	9,907,782	814,525	92	6,393,190	13

**Reflects plan changes under Ordinance No. L-34

City of Fort Pierce, Florida

GASB STATEMENT 25 REQUIREMENT SUPPLEMENTARY INFORMATION

Municipal Police Officers' Retirement Trust Fund

September 30, 2010

(Unaudited)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as the latest actuarial valuation follows:

Valuation date:	September 30, 2010
Actuarial cost method	Individual Entry Age
Amortization method	Level percent of Payroll, closed
Remaining amortization periods	30 years
Asset valuation method	4 year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases*	5.0% - 8.8%
*Included inflation and other increases at	4.0%
Cost-of-living adjustments	None

City of Fort Pierce, Florida

GASB STATEMENT 45 REQUIREMENT SUPPLEMENTARY INFORMATION

City of Ft. Pierce Other Post Employment Benefits

September 30, 2010

(Unaudited)

Schedule of Funding Progress							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)	
City of Ft. Pierce							
9/30/2008	-	\$ 3,848,898	\$ 3,848,898	0%	\$ 17,923,099	21%	
9/30/2009	-	\$ 3,848,898	\$ 3,848,898	0%	\$ 17,151,291	22%	
9/30/2010	-	\$ 2,899,180	\$ 2,899,180	0%	\$ 14,962,156	19%	
FPUA(a discretely presented component unit)							
9/30/2008	-	\$ 2,094,000	\$ 2,094,000	0%	\$ 14,591,000	14%	
9/30/2009	-	\$ 2,094,000	\$ 2,094,000	0%	\$ 14,711,000	14%	
9/30/2010	-	\$ 2,274,000	\$ 2,274,000	0%	\$ 14,700,000	15%	

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 revenues 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, 2010

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Taxes			
Ad valorem	\$ 12,238,049	\$ 11,867,277	\$ 11,867,277
General sales and use	2,467,439	2,334,521	2,334,521
Franchise	4,535,883	4,771,754	4,771,754
	<u>19,241,371</u>	<u>18,973,552</u>	<u>18,973,552</u>
Licenses and permits			
Occupational licenses	240,000	263,939	263,939
Building permits	-	2,535	2,535
Planning and zoning	5,000		
Other	80,500	126,934	126,934
	<u>325,500</u>	<u>393,408</u>	<u>393,408</u>
Intergovernmental revenue			
Federal grants	-	87,670	87,670
State grants	-	39,481	39,481
State shared revenue	2,620,010	2,600,482	2,600,482
State retirement contribution	350,000	262,634	262,634
County shared revenue	68,000	61,091	61,091
In lieu of taxes	46,000	-	-
	<u>3,084,010</u>	<u>3,051,358</u>	<u>3,051,358</u>
Charges for services			
General government	54,084	67,907	67,907
Physical environment	10,000	7,057	7,057
Transportation	1,000	-	-
	<u>65,084</u>	<u>74,964</u>	<u>74,964</u>
Fines and forfeitures			
Court cases	618,003	169,879	169,879
Code violation	133,000	137,991	137,991
	<u>751,003</u>	<u>307,870</u>	<u>307,870</u>
Other			
Contributions from component unit	5,943,063	4,853,329	4,853,329
Investment income	201,750	165,985	165,985
Rents	19,666	23,048	23,048
Administrative and contractual services	803,973	569,496	569,496
Reimbursements by other funds	1,672,000	1,268,690	1,268,690
Special assessments	4,000	19,676	19,676
Impact fees	400	4,100	4,100
Sales of capital assets	10,000	23,764	23,764
Miscellaneous	75,000	398,358	398,358
	<u>8,729,852</u>	<u>7,326,446</u>	<u>7,326,446</u>
Total revenues	32,196,820	30,127,598	30,127,598
Other financing sources			
Transfers in	2,419,238	3,821,673	3,821,673
Total other financing sources	<u>2,419,238</u>	<u>3,821,673</u>	<u>3,821,673</u>
Total revenues, other financing sources,	<u>\$ 34,616,058</u>	<u>\$ 33,949,271</u>	<u>\$ 33,949,271</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, 2010

	Budgeted Amounts		Actual
	Original	Final	
Expenditures			
General Government			
Legislative			
City Commission	\$ 278,776	\$ 266,530	\$ 266,530
Executive			
City Manager	454,127	410,503	410,503
City Clerk	353,750	337,873	337,873
Financial and administrative			
General administration	5,935,342	5,754,577	5,754,577
Finance	766,480	789,162	789,162
MIS	923,185	855,946	855,946
Purchasing	280,589	265,188	265,188
Personnel	372,553	390,520	390,520
Legal counsel			
City Attorney	617,608	669,262	669,262
Comprehensive planning			
Planning	917,438	777,299	777,299
Public works			
Director	462,055	320,951	320,951
Garage	581,923	475,973	475,973
Building maintenance	1,056,034	960,365	960,365
	<u>12,999,860</u>	<u>12,274,149</u>	<u>12,274,149</u>
Public safety			
Law enforcement			
Police	589,790	493,639	493,639
Police- Investigation	3,040,878	2,812,546	2,812,546
Police- Neighborhood	5,635,933	5,774,411	5,774,411
Police- Support Operations	2,976,353	3,044,667	3,044,667
Grants	-	-	-
Community Response Bureau	-	-	-
Protective inspections			
Code Enforcement	526,923	471,510	471,510
Building	-	-	-
	<u>12,769,877</u>	<u>12,596,773</u>	<u>12,596,773</u>
Transportation			
Road and street facilities			
Engineering	1,093,419	953,838	953,838
Street maintenance	2,196,151	2,177,016	2,177,016
	<u>3,289,570</u>	<u>3,130,854</u>	<u>3,130,854</u>
Culture and recreation			
Parks and recreation	2,331,226	2,144,593	2,144,593
	<u>2,331,226</u>	<u>2,144,593</u>	<u>2,144,593</u>
Total expenditures	31,390,533	30,146,369	30,146,369
Other financing uses			
Transfers out	4,269,405	4,178,607	4,178,607
	<u>4,269,405</u>	<u>4,178,607</u>	<u>4,178,607</u>
Total expenditures and other financing uses	<u>\$ 35,659,938</u>	<u>\$ 34,324,976</u>	<u>\$ 34,324,976</u>

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

❖ **The Law Enforcement Trust Fund**

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

❖ **Police Grant Fund**

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

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

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

❖ **Federal Major Grant Program**

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

❖ **Restricted Revenue Fund**

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

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.

❖ **City Hall Revenue Refunding Bond Fund, Series 2003**

This fund is used to account for the accumulation of monies to pay \$4,345,000 of Capital Sales Tax Revenue Refunding Bonds, Series 1993. The Local Government Half-Cent Sales Tax funds are pledged for the payments of principal and interest due from 2003-2012.

❖ **Capital Improvement Revenue Bond Fund, Series 1998**

This fund is used to account for the accumulation of monies to pay \$6,327,000 of the \$7,500,000 2008 S of Capital Improvement Revenue Bonds, Series 1998. Non-ad valorem revenues are pledged for the payment of principal and interest due from 1998-2018.

❖ **Capital Improvement Revenue Refunding Bond Fund, Series 2008 A&B**

This fund is used to account for the accumulation of monies to pay \$23,190,000 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.

NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

DEBT SERVICE FUNDS (CONT'D)

❖ **Capital Improvement Revenue Bond Fund, Series 2001**

This fund is used to account for the accumulation of monies to pay \$2,946,492 of the \$4,500,000 Capital Improvement Revenue Bonds, Series 2001. Non-ad valorem revenues are pledged for the payment of principal and interest due from 2001-2021.

❖ **Capital Improvement Revenue Fund, Series 2004**

This fund is used to account for the accumulation of monies to pay \$3,170,000 Capital Improvements Bonds for reconstruction of the City's golf course. Non-ad Valorem Revenues are pledged for the payment of principal and interest due from 2004-2034.

❖ **Fort Pierce Redevelopment Bonds, Series 2006**

This fund is used to account for the accumulation of monies to pay \$20,000,000 of capital improvements. Tax increment revenues are pledged for the payment of principal and interest due from 2006-2031.

❖ **Fort Pierce Redevelopment Bonds, Series 2005**

This fund is used to account for the accumulation of monies to pay \$20,200,000 of capital improvements. Tax increment revenues are pledged for the payment of principal and interest due from 2005-2030.

CAPITAL PROJECT FUNDS

❖ **Capital Improvement Fund, Redevelopment**

This fund is used to account for the sources and uses of TIF funds to construct various capital improvements within the City including improvements to roads and buildings, and construction of infrastructure, land and other improvements.

