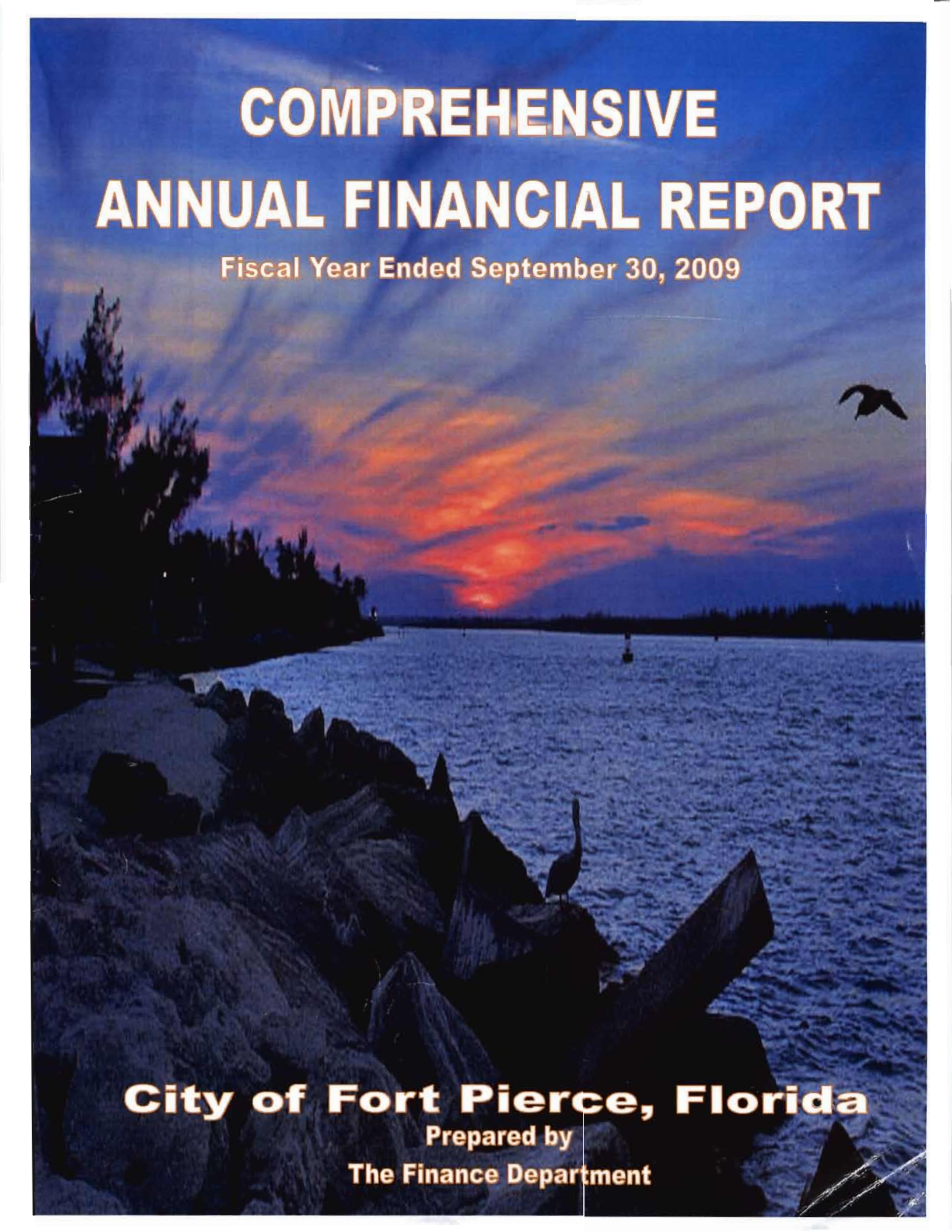




COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2009

City of Fort Pierce, Florida

**Prepared by
The Finance Department**

The seal of the City of Fort Pierce, Florida, is a circular emblem. It features a central illustration of a fish, likely a snook, leaping out of the water. The fish is depicted in a stylized, almost abstract manner with a large head and a long, pointed snout. The water is represented by a blue, wavy base. Above the fish, a sun is rising, with its rays extending upwards and outwards. The words "THE SUNRISE" are arched across the top of the seal, and "CITY" is arched across the bottom. The entire seal is set against a light blue background.

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
CITY OF FORT PIERCE, FLORIDA
FOR THE
FISCAL YEAR ENDED
SEPTEMBER 30, 2009**

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

I. *INTRODUCTORY SECTION*

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

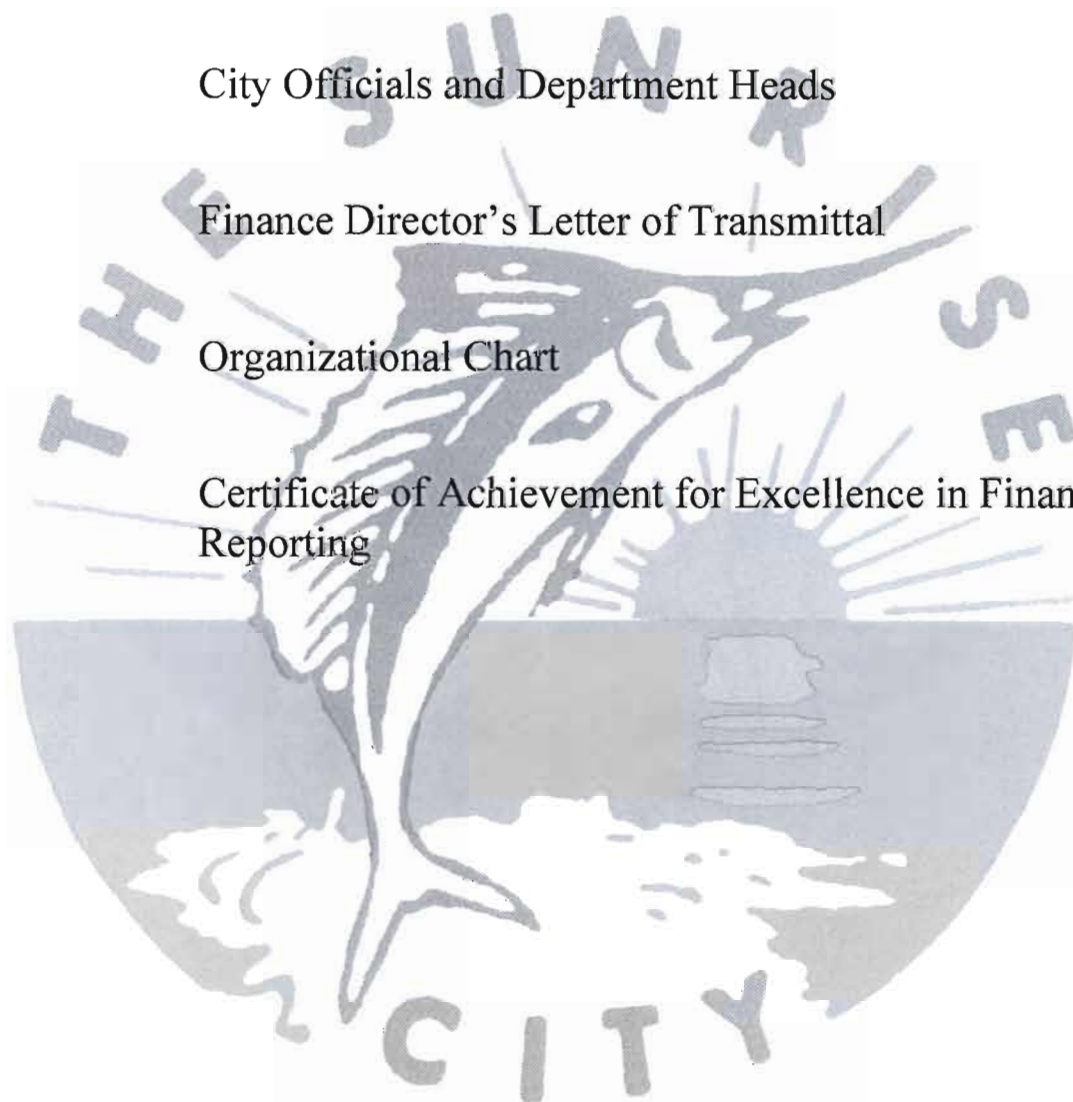




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CITY COMMISSION



Robert J. Benton III



Rufus J. Alexander III



Edward Becht



Christine Coke



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 Fort Pierce Redevelopment Agency*

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*

Dorina Jenkins, *Assistant Community Services Director*

Greg Martzolf, *Golf Course Director*

John Wilkes, *Director, Sunrise Theatere*

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

June 2, 2010

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, 2009. 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, 2009, 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, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

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

The Reporting Entity and Its Services

The City of Fort Pierce, Florida was incorporated in 1901 and covers an area of approximately 27.22 square miles. The City operates under an elected City Commission (5 members) and provides a full range of municipal services including general government, public safety, public improvements, planning and zoning, and related general and administrative services to over 44,000 residents. In addition, the City operates a solid waste enterprise activity, a marina, a golf course, a theatre and a stormwater utility fund. This report includes two component units and one related organization.

Component Units. The financial data of the City's two component units, the Fort Pierce Utilities Authority (FPUA), a proprietary fund, is discreetly presented, and the Community Redevelopment Agency (CRA), a governmental fund, is blended in 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. This designation establishes this as one of the top growth areas of the country.

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 slow down 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.

Significant progress in expanding the capabilities of both the St. Lucie County Airport and the Port of Fort Pierce 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 is not only increasing the tax base, but also providing additional customers for the City's owned and operated utility systems. 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 and residential neighborhoods. This year the City completed "The Oaks on Moore's Creek," a 12 home development, with a contribution of 1.6 million from Community Service through a Hurricane Housing Recovery Funding grant and FPRA donating the land. This project set the standard of new construction and was

one of the first in the Lincoln Park area for over 50 years. There are ongoing improvements to Moore's Creek Linear Park and Bridges along this development.

The 2009 budget had little funding for capital equipment and there have been virtually no capital equipment purchases in 3 years; the budget has not been able to support capital purchases. The only capital improvements have been through bond proceeds. The City's long-term debt at 9/30/2009 was \$92,181,653.

Pension Trust Fund Operations

The General Employees Retirement and Benefit System (the System) is a cost sharing multiple employer defined benefit plan covering all municipal employees. Employees of the City are required to contribute 5.16% of their annual salary to the System. The employers are required to contribute actuarially determined amounts which, together with member contributions, are sufficient to fund the system.

The Municipal Police Officers' Retirement Trust Fund is a single employer defined benefit plan covering all police officers of the City.

Contributions for the plan are financed by contributions from the State of Florida by a 0.85% excise tax on casualty insurance premiums on policies covering property within the corporate limits of the City, and employee contributions of 3.5% of salaries.

Cash Management

The City of Fort Pierce is not exempt from the effects of the declining economy. The City has experienced a 17.37% decrease in property value for operating purposes. The decline effected the ad valorem revenues received by the City in 2009, that amount was \$14,476,029; 1.5 million less than 2008 fiscal year. This revenue source represents 36% of the total General Fund revenue budget. In spite of the declining property values the City has been able to maintain the same millage rate of 5.4674 for 2008, 2009 and 2010.

The second major revenue source is the annual transfer from the Fort Pierce Utilities Authority, a component unit of the government. The transfer is approximately 5 million dollars or 12% of the budget. State shared revenues declined about 7%, from 2.8 to 2.6 million. These revenues are not under the City's control; they are under the State's control and calculated by formulas.

Because of the eroding revenue base the City was faced with a 1.5 million shortfall in the 2009 budget. To address this decline in revenue the City had to cut its job force by 15% or 60 employees. A Voluntary Separation Incentive Program was instituted in which resulted in 34 employees leaving the employment of the City by resignation or retirement. The cost of this program was 1.2 million and was financed by the Solid Waste Fund. The departments were instructed to slash 650,000 from their operating budgets. These measures enabled the City to gain an addition 1 million in revenues to offset the 2010 budget.

The budget is designed to address the priorities of the Citizens. The greatest amount of the budget is allocated towards public safety. Public safety is 41.62 % of General Fund's total budget and this commitment has more than paid for itself. Studies show that there has been a 19% drop in overall crime and a 38% drop in violent crime since 2006.

The City has established a financial policy in which the General Fund's, fund balance must not be less than 10% of the current operating budget. In 2008-2009 the adopted operating budget was \$40,139,481; 10% of the budget is \$4,013,948 which is the required minimum balance. The unreserved fund balance at the beginning of the year was \$4,868,200 and at the end of the 2009 year it was \$4,525,073.

The City has an investment policy which allows the City to invest in only specific instruments; money market accounts, certificates of deposit and US Treasuries. The policy is very conservative policy in order to guarantee the city's principal investment. The retirement system has its own investment policy statement and is the exception. The market value of all cash and investments, with the exception of the Retirement Fund, at the end of the fiscal year was \$30,586,574, of which \$3,108,395 is restricted.

Risk Management

Risk management is the systematic, logical, and continuous process which identifies exposures to different types of losses, evaluates the potential cost of these losses and identifies the most cost-effective method or methods to deal with them. These methods include reducing or eliminating the risk by sound loss control and safety practices. They also include the various techniques to finance the exposure such as insurance, transfer, etc.

The City is no longer self insured, and provides for its employees a fully insured group policy for health insurance. The premiums are paid by the employer, employee, and retiree. The City pays 100% for the employee, 60% for dependent coverage. The employee pays 40% for dependent coverage and the Retiree pays 100% of the premium. The OPEB obligation at September 30, 2009 was \$573,776. There is a risk manager that is employed by the City and an independent risk insurance consultant to mitigate potential liabilities and risk issues. The City currently has liability, workers compensation, fiduciary, property, automotive, terrorism and other insurance coverages.

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, 2008. 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 nineteen 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.