❖ **Special Capital Projects Fund**

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

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NONMAJOR GOVERNMENTAL FUNDS



City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 1,020,319	\$ 3,444,609	\$ 4,196,202	\$ 8,661,130
Accounts Receivable	629,876	-	-	629,876
Due from other governments	837,377	-	-	837,377
Notes Receivable	26,905	-	-	26,905
Total assets	<u>\$ 2,514,477</u>	<u>\$ 3,444,609</u>	<u>\$ 4,196,202</u>	<u>\$ 10,155,288</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 124,550	\$ 28,009	\$ 86,414	\$ 238,973
Contracts payable - retainage	-	-	68,094	68,094
Due to other funds	671,178	-	10,025	681,203
Deferred revenues	26,905	-	-	26,905
Total liabilities	<u>822,633</u>	<u>28,009</u>	<u>164,533</u>	<u>1,015,175</u>
FUND BALANCES				
Reserved for:				
Debt service	-	3,416,600	-	3,416,600
Capital projects	-	-	4,031,669	4,031,669
Unreserved, undesignated	1,691,844	-	-	1,691,844
Total fund balances	<u>1,691,844</u>	<u>3,416,600</u>	<u>4,031,669</u>	<u>9,140,113</u>
Total liabilities and fund balances	<u>\$ 2,514,477</u>	<u>\$ 3,444,609</u>	<u>\$ 4,196,202</u>	<u>\$ 10,155,288</u>

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
Year ended September 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental	\$ 2,111,210	\$ -	\$ -	\$ 2,111,210
Fines and forfeitures	43,050	-	-	43,050
Investment income	2,294	11,295	34,816	48,405
Miscellaneous	550,991	-	-	550,991
Total revenues	2,707,545	11,295	34,816	2,753,656
Expenditures				
Current				
General Government	18,660	-	-	18,660
Public safety	1,322,012	-	-	1,322,012
Economic environment	426,803	-	-	426,803
Capital Outlay	193,370	-	2,981,554	3,174,924
Debt service				
Principal	-	1,570,000	-	1,570,000
Interest and fees	-	3,625,398	-	3,625,398
Other	-	419,481	-	419,481
Total expenditures	1,960,845	5,614,879	2,981,554	10,557,278
Excess of revenues over (under) expenditures	746,700	(5,603,584)	(2,946,738)	(7,803,622)
Other financing sources (uses)				
Transfers in	458,759	7,555,682	-	8,014,441
Proceeds of Refunding Bonds	-	7,913,143	-	7,913,143
Premium on Issuance of Refunding Bonds	-	459,099	-	459,099
Payment on Current Refunding	-	(3,229,656)	-	(3,229,656)
Payment on Advance Refunding	-	(4,733,901)	-	(4,733,901)
Transfers out	(164,530)	(1,436,252)	(1,247,018)	(2,847,800)
Total other financing sources (uses)	294,229	6,528,115	(1,247,018)	5,575,326
Net change in fund balances	1,040,929	924,531	(4,193,756)	(2,228,296)
Fund balance - beginning of year	650,915	2,492,069	8,225,425	11,368,409
Fund balance - end of year	\$ 1,691,844	\$ 3,416,600	\$ 4,031,669	\$ 9,140,113

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2010

	Police Grants Fund	Law Enforcement Trust Fund
ASSETS		
Cash and investments	\$ -	\$ 111,062
Accounts Receivable	-	-
Due from other governments	475,427	-
Notes receivable	-	-
	<u>-</u>	<u>-</u>
Total assets	<u>\$ 475,427</u>	<u>\$ 111,062</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 14,977	\$ 6,531
Due to other funds	460,450	-
Deferred revenues	-	-
	<u>-</u>	<u>-</u>
Total liabilities	475,427	6,531
FUND BALANCES		
Unreserved, undesignated	<u>-</u>	<u>104,531</u>
Total liabilities and fund balances	<u>\$ 475,427</u>	<u>\$ 111,062</u>

State Housing Initiatives Program (S.H.I.P.)	Federal Major Grant Program	Restricted Revenue Fund	Total Nonmajor Special Revenue Funds
\$ 230,379	\$ -	\$ 678,878	\$ 1,020,319
-	-	629,876	629,876
-	226,963	134,987	837,377
<u>26,905</u>	<u>-</u>	<u>-</u>	<u>26,905</u>
<u>\$ 257,284</u>	<u>\$ 226,963</u>	<u>\$ 1,443,741</u>	<u>\$ 2,514,477</u>
\$ 37	\$ 16,235	\$ 86,770	\$ 124,550
-	210,728	-	671,178
<u>26,905</u>	<u>-</u>	<u>-</u>	<u>26,905</u>
26,942	226,963	86,770	822,633
<u>230,342</u>	<u>-</u>	<u>1,356,971</u>	<u>1,691,844</u>
<u>\$ 257,284</u>	<u>\$ 226,963</u>	<u>\$ 1,443,741</u>	<u>\$ 2,514,477</u>

City of Fort Pierce, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year ended September 30, 2010

	Police Grants Fund	Law Enforcement Trust Fund
	<u> </u>	<u> </u>
Revenues		
Intergovernmental	\$ 1,021,215	\$ -
Fines and forfeitures	-	43,050
Investment income	-	376
Miscellaneous	2,626	-
	<u> </u>	<u> </u>
Total revenues	1,023,841	43,426
Expenditures		
Current		
Public safety	-	-
Public safety	1,231,417	90,595
Economic environment	-	-
Capital outlay	86,653	19,947
Total expenditures	<u>1,318,070</u>	<u>110,542</u>
Excess of revenues over (under) expenditures	(294,229)	(67,116)
Other financing sources (uses)		
Transfers in	458,759	-
Transfers out	<u>(164,530)</u>	<u>-</u>
Total other financing sources (uses)	294,229	-
Net change in fund balances	-	(67,116)
Fund balance - beginning of year	-	171,647
Fund balance - end of year	<u>\$ -</u>	<u>\$ 104,531</u>

State Housing Initatives Program (S.H.I.P.)	Federal Major Grant Program	Restricted Fund	Total Non-Major Special Revenue Funds
\$ 9,638	\$ 377,544	\$ 702,813	\$ 2,111,210
-	-	-	43,050
657	-	1,261	2,294
638	-	547,727	550,991
10,933	377,544	1,251,801	2,707,545
-	-	18,660	18,660
-	-	-	1,322,012
49,259	377,544	-	426,803
-	-	86,770	193,370
49,259	377,544	105,430	1,960,845
(38,326)	-	1,146,371	746,700
-	-	-	458,759
-	-	-	(164,530)
-	-	-	294,229
(38,326)	-	1,146,371	1,040,929
268,668	-	210,600	650,915
\$ 230,342	\$ -	\$ 1,356,971	\$ 1,691,844

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2010

	Fort Pierce Redevelopment Bonds	City Hall Revenue	Golf Course Improvement Bonds	Capital Improvement Revenue 1998
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and investments	\$ 840,416	\$ 480,360	\$ 136,619	\$ -
Total Assets	<u>\$ 840,416</u>	<u>\$ 480,360</u>	<u>\$ 136,619</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
 FUND BALANCES				
Reserved for:				
Debt service	<u>840,416</u>	<u>480,360</u>	<u>136,619</u>	<u>-</u>
Total fund balance	<u>840,416</u>	<u>480,360</u>	<u>136,619</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 840,416</u>	<u>\$ 480,360</u>	<u>\$ 136,619</u>	<u>\$ -</u>

Capital Improvement Revenue 2001	Capital Improvement Revenue 2008	Capital Improvement Refunding 2010	Total Nonmajor Debt Service Funds
\$ -	\$ 664,944	\$ 1,322,270	\$ 3,444,609
<u>\$ -</u>	<u>\$ 664,944</u>	<u>\$ 1,322,270</u>	<u>\$ 3,444,609</u>
\$ -	\$ -	\$ 28,009	\$ 28,009
-	-	28,009	28,009
<u>-</u>	<u>664,944</u>	<u>1,294,261</u>	<u>3,416,600</u>
<u>-</u>	<u>664,944</u>	<u>1,294,261</u>	<u>3,416,600</u>
<u>\$ -</u>	<u>\$ 664,944</u>	<u>\$ 1,322,270</u>	<u>\$ 3,444,609</u>

City of Fort Pierce, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

NONMAJOR DEBT SERVICE FUNDS

Year Ended September 30, 2010

	Fort Pierce Redevelopment Bonds	City Hall Revenue	Golf Course Improvement Bonds	Capital Improvement Revenue 1998
Revenues				
Investment income	\$ 2,472	\$ 1,273	\$ 252	\$ 3,883
Expenditures				
Debt service				
Principal	955,000	445,000	65,000	-
Interest and fees	1,644,400	60,569	143,208	79,174
Other	2,750	1,000	750	384
Total expenditures	2,602,150	506,569	208,958	79,558
Excess of revenues over (under) expenditures	(2,599,678)	(505,296)	(208,706)	(75,675)
Other financing sources (uses)				
Transfers in	2,582,291	460,147	223,358	349,180
Proceeds of Refunding Bonds	-	-	-	-
Premium on Issuance of Refunding Bonds	-	-	-	-
Payment on Current Refunding	-	-	-	-
Payment on Advance Refunding	-	-	-	-
Transfers out	-	-	-	(1,104,610)
Total other financing sources (uses)	2,582,291	460,147	223,358	(755,430)
Net change in fund balances	(17,387)	(45,149)	14,652	(831,105)
Fund balances - beginning of year	857,803	525,509	121,967	831,105
Fund balances - end of year	\$ 840,416	\$ 480,360	\$ 136,619	\$ -

Capital Improvement Revenue 2001	Capital Improvement Revenue 2008	Capital Improvement Refunding 2010	Total Nonmajor Debt Service Funds
\$ 637	\$ 2,743	\$ 35	\$ 11,295
-	105,000	-	1,570,000
36,138	1,661,909	-	3,625,398
267	1,525	412,805	419,481
36,405	1,768,434	412,805	5,614,879
(35,768)	(1,765,691)	(412,770)	(5,603,584)
223,123	2,419,237	1,298,346	7,555,682
-	-	7,913,143	7,913,143
-	-	459,099	459,099
-	-	(3,229,656)	(3,229,656)
-	-	(4,733,901)	(4,733,901)
(331,642)	-	-	(1,436,252)
(108,519)	2,419,237	1,707,031	6,528,115
(144,287)	653,546	1,294,261	924,531
144,287	11,398	-	2,492,069
\$ -	\$ 664,944	\$ 1,294,261	\$ 3,416,600

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2010

	<u>Capital Project Fund Redevelopment</u>	<u>Capital Project Fund Special Capital Projects Fund</u>	<u>Total Nonmajor Capital Project Funds</u>
ASSETS			
Cash and investments	\$ 1,479,777	\$ 2,716,425	\$ 4,196,202
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 6,619	\$ 79,795	\$ 86,414
Contracts Payable-Retainage	62,440	5,654	68,094
Due to Other Funds	10,025	-	10,025
Total liabilities	79,084	85,449	164,533
FUND BALANCES			
Reserved for:			
Capital projects	1,400,693	2,630,976	4,031,669
Total liabilities and fund balances	\$ 1,479,777	\$ 2,716,425	\$ 4,196,202

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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.