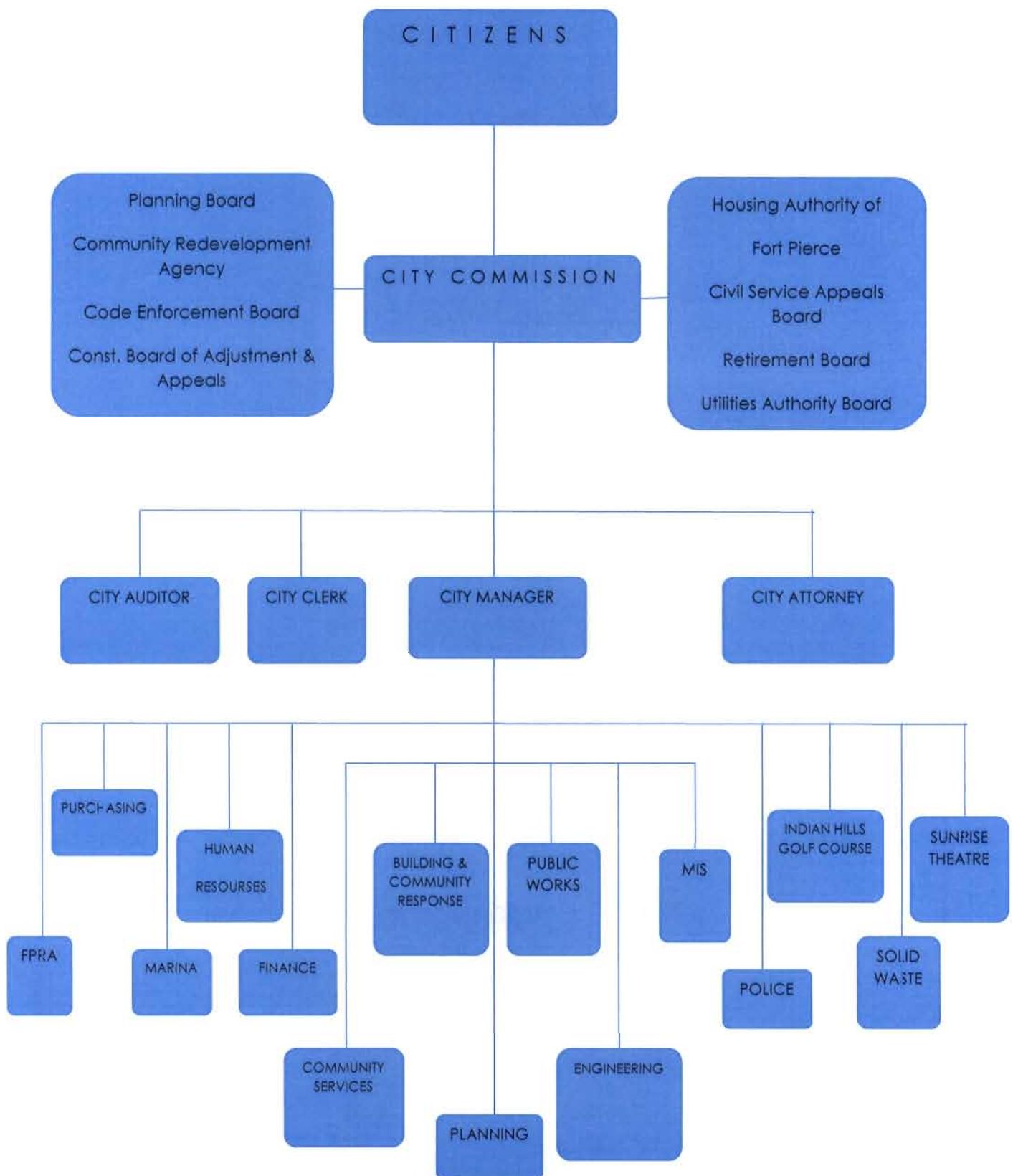
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Gloria J. Johnson", with a long horizontal flourish extending to the right.

Gloria J. Johnson
Director of Finance

GJB/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, 2008

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.

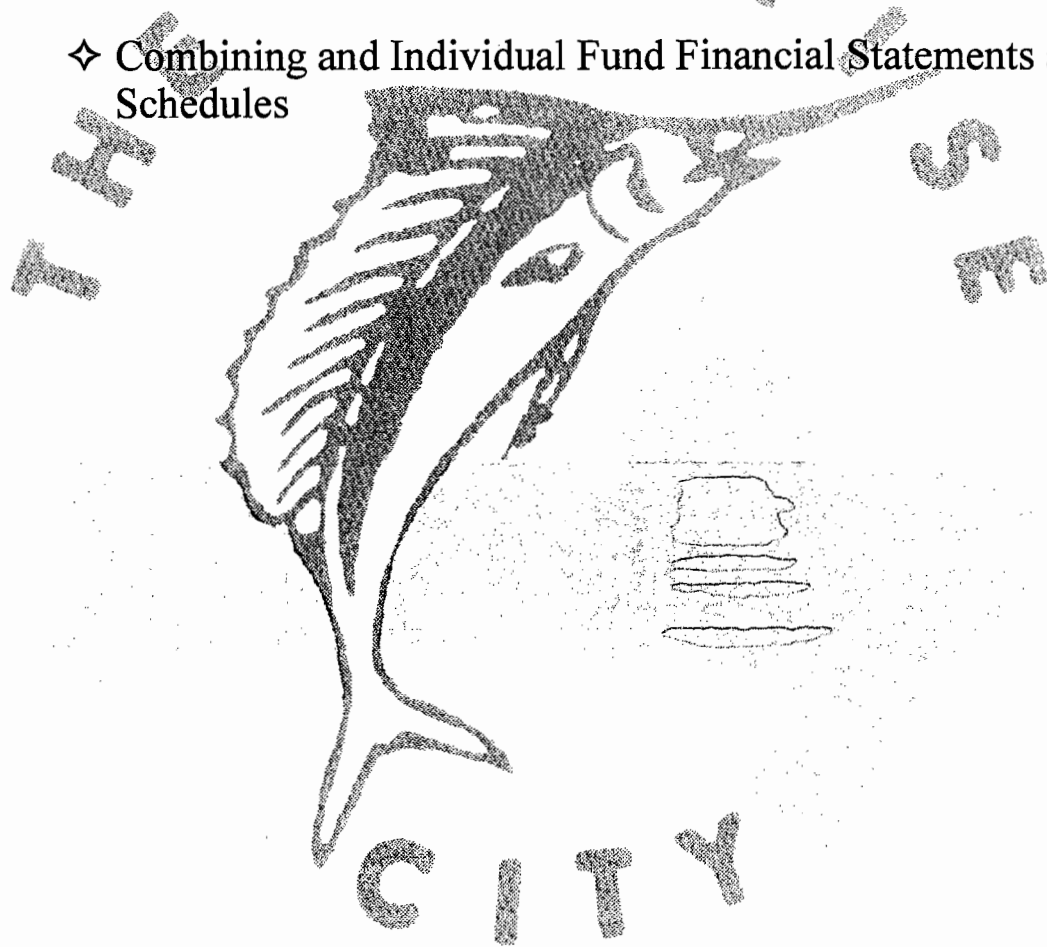


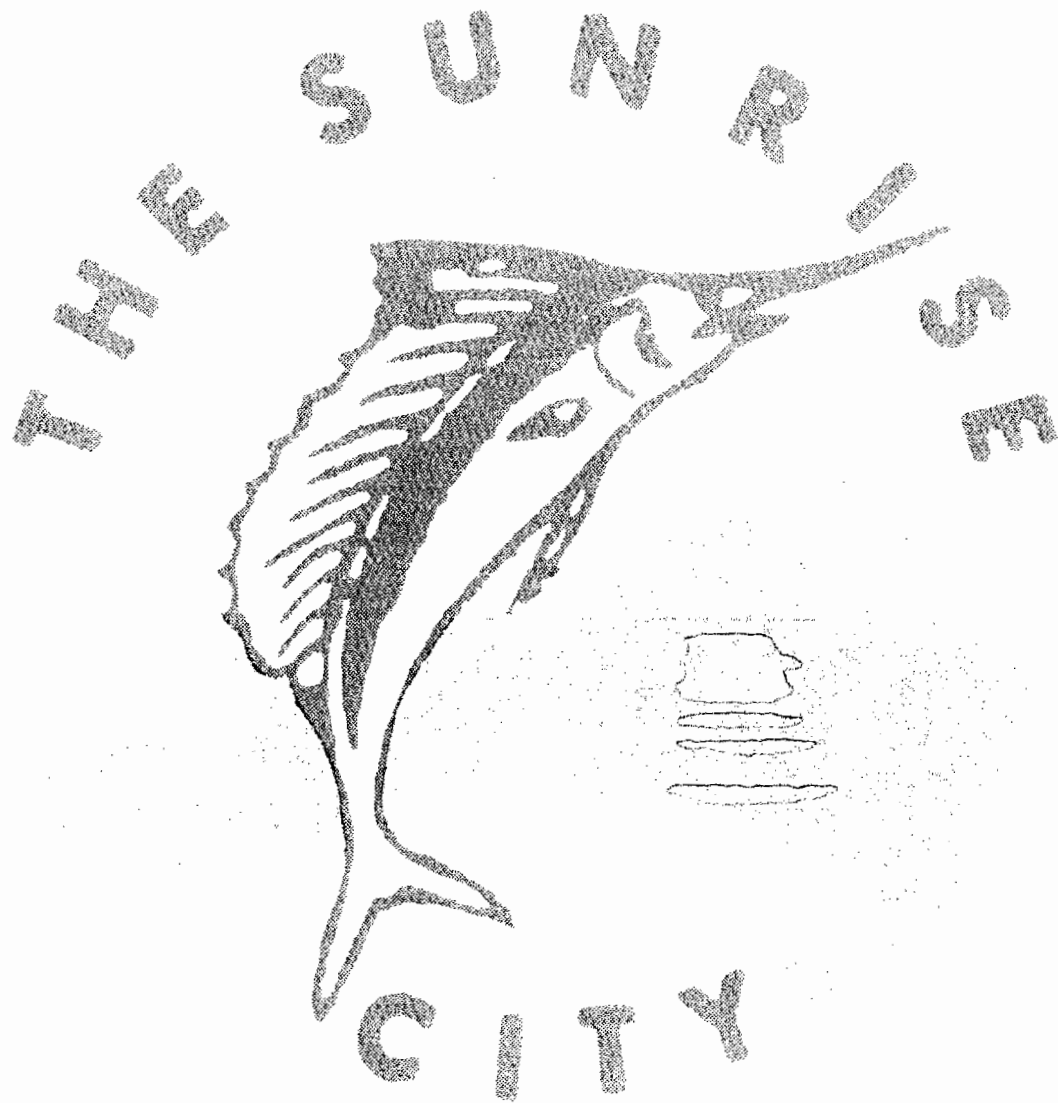
President

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





Independent Auditors' Report

To the City Commission
Fort Pierce, Florida

May 28, 2010

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, 2009, 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, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, and Community Redevelopment Agency Fund, for the year ended in 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 May 28, 2010 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 grants. 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 read in conjunction with this report in considering the results of our audit.

To the City Commission
Fort Pierce, Florida

May 28, 2010

Management's discussion and analysis, and the schedule of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements, 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 not a required part of the basic financial statements of the City. The combining and individual fund statements, budgetary comparison information, schedule of expenditures of federal awards and state financial assistance, and other schedules listed in the Table of Contents has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A. Bartolomeo, M. Bee, H. Hestley & B. Barred
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, 2009. 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 \$109,265,789 of which \$56,356,345 is governmental and \$52,909,444 is the total for business-type activities.
- The City's revenues for Governmental Activities at year end were \$49,490,410 a 13.80% decrease before transfers in of 512,889, and expenses were \$51,016,957 a 3.90% decrease. The expenses exceeded the revenues by \$1,527 million. The revenue decrease from 2008 was 7.9 million this can be attributed to a decrease in taxes (\$1.508 million) and investment earning (.929 million), charges for services 2.2million and no 3.2 million extra ordinary revenue items such as sale of land in last year's financials. Operating and capital grants remain virtually unchanged. The decrease in expenditures in comparison of last year was 2.03 million the reduction was in the category of general governmental expenditures, 2.1 million.
- Business-type funds revenues were \$22,702,767 a decrease of \$291,072 before transfers out, and expenses were \$15,510,005, a 1.60% (\$252,249) decrease from the previous year.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$15,904,783, a decrease of \$8,777,260 a decrease of 3.6 million in debt service reserve and 2.9 million in grant funding.

The long-term bonded debt of the City on 9/30/09 was \$92,181,653, a decrease of 4.34%. The City of Fort Pierce refinanced an existing note with a refunding bond issue. There were only debt services requirements to be 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 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 five 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 fund,

Fiduciary funds. 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 \$109,265,789 at the close of the most recent fiscal year.

Approximately 70.2% 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.

City of Fort Pierce Net Assets - FY 2009 and 2008						
	Governmental		Business Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Current and other Assets	28,470,457	34,563,544	16,232,780	21,353,898	44,703,237	55,917,442
Capital Assets	112,594,947	110,511,789	59,709,164	48,241,678	172,301,111	158,753,467
Total Assets	141,065,404	145,075,333	75,941,944	69,595,576	217,007,348	214,670,909
Long-term Liabilities O/S	77,333,104	81,195,510	18,927,332	19,635,637	96,260,436	100,831,147
Other Liabilities	7,375,955	6,509,820	4,105,168	3,730,368	11,481,123	10,240,187
Total Liabilities	84,709,059	87,705,330	23,032,500	23,366,005	107,741,559	111,071,335
Net Assets:						
Invested in Capital Assets, Net of						
Related Debt	36,179,711	39,596,736	40,490,367	28,158,381	76,670,078	67,755,117
Restricted	6,262,950	8,583,007	--	--	6,262,950	8,583,007
Unrestricted	13,913,684	9,190,260	12,419,077	18,071,190	26,332,761	27,261,450
Total net Assets	56,356,345	57,370,003	52,909,444	46,229,571	109,265,789	103,599,574

The City's net assets increased by \$5,666,215 during the fiscal year. The net assets of the Governmental Funds decreased by \$1.05 million and business type funds increased by \$6.7 million. Assets of the Governmental Funds decreased \$4.01 million and liabilities by \$3.0 million. However, for the enterprise funds, the assets had an increase of 9.12% or approximately \$6.3 million and liabilities had a decrease of 1.43% or approximately \$.3 million.

City of Fort Pierce Net Assets- FY 2009 and 2008

	<u>Governmental</u> <u>Activities</u>		<u>Business Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues						
Program Revenues						
Charges for Services	3,942,899	6,121,136	13,913,454	14,228,052	17,888,357	20,349,188
Operating grants and Contributions	12,358,009	15,227,300	3,825,307	2,544,073	16,116,303	17,771,373
Capital Grants and Contributions	2,966,734	-	4,208,215	5,164,319	7,174,949	5,164,319
General Revenues:						
Ad Valorem Taxes	14,476,029	15,983,798			14,476,029	15,983,798
Other Taxes	7,410,649	7,138,299			7,410,649	7,138,299
Unrestricted grants and contributions	276,943	-			246,943	-
Intergovernmental	2,502,277	3,063,139			2,502,277	3,063,139
Miscellaneous	237,912	521,986	613,547	436,635	851,459	958,611
Contributions from Component Units	5,045,811	4,951,964			5,045,811	4,951,964
Unrestricted investment earnings	273,147	1,202,125	142,244	620,760	415,391	1,822,885
Special Item-Sale of Land		3,207,299			13,097,300	3,207,299
Total Revenues	49,490,410	57,417,046	22,702,767	22,993,839	85,225,468	80,410,875
Expenses						
General government	12,967,795	15,157,106	-	-	12,967,795	15,157,106
Public safety	16,893,985	16,773,117	-	-	16,863,985	16,773,117
Transportation	6,647,625	7,003,523	-	-	6,647,625	7,003,523
Economic Environment	7,863,601	7,758,223	-	-	7,863,601	7,758,223
Culture & recreation	2,642,486	2,825,114	-	-	2,642,486	2,825,114
Interest on long-term debt	4,001,465	3,537,105	-	-	4,001,465	3,537,105
Solid Waste	-	-	4,747,297	5,168,303	4,747,297	5,168,303
Marina	-	-	2,233,160	2,459,231	2,233,160	2,459,231
Stormwater	-	-	2,578,157	2,499,171	2,578,157	2,499,171
Golf Course	-	-	1,933,926	1,813,483	1,933,926	1,813,483
Sunrise Theatre	-	-	4,017,465	3,821,918	4,017,465	3,821,918
Total Expenses	51,016,957	53,054,188	15,510,005	15,762,254	66,749,211	68,816,442

City of Fort Pierce Net Assets- FY 2009 and 2008 (Cont.)

	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Increase (Decrease) in net assets before transfers	(1,526,547)	4,362,858	7,192,762	7,231,585	5,666,215	11,594,443
Transfers In (Out)	<u>512,889</u>	<u>879,659</u>	<u>(512,889)</u>	<u>(879,659)</u>	-	-
Changes in net assets	(1,013,658)	5,542,517	6,679,876	6,351,926	5,666,218	11,894,443
Net Assets - Beginning	57,370,003	52,127,486	46,229,571	39,877,645	103,599,574	92,005,131
Net Assets - Ending	56,356,345	57,370,003	52,909,444	46,229,571	109,265,789	103,599,574

Governmental activities. Governmental activities accounted for a negative growth of \$1,013,658 in net assets of the City.

Revenues decreased \$7,926,636 or 13.81% in Fiscal Year 2009. Revenues have decreases in a few categories and one major decrease in sale of land of \$3.2 million; in 2008 land was sold to construct a botanical garden. In charges for services, the decline was approximately \$2.14 million. Investment earnings were down \$.928 million. Property values are decelerating and resulted in only 1.5 million less ad valorem revenues. The 3.84% or \$2.04 million decrease in expenses was attributed to \$2.19 million in general government expenditures and an increase of \$.46 million in interest on debt service cost and the remaining was a combination of the increases and decreases between the following categories: 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 operations. Expenses were consistent with 2008, with a decrease of only \$.25 million. Revenues decreased by approximately the same amount as expenses, \$.29 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 \$15,904,783 a decrease of \$8,777,260 in comparison with the prior year. Approximately 33% (\$5,187,289) 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 \$2,492,069 and \$8,225,425 respectively.

The *general fund* is the chief operating fund of the City. The ending fund balance in 2009 is \$4,525,073 which decreased \$3,343,127. The decrease represents a \$3 million transfer to a Construction Fund for capital improvements. As a result of the reserve transfer, the fund balance of the general fund that is available for future appropriations is \$4,525,073.

Business Type Funds. The enterprise funds have unrestricted net assets of \$12,419,077. Investment in capital assets net of related debt is \$40,490,367 with a combined net asset total of \$52,909,444.

General Fund Budgetary Highlights

The General Fund revenues were \$41,992,399 a decrease of \$1,401,040 or 3.23% and expenditures were \$45,335,526, an increase of \$1,765,189 or 4.05%. Differences between the original and final revenue and expenditure budget were substantial in some categories and a list of the more notable amendments is:

- \$975,705 decrease in ad valorem taxes less collection allowance of 5%.
- \$2,747,232 increase in intergovernmental revenue, grant receipts from the State for Rollins land purchase.
- \$132,758 decrease in fines and forfeitures, and an increase in property code violations were 18.69% or (\$156,508) more than anticipated.
- \$335,456 increase in miscellaneous revenue, settlement of claims \$263,677 and reimbursement of contractual services and other miscellaneous contractual \$122,406.
- \$1,368,558 increase in enterprise contributions was for the Voluntary Separation Incentive Program approximately 1.2 million. This transfer was made from the Solid Waste Fund.
- \$955,752 increase interfund transfer, the close-out of the City of Fort Pierce Self Insurance Fund this amount represents the reserve for run-off of claims and addition contributions remaining.
- \$2,370,118 increase in Fund Balance Appropriation is a direct result of transferring to the Construction Fund monies reserve for the construction of a botanical garden.
- \$7,543,686 administrative expenditure increases includes transfer to: Construction Fund (3 million) for Heathcote Botanical Gardens); implementation of the Voluntary Separation Incentive Program costs was \$1,160,000 and art in public places \$139,417.

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, 2009 amounts to \$172,303,101 (this is net of accumulated depreciation). Significant additions during the year consisted of building improvements for economic development, street reconstruction, park improvement, land purchases and traffic calming improvements. See Note H for detail information on the primary government's Capital Assets.

**City of Fort Pierce' Capital Assets- FY 2009 and 2008
(net of depreciation)**

	Governmental Activities		Business Type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land & CIP	28,681,895	34,700,378	10,708,531	12,661,204	39,390,426	47,361,582
Buildings	23,749,970	14,484,181	15,331,602	16,654,824	39,081,572	31,139,005
Improvements Other than Buildings	22,428,091	12,348,333	31,419,872	17,630,351	53,847,963	29,978,684
Machinery & Equipment	3,534,376	3,994,566	2,249,159	2,295,299	5,783,535	6,289,865
Infrastructure	34,200,615	44,984,331	-	-	34,200,615	44,984,331
Total	112,594,947	110,511,789	59,709,164	49,241,678	172,304,111	159,753,467

Bonded debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$92,181,653.

**City of Fort Pierce Outstanding Debt
Revenue Bond, Road Improvement Notes & Intergovernmental Notes**

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenue bonds, road improvement notes & intergovernmental notes	73,708,995	77,152,935	18,472,658	19,213,514	92,181,653	96,366,449

The City's debt decreased during the year by a net \$4.2 million. The City's governmental debt activities consist of \$29.840 million refunding revenue notes or bonds being issued in the 2008 fiscal year. However the City continues to work on redevelopment projects issued under previous issues. The governmental funds retired \$31,965,565 in bonds. The business-type activities issued no debt, and retired \$.689 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

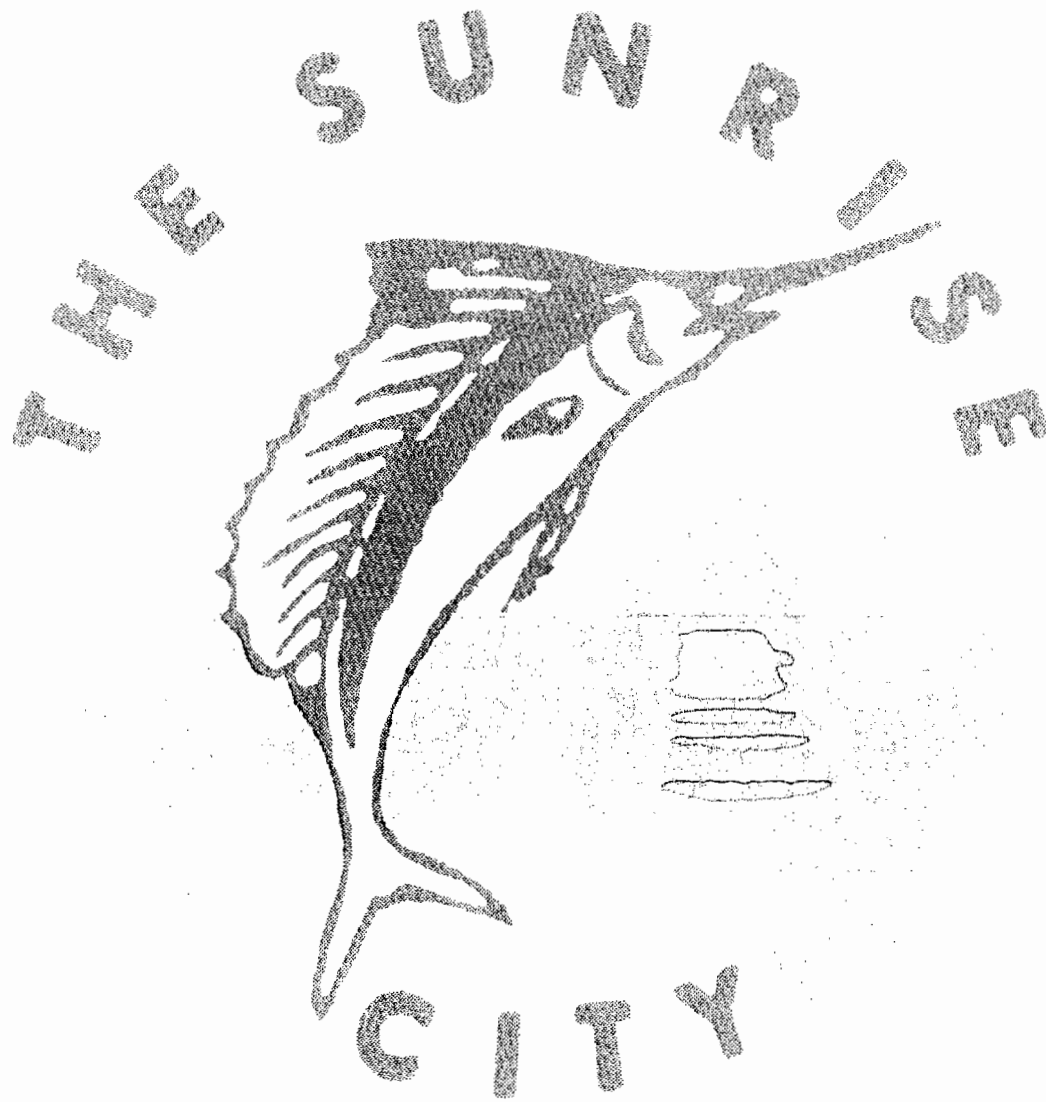
Some of the significant factors considered in preparing the City's Annual Fund Budget for Fiscal Year 2010 were:

- In the General Fund, the City's property valuation decreased by approximately 18% 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 three years has caused a difficult task in balancing the budget. The City has experience a reduction of \$3.8 million in property taxes in the last 3 years.
- The City appropriated \$1,033,349 from fund balance to balance General Fund's budget.
- The General Fund revenues had to be supplement with a transfer of \$.9 million from the Solid Waste Fund.
- To meet the challenges of the 2008 budget (General Fund) the City Commission made a decision not to eliminate jobs. All unfilled positions were frozen and not funded in the 2008 budget. These positions remained unfilled in the 2009 budget and the budget operating expense reductions amounted to approximately \$600,000. These combined resulted in a total of \$1.2 million in savings
- The City also eliminated 36 positions through the Voluntary Separation Incentive Program (VSIP); these positions saved \$1.2 million in payroll in the 2009 budget.
- The Fort Pierce Redevelopment Agency tax increment financing (TIF), \$8.6 million in 2008 and \$6.9 million in 2009, has fallen significantly because of the housing market downward readjustment of property values. The decrease in the valuation of property has resulted in a 20% decrease in the TIF revenues. The budget is still able to support a number of special projects under historic preservation, such as restoration of the Lincoln Park Main Street Office Building, Old St. Anastasia School building and Lincoln Theatre. There is funding to invest in land for the City's parks and recreation. Other program funding includes \$3,119,798 for neighborhood and business grants, cultural events and other community functions.
- As for the business-type activities, the Marina, Solid Waste and Golf Course operations had to make up its budget shortfalls by appropriating retained earnings of \$2,086,913, \$1,102,410, and \$779,234 respectively in 2008. In the 2009 budget Marina, Solid Waste, and Golf Course only had to use \$161,917, 492,823, and \$.00 respectively. This year resources are sufficient in Solid Waste to increase the transfer from \$800,000 to \$900,000 to the General Fund.