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MISCELLANEOUS STATISTICS

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 through September 30	1960	25,113
Area:	29.04 square miles	1970	29,721
		1980	33,802
		1990	36,830
		2000	38,401
Number of Employees:	671	2010	41,590
City	385		
Utilities Authority	286		
Police Protection:		Recreation:	
Number of Stations	3	Acres of Public Parks	116.9
Number of Arresting Personnel	107	Baseball Practice Fields	17
		Basketball Courts	4
Fire Protection:		Boat Ramps	5
(County wide)		Football Fields	1
Number of Stations	18	Hand Ball Courts	-
Number of Firemen & Officers	376	Miles of Public Beach	2.3
		Municipal Pools	2
Infrastructure:		Racquetball Courts	-
Cemeteries (not City owned)	2	Shuffleboard Courts	1
City Bridges	7	Tennis Courts	4
City Buildings	23	Utilities Customers:	
Flashing Caution Lights	30	Electric	28,413
Street Lights	5,028	Water	19,394
Traffic & Caution Lights	177	Wastewater	14,842
Miles of:		Natural Gas	4,039
Streets	152.46	County Schools Enrollment:	
•Paved	150.43	Special Education	5,663
•Unpaved	2.03	Elementary	19,273
Canals	10.09	Middle	8,545
Curbs and Gutters	116.57	High School	11,707
Seawalls	1.13	Total Enrollment	45,188
Sidewalks	74.01	Solid Waste Customers:	
Storm Sewers	73.10	Commercial	1,963
Building Permits New Construction:	33	Residential	12,840
Valuation	\$ 20,928,648	Public	36

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

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

	Fiscal Year			
	2010	2009	2008	2007
Governmental activities				
Invested in capital assets, net of related debt	\$ 28,668,343	\$ 36,179,711	\$ 39,596,736	\$ 34,683,122
Restricted	7,448,269	6,262,950	8,583,007	8,630,792
Unrestricted	18,329,988	13,913,684	9,190,260	8,813,572
Total governmental activities net assets	\$ 54,446,600	\$ 56,356,345	\$ 57,370,003	\$ 52,127,486
Business type activities				
Invested in capital assets, net of related debt	\$ 45,408,923	\$ 40,490,367	\$ 28,158,381	\$ 29,329,512
Restricted	-	-	-	-
Unrestricted	10,201,851	12,419,077	18,071,190	10,548,133
Total business-type activities net assets	\$ 55,610,774	\$ 52,909,444	\$ 46,229,571	\$ 39,877,645
Primary Government				
Invested in capital assets, net of related debt	\$ 77,472,266	\$ 76,670,078	\$ 67,755,117	\$ 64,012,634
Restricted	7,448,269	6,262,950	8,583,007	8,630,792
Unrestricted	25,868,516	26,332,761	27,261,450	19,361,705
Total primary government net assets	\$ 110,789,051	\$ 109,265,789	\$ 103,599,574	\$ 92,005,131

Source: Statement of Net Assets

Notes: 2002 First year of collecting data

*** Data not available

Fiscal Year						
2006	2005	2004	2003	2002	2001	
\$ 34,940,179	\$ 23,716,538	\$ 30,410,138	\$ 32,150,577	\$ 39,509,173		***
5,979,367	14,793,226	17,913,369	14,971,600	4,154,196		***
8,284,023	9,249,853	2,230,886	4,184,165	5,511,560		***
\$ 49,203,569	\$ 47,759,617	\$ 50,554,393	\$ 51,306,342	\$ 49,174,929		***
\$ 24,776,985	\$ 6,806,387	\$ 3,439,331	\$ 3,719,336	\$ 2,023,121		***
-	-	-	-	-		***
11,662,622	9,901,064	3,677,445	2,496,446	4,874,826		***
\$ 36,439,607	\$ 16,707,451	\$ 7,116,776	\$ 6,215,782	\$ 6,897,947		***
\$ 59,717,164	\$ 30,522,925	\$ 33,849,469	\$ 35,869,913	\$ 41,532,294		***
5,979,367	14,793,226	17,913,369	14,971,600	4,154,196		***
19,946,645	19,150,917	5,908,331	6,680,611	10,386,386		***
\$ 85,643,176	\$ 64,467,068	\$ 57,671,169	\$ 57,522,124	\$ 56,072,876		***

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

	Fiscal Year			
	2010	2009	2008	2007
Expenses				
Government activities:				
General government	\$ 11,039,863	\$ 12,967,795	\$ 15,157,106	\$ 13,450,017
Public Safety	14,614,487	16,893,985	16,773,117	16,485,679
Transportation	7,375,759	6,647,625	7,003,523	7,024,296
Economic Environment	6,075,167	7,863,601	7,758,223	9,475,767
Culture and recreation	2,548,710	2,642,486	2,825,114	2,610,912
Interest of long-term debt	3,680,658	4,001,465	3,537,105	2,856,782
Total government activities expenses	<u>\$ 45,334,644</u>	<u>\$ 51,016,957</u>	<u>\$ 53,054,188</u>	<u>\$ 51,903,453</u>
Business-type activities				
Solid Waste	\$ 5,245,043	\$ 4,747,297	\$ 5,168,303	\$ 5,074,554
Marina	2,300,594	2,233,160	2,459,231	2,554,290
Storm Water	2,648,312	2,578,157	2,499,171	2,475,360
Golf Course	1,908,161	1,933,926	1,813,631	1,777,562
Sunrise Theater	3,845,893	4,017,465	3,821,918	3,781,301
Building Fund	915,411	-	-	-
Total business-type activities	<u>\$ 16,863,414</u>	<u>\$ 15,510,005</u>	<u>\$ 15,762,254</u>	<u>\$ 15,663,067</u>
Total primary government expenses	<u>\$ 62,198,058</u>	<u>\$ 66,526,962</u>	<u>\$ 68,816,442</u>	<u>\$ 67,566,520</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,320,108	\$ 2,396,587	\$ 3,551,313	\$ 4,249,283
Public Safety	480,040	1,120,931	1,724,209	2,253,572
Transportation	124,853	121,646	259,442	501,618
Economic Environment	9,151,126	293,568	507,295	349,130
Culture and recreation	721,037	10,167	78,877	110,719
Operating grants and contributions	3,228,715	12,358,009	13,141,206	15,710,657
Capital grants and contributions	510,645	2,966,734	2,086,094	100,000
Total governmental activities program revenues	<u>\$ 15,536,524</u>	<u>\$ 19,267,642</u>	<u>\$ 21,348,436</u>	<u>\$ 23,274,979</u>
Business-type activities				
Charges for services:				
Solid Waste	\$ 6,177,815	\$ 6,079,811	\$ 6,185,722	\$ 6,235,950
Marina	1,531,036	1,551,310	1,630,162	1,623,322
Storm Water	2,608,393	2,599,139	2,498,258	2,471,274
Golf Course	1,373,150	1,471,253	1,659,221	1,641,172
Sunrise Theater	2,156,753	2,211,941	2,254,689	1,554,963
Building Fund	1,044,916	-	-	-
Operating grants and contributions	4,727,554	3,825,307	2,544,073	1,459,848
Capital grants and contributions	-	4,208,215	5,164,319	1,524,028
Total business-type activities	<u>\$ 19,619,617</u>	<u>\$ 21,946,976</u>	<u>\$ 21,936,444</u>	<u>\$ 16,510,557</u>
Total primary government revenues	<u>\$ 35,156,141</u>	<u>\$ 41,214,618</u>	<u>\$ 43,284,880</u>	<u>\$ 39,785,536</u>
Net (Expense) Revenue				
Governmental activities	\$ (29,798,120)	\$ (31,749,315)	\$ (31,705,752)	\$ (27,006,569)
Business-type activities	2,756,203	6,436,971	6,174,190	18,032,766
Total primary government net expenses	<u>\$ (27,041,917)</u>	<u>\$ (25,312,344)</u>	<u>\$ (25,531,562)</u>	<u>\$ (8,973,803)</u>

General Revenues and Other Changes in Net Assets

	Fiscal Year			
	2010	2009	2008	2007
Governmental Activities:				
Taxes				
Ad valorem tax	\$ 11,867,277	\$ 14,476,029	\$ 15,983,798	\$ 15,708,542
General Sales and use tax	2,334,521	2,523,926	2,408,440	2,586,791
Utility service and franchise	4,771,753	4,886,723	4,729,859	4,361,022
State Revenue Sharing	1,146,272	1,148,859	1,167,446	1,371,713
Addition on one-cent sales tax	1,333,339	1,353,418	1,550,221	1,715,029
Unrestricted grants and contributions	262,634	276,943	345,472	345,742
Component unit transfer	4,853,329	5,045,811	4,951,964	4,208,790
Investment earnings	249,136	273,147	1,202,125	1,949,595
Miscellaneous	286,804	237,912	521,986	300,424
Special Item-Sale of Land			3,207,299	
Transfers	783,310	512,889	879,659	(995,257)
Total government activities	\$ 27,888,375	\$ 30,735,657	\$ 36,948,269	\$ 31,552,391
Business-type activities				
Investment earnings	\$ 122,060	\$ 142,244	\$ 620,760	\$ 1,141,317
Insurance proceeds-unrestricted	-	-	-	-
Miscellaneous	606,377	613,547	436,635	453,974
Transfers	(783,310)	(512,889)	(879,659)	995,257
Total business-type activities	\$ (54,873)	\$ 242,902	\$ 177,736	\$ 2,590,548
Total primary government	\$ 27,833,502	\$ 30,978,559	\$ 37,126,005	\$ 34,142,939
Change in Net Assets				
Governmental Activities	\$ (1,909,745)	\$ (1,013,658)	\$ 5,242,517	\$ 2,923,917
Business-type activities	2,701,330	6,679,873	6,351,926	20,623,314
Total primary government	\$ 791,585	\$ 5,666,215	\$ 11,594,443	\$ 23,547,231