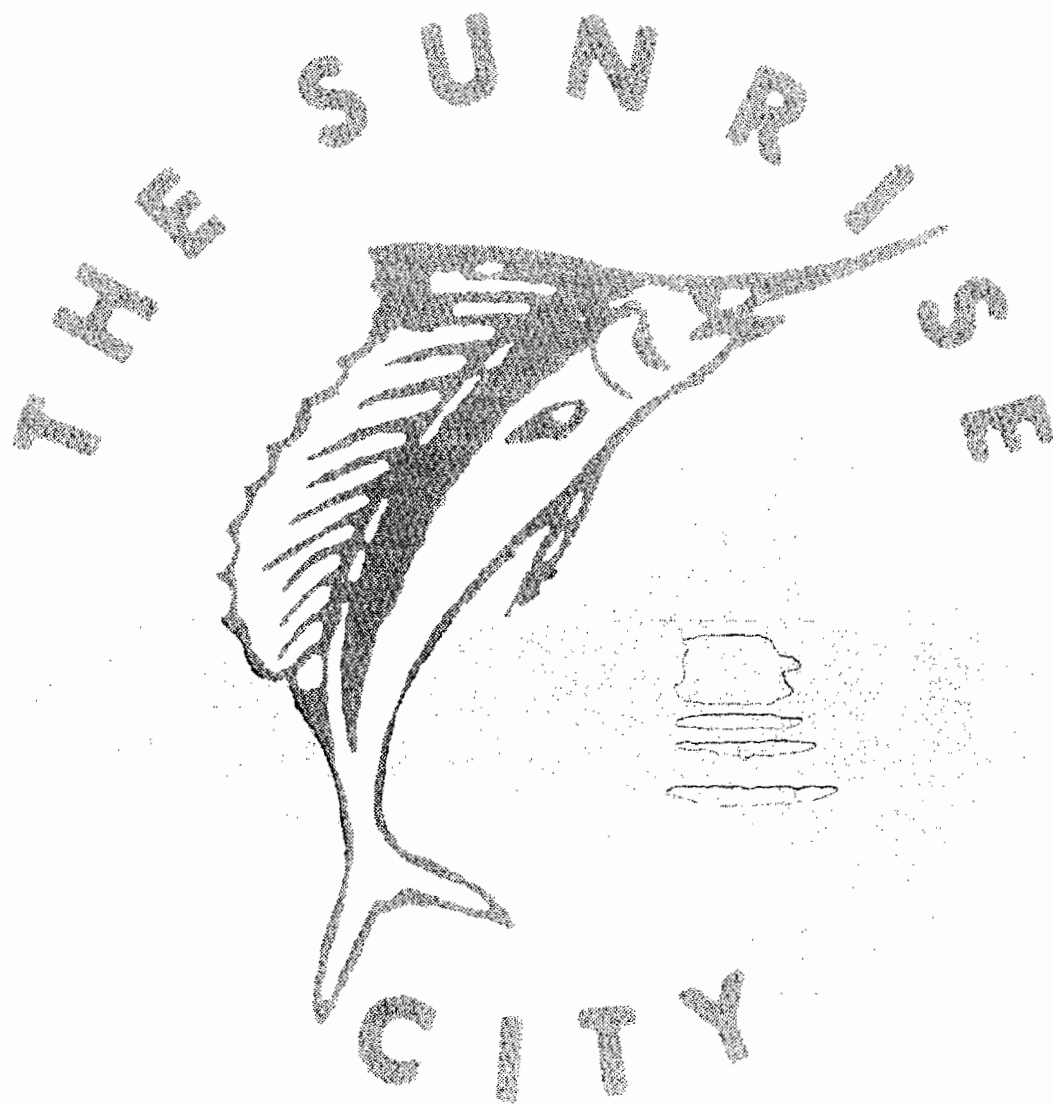
Requests for Information

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.

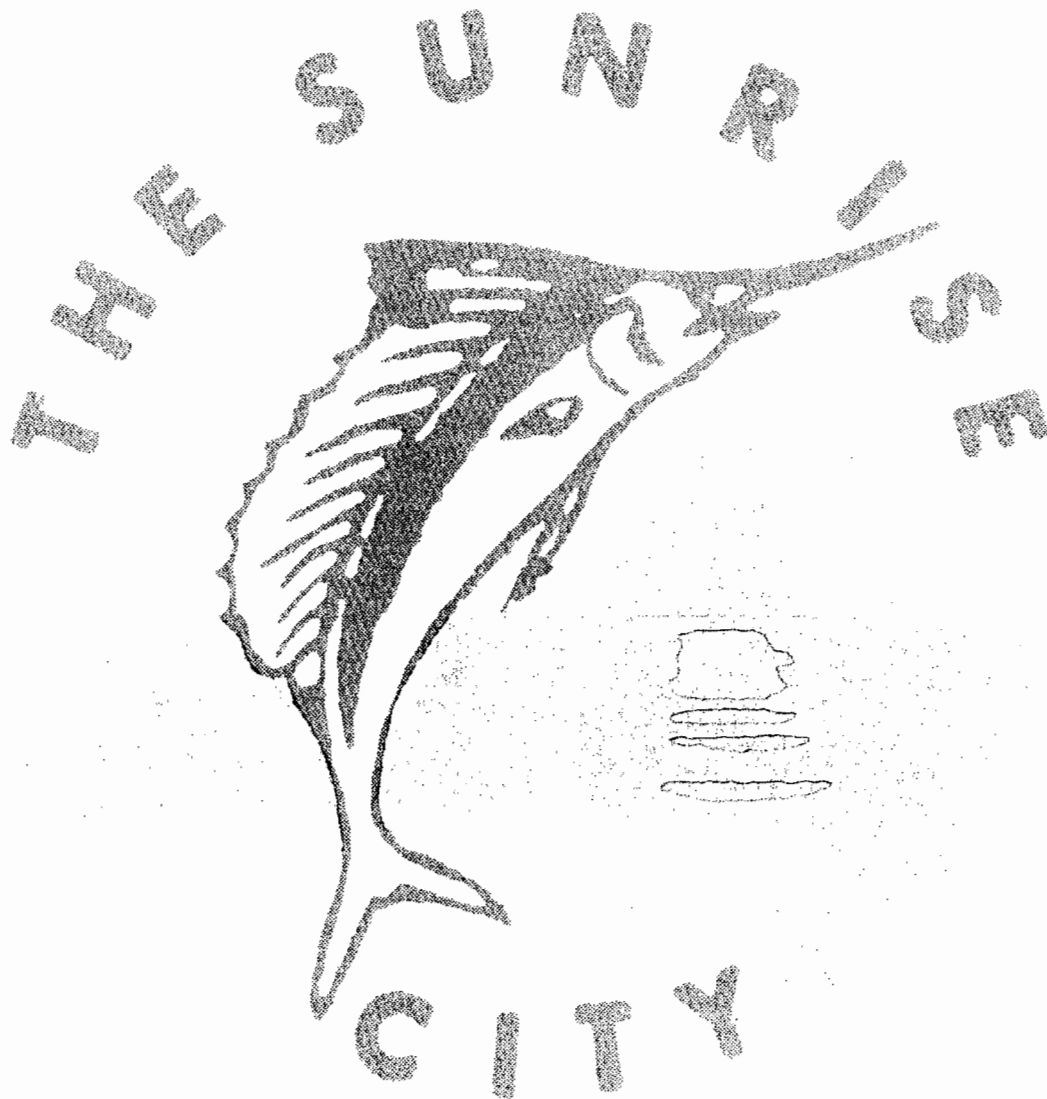
BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Fort Pierce, Florida
STATEMENT OF NET ASSETS
September 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
ASSETS				
Current assets:				
Cash and investments	\$ 14,054,128	\$ 13,390,538	\$ 27,444,666	\$ 10,498,646
Receivables (net of allowance for uncollectibles)	7,459,334	940,425	8,399,759	15,757,758
Due from component unit	789,479	775,884	1,565,363	-
Internal balances	348,622	(348,622)	-	-
Due from other governments	473,508	929,892	1,403,400	586,969
Inventories and other current assets	603,705	104,190	707,895	5,931,845
Restricted Assets:				
Temporarily restricted:				
Cash and investments	2,922,522	219,386	3,141,908	23,728,619
Total current assets	26,651,298	16,011,693	42,662,991	56,503,837
Noncurrent assets:				
Deferred charges	1,819,159	221,087	2,040,246	1,611,516
FMPA working capital receivable	-	-	-	1,918,608
Capital assets, not being depreciated:				
Land	26,654,693	674,008	27,328,701	10,429,000
Construction in progress	2,027,202	10,034,523	12,061,725	24,307,592
Capital assets (net of accumulated depreciation):				
Buildings	32,546,294	17,815,827	50,362,121	-
Improvements other than buildings	31,268,051	39,072,792	70,340,843	-
Equipment	13,774,548	7,791,990	21,566,538	-
Infrastructure	103,996,127	-	103,996,127	366,215,981
Accumulated depreciation	(97,671,968)	(15,679,976)	(113,351,944)	(157,277,394)
Total noncurrent assets	114,414,106	59,930,251	174,344,357	247,205,303
Total assets	\$ 141,065,404	\$ 75,941,944	\$ 217,007,348	\$ 303,709,140

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	\$ 2,707,683	\$ 2,395,816	\$ 5,103,499	\$ 8,288,609
Unearned revenue	682,116	314,709	996,825	1,149,238
Accrued compensated absences	478,130	45,138	523,268	1,293,863
Intergovernmental notes	75,484	26,894	102,378	-
Due to other governments	-	-	-	717,682
Notes and revenue bonds-current	2,630,757	719,243	3,350,000	5,797,000
Accrued interest payable	768,272	383,983	1,152,255	1,208,071
Liabilities payable from restricted assets:				
Customer deposits	33,513	219,385	252,898	5,866,435
Total current liabilities	<u>7,375,955</u>	<u>4,105,168</u>	<u>11,481,123</u>	<u>24,320,898</u>
Noncurrent liabilities:				
Notes and bonds payable, net	73,708,995	18,472,658	92,181,653	102,370,447
Accrued compensated absences	3,125,720	379,287	3,505,007	671,135
Other post employment benefits	498,389	75,387	573,776	13,310
Total noncurrent liabilities	<u>77,333,104</u>	<u>18,927,332</u>	<u>96,260,436</u>	<u>103,054,892</u>
Total liabilities	<u>84,709,059</u>	<u>23,032,500</u>	<u>107,741,559</u>	<u>127,375,790</u>
NET ASSETS				
Invested in capital assets, net of related debt	36,179,711	40,490,367	76,670,078	136,359,733
Restricted for:				
Capital projects	3,770,881	-	3,770,881	-
Capital improvement charges	-	-	-	7,781,576
Debt service	2,492,069	-	2,492,069	3,222,538
Unrestricted	<u>13,913,684</u>	<u>12,419,077</u>	<u>26,332,761</u>	<u>28,969,503</u>
Total net assets	<u>\$ 56,356,345</u>	<u>\$ 52,909,444</u>	<u>\$ 109,265,789</u>	<u>\$ 176,333,350</u>

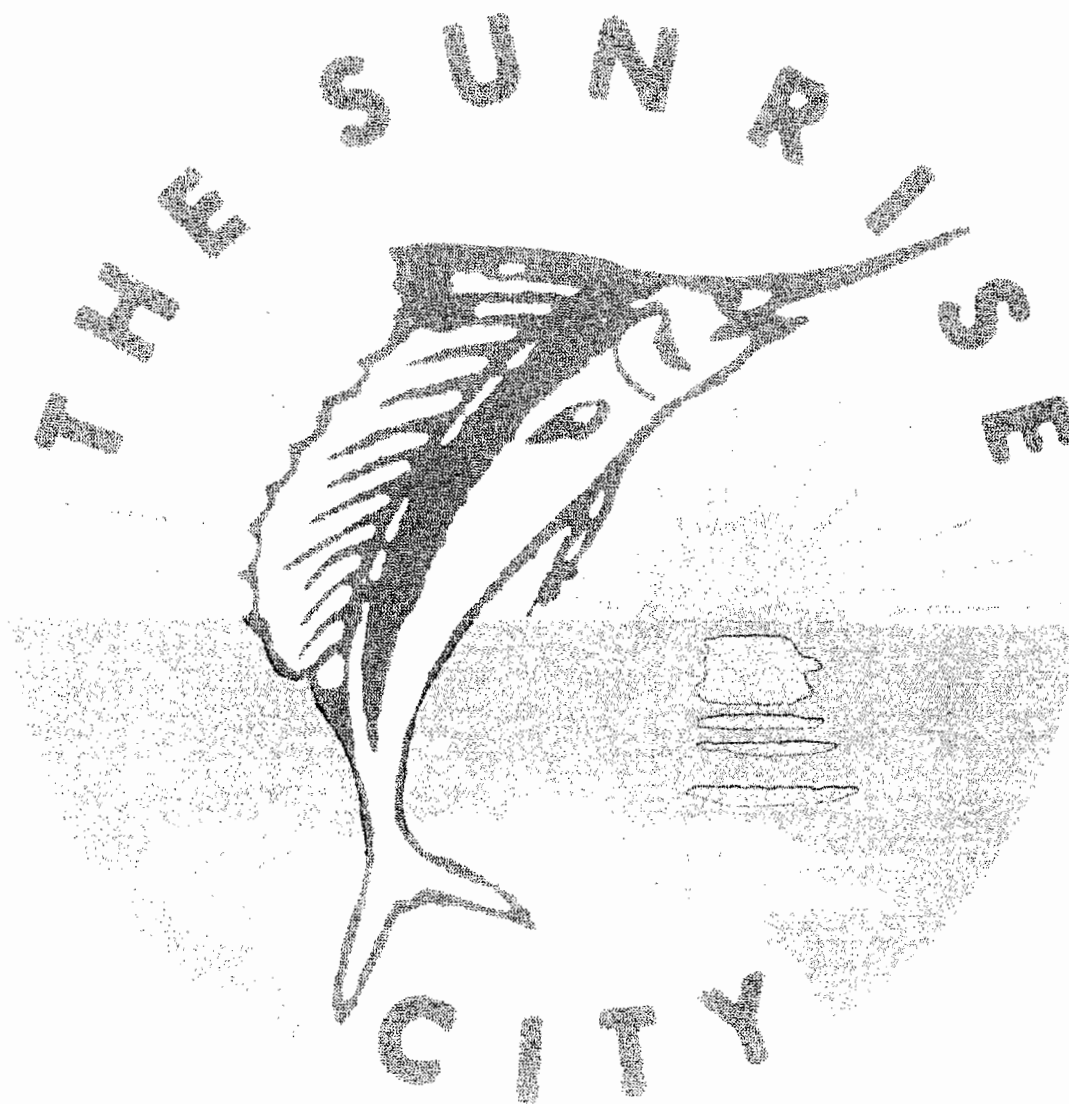
City of Fort Pierce, Florida
STATEMENT OF ACTIVITIES
Year ended September 30, 2009