Source: Statement of Activities

Notes: 2002 First year of collecting data

*** Data not available

Fiscal Year						
2006	2005	2004	2003	2002	2001	
\$ 13,100,535	\$ 14,741,595	\$ 14,229,637	\$ 9,885,116	\$ 8,528,648		***
16,650,512	13,407,321	11,900,163	11,705,758	10,871,091		***
6,590,194	6,261,610	5,402,102	2,577,943	2,960,773		***
8,894,855	2,994,655	1,428,611	1,763,620	1,977,546		***
3,467,988	5,392,943	2,241,848	1,902,661	1,887,465		***
1,596,722	1,202,837	975,409	742,444	806,563		***
<u>\$ 50,300,806</u>	<u>\$ 44,000,961</u>	<u>\$ 36,177,770</u>	<u>\$ 28,577,542</u>	<u>\$ 27,032,086</u>		<u>***</u>
\$ 5,237,869	\$ 4,976,786	\$ 4,509,758	\$ 4,166,062	\$ 3,757,775		***
2,441,381	1,944,677	2,689,567	2,130,298	1,964,518		***
1,861,218	1,376,538	1,194,486	754,293	-		***
1,622,928	1,067,884	1,094,109	1,313,907	-		***
563,450	-	-	-	-		***
-	-	-	-	-		***
<u>\$ 11,726,846</u>	<u>\$ 9,365,885</u>	<u>\$ 9,487,920</u>	<u>\$ 8,364,560</u>	<u>\$ 5,722,293</u>		<u>***</u>
<u>\$ 62,027,652</u>	<u>\$ 53,366,846</u>	<u>\$ 45,665,690</u>	<u>\$ 36,942,102</u>	<u>\$ 32,754,379</u>		<u>***</u>
\$ 8,084,053	\$ 5,415,316	\$ 6,199,171	\$ 2,623,558	\$ 2,691,233		***
3,164,892	3,638,404	1,544,010	660,093	900,221		***
756,794	222,452	117,359	168,521	11,984		***
-	-	454,361	98,677	94,325		***
179,282	225,188	129,150	55,324	21,898		***
10,569,716	5,533,452	4,311,988	1,004,701	1,743,973		***
539,500	68,222	567,913	364,839	330,512		***
<u>\$ 23,294,237</u>	<u>\$ 15,103,034</u>	<u>\$ 13,323,952</u>	<u>\$ 4,975,713</u>	<u>\$ 5,794,146</u>		<u>***</u>
\$ 5,359,719	\$ 5,084,531	\$ 4,826,295	\$ 4,181,082	\$ 4,165,502		***
1,501,071	1,066,132	1,969,786	2,173,384	2,123,432		***
2,314,063	1,238,885	1,076,431	1,453,555	-		***
1,556,868	402,752	624,922	856,069	-		***
83,489	-	-	-	-		***
-	-	-	-	-		***
2,521,350	2,893,976	-	-	-		***
16,423,052	-	-	-	-		***
<u>\$ 29,759,612</u>	<u>\$ 10,686,276</u>	<u>\$ 8,497,434</u>	<u>\$ 8,664,090</u>	<u>\$ 6,288,934</u>		<u>***</u>
<u>\$ 53,053,849</u>	<u>\$ 25,789,310</u>	<u>\$ 21,821,386</u>	<u>\$ 13,639,803</u>	<u>\$ 12,083,080</u>		<u>***</u>
\$ (28,897,927)	\$ (28,897,927)	\$ (23,601,829)	\$ (23,601,829)	\$ (21,237,940)		***
1,320,391	1,320,391	(990,486)	299,530	566,641		***
<u>\$ (27,577,536)</u>	<u>\$ (27,577,536)</u>	<u>\$ (24,592,315)</u>	<u>\$ (23,302,299)</u>	<u>\$ (20,671,299)</u>		<u>***</u>

Fiscal Year						
2006	2005	2004	2003	2002	2002	
\$ 12,155,111	\$ 11,592,435	\$ 10,806,049	\$ 8,254,665	\$ 7,742,165		***
2,809,910	2,755,281	2,443,899	2,197,978	1,935,814		***
4,553,618	4,699,273	4,364,647	4,473,004	4,421,120		***
1,463,753	1,428,351	1,212,058	1,112,497	1,144,902		***
2,039,174	2,060,923	1,851,659	1,589,470	1,502,849		***
-	4,585,395	4,919,453	4,477,259	-		***
4,651,977	-	-	-	1,178,153		***
115,455	469,309	327,327	98,862	317,887		***
961,523	194,716	127,327	1,940,391	113,266		***
				-		***
(300,000)	(1,682,512)	(267,056)	1,589,116	5,160,229		***
\$ 28,450,521	\$ 26,103,171	\$ 25,785,363	\$ 25,733,242	\$ 23,516,385		***
\$ 759,369	\$ 135,227	\$ 537,291	\$ 111,243	\$ 84,223		***
236,345	5,996,876	-	-	-		***
403,676	455,669	1,186,508	496,179	-		***
300,000	1,682,512	267,056	(1,589,116)	(750,000)		***
\$ 1,699,390	\$ 8,270,284	\$ 1,990,855	\$ (981,694)	\$ (665,777)		***
\$ 30,149,911	\$ 34,373,455	\$ 27,776,218	\$ 24,751,548	\$ 22,850,608		***
\$ 1,443,952	\$ (2,794,756)	\$ 2,931,545	\$ 2,131,413	\$ 2,278,445		***
3,019,781	9,590,675	1,061,451	(682,164)	(99,136)		***
\$ 4,463,733	\$ 6,795,919	\$ 3,992,996	\$ 1,449,249	\$ 2,179,309		***

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

	Fiscal Year			
	2010	2009	2008	2007
General Fund				
Reserve	\$ -	\$ -	\$ 3,000,000	\$ -
Unreserved	4,149,368	4,525,073	4,868,200	4,837,799
Total General Fund	<u>\$ 4,149,368</u>	<u>\$ 4,525,073</u>	<u>\$ 7,868,200</u>	<u>\$ 4,837,799</u>
All Other Government Funds				
Reserved:				
Debt Service	\$ 3,416,600	\$ 2,492,069	\$ 6,044,864	\$ 6,928,848
Capital projects	4,031,669	8,225,425	7,273,739	13,868,386
Unreserved, reported in:				
Special revenue funds	2,196,502	662,216	3,495,240	3,528,819
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 9,644,771</u>	<u>\$ 11,379,710</u>	<u>\$ 16,813,843</u>	<u>\$ 24,326,053</u>
Total governmental and general funds	<u>\$ 13,794,139</u>	<u>\$ 15,904,783</u>	<u>\$ 24,682,043</u>	<u>\$ 29,163,852</u>

Source: Balance Sheet Governmental Funds

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

	Fiscal Year			
	2010	2009	2008	2007
Revenues				
Taxes	\$ 18,973,552	\$ 21,886,678	\$ 23,122,097	\$ 22,656,355
Licenses, fees and permits	393,408	946,089	1,629,310	1,997,284
Intergovernmental	12,180,543	16,068,886	18,493,398	19,422,168
Charges for services	74,964	93,280	85,260	94,256
Fines and penalties	350,920	521,193	475,811	536,872
Contributions from component units	4,853,329	5,045,811	4,951,964	4,208,790
Investment earnings	286,804	237,912	1,202,125	1,949,595
Other revenues	2,970,580	3,844,946	5,272,877	6,168,564
Total revenues	<u>\$ 40,084,100</u>	<u>\$ 48,644,795</u>	<u>\$ 55,232,842</u>	<u>\$ 57,033,884</u>
Expenditures				
General government	\$ 12,178,323	\$ 14,914,645	\$ 16,553,623	\$ 15,393,131
Public safety	13,918,785	16,191,118	15,842,453	15,659,093
Transpiration	3,130,854	3,783,786	3,794,313	3,960,131
Economic environment	6,042,952	7,759,398	7,439,327	9,356,712
Culture and recreation	2,144,593	2,389,376	2,729,348	2,317,515
Capital outlay	3,642,606	6,236,137	12,115,028	38,092,574
Debt service:				
Principal	1,645,484	1,887,041	1,777,174	4,024,196
Interest	3,644,993	3,821,412	3,501,542	2,522,186
Other	419,481	912,131	48,800	279,233
Total expenditures	<u>\$ 46,768,071</u>	<u>\$ 57,895,044</u>	<u>\$ 63,801,608</u>	<u>\$ 91,604,771</u>
Excess of Revenues over and (under) expenditures	<u>\$ (6,683,971)</u>	<u>\$ (9,250,249)</u>	<u>\$ (8,568,766)</u>	<u>\$ (34,570,887)</u>
Other Financing sources (Uses)				
Transfers in	\$ 13,083,132	\$ 18,338,952	\$ 11,573,501	\$ 11,088,614
Transfers out	(12,313,489)	(17,105,170)	(10,693,843)	(12,083,871)
Issuance of debt	459,099		-	30,150,000
Discount on issuance of debt		(450,795)	-	-
Proceeds from refunding	11,308,143	29,840,000	-	-
Total other financing		-	-	-
Payment on Current Refunding	(7,963,557)	(30,150,000)		
Total sources (uses)	<u>\$ 4,573,328</u>	<u>\$ 472,987</u>	<u>\$ 879,658</u>	<u>\$ 29,154,743</u>
Net change in fund balances	<u>\$ (2,110,643)</u>	<u>\$ (8,777,262)</u>	<u>\$ (4,481,809)</u>	<u>\$ (5,416,144)</u>
Debt service as a percentage of non capital expenditures	12.3%	11.1%	10.2%	12.2%