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 12,967,795	\$ 2,396,587	\$ 413,558	\$ -
Public safety	16,893,985	1,120,931	363,964	-
Transportation	6,647,625	121,646		2,966,734
Economic environment	7,863,601	293,568	11,117,987	-
Culture and recreation	2,642,486	10,167	462,500	-
Interest on long-term debt	4,001,465	-	-	-
Total governmental activities	<u>51,016,957</u>	<u>3,942,899</u>	<u>12,358,009</u>	<u>2,966,734</u>
Business-type activities:				
Solid waste	4,747,297	6,079,811	-	-
Marina	2,233,160	1,551,310	7,824	-
Storm Water	2,578,157	2,599,139	3,814,752	4,208,215
Golf Course	1,933,926	1,471,253	2,731	-
Sunrise Theatre	4,017,465	2,211,941	-	-
Total business-type activities	<u>15,510,005</u>	<u>13,913,454</u>	<u>3,825,307</u>	<u>4,208,215</u>
Total primary government	<u>\$ 66,526,962</u>	<u>\$ 17,856,353</u>	<u>\$ 16,183,316</u>	<u>\$ 7,174,949</u>
Component units:				
Fort Pierce Utilities Authority	\$ 104,899,908	\$ 108,873,202	\$ 626,070	\$ 6,464,615
Total component units	<u>\$ 104,899,908</u>	<u>\$ 108,873,202</u>	<u>\$ 626,070</u>	<u>\$ 6,464,615</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
\$ (10,157,650)	\$ -	\$ (10,157,650)	\$ -
(15,409,090)	-	(15,409,090)	-
(3,559,245)	-	(3,559,245)	-
3,547,954	-	3,547,954	-
(2,169,819)	-	(2,169,819)	-
(4,001,465)	-	(4,001,465)	-
(31,749,315)	-	(31,749,315)	-
-	1,332,514	1,332,514	-
-	(674,026)	(674,026)	-
-	8,043,949	8,043,949	-
-	(459,942)	(459,942)	-
-	(1,805,524)	(1,805,524)	-
-	6,436,971	6,436,971	-
<u>\$ (31,749,315)</u>	<u>\$ 6,436,971</u>	<u>\$ (25,312,344)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 11,063,979
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,063,979</u>
\$ 14,476,029	-	\$ 14,476,029	\$ -
2,523,926	-	2,523,926	-
4,886,723	-	4,886,723	-
1,148,859	-	1,148,859	-
1,353,418	-	1,353,418	-
276,943	-	276,943	-
5,045,811	-	5,045,811	(5,045,811)
273,147	613,547	886,694	-
237,912	142,244	380,156	2,271,023
-	-	-	(346,262)
512,889	(512,889)	-	-
30,735,657	242,902	30,978,559	(3,121,050)
(1,013,658)	6,679,873	5,666,215	7,942,929
57,370,003	46,229,571	103,599,574	168,390,421
<u>\$ 56,356,345</u>	<u>\$ 52,909,444</u>	<u>\$ 109,265,789</u>	<u>\$ 176,333,350</u>

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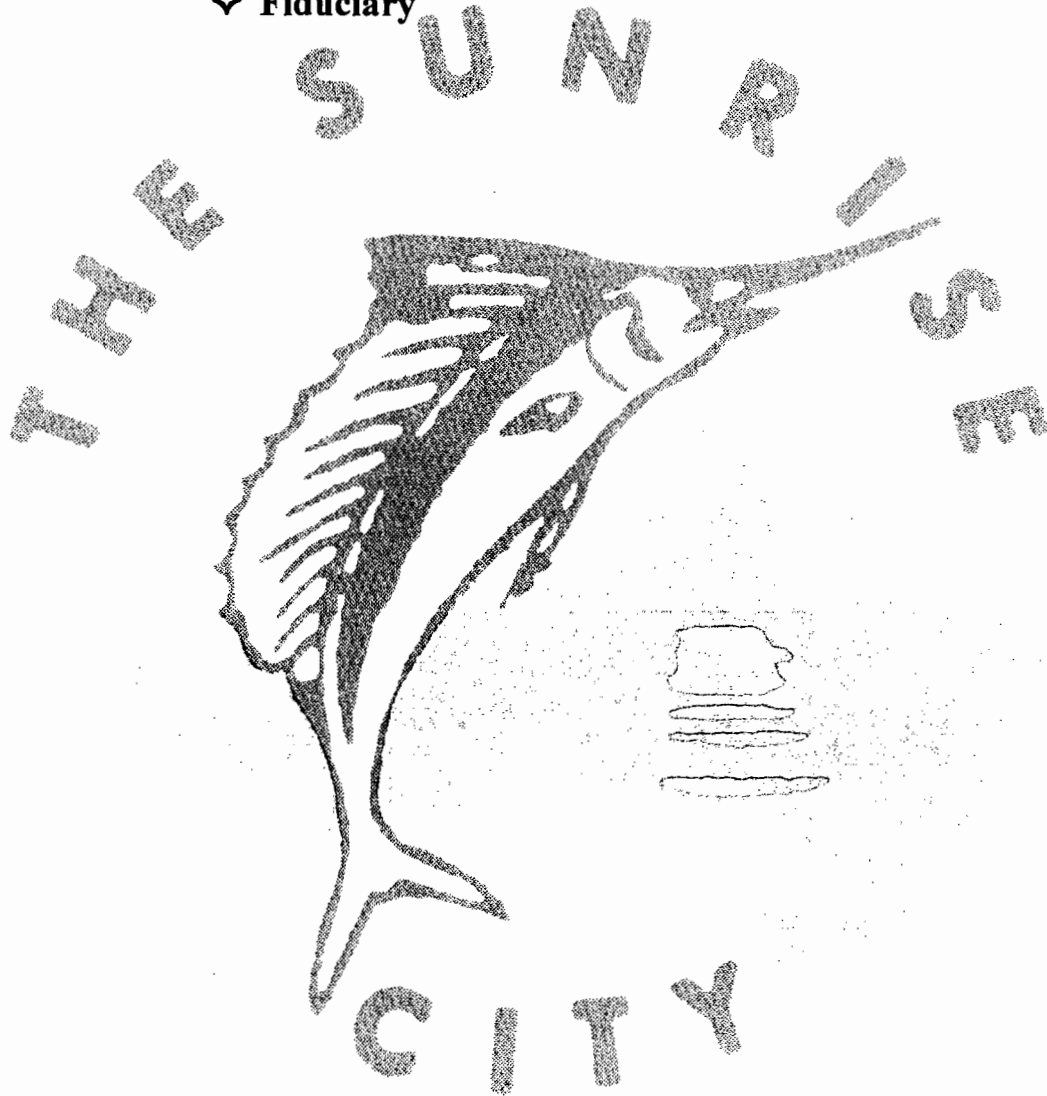


FUND FINANCIAL STATEMENTS

❖ **Governmental Funds**

❖ **Proprietary Funds**

❖ **Fiduciary**



City of Fort Pierce, Florida
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2009

	General Fund	Community Redevelopment Agency
ASSETS		
Cash and investments	\$ 4,762,521	\$ 43,619
Accounts receivables	491,627	222,032
Liens receivables	2,861,023	-
Due from component unit	789,479	-
Due from other funds	838,969	500,000
Due from other governments	121,413	-
Prepaid expenses	532,283	
Inventories	62,332	9,090
Notes receivable	-	-
Restricted Assets:		
Temporarily restricted:		
Cash and investments	-	-
Total assets	<u>\$ 10,459,647</u>	<u>\$ 774,741</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,989,646	\$ 280,565
Contracts payable - retainage	905	67,308
Deposits	33,013	500
Due to other funds	1,123	181,079
Deferred revenues	3,909,887	211,230
Total liabilities	<u>5,934,574</u>	<u>740,682</u>
FUND BALANCES		
Reserved for:		
Debt service	-	-
Capital projects	-	-
Unreserved, undesignated reported in:		
General fund	4,525,073	-
Special revenue funds	-	34,059
Total fund balances	<u>4,525,073</u>	<u>34,059</u>
Total liabilities and fund balances	<u>\$ 10,459,647</u>	<u>\$ 774,741</u>

The accompanying notes are an integral part of this statement.

Hurricane Housing Recovery Grant Fund	Redevelopment Agency Capital Projects	Other Governmental Funds	Totals
\$ 23,396	\$ 3,297,552	\$ 5,960,553	\$ 14,087,641
-	-	450	714,109
-	-	-	2,861,023
-	-	-	789,479
2,007	-	-	1,340,976
-	17,500	334,595	473,508
-	-	-	532,283
-	-	-	71,422
3,571,720	-	312,482	3,884,202
-	2,889,009	-	2,889,009
<u>\$ 3,597,123</u>	<u>\$ 6,204,061</u>	<u>\$ 6,608,080</u>	<u>\$ 27,643,652</u>
\$ 48,135	\$ 151,355	\$ 38,755	\$ 2,508,456
-	131,014	-	199,227
-	-	-	33,513
26	500,000	310,126	992,354
3,571,720	-	312,482	8,005,319
<u>3,619,881</u>	<u>782,369</u>	<u>661,363</u>	<u>11,738,869</u>
-	-	2,492,069	2,492,069
-	5,421,692	2,803,733	8,225,425
-	-	-	4,525,073
(22,758)	-	650,915	662,216
<u>(22,758)</u>	<u>5,421,692</u>	<u>5,946,717</u>	<u>15,904,783</u>
<u>\$ 3,597,123</u>	<u>\$ 6,204,061</u>	<u>\$ 6,608,080</u>	<u>\$ 27,643,652</u>

City of Fort Pierce, Florida

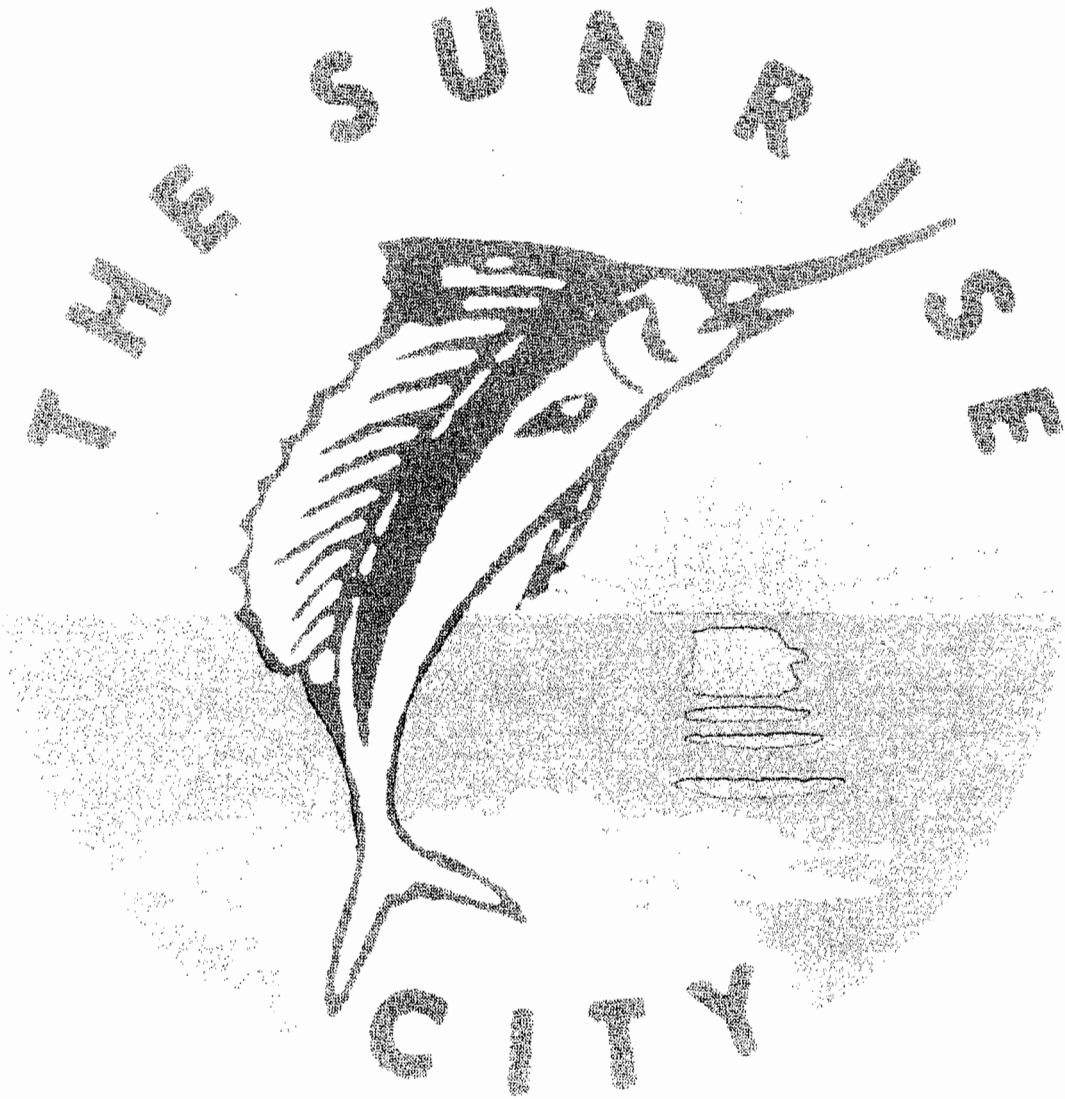
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES**

September 30, 2009

Total fund balance per this statement	\$ 15,904,783
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 \$210,266,915 and the accumulated depreciation is \$97,671,968	112,594,947
Long-term liabilities (capital lease obligations, intergovernmental notes, other post employment benefits, and accrued compensated absences) of \$83,930,083 net of unamortized costs of \$553,392 are not due and payable and therefore, are not reported in the funds.	(80,517,475)
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.	(768,272)
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.	1,819,159
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.	7,323,203
Net assets of governmental activities	<u>\$ 56,356,345</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, 2009

	General Fund	Community Redevelopment Agency
Revenues		
Taxes	\$ 21,886,678	\$ -
Licenses and permits	946,089	-
Intergovernmental	6,503,801	7,085,811
Charges for services	93,280	-
Fines and forfeitures	341,530	-
Contributions from component unit	5,045,811	-
Investment income	143,812	-
Other	3,392,631	110,549
Total revenues	38,353,632	7,196,360
Expenditures		
Current		
General government	14,914,645	-
Public safety	16,132,939	-
Transportation	3,783,786	-
Economic environment	-	4,380,805
Culture and recreation	2,389,376	-
Capital outlay	386,837	2,699,654
Debt service		
Principal	71,476	-
Interest and fees	6,117	-
Other	-	-
Total expenditures	37,685,176	7,080,459
Excess of revenues over (under) expenditures	668,456	115,901
Other financing sources (uses)		
Transfers in	3,638,767	3,002,352
Proceeds of Refunding Bonds	-	-
Discount on Issuance of Refunding Bonds	-	-
Payment on Current Refunding	-	-
Transfers out	(7,650,350)	(4,629,784)
Total other financing sources (uses)	(4,011,583)	(1,627,432)
Net change in fund balances	(3,343,127)	(1,511,531)
Fund balances - beginning of year	7,868,200	1,545,590
Fund balances - end of year	\$ 4,525,073	\$ 34,059

The accompanying notes are an integral part of this statement.

Hurricane Housing Recovery Grant Fund	Redevelopment Agency Capital Projects	Other Governmental Funds	Totals
\$ -	\$ -	\$ -	\$ 21,886,678
-	-	-	946,089
34,897	539,528	1,904,849	16,068,886
-	-	-	93,280
-	-	179,663	521,193
-	-	-	5,045,811
20,028	24,536	49,536	237,912
62	222,749	118,955	3,844,946
<u>54,987</u>	<u>786,813</u>	<u>2,253,003</u>	<u>48,644,795</u>
-	-	-	14,914,645
-	-	58,179	16,191,118
-	-	-	3,783,786
1,884,810	3,152	1,490,631	7,759,398
-	-	-	2,389,376
-	2,862,418	287,228	6,236,137
-	-	1,815,565	1,887,041
-	-	3,815,295	3,821,412
-	76,816	835,315	912,131
<u>1,884,810</u>	<u>2,942,386</u>	<u>8,302,213</u>	<u>57,895,044</u>
(1,829,823)	(2,155,573)	(6,049,210)	(9,250,249)
-	3,376,044	8,321,789	18,338,952
-	-	29,840,000	29,840,000
-	-	(450,795)	(450,795)
-	-	(30,150,000)	(30,150,000)
-	(3,141,770)	(1,683,266)	(17,105,170)
<u>-</u>	<u>234,274</u>	<u>5,877,728</u>	<u>472,987</u>
(1,829,823)	(1,921,299)	(171,482)	(8,777,262)
<u>1,807,065</u>	<u>7,342,991</u>	<u>6,118,199</u>	<u>24,682,045</u>
<u>\$ (22,758)</u>	<u>\$ 5,421,692</u>	<u>\$ 5,946,717</u>	<u>\$ 15,904,783</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, 2009

Net change in fund balances-total governmental funds	\$ (8,777,262)
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 capital outlay(\$6,236,137) exceeds depreciation(\$4,046,115) in the current period.	2,190,022
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.	(106,862)
Repayment of bond and note principal (\$1,887,041) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	1,887,041
Compensated absences of (\$311,470) and other post employment benefits of (\$202,688) 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.	108,782
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.	(123,122)
Bond proceeds (\$29,840,000) used to refund bonds (\$30,150,000) are other financing sources (uses) in the governmental funds, but increase(decrease) long-term liabilities in the Statement of Net Assets.	310,000
Bond issuance and discounts are reported as expenditures when paid. This is the amount by which the expenditures(1,329,089) exceeded the amortization(\$116,708).	1,212,381
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.	2,884,050
Internal service funds are used by management to charge the costs of insurance services to individual funds.	(598,688)
Net assets of governmental activities	<u>\$ (1,013,658)</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, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Taxes	\$ 23,231,646	\$ 21,886,678	\$ 21,886,678	\$ -
Licenses and permits	1,886,500	946,089	946,089	-
Intergovernmental	3,796,344	6,503,801	6,503,801	-
Charges for services	60,500	93,280	93,280	-
Fines and forfeitures	420,000	341,530	341,530	-
Contributions from component unit	5,649,105	5,045,811	5,045,811	-
Investment income	254,250	143,812	143,812	-
Other	2,906,974	3,392,631	3,392,631	-
Total revenues	38,205,319	38,353,632	38,353,632	-
Expenditures				
General government	15,570,397	15,480,239	15,480,239	-
Public safety	16,708,628	16,021,437	16,021,437	-
Transportation	3,861,201	3,786,440	3,786,440	-
Culture and recreation	2,501,573	2,397,060	2,397,060	-
Total expenditures	38,641,799	37,685,176	37,685,176	-
Excess of revenues over expenditures	(436,480)	668,456	668,456	-
Other financing sources (uses)				
Transfers in	962,971	3,638,767	3,638,767	-
Transfers out	(1,498,100)	(7,650,350)	(7,650,350)	-
Total other financing sources (uses)	(535,129)	(4,011,583)	(4,011,583)	-
Net change in fund balances	(971,609)	(3,343,127)	(3,343,127)	-
Fund balance - beginning of year	7,524,648	7,868,200	7,868,200	-
Fund balance - end of year	\$ 6,553,039	\$ 4,525,073	\$ 4,525,073	\$ -

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, 2009

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Intergovernmental	\$ 13,119,643	\$ 7,085,811	\$ 7,085,811	\$ -
Fines and forfeitures	-	-	-	-
Investment income	50,000	-	-	-
Other	340,250	110,549	110,549	-
Total revenues	<u>13,509,893</u>	<u>7,196,360</u>	<u>7,196,360</u>	<u>-</u>
Expenditures				
Current				
Economic environment	5,508,841	4,380,805	4,380,805	-
Capital outlay	<u>2,077,903</u>	<u>2,699,654</u>	<u>2,699,654</u>	<u>-</u>
Total expenditures	<u>7,586,744</u>	<u>7,080,459</u>	<u>7,080,459</u>	<u>-</u>
Excess of revenues over expenditures	5,923,149	115,901	115,901	-
Other financing sources (uses)				
Transfers in	-	3,002,352	3,002,352	-
Transfers out	<u>(4,258,904)</u>	<u>(4,629,784)</u>	<u>(4,629,784)</u>	<u>-</u>
Total other financing sources (uses)	(4,258,904)	(1,627,432)	(1,627,432)	-
Net change in fund balances	1,664,245	(1,511,531)	(1,511,531)	-
Fund balance - beginning of year	<u>399,857</u>	<u>1,545,590</u>	<u>1,545,590</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,064,102</u>	<u>\$ 34,059</u>	<u>\$ 34,059</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, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 34,897	\$ 34,897	\$ -
Investment income	-	20,028	20,028	-
Other	-	62	62	-
Total revenues	-	54,987	54,987	-
Expenditures				
Current				
Economic environment	1,857,800	1,884,810	1,884,810	-
Capital outlay	2,200	-	-	-
Total expenditures	1,860,000	1,884,810	1,884,810	-
Excess of revenues over expenditures	(1,860,000)	(1,829,823)	(1,829,823)	-
Other financing sources (uses)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenue and other sources over (under) expenditures and other uses	(1,860,000)	(1,829,823)	(1,829,823)	-
Fund balance - beginning of year	3,152,783	1,807,065	1,807,065	-
Fund balance - end of year	\$ 1,292,783	\$ (22,758)	\$ (22,758)	\$ -

The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida
STATEMENT OF FUND NET ASSETS -
PROPRIETARY FUNDS
September 30, 2009

	Business-type Activities		
	Solid Waste	Marina	Storm Water
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 1,564,261	\$ 4,484,569	\$ 7,041,267
Receivables - net of allowances:			
Accounts	451,656	144,261	137,698
Unbilled services	187,488	-	-
Due from component units	465,460	-	310,424
Due from other funds	-	-	-
Due from other governments	132,568	7,692	789,632
Inventories and other current assets	-	38,371	-
Restricted Assets			
Cash and investments	132,568	54,614	-
Total current assets	2,934,001	4,729,507	8,279,021
NON-CURRENT ASSETS			
Deferred charges	-	28,620	192,467
Non-depreciable capital assets			
Land	-	9,197	-
Construction in progress	-	1,797,205	8,237,318
Depreciable capital assets			
Buildings	90,208	843,196	-
Improvements other than buildings	47,243	10,780,091	25,470,627
Equipment	6,426,297	115,593	599,761
Accumulated depreciation	(4,897,499)	(4,964,211)	(3,167,880)
Total non-current assets	1,666,249	8,609,691	31,332,293
Total assets	\$ 4,600,250	\$ 13,339,198	\$ 39,611,314

The accompanying notes are an integral part of this statement.

		Business-type Activities Totals	Governmental Activities Internal Service
Golf Course	Sunrise Theatre		
\$ 789	\$ 299,652	\$ 13,390,538	\$ -
-	19,322	752,937	-
-	-	187,488	-
-	-	775,884	-
1,124	-	1,124	-
-	-	929,892	-
-	65,819	104,190	-
6,603	25,601	219,386	-
8,516	410,394	16,361,439	-
-	-	221,087	-
314,811	350,000	674,008	-
-	-	10,034,523	-
845,676	16,036,747	17,815,827	-
2,774,831	-	39,072,792	-
492,575	157,764	7,791,990	-
(787,491)	(1,862,895)	(15,679,976)	-
3,640,402	14,681,616	59,930,251	-
\$ 3,648,918	\$ 15,092,010	\$ 76,291,690	\$ -

City of Fort Pierce, Florida
STATEMENT OF FUND NET ASSETS - (CONTINUED)
PROPRIETARY FUNDS
September 30, 2009

	Business-type Activities		
	Solid Waste	Marina	Storm Water
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 295,548	\$ 100,602	\$ 679,197
Contracts payable - retainage	-	-	1,144,374
Due to other funds	139,779	17,796	192,171
Intergovernmental notes	26,894	-	-
Accrued compensated absences	22,604	4,884	-
Revenue bonds - current	-	189,243	530,000
Accrued interest - revenue bonds and notes	740	-	383,243
Liabilities payable from restricted assets			
Customer deposits	132,568	54,614	-
Deferred revenues	-	-	8,116
Total current liabilities	618,133	367,139	2,937,101
NON-CURRENT LIABILITIES			
Other Post Employment Benefits	39,252	7,595	-
Accrued compensated absences	207,108	78,627	-
Revenue bonds payable, net	-	1,637,146	16,835,512
Total non-current liabilities	246,360	1,723,368	16,835,512
Total liabilities	864,493	2,090,507	19,772,613
NET ASSETS			
Invested in capital assets, net of related debt	1,639,355	6,754,682	13,774,313
Unrestricted	2,096,402	4,494,009	6,064,388
Total net assets	3,735,757	11,248,691	19,838,701
Total liabilities and net assets	\$ 4,600,250	\$ 13,339,198	\$ 39,611,314

The accompanying notes are an integral part of this statement.

		Business-type Activities Totals	Governmental Activities Internal Service
Golf Course	Sunrise Theatre		
\$ 69,797	\$ 106,298	\$ 1,251,442	\$ -
-	-	1,144,374	-
-	-	349,746	-
-	-	26,894	-
12,316	5,334	45,138	-
-	-	719,243	-
-	-	383,983	-
6,602	25,601	219,385	-
-	306,593	314,709	-
88,715	443,826	4,454,914	-
17,844	10,696	75,387	-
59,415	34,137	379,287	-
-	-	18,472,658	-
77,259	44,833	18,927,332	-
165,974	488,659	23,382,246	-
3,640,401	14,681,616	40,490,367	-
(157,457)	(78,265)	12,419,077	-
3,482,944	14,603,351	52,909,444	-
\$ 3,648,918	\$ 15,092,010	\$ 76,291,690	\$ -

City of Fort Pierce, Florida
**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS**
Year ended September 30, 2009

	Business-type Activities		
	Solid Waste	Marina	Storm Water
Operating revenues			
Sales and charges for services	\$ 6,079,811	\$ 869,130	\$ 2,599,139
Gas and oil sales	-	682,180	-
Charges for services	-	-	-
Other	-	379,034	51,760
Total operating revenues	6,079,811	1,930,344	2,650,899
Operating expenses			
Personal services	1,882,042	320,257	-
General and administrative	29,196	-	318,789
Cost of goods and services sold	1,783,211	597,244	-
Depreciation	467,628	390,263	657,527
Insurance claims	-	-	-
Other operating expenses	582,168	825,546	817,316
Total operating expenses	4,744,245	2,133,310	1,793,632
Operating income (loss)	1,335,566	(202,966)	857,267
Non-operating revenues (expenses)			
Investment income	13,978	73,269	53,200
Intergovernmental	(132)	7,824	8,022,967
Interest expense	(2,919)	(99,850)	(784,525)
Total non-operating revenues (expenses)	10,927	(18,757)	7,291,642
Income (loss) before transfers and capital contributions	1,346,493	(221,723)	8,148,909
Transfers in	-	-	-
Transfers out	(1,956,308)	-	(15,544)
CHANGE IN NET ASSETS	(609,815)	(221,723)	8,133,365
Total net assets - beginning	4,345,572	11,470,414	11,705,336
Total net assets - end of year	\$ 3,735,757	\$ 11,248,691	\$ 19,838,701

The accompanying notes are an integral part of this statement.

		Business-type Activities Totals	Governmental Activities Internal Service
Golf Course	Sunrise Theatre		
\$ 1,471,253	\$ 2,211,941	\$ 13,231,274	\$ -
-	-	682,180	-
-	-	-	120,921
58,466	124,286	613,546	-
1,529,719	2,336,227	14,527,000	120,921
966,252	535,921	3,704,472	-
56,591	64,834	469,410	-
47,426	1,231,471	3,659,352	-
167,276	563,779	2,246,473	-
-	-	-	2,993
696,381	1,621,460	4,542,871	6,095
1,933,926	4,017,465	14,622,578	9,088
(404,207)	(1,681,238)	(95,578)	111,833
923	874	142,244	10,372
2,731	-	8,033,390	-
-	-	(887,294)	-
3,654	874	7,288,340	10,372
(400,553)	(1,680,364)	7,192,762	122,205
290,990	1,167,973	1,458,963	-
-	-	(1,971,852)	(720,893)
(109,563)	(512,391)	6,679,873	(598,688)
3,592,507	15,115,742	46,229,571	598,688
\$ 3,482,944	\$ 14,603,351	\$ 52,909,444	\$ -

City of Fort Pierce, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2009

	Business-type Activities	
	Solid Waste	Marina
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 6,048,550	\$ 1,617,698
Receipts from other sources	-	-
Receipts from rental property	-	252,445
Payments to suppliers for goods and services	(2,162,286)	(1,398,498)
Payments to employees for services	(1,326,964)	(228,075)
Payments for insurance claims	-	-
Payments for benefits on behalf of employees	(578,336)	(78,831)
Net cash provided (used) by operating activities	1,980,964	164,739
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in (out)	(1,956,308)	-
Net cash provided (used) by noncapital financing activities	(1,956,308)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(494,632)	(284,375)
Receipts from Intergovernmental	47,899	195,576
Bond and loan principal payments	(25,466)	(179,434)
Bond and loan interest payments	(2,179)	(95,250)
Net cash provided (used) by capital and related financing activities	(474,378)	(363,483)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and investments	13,978	73,269
Net cash provided (used) by investing activities	13,978	73,269
Net increase (decrease) in cash and investments	(435,744)	(125,475)
Cash and investments at beginning of year	2,132,573	4,664,658
Cash and investments at end of year	\$ 1,696,829	\$ 4,539,183
Cash and investments-unrestricted	\$ 1,564,261	\$ 4,484,569
Cash and investments-restricted	132,568	54,614
	\$ 1,696,829	\$ 4,539,183

The accompanying notes are an integral part of this statement.