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

Fiscal Year						
2006	2005	2004	2003	2002	2001	
\$ 19,518,639	\$ 19,046,989	\$ 16,329,901	\$ 14,910,580	\$ 14,099,099	\$ 13,174,893	
2,820,335	3,417,698	1,264,681	904,533	842,109	659,094	
19,535,244	12,404,309	9,328,110	5,292,416	5,260,658	5,183,500	
101,933	110,669	202,519	67,850	979,808	733,397	
642,792	528,894	547,841	434,831	354,029	320,506	
4,651,977	4,585,395	4,919,453	-	1,000,000	-	
961,523	469,309	308,991	196,320	289,698	702,333	
5,085,586	3,547,218	4,630,498	1,789,087	1,211,499	1,409,693	
<u>\$ 53,318,029</u>	<u>\$ 44,110,481</u>	<u>\$ 37,531,994</u>	<u>\$ 23,595,617</u>	<u>\$ 24,036,900</u>	<u>\$ 22,183,416</u>	
\$ 13,627,277	\$ 15,193,614	\$ 11,218,205	\$ 9,306,005	\$ 8,949,537	\$ 9,768,962	
15,593,122	12,667,329	12,383,763	10,858,265	11,023,604	10,387,363	
3,735,841	3,512,083	3,257,346	3,034,952	3,417,782	3,070,707	
8,809,116	2,910,853	1,413,564	1,147,395	1,417,653	1,230,345	
3,184,392	5,121,215	2,213,207	1,942,529	1,818,549	1,656,352	
13,944,562	5,458,921	6,704,265	2,679,452	835,108	2,574,842	
1,605,506	1,986,452	1,656,094	4,230,234	1,962,858	2,278,313	
1,404,507	1,241,669	753,805	709,894	630,349	702,021	
238,816	550,139	226,413	325,696	99,062	1,116	
<u>\$ 62,143,139</u>	<u>\$ 48,642,275</u>	<u>\$ 39,826,662</u>	<u>\$ 34,234,422</u>	<u>\$ 30,154,502</u>	<u>\$ 31,670,021</u>	
<u>\$ (8,825,110)</u>	<u>\$ (4,531,794)</u>	<u>\$ (2,294,668)</u>	<u>\$ (10,638,805)</u>	<u>\$ (6,117,602)</u>	<u>\$ (9,486,605)</u>	
\$ 3,164,320	\$ 3,554,512	\$ 5,232,921	\$ 10,838,021	\$ 6,495,383	\$ 7,788,751	
(3,464,320)	(5,237,024)	(5,499,977)	(5,171,646)	(1,585,154)	(3,254,178)	
20,210,000	20,200,000	3,170,000	14,625,000	2,946,492	-	
-	(66,164)	-	-	-	-	
-	(9,628,821)	-	-	-	-	
-	-	-	-	500,000	1,975,188	
<u>\$ 19,910,000</u>	<u>\$ 8,822,503</u>	<u>\$ 2,902,944</u>	<u>\$ 20,291,375</u>	<u>\$ 8,356,721</u>	<u>\$ 6,509,761</u>	
<u>\$ 11,084,890</u>	<u>\$ 4,290,709</u>	<u>\$ 608,276</u>	<u>\$ 9,652,570</u>	<u>\$ 2,239,119</u>	<u>\$ (2,976,844)</u>	
6.2%	7.5%	7.3%	15.7%	8.8%	10.2%	

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

	Fiscal Year			
	2010	2009	2008	2007
Additions				
Employer	\$ 3,377,350	\$ 3,580,089	\$ 4,053,604	\$ 6,475,387
Employees	1,929,755	2,168,561	2,122,748	2,045,601
State	262,634	276,943	345,472	345,472
Other	-	-	-	699
Investment income (net of expenses)	14,806,065	4,352,746	(23,183,079)	30,501,473
Total additions to plan net assets	\$ 20,375,804	\$ 10,378,339	\$ (16,661,255)	\$ 39,368,632
Deductions				
Benefit payments	\$ 9,727,760	\$ 7,160,364	\$ 6,833,788	\$ 8,751,479
Refunds	496,099	443,021	306,553	312,244
Administrative expenses	198,932	186,494	126,355	127,238
Fire District Asset Withdrawal	-	-	-	98,084,291
Other expenses	18,218	18,479	19,984	23,403
Total deductions from plan net assets	\$ 10,441,009	\$ 7,808,358	\$ 7,286,680	\$ 107,298,655
Change in net assets	\$ 9,934,795	\$ 2,569,981	\$ (23,947,935)	\$ (67,930,023)

Source: Combining Statement of Changes in Fiduciary Funds Net Assets

Fiscal Year						
2006	2005	2004	2003	2002	2001	
\$ 8,975,380	\$ 5,634,357	\$ 841,375	\$ 339,828	\$ 99,148	\$ 129,726	
1,973,325	1,791,010	1,717,985	1,564,737	1,658,460	1,672,235	
369,999	345,472	327,497	366,732	312,206	288,412	
291	3,395,780	2,769,870	1,931,251	2,059,636	1,867,100	
19,294,520	20,405,068	18,592,851	21,027,113	(4,373,467)	(15,974,918)	
\$ 30,613,515	\$ 31,571,687	\$ 24,249,578	\$ 25,229,661	\$ (244,017)	\$ (12,017,445)	
\$ 8,975,796	\$ 7,380,700	\$ 6,869,866	\$ 6,571,789	\$ 6,165,351	\$ 6,364,410	
208,479	247,846	515,726	455,817	632,168	678,834	
115,064	159,127	161,006	79,010	138,933	100,332	
-	-	-	-	-	-	
23,985	22,791	24,886	18,826	-	612,338	
\$ 9,323,324	\$ 7,810,464	\$ 7,571,484	\$ 7,125,442	\$ 6,936,452	\$ 7,755,914	
\$ 21,290,191	\$ 23,761,223	\$ 16,678,094	\$ 18,104,219	\$ (7,180,469)	\$ (19,773,359)	

**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
2010	\$ 2,539,072,299	\$ 183,522,400	\$ 11,900,267
2009	2,873,362,731	205,905,211	18,164,297
2008	3,002,624,903	214,832,817	14,072,164
2007	2,702,985,715	181,290,747	11,355,976
2006	1,646,709,160	170,369,946	9,995,714
2005	1,352,991,854	138,788,961	8,997,426
2004	1,092,799,271	139,004,863	7,691,877
2003	1,010,256,354	165,713,775	7,687,466
2002	922,462,915	153,574,531	7,297,986
2001	881,166,891	167,757,804	6,869,089

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

Less: Exemption	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 441,744,364	\$ 2,292,750,602	5.4674
286,847,886	2,810,584,353	5.4674
169,294,535	3,062,235,349	5.4674
161,885,441	2,733,746,997	5.9823
157,605,955	1,669,468,865	6.9823
163,126,268	1,337,651,973	7.8305
160,718,229	1,078,777,782	7.8305
160,204,594	1,023,453,001	7.3305
159,359,470	923,975,962	7.3305
158,551,970	897,241,814	7.3305

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

Fiscal Year	City General Fund	County General	Beach Bond	Everglades Construction Project	Fines & Forfeitures	F.I.N.D.	County Parks	Children's Services
2010	5.4674	2.7694	-	0.0894	3.3957	0.0345	0.2313	0.4872
2009	5.4674	3.6173	-	0.0894	2.5478	0.0345	0.2313	0.3858
2008	5.4674	4.2299	-	0.0894	1.9352	0.0345	0.2313	0.3858
2007	5.9823	4.2734	-	0.1000	2.3778	0.0385	0.2500	0.3915
2006	6.9823	4.2619	-	0.1000	2.9807	0.0385	0.2500	0.3915
2005	7.8305	4.1248	-	0.1000	3.3178	0.0385	0.2500	0.3915
2004	7.8305	4.0728	-	0.1000	3.5066	0.0385	0.2500	0.3915
2003	7.3305	2.9639	0.1284	0.1000	4.6155	0.0385	-	0.3915
2002	7.3305	2.9639	0.1284	0.1000	4.6155	0.0385	-	0.3915
2001	7.3305	2.8486	0.1284	0.1000	4.7308	0.0410	-	0.3915

Source: St. Lucie County Property Appraisers Office

County School District	Fire District	Erosion	South Florida Water Mgmt.	St. Lucie County Environmentally Significant	Mosquito Control	St. Lucie County Port Bond	St. Lucie Public Transit
7.6760	2.2000	0.0925	0.5346	0.0459	0.2036	0.0154	0.0833
7.6850	2.2000	0.0925	0.5346	0.0459	0.2036	0.0154	0.0833
7.4900	2.2000	0.0925	0.5340	0.0776	0.2036	0.0144	0.0833
7.7370	2.4562	0.1000	0.5970	0.0823	0.2200	0.0154	0.0900
7.9220	2.7562	0.1000	0.5970	0.1154	0.2757	0.0216	0.0900
8.3130	2.7806	0.1000	0.5970	-	0.1950	-	-
8.5830	2.7806	0.1000	0.5970	0.2500	0.2122	0.0255	-
8.8090	2.6726	0.1000	0.5970	0.2500	0.2121	0.0268	-
9.8732	2.6726	0.1000	0.5970	0.2500	0.2121	0.0669	-
9.0530	2.6726	0.1000	0.5970	0.2500	0.2121	0.0377	-