			Business-type Activities Totals	Governmental Activities Internal Service
Storm Water	Golf Course	Sunrise Theatre		
\$ 2,525,684	\$ 1,529,609	\$ 2,083,226	\$ 13,804,767	\$ -
-	-	-	-	120,921
-	-	-	252,445	-
(961,205)	(893,922)	(3,042,487)	(8,458,398)	(6,095)
-	(687,920)	(378,792)	(2,621,751)	-
-	-	-	-	(52,993)
-	(246,281)	(128,381)	(1,031,829)	-
1,564,479	(298,514)	(1,466,434)	1,945,234	61,833
(15,544)	290,989	1,167,973	(512,890)	(720,893)
(15,544)	290,989	1,167,973	(512,890)	(720,893)
(12,012,106)	(340,812)	(22,383)	(13,154,308)	-
8,971,232	2,731	-	9,217,438	-
(510,000)	-	-	(714,900)	-
(776,616)	-	-	(874,045)	-
(4,327,490)	(338,081)	(22,383)	(5,525,815)	-
53,200	923	874	142,244	10,372
53,200	923	874	142,244	10,372
(2,725,355)	(344,683)	(319,970)	(3,951,227)	(648,688)
9,766,622	352,075	645,223	17,561,151	648,688
\$ 7,041,267	\$ 7,392	\$ 325,253	\$ 13,609,924	\$ -
\$ 7,041,267	\$ 789	\$ 299,652	\$ 13,390,538	\$ -
-	6,603	25,601	219,386	-
\$ 7,041,267	\$ 7,392	\$ 325,253	\$ 13,609,924	\$ -

City of Fort Pierce, Florida
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
Year ended September 30, 2009

	Business-type Activities	
	Solid Waste	Marina
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 1,335,566	\$ (202,966)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	467,628	390,263
(Increase) decrease in accounts receivable	(47,854)	(68,215)
(Increase) decrease in due from component unit	63,234	-
(Increase) in due from other funds	137,111	(24,093)
(Increase) decrease in inventories and other current assets	-	856
Increase (decrease) in accounts payable and accrued liabilities	95,178	47,529
Increase (decrease) in due to other funds	-	-
Increase (decrease) in deferred revenue	-	-
Increase (decrease) in customer deposits	(46,641)	8,014
Increase (decrease) in other post employment benefits	16,887	3,127
Increase (decrease) in accrued compensated absences	(40,145)	10,224
Net cash provided (used) by operating activities	<u>\$ 1,980,964</u>	<u>\$ 164,739</u>

The accompanying notes are an integral part of this statement.

			Business-type	Governmental
			Activities	Activities
Storm Water	Golf Course	Sunrise Theatre	Totals	Internal
				Service
\$ 857,267	\$ (404,207)	\$ (1,681,238)	\$ (95,578)	\$ 111,833
657,527	167,276	563,779	2,246,473	-
(133,331)	-	(18,306)	(267,706)	-
19,225	-	-	82,459	-
	174	-	113,192	-
-	-	27,651	28,507	-
128,181	(91,574)	(140,463)	38,851	(50,000)
27,494	(2,124)	(11,910)	13,460	-
8,116	-	(252,512)	(244,396)	-
-	(110)	17,817	(20,920)	-
-	7,696	5,279	32,989	-
-	24,355	23,469	17,903	-
<u>\$ 1,564,479</u>	<u>\$ (298,514)</u>	<u>\$ (1,466,434)</u>	<u>\$ 1,945,234</u>	<u>\$ 61,833</u>

TRUST FUNDS

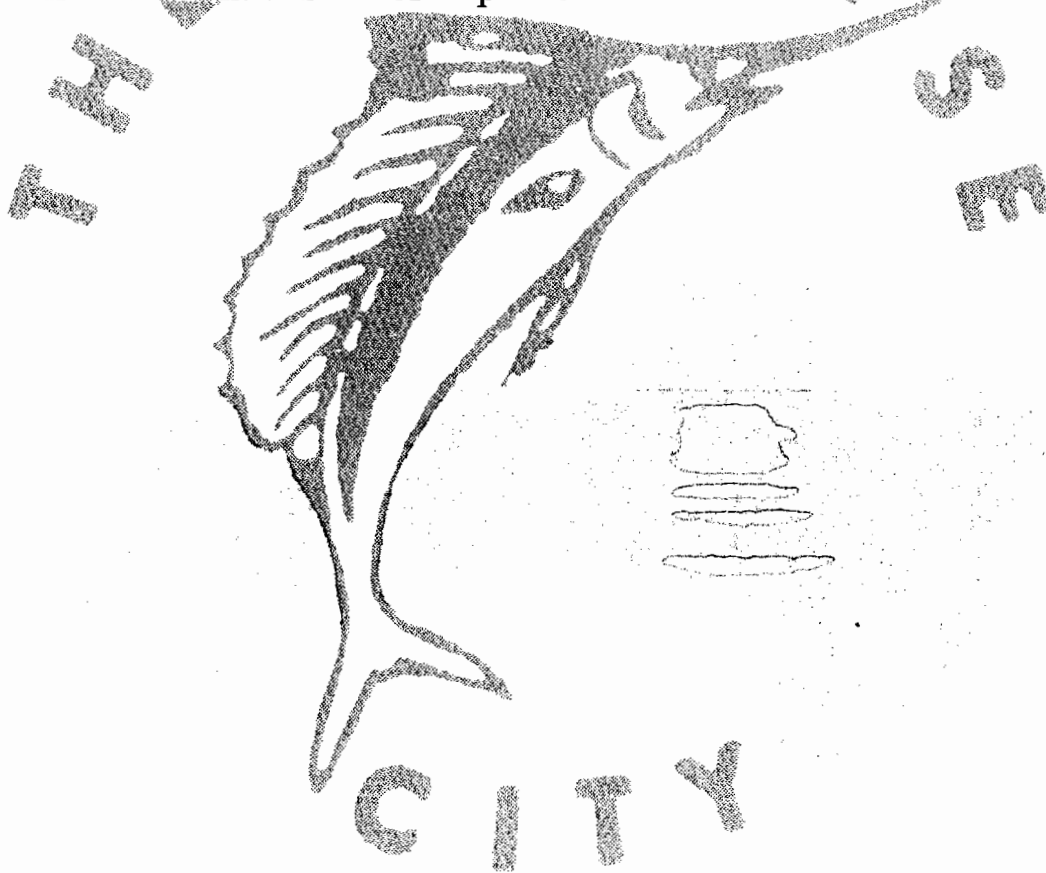
❖ Pension Trust

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, 2009

	Pension Trusts
ASSETS	
Cash and cash equivalents	\$ 4,708,324
Investments, at fair value:	
U.S. Government Securities	9,033,853
Mutual Funds	66,461,034
Common Stock	10,692,766
Corporate Bonds	45,440,855
Money Market	772,692
Total investments	<u>132,401,200</u>
Total cash and investments	137,109,524
Accounts receivable	185,249
Accrued interest receivable	<u>644,958</u>
 Total assets	 <u><u>\$ 137,939,731</u></u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable and accrued liabilities	<u>\$ 62,817</u>
 Total liabilities	 <u>62,817</u>
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	 <u><u>\$ 137,876,914</u></u>

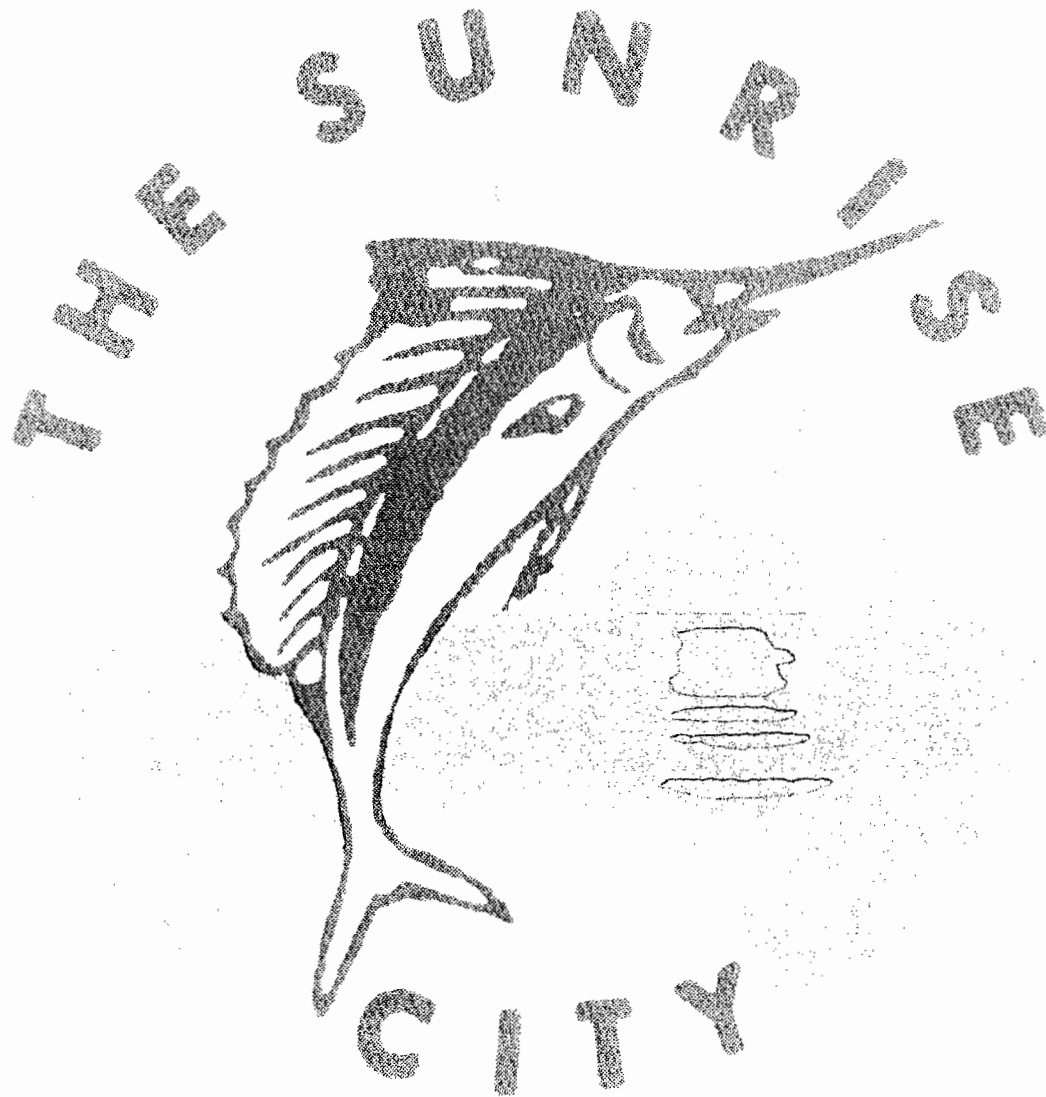
The accompanying notes are an integral part of this statement.

City of Fort Pierce, Florida
STATEMENT OF CHANGES IN FIDUCIARY FUNDS NET ASSETS
Year ended September 30, 2009

	Pension Trusts
ADDITIONS	
Contributions	
Employer	\$ 3,580,089
Employees	2,168,561
State-Via the General Fund	276,943
Total contributions	6,025,593
Investment income	
Interest	3,050,080
Dividends	457,079
Net appreciation in fair value of investments	1,417,671
Total investment income	4,924,830
Investment expenses	(572,084)
Net investment income	4,352,746
Total additions	10,378,339
DEDUCTIONS	
Retirement benefits paid	7,160,364
Refunds of employee contributions	443,021
Administrative expenses	186,494
Insurance expense	18,479
Total deductions	7,808,358
Net Increase	2,569,981
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Beginning of year	135,306,933
End of year	\$ 137,876,914

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS



NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. REPORTING ENTITY

The City of Fort Pierce, Florida was incorporated in 1901 under the general law. This incorporation was validated by Act of the State Legislature, Chapter 5100, Acts 1901. The City covers an area of approximately 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 44,000 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, 2009.

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.

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

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.

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 *redevelopment agency capital projects fund* accounts for the construction of community redevelopment projects.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental activities

An internal service fund was used to account for the City's health insurance program that provides services to the various departments of the government, on a cost reimbursement basis. Effective June 1, 2008, the City contracted with Blue Cross and Blue Shield to provide health insurance to the City's employees. The internal service fund was closed as of September 30, 2009.

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	5-55 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.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

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

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

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

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

2. Compliance and Accountability

The Hurricane Housing Recovery Grant Fund had a \$ 22,758 deficit fund balance for the year ending September 30, 2009. This deficit was created by the City incurring expenditures that are not reimbursable by the grant. The City has budgeted sufficient funds in 2010 to cover this deficit.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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 \$15,904,783 differs from the “net assets” of governmental activities \$56,356,345 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	\$ 28,681,895
Cost of capital assets, being depreciated	181,585,020
Accumulated depreciation	(97,671,968)
Total	<u>\$ 112,594,947</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, 2009 were:

Bonds and notes payable	\$ (76,339,752)
Intergovernmental notes	(75,484)
Other post employment benefits	(498,389)
Compensated absences	(3,603,850)
Total	<u>\$ (80,517,475)</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>\$ (768,272)</u>
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City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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	\$ 1,819,159
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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	\$ 3,396,033
Loans receivable	42,968
Notes receivable	3,884,202
Deferred revenues	<u>\$ 7,323,203</u>

Elimination of interfund receivables/payables

Interfund receivables and payables in the amount of \$493,478 between governmental funds have been eliminated for the Statement of Net Assets.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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 (\$8,777,262) differs from the “change in net assets” for governmental activities (\$1,013,658) 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	\$ 6,236,137
Depreciation expense	(4,046,115)
	<u>\$ 2,190,022</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.