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

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2010	\$ 12,697,946	\$ 11,866,843	93.45%
2009	15,451,646	14,475,940	93.69%
2008	16,742,619	15,958,935	95.32%
2007	15,981,550	15,708,542	98.29%
2006	12,225,260	12,095,729	98.94%
2005	11,751,844	11,488,629	97.76%
2004	10,325,622	9,395,873	91.00%
2003	8,676,802	8,254,665	95.13%
2002	7,941,390	7,685,423	96.78%
2001	7,739,496	7,487,613	96.75%

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
\$ 164,012	\$ 11,702,832	92.16%
211,647	14,264,294	92.32%
-	15,958,935	95.32%
24,863	15,733,405	98.45%
65,071	12,160,800	99.47%
9,483	11,498,112	97.84%
80,135	9,476,008	91.77%
79,844	8,334,509	96.06%
79,205	7,764,628	97.77%
90,914	7,578,527	97.92%

**City of Fort Pierce, Florida
Property Tax Levies and Collections
Current Year and Ten Years Ago**

Taxpayer	2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
AT&T	40,128,638	1	1.75024%
HCA	38,312,752	2	1.67104%
Prime Homes at Portofino Land	37,563,928	3	1.63838%
Destin Beach Inc	29,850,167	4	1.30194%
Ehden NV	21,278,811	5	0.92809%
Riverfront Development LC	19,718,680	6	0.86004%
Boca Ven Land of Ft Pierce Inc	19,504,619	7	0.85071%
Cornerstone Fort Pierce Dev	18,959,839	8	0.82695%
Wal-Mart Stores East Inc	15,164,785	9	0.66142%
Orange Blossom Investment LLC	14,576,197	10	0.63575%
BellSouth Telecommunications			
Grand Savannah Club, LTD			
P & P MHC Estates LP			
Harbor Federal Savings & Loan			
Fort Pierce Properties LLC			
Florida East Coast Railroad			
Total	<u>\$ 255,058,415</u>		<u>11.12456%</u>

* Total assessed valuation is \$ 2,292,750,602

2001		
Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
37,206,246	1	3.5240%
7,188,873	7	0.6809%
11,521,416	4	1.0913%
13,252,285	3	1.2552%
36,576,341	2	3.4643%
10,122,766	5	0.9588%
8,471,249	6	0.8024%
6,966,399	8	0.6598%
6,917,194	9	0.6552%
6,838,123	10	0.6477%
<u>\$ 145,060,892</u>		<u>13.7396%</u>

\$ 1,055,793,784

City of Fort Pierce, Florida
Legal Debt Margin Information
September 30, 2010

	Fiscal Year			
	2010	2009	2008	2007
Debit Limit	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000
Total Net Debt Applicable to Limit *	61,655,000	59,002,378	61,054,320	62,741,731
Debit Margin	\$ 5,345,000	\$ 7,997,622	\$ 5,945,680	\$ 4,258,269
Total net debt applicable to the limit as a percentage of debt limit	92.022%	88.063%	91.126%	93.644%

* Includes all debt except for debt issued by the Community Redevelopment Agency.

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

City of Fort Pierce
Direct and Overlapping Governmental Activities Debt
As Of September 30, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
St. Lucie County	\$ 1,695,000	7.65%	\$ 129,668
Other Debt			
St. Lucie County	3,625,000	0.00%	-
Subtotal, overlapping debt			\$ 129,668
City direct debt			<u>76,893,143</u>
Total direct and overlapping debt			<u>\$ 77,022,811</u>

Sources: St. Lucie County

Fiscal Year					
2006	2005	2004	2003	2002	2001
\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 36,000,000	\$ 22,000,000	\$ 22,000,000
36,894,613	24,978,872	27,102,964	26,077,972	14,254,907	18,635,208
\$ 30,105,387	\$ 42,021,128	\$ 39,897,036	\$ 9,922,028	\$ 7,745,093	\$ 3,364,792
55.067%	37.282%	40.452%	72.439%	64.795%	84.705%

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

Governmental Activities

Fiscal Year	Redevelop- ment Bonds	Sales Tax Increment Bonds	Non-ad Valorum	Revenue Sharing
2010	\$ 36,305,000	\$ 1,420,000	\$ 41,498,143	\$ -
2009	37,260,000	1,865,000	37,843,627	-
2008	38,120,000	2,295,000	38,750,668	-
2007	38,900,000	2,715,000	39,327,842	-
2006	39,780,000	3,125,000	11,673,600	238,438
2005	20,200,000	3,530,000	12,224,419	468,125
2004	9,750,000	3,925,000	13,192,983	686,873
2003	10,280,000	4,345,000	11,015,150	896,875
2002	-	3,555,000	5,339,134	1,100,313
2001	-	3,920,000	10,382,477	1,295,000

Source: City of Fort Pierce Financial Statements

Business-Type Activities

Marina	Storm water	Solid Waste	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 1,846,857	\$ 16,890,000	\$ -	\$ 97,960,000	6.25%	2,355
1,846,857	17,420,000	26,894	96,262,377	6.18%	2,188
2,026,292	17,930,000	52,360	99,174,320	6.79%	2,242
2,202,253	18,420,000	76,636	101,641,731	6.54%	2,420
2,677,853	19,080,000	99,722	76,674,613	5.12%	1,917
3,059,472	5,575,000	121,856	45,178,872	3.39%	1,171
3,425,308	5,730,000	142,800	36,852,964	2.77%	944
3,778,155	5,880,000	162,792	36,357,972	2.84%	939
4,078,390		182,070	14,254,907	1.12%	369
2,837,335		200,396	18,635,208	1.47%	490

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			
2010	\$	28,489,194	\$	16,775,024	\$	11,714,170	\$	4,948,143	\$	519,172	2.14
2009		30,514,244		23,275,607		7,238,637		525,566		395,178	7.86
2008		35,447,510		21,659,477		13,788,033		509,038		415,115	14.92
2007		36,149,522		20,611,287		15,538,235		2,495,759		350,247	5.46
2006		32,751,374		25,880,436		6,870,938		550,818		636,829	5.79
2005		35,750,278		22,328,760		13,421,518		968,560		680,809	8.14
2004		28,759,839		16,720,712		12,039,127		552,207		554,731	10.88
2003		24,062,539		20,796,326		3,266,213		566,633		575,143	2.86
2002		23,631,092		19,741,840		3,889,252		1,454,606		627,359	1.87
2001		23,647,081		19,430,576		4,216,505		1,789,682		624,681	1.75

Revenue Sharing Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2010		***		***		***		***		***	***
2009		***		***		***		***		***	***
2008		***		***		***		***		***	***
2007	\$	1,371,713	\$	-	\$	1,371,713	\$	238,437	\$	4,828	5.64
2006		1,463,753		-		1,463,753		238,437		9,657	5.90
2005		1,428,351		-		1,428,351		229,688		18,779	5.75
2004		1,212,058		-		1,212,058		218,750		27,261	4.93
2003		1,036,394		-		1,036,394		210,000		35,240	4.23
2002		1,040,016		-		1,040,016		203,438		42,768	4.22
2001		1,016,171		-		1,016,171		194,688		49,873	4.16

Redevelopment Bonds ³

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2010	\$	6,641,872	\$	3,904,610	\$	2,737,262	\$	955,000	\$	1,644,400	1.05
2009		9,653,380		7,081,139		2,572,241		800,000		1,677,713	1.04
2008		9,211,436		5,445,421		3,766,015		780,000		1,704,663	1.52
2007		10,488,287		4,874,975		5,613,312		880,000		1,377,048	2.49
2006		5,181,650		1,310,208		3,871,442		420,000		614,934	3.74
2005		3,114,717		-		3,114,717		375,000		389,362	4.07
2004		1,293,799		-		1,293,799		530,000		234,422	1.69
2003		***		***		***		***		***	***
2002		***		***		***		***		***	***
2001		***		***		***		***		***	***

Sales Tax Increment Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2010	\$	1,333,339	\$	-	\$	1,333,339	\$	445,000	\$	60,569	2.64
2009		1,353,418		-		1,353,418		430,000		73,981	2.69
2008		1,550,221		-		1,550,221		420,000		85,412	3.07
2007		1,715,029		-		1,715,029		410,000		94,763	3.40
2006		2,039,174		-		2,039,174		405,000		102,913	4.01
2005		2,060,923		-		2,060,923		395,000		110,913	4.07
2004		1,851,659		-		1,851,659		420,000		78,317	3.72
2003		1,589,470		-		1,589,470		380,000		159,840	2.94
2002		1,502,849		-		1,502,849		365,000		175,675	2.78
2001		1,465,071		-		1,465,071		350,000		190,340	2.71

Business Activities ⁴

Marina Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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	1
2008	2,079,777	1,919,150	160,627	355,396	102,024	0.35
2007	2,345,683	1,935,606	410,077	474,600	106,475	0.71
2006	2,085,081	1,849,926	235,155	392,869	63,373	0.52
2005	1,514,701	1,537,301	(22,600)	379,892	77,469	(0.05)
2004	2,387,086	1,974,746	412,340	364,104	90,923	0.91
2003	2,189,339	137,939	2,051,400	349,402	103,566	4.53
2002	2,156,627	1,186,414	970,213	322,703	105,087	2.27
2001	1,924,878	1,197,574	727,304	250,312	64,124	2.31

Storm Water Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ 2,702,779	\$ 899,894	\$ 1,802,885	\$ 545,000	\$ 747,510	1.39
2009	2,704,100	1,136,105	1,567,995	530,000	769,811	1.21
2008	2,905,459	1,034,076	1,871,383	510,000	787,460	1.44
2007	3,159,400	1,040,355	2,119,045	660,000	800,223	1.45
2006	2,803,700	743,209	2,060,491	660,000	633,557	1.59
2005	1,346,603	718,088	628,515	160,000	230,735	1.61
2004	1,892,566	672,092	1,220,474	155,000	234,610	3.13
2003	1,530,042	431,650	1,098,392	150,000	238,360	2.83
2002	***	***	***	***	***	***
2001	***	***	***	***	***	***

Solid Waste Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ 6,187,890	\$ 4,765,265	\$ 1,422,625	\$ 26,894	\$ 740	51.48
2009	6,093,789	4,276,617	1,817,172	26,894	2,919	60.95
2008	6,290,401	4,694,220	1,596,181	24,276	3,547	57.37
2007	6,308,113	4,623,832	1,684,281	23,086	2,662	65.42
2006	5,404,618	4,702,450	702,168	22,134	5,854	25.09
2005	5,107,031	4,447,047	659,984	20,944	6,888	23.71
2004	4,835,888	4,029,813	806,075	19,992	7,866	28.94
2003	4,198,160	3,723,506	474,654	19,278	8,794	16.91
2002	4,216,530	3,336,228	880,302	18,326	9,668	31.45
2001	4,392,942	3,087,468	1,305,474	17,634	10,534	46.35

*** No bonds outstanding

Source:

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

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

³ Funded by (TIF) Tax Increment Funds

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

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

Total operating expenses (less depr)

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

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

Calendar Year	City of Ft. Pierce Population	Personal Income	Per Capita Personal Income		School Enrollment**	Unemployment Rate
2010	41,590	\$ 1,566,650,000	37,669	*	45,188	13.50%
2009	44,000	1,557,000,000	35,386	***	41,261	10.60%
2008	44,227	1,460,160,000	33,015	***	39,994	10.20%
2007	42,000	1,554,000,000	37,000	***	37,380	5.60%
2006	40,000	1,497,600,000	37,440	*	38,902	4.00%
2005	38,569	1,333,947,434	34,586	*	36,077	3.50%
2004	39,044	1,329,604,376	34,054	*	34,731	8.10%
2003	38,732	1,280,751,044	33,067	*	32,858	10.00%
2002	38,642	1,273,137,974	32,947	*	31,282	10.70%
2001	38,013	1,266,935,277	33,329	*	30,301	8.30%

Source:

- * U. S. Department of Commerce, Bureau of Economic Analysis (FRED)
- ** St. Lucie County School Board
- *** Data unavailable

City of Fort Pierce, Florida
Principal Employers
Current Year

Employer*	2010		
	Employees*	Rank	Percentage of Total City Employment
St. Lucie School Board	4,000	1	7.68%
St Lucie County BOCC	1,950	2	3.75%
Lawnwood Regional Medical Center	1,140	3	2.19%
Indian River Community College	1,113	4	2.14%
Wal-Mart Retail Stores & Distribution Center	1,000	5	1.92%
Bernard Egan and Company	400	7	0.77%
City of Fort Pierce	385	6	0.74%
New Horizons of the Treasure Coast	335	8	0.64%
Fort Pierce Utilities Authority	286	9	0.55%
Publix Supermarkets	200	10	0.38%
Total	10,809		20.77%

*Source: Economic Development Council of St. Lucie County
 Historical data not available for years 1998-2005

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

Function / Program	Fiscal Year			
	2010	2009	2008	2007
Primary government:				
Government activities:				
General government	74	92	94	95
Public safety	181	203	217	198
Transportation	30	39	39	41
Economic environment	9	8	12	13
Culture and recreation	27	29	29	29
Total governmental activities	321	371	391	376
 Business type activities				
Marina	5	7	9	9
Solid Waste	31	32	34	34
Golf Course	21	20	31	31
Sunrise Theatre	7	9	9	8
Total Business type activities	64	68	83	82
 Total all activities	385	439	474	458

Source: City of Fort Pierce Budget Document

Fiscal Year						
2006	2005	2004	2003	2002	2001	
94	90	88	86	86	82	
196	182	182	181	181	176	
41	40	40	40	39	39	
16	10	6	6	6	6	
27	27	27	27	28	29	
374	349	343	340	340	332	
10	13	13	10	9	9	
34	35	35	34	34	28	
22	33	33	-	-	-	
8	-	-	-	-	-	
74	81	81	44	43	37	
448	430	424	384	383	369	

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

	Fiscal Year			
	2010	2009	2008	2007
<u>Function/Program</u>				
Police				
Physical arrests	3,794	3,145	3,032	3,055
Parking Violations	959	969	860	513
Traffic Violations	720	5,744	6,993	8,618
Fire				
Emergency responses	33,906	33,673	32,182	31,512
Fires calls	4,430	4,515	4,790	4,604
Refuse collections				
Refuse collected (tons per day)	126.12	106.42	169.23	142.00
Other public works				
Street resurfacing (miles)	-	-	3.90	6.30
Potholes repaired *	600	380	281	206
Parks and recreation				
Athletic fields permits issued	415	447	533	460
River Walk Center permits issued	139	57	**	**
Garden Club permits issued	34	17	**	**

Sources: Various City of Fort Pierce departments

Notes: * Work orders issued

** 2009 First year of collecting data

*** Data not available

Fiscal Year					
2006	2005	2004	2003	2002	2001
3,336	3,209	3,134	2,774	2,232	2,076
1,471	2,130	1,648	2,071	1,532	1,899
10,053	11,796	11,246	11,237	5,689	5,846
30,467	29,645	29,319	26,290	***	***
4,524	4,470	5,260	4,134	***	***
150.90	64.19	39.43	39.23	39.08	38.92
7.53	***	***	***	***	***
240	***	***	***	***	***
631	***	***	***	***	***
**	**	**	**	**	**
**	**	**	**	**	**

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

<u>Function/Program</u>	Fiscal Year			
	2010	2009	2008	2007
Police				
Stations	3	3	3	3
Officers	107	115	117	108
Fire				
Stations	18	18	15	15
Firefighters	376	420	402	350
Refuse collections				
Commercial	1,963	1,972	1,978	1,607
Residential	12,840	12,926	13,180	11,964
Public	36	39	30	29
Other public works				
Streets (miles)	152	152	166	166
Streetlights	5,028	5,138	4,798	4,790
Traffic signals	177	70	70	70
Parks and recreations				
Acreage	116.9	116.9	116.9	116.9
Playgrounds	21 *	6	7	7
Baseball/football fields/basketball courts	22	22	26	26
Tennis/handball/racquetball/shuffleboard	5	5	5	5
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	28,413	27,712	28,584	26,886
Water	19,394	19,260	19,278	17,711
Wastewater	14,842	14,829	14,737	13,428
Natural Gas	4,039	4,070	4,171	4,304

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

* Parks Transferred to the City from St. Lucie County

Fiscal Year					
2006	2005	2004	2003	2002	2001
2	2	4	3	3	3
114	114	109	105	101	111
15	15	15	15	15	15
383	368	315	345	283	290
1,700	1,668	1,747	1,710	1,712	1,700
21,729	21,492	12,363	12,580	12,528	12,481
268	268	283	28	25	25
166	166	165	165	165	165
4,694	4,578	4,404	4,293	4,283	4,283
67	66	68	68	68	68
116.9	116.9	116.9	116.9	116.9	116.9
7	7	7	7	7	7
27	27	27	27	27	27
7	7	11	11	11	11
2	2	2	2	2	2
2.3	2.3	2.3	2.3	2.3	2.3
1	1	1	1	1	1
26,600	26,258	25,986	25,566	25,257	25,127
16,952	16,750	16,578	16,183	15,961	15,509
13,099	12,868	12,945	12,759	12,655	12,349
4,431	4,507	4,518	4,531	4,594	4,648

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AUDITORS' REPORTS



DiBartolomeo, McBee, Hartley & Barnes, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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 30, 2011

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, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Fort Pierce, Florida's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Fort Pierce, Florida's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

We noted certain matters that we reported to management of City of Ft. Pierce, Florida, in a separate letter dated March 30, 2011.

This report is intended solely for the information and use of management, the City Commission, others within the entity, and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

A. Bartolomeo, M. Bee, Hartley & Barnes

Certified Public Accountants

DiBartolomeo, McBee, Hartley & Barnes, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Certified Public Accountants
On Bond Compliance

To the City Commission
City of Fort Pierce, Florida

March 30, 2011

We have audited the financial statements of the City of Fort Pierce, Florida as of and for the year ended September 30, 2010, and have issued our report thereon dated March 30, 2011.

We conducted our audit in accordance with auditing standards and *Government Auditing Standards* generally accepted in the United States of America 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 of material misstatement.

In connection with our audit, nothing came to our attention to indicate that the City of Fort Pierce, Florida had not complied with the covenants of the Utilities Refunding Revenue Bonds, Series 1991; Utilities Refunding Revenue Bonds, Series 1999A; Utilities Revenue Capital Appreciation Bonds, Series 1999B; Utilities Revenue Bonds, Series 2002, Utilities Refunding Revenue Bonds, Series 2003; Stormwater Utility System Revenue Bonds, Series 2002; Sales Tax Revenue Refunding Bonds, Series 2003; Capital Improvement Revenue Bonds, Series 2004, Fort Pierce Redevelopment Revenue and Refunding Bonds, Series 2005, Fort Pierce Redevelopment Revenue Bonds, Series 2006, Stormwater Utility System Revenue Bonds, Series 2006, Capital Improvement Revenue Refunding Bonds, Series 2008A, and Taxable Capital Improvement Revenue Refunding Bonds, Capital Improvement Revenue Refunding Bonds, Series 2010A, and Taxable Capital Improvement Revenue Refunding Bonds, Series 2010B.

DiBartolomeo, McBee, Hartley & Barnes
Certified Public Accountants

DiBartolomeo, McBee, Hartley & Barnes, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance with Requirements Applicable to Each Major Federal Awards Program,
State Financial Assistance Project, and on Internal Control Over Compliance in Accordance
With OMB Circular A-133

To the City Council
City of Fort Pierce, Florida

March 30, 2011

Compliance

We have audited the compliance of the City of Fort Pierce, Florida with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that are applicable to each of its major federal awards programs and state projects for the year ended September 30, 2010. The City of Fort Pierce, Florida's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the City of Fort Pierce, Florida's management. Our responsibility is to express an opinion on the City of Fort Pierce, Florida's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City of Fort Pierce, Florida's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Fort Pierce, Florida's compliance with those requirements.

In our opinion, the City of Fort Pierce, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2010. The results of our auditing procedures disclosed no instances of non-compliance that are required to be reported in accordance with OMB Circular A-133 or Chapter 10.550, Rules of the Auditor General.

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 requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, 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 for the purpose of expressing an opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies, as defined below.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program or state assistance project on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that a 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 a combination of deficiencies, in internal control over compliance with a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **2010-1** to be significant deficiencies.

The City of Ft. Pierce Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Ft. Pierce Florida's response and, accordingly, express no opinion on it.

This report is intended solely for the information and use of management, the City Commission, others within the entity, and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

A. Bartolomeo, M. Bee, Hartley & Barred

Certified Public Accountants

City of Fort Pierce, Florida
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the year ended September 30, 2010

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	B08MC-120031 B09MC-120031	227,153 413,756	- 88,366
ARRA-CDBG Recovery Funds	14.253	B09MY-120031	70,000	-
Brownfield Economic Development Initiative	14.246	B07BD-120019	400,000	-
Section 108 Loan Guarantee	14.248	B08MC-12-0031	3,395,000	-
<i>Passed Through Florida Department of Community Affairs:</i>				
ARRA-Neighborhood Stabilization Program	14.228	10DB-4X-10-66-02-F-11	377,544	-
<i>Passed Through St Lucie County:</i>				
CDBG Disaster Recovery	14.228	08DB-D3-10-66-01ZZ5	12,680	-
			<u>4,896,133</u>	<u>88,366</u>
<u>U.S. Department of Homeland Security</u>				
<i>Passed Through Florida Department of Community Affairs:</i>				
Public Assistance Grants	97.036	08-FA-B9-10-66-00-530	87,088	-
Homeland Security Grant Program	97.067	09-DS-12-10-66-02	22,520	-
Homeland Security Grant Program	97.067	10-DS-39-10-66-01-291	20,378	-
<i>Passed Through Florida Division of Emergency Management:</i>				
Hazard Mitigation	97.039	09HM-12-10-66-02-066	1,398,961	-
			<u>1,528,947</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
<i>Direct Program:</i>				
COPS Universal Hiring Program	16.710	2008-UM-WX-0029	62,302	-
ARRA-COPS Hiring	16.710	2009-RK-WX-0249	311,253	-
Bullet Proof Vest	16.607	06133884	8,333	-
<i>Indirect Program:</i>				
<i>Passed through Florida Attorney General:</i>				
Victims of Crime Act	16.575	V09089	37,420	-
<i>Passed through Florida Department of Law Enforcement:</i>				
Gang Abatement and Reduction	16.803	2010-ARRC-STLU-3-W7-124	292,938	-
Technical Improvement Program	16.738	2010-JAGC-STLU-2-4X-033	71,365	-
<i>Passed through St. Lucie County, Florida:</i>				
ARRA-FY09 Recovery Act Edward Byrne Memorial	16.804	2009-SB-B9-3137	137,879	-
JAG Grant Local Solicitation	16.738	2009-DJ-BX-1320	57,152	-
			<u>978,642</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
<i>Pass through Florida Department of Transportation:</i>				
ARRA-Sidewalk and Bike Lane Grant	20.205	426385-1-58-01	23,413	-
<u>U.S. Department of Energy</u>				
Energy Efficiency Block Grant	81.128	DE-EE 0002270	86,770	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 7,513,905</u>	<u>\$ 88,366</u>

City of Fort Pierce, Florida
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the year ended September 30, 2010

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures	Pass-Through to Sub- Recipients
<u>STATE PROJECTS:</u>				
<u>Department of State, Division of Historic Resources</u>				
Acquisition, Restoration of Historic Properties	45.032	SC615	\$ 262,500	-
<u>Florida Department of Transportation</u>				
State Highway Project Reimbursement	55.023	JPA230297/1/58/01	2,605,179	-
Florida Highway Beautification	55.003	42304217401	13,514	-
			2,618,693	-
<u>Florida Housing Finance Agency:</u>				
State Housing Initiatives Partnership Program	52.901	n/a	8,090	-
<u>Florida Department of Environmental Protection:</u>				
Florida Recreation Development Assistance Program	37.017	A8055	200,000	-
Florida Recreation Development Assistance Program	37.017	A9180	122,050	-
<i>Passed Through South Florida Water Management District:</i>				
Statewide Surface Water Restoration	37.039	SAP#4600001188	500,000	-
			822,050	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 3,448,833	\$ -

City of Fort Pierce, Florida
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the year ended September 30, 2010

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

City of Fort Pierce, Florida
**SCHEDULE OF FINDINGS AND QUESTIONED
COSTS-FEDERAL AWARDS AND STATE PROJECTS**
September 30, 2010

I. Summary of Auditor Findings

1. The independent certified public accountant's report expresses an unqualified 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, however, one significant deficiency was disclosed during the audit of the major federal awards programs and state financial assistance projects.
5. The independent certified public accountant's report on compliance for the major federal awards programs and state financial assistance projects expresses an unqualified opinion.
6. There were no audit findings relative to the major federal awards programs and state financial assistance projects.
7. The programs tested as major programs/projects were as follows:

Federal Programs

CFDA Number: 97.039	Hazard Mitigation
CFDA Number: 16.710	ARRA COPS Hiring
CFDA Number: 16.803	Gang Abatement and Reduction

State projects

CSFA Number: 37.039	Statewide Surface Water Restoration
CSFA Number: 55.023	State Hwy Project Reimbursement

8. The threshold for distinguishing between Type A and Type B programs was \$300,000 for major federal programs and state projects.
9. The City of Fort Pierce, Florida was determined to be a low risk auditee for federal program testing pursuant to OMB Circular A-133.

II. Financial Statement Findings

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

III. Federal Program/State Project Findings and Questioned Costs

U.S. Department of Homeland Security & Florida Department of Environmental Protection

Federal: Hazard Mitigation, CFDA #97.039

State: Statewide Surface Water Restoration, CSFA#37.039

2010-1 Request for reimbursement on two grants for the same expenditures related to Federal Awards/State Assistance

Condition: It was noted during the audit that certain expenditures were included for reimbursement of two different grants. There were sufficient expenditures to cover both reimbursements and as such, the City was not overpaid, however, employees of the City did not notice the error.

Effect: Expenditures could be improperly reimbursed twice to the City.

Recommendation: We recommend that supervisory staff carefully review and approve any reimbursement requests.

Response: Staff acknowledges the potential problems it could cause and is implementing corrective measures to address the comment. Departments that have the responsibility of requesting reimbursement will carefully review before the approval of any requests for reimbursement. In addition, project numbers will be required for all grant disbursements giving greater assurance that expenditures can only be reimbursed by one grant.

IV. Summary Schedule of Prior Audit Findings

Audit Finding 2009-1, 2009-2, and 2009-3 were fully corrected in the current year.

DiBartolomeo, McBee, Hartley & Barnes, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Management Letter

To the City Commission
City of Fort Pierce, Florida

March 30, 2011

We have audited the financial statements of the City of Fort Pierce, Florida, as of and for the year ended September 30, 2010, and have issued our report thereon dated March 30, 2011, which was unqualified.

We have issued our Report of Independent Certified Public Accountants on Compliance and Internal Control based on an audit performed in accordance with Government Auditing Standards, Report on Compliance and Internal Control Over Compliance applicable to each major federal program, and Schedule of Findings and Questioned Costs. Those reports and schedule, which are dated March 30, 2011, should be considered in conjunction with this management letter.

We conducted our audit 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, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local government entity audits performed in the State of Florida, and require certain items be addressed in this letter.

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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)3, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal control. .

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

Section 10.554(1)(i)5., Rules of the Auditor General, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit we did not have any such findings.

Other Matters:

Investment Policy

The City was in compliance with the investment policy requirements as described in Section 218.415 of the Florida Statutes.

Determination of Financial Emergency/Condition

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 281.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 281.503(1), Florida Statutes.

Section 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on the representations made by management and the review of financial information provided by same.

Department of Financial Services

The City has prepared and filed the annual financial report with the Department of Financial Services, which was based on the audited financial statements. The financial report filed with the Department of Financial Services, pursuant to Section 218.32, Florida Statutes, is in material agreement with these audited financial statements.

Legal Authority for Municipality

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.

Concluding Remarks

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

Very truly yours,

A. Bartolomeo, M. Bee, Hartley & Barnes

Certified Public Accountants