Sale of capital assets	<u>\$ (106,862)</u>
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Long-term debt transactions

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

Bond principal payments	\$ 1,815,565
Intergovernmental note payments	71,476
Total principal payments	<u>\$ 1,887,041</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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	\$ (202,688)
Net change in compensated absences	\$ 311,470
Net interest adjustment	\$ (123,122)

In the Statement of Activities, bond 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	\$ (29,840,000)
Payment on Bond Refunding	30,150,000
Bond payments in excess of proceeds	\$ 310,000

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	\$ 1,212,381
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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	\$ 2,884,050
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City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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

Internal service fund operating income

The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets because they primarily serve governmental activities of the City.

Internal Service Fund operating income (loss)	\$ (598,688)
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Reclassification and Eliminations

The General Fund recognizes revenues in the amount of \$2,011,243 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 \$19,285,026 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, 2009 was \$30,344,106 and the bank balance was \$30,905,115. 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, 2009, or with banks in which depository insurance was sufficient to cover the deposit balance.

NOTE D – CASH AND INVESTMENTS (CONTINUED)

Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the City Finance Director. Cash equivalents consist of demand deposits, certificates of deposit, and money market accounts. Investments in the pooled fund consist of 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. The SBA Pooled Trust Funds is not a registrant with the Securities and Exchange Commission; however, the SBA Board has adopted operating procedures consistent with the requirements for a 2a-7 fund. While the SBA has statutory authority for a wide range of derivative instruments, the only derivative products used in the SBA Pool are floating rate and adjustable rate securities. These instruments are used as part of the investment strategy to hedge against interest rate risk and provide diversification to the portfolio. The fair value of the position in the SBA external investment pool is the same as the value of the pool shares.

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool Assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

On September 30, 2009, the City has \$0 in Pool A and \$323,156 in Pool B with a fair value of \$233,048. The FPUA on September 30, 2009, has \$14,382,649 in Pool A and \$638,129 in Pool B with a fair value of \$14,733,078. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

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

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE D – CASH AND INVESTMENTS (CONTINUED)

A summary of pooled cash and investments as of September 30, 2009 is as follows:

	Primary Government	Component Unit-FPUA
Cash	\$ 29,823,321	\$ 11,987,742
Investments:		
Certificates of Deposit	-	5,000,000
State Board of Administration pooled trust fund	233,048	14,733,078
Florida Municipal Investment trust	504,197	-
Funds-held in escrow	26,008	-
Repurchase agreements	-	2,506,445
Total investments	763,253	22,239,523
Total pooled cash and investments	\$ 30,586,574	\$ 34,227,265

All investments held in the primary government and component unit at September 30, 2009 have maturity dates less than three months with the exception of the certificates of deposit which have original maturities of six months or more.

A summary of investments held in pension trust funds as of September 30, 2009 is as follows:

	Investment Maturities in Years					
	under 1	1-5	6-10	10-20	over 20	total
U.S. Agencies	\$ -	\$ 1,531,080	\$ 984,369	\$2,503,258	\$ 984,395	\$ 6,003,102
U.S. Treasuries	66,173	447,938	578,138	348,515	1,589,987	3,030,751
Corporate obligations	2,697,304	13,355,084	15,528,983	5,858,872	8,000,612	45,440,855
Common stock	10,692,766	-	-	-	-	10,692,766
Mutual funds-equity	66,461,034	-	-	-	-	66,461,034
Money market funds	772,692	-	-	-	-	772,692
	\$ 80,689,969	\$ 15,334,102	\$ 17,091,490	\$ 8,710,645	\$ 10,574,994	\$ 132,401,200

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.

NOTE D – CASH AND INVESTMENTS (CONTINUED)

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.

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.

NOTE D – CASH AND INVESTMENTS (CONTINUED)

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.

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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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, 2008, upon which the 2008-2009 levy is based, was \$2,826,141,511.

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, 2009.

NOTE F - 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 \$842,275 for the FPUA, respectively. 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.

NOTE G - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments include \$3,070 from the Department of Legal Affairs, \$252,403 from U.S. Department of Housing & Urban Development, \$790,977 from Department of Transportation, \$99,648 from the State of Florida, \$29,741 from the Department of Community Affairs, \$14,762 due from St. Lucie County, \$132,568 of Solid Waste Deposits held by the Ft. Pierce Utility Authority, \$5,287 due from St. Lucie County Housing Authority, \$20,895 due from the Department of Justice, \$10,669 from the U.S. Marshalls, \$7,692 due from the Department of Environmental protection, and \$678 due from State Disaster Relief.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE H - CAPITAL ASSETS

Capital asset activity of the **primary government** for the year ended September 30, 2009 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 25,017,522	\$ 1,605,429	\$ -	\$ 31,742	\$ 26,654,693
Construction in Progress	9,682,856	2,027,202	-	(9,682,856)	2,027,202
Total capital assets, not being depreciated	34,700,378	3,632,631	-	(9,651,114)	28,681,895
Capital assets, being depreciated:					
Buildings	22,687,044	1,418,103	-	8,441,147	32,546,294
Improvements other than buildings	20,222,645	1,019,982	-	10,025,424	31,268,051
Equipment	13,332,902	165,419	(229,468)	505,695	13,774,548
Infrastructure	113,317,279	-	-	(9,321,152)	103,996,127
Total	169,559,870	2,603,504	(229,468)	9,651,114	181,585,020
Less accumulated depreciation for:					
Buildings	(8,202,863)	(593,461)	-	-	(8,796,324)
Improvements other than buildings	(7,874,312)	(965,648)	-	-	(8,839,960)
Equipment	(9,338,336)	(1,024,442)	122,606	-	(10,240,172)
Infrastructure	(68,332,948)	(1,462,564)	-	-	(69,795,512)
Total accumulated depreciation	(93,748,459)	(4,046,115)	122,606	-	(97,671,968)
Total capital assets, being depreciated, net	75,811,411	(1,442,611)	(106,862)	9,651,114	83,913,052
Total capital assets, net	<u>\$ 110,511,789</u>	<u>\$ 2,190,020</u>	<u>\$ (106,862)</u>	<u>\$ -</u>	<u>\$ 112,594,947</u>

Depreciation expense charged to functions/programs of the **primary government** (governmental activities) for the year ended September 30, 2009 was as follows:

Governmental activities:

General government	\$ 167,454
Public safety	651,676
Transportation	2,870,479
Economic environment	71,384
Culture and recreation	285,122
Total	<u>\$ 4,046,115</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE H - CAPITAL ASSETS (CONTINUED)

Business-type activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 674,008	\$ -	\$ -	\$ -	\$ 674,008
Construction in Progress	11,987,196	8,520,740	-	(10,473,413)	10,034,523
Total capital assets, not being depreciated	12,661,204	8,520,740	-	(10,473,413)	10,708,531
Capital assets, being depreciated:					
Buildings	17,516,812	299,015	-	-	17,815,827
Improvements other than buildings	24,273,981	4,325,398	-	10,473,413	39,072,792
Equipment	7,223,184	568,806	-	-	7,791,990
Total	49,013,977	5,193,219	-	10,473,413	64,680,609
Less accumulated depreciation for:					
Buildings	(1,861,988)	(622,237)	-	-	(2,484,225)
Improvements other than buildings	(6,643,630)	(1,009,290)	-	-	(7,652,920)
Equipment	(4,927,885)	(614,946)	-	-	(5,542,831)
Total accumulated depreciation	(13,433,503)	(2,246,473)	-	-	(15,679,976)
Total capital assets, being depreciated, net	35,580,474	2,946,746	-	10,473,413	49,000,633
Total capital assets, net	<u>\$ 48,241,678</u>	<u>\$ 11,467,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,709,164</u>

Additions to accumulated depreciation and depreciation expense charged to functions/programs of the **primary government** (business-type activities) for the year ended September 30, 2009 was as follows:

Solid waste	\$ 467,628
Marina	390,263
Stormwater	657,527
Golf course	167,276
Sunrise Theatre	563,779
Total	<u>\$ 2,246,473</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE H - CAPITAL ASSETS (CONTINUED)

Capital asset activity of the **FPUA** (a component unit) for the year ended September 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Utility Plant, not being depreciated:				
Land	\$ 10,311,000	\$ 118,000	\$ -	\$ 10,429,000
Construction Work in Progress	37,686,111	14,877,481	(28,256,000)	24,307,592
Total Utility Plant, not being depreciated	47,997,111	14,995,481	(28,256,000)	34,736,592
Utility Plant, being depreciated:				
Transmission, distribution and collection systems	241,122,000	32,070,924	(2,000)	273,190,924
Equipment	41,635,000	1,263,000	(3,228,000)	39,670,000
Structures and improvements	53,357,057	17,000	(19,000)	53,355,057
Total Utility Plant being depreciated	336,114,057	33,350,924	(3,249,000)	366,215,981
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(95,692,000)	(9,724,248)	2,000	(105,414,248)
Equipment	(27,131,000)	(2,283,000)	3,228,000	(26,186,000)
Structures and improvements	(23,502,146)	(2,194,000)	19,000	(25,677,146)
Total accumulated depreciation	(146,325,146)	(14,201,248)	3,249,000	(157,277,394)
Total Utility Plant, being depreciated, net	189,788,911	19,149,676	-	208,938,587
Total Utility Plant, net	<u>\$ 237,786,022</u>	<u>\$ 34,145,157</u>	<u>\$ (28,256,000)</u>	<u>\$ 243,675,179</u>

Construction work in progress at September 30, 2009 consists principally of expansions and upgrades to the electric generation and transmission system, water supply and distribution system, wastewater collection system, and gas distribution system. The total interest costs of \$4,744,000 for the year ended September 30, 2009 is included in the accompanying Statement of Activities net of interest capitalized on construction activity of approximately \$723,000.

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	\$ 808,000	\$ 808,000	\$ -
Water	1,085,000	868,000	217,000
Natural gas	1,416,000	1,219,000	197,000
Shared Services	58,000	34,000	24,000
Wastewater	217,000	214,000	3,000
	<u>\$ 3,584,000</u>	<u>\$ 3,143,000</u>	<u>\$ 441,000</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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, 2009, expenditures up to \$329,000 were authorized under these contracts, \$89,000 had been spent, and authorized amounts of \$240,000 remained.

NOTE I - EMPLOYEE RETIREMENT SYSTEMS

The City participates in two retirement and benefit plans. The General Employees' Retirement and Benefit System covers all primary government and component unit employees. The Municipal Police Officers' Retirement Trust Fund covers the City's police officers. The Utilities Authority, a component unit, offers a Deferred Retirement Option Plan (DROP). There were 12 members participating in this plan as of September 30, 2009. In October 2009, the City added a DROP plan.

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 3-30 years.

At September 30, 2009, the Plan's membership consisted of: (1) 387 retirees and beneficiaries currently receiving benefits and 19 terminated employees entitled to benefits but not yet receiving them; (2) 369 vested active employees; and (3) 273 non-vested active employees.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

For the Three years ended 2007, 2008 and 2009, employer contributions to the Plan, all made in accordance with actuarially determined requirements, were \$4,114,963, \$4,082,846 and \$3,580,089 which was 13.28%, 12.39% and 11.54% respectively, of annual covered payroll. The total payroll for employees covered by the System for the year ended September 30, 2009 was \$31,016,292 which includes \$13,244,000 for Fort Pierce Utilities Authority employees. One hundred percent of required contributions were actually made for 2007, 2008 and 2009.

The annual required contribution for the current year was determined as part of the September 30, 2009 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 8.5% 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.

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)
9/30/2009	147,094,000	158,755,000	11,661,000	93	31,016,292	38

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, 2009, Plan membership consisted of: (1) 17 retirees and beneficiaries currently receiving benefits and 2 terminated employees entitled to benefits but not yet receiving them; (2) 46 vested active employees; and (3) 65 non-vested active employees.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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 \$276,943. 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, 2009 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.

The annual required contribution for the current year was determined as part of the September 30, 2009 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 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)
9/30/2009	9,062,193	10,060,601	998,408	90	6,754,679	15

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

	2007	2008	2009
Annual Pension Costs (APC)	\$ 649,286	\$ 743,740	\$ 732,525
Actual Contribution	\$ 533,770	\$ 539,012	\$ 538,597
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, 2009

NOTE I - 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, 2009. 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, 2009

	Pension Trusts		
	General Employees	Police Officers	Total
ASSETS			
Cash and cash equivalents	\$ 3,954,871	\$ 753,453	\$ 4,708,324
Investments, at fair value:			
U.S. Government Securities	6,370,692	2,663,161	9,033,853
Mutual Funds	64,785,034	1,676,000	66,461,034
Common Stock	8,282,081	2,410,685	10,692,766
Corporate Bonds	44,298,113	1,142,742	45,440,855
Money Market	701,525	71,167	772,692
Total investments	<u>124,437,445</u>	<u>7,963,755</u>	<u>132,401,200</u>
Total cash and investments	128,392,316	8,717,208	137,109,524
Accounts receivable	172,279	12,970	185,249
Accrued interest receivable	611,368	33,590	644,958
Total assets	<u>\$ 129,175,963</u>	<u>\$ 8,763,768</u>	<u>\$ 137,939,731</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 56,641	\$ 6,176	\$ 62,817
NET ASSETS HELD IN TRUST FOR PENSION			
BENEFITS	<u>\$ 129,119,322</u>	<u>\$ 8,757,592</u>	<u>\$ 137,876,914</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 1 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

City of Fort Pierce, Florida
**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY FUNDS NET ASSETS**
Year ended September 30, 2009

	Pension Trusts		
	General Employees	Police Officers	Total
ADDITIONS			
Contributions			
Employer	\$ 3,580,089	\$ -	\$ 3,580,089
Employees	1,900,422	268,139	2,168,561
State-via the general fund	-	276,943	276,943
Total contributions	5,480,511	545,082	6,025,593
Investment income			
Interest	2,870,491	179,589	3,050,080
Dividends	365,853	91,226	457,079
Net appreciation (depreciation) in fair value of investments	1,467,033	(49,362)	1,417,671
Total investment income	4,703,377	221,453	4,924,830
Investment expenses	(517,176)	(54,908)	(572,084)
Net investment income	4,186,201	166,545	4,352,746
Total additions	9,666,712	711,627	10,378,339
DEDUCTIONS			
Retirement benefits paid	7,008,189	152,175	7,160,364
Refunds of employee contributions	313,426	129,595	443,021
Administrative expenses	96,111	90,383	186,494
Insurance expense	18,479	-	18,479
Total deductions	7,436,205	372,153	7,808,358
Net Increase (Decrease)	2,230,507	339,474	2,569,981
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	126,888,815	8,418,118	135,306,933
End of year	\$ 129,119,322	\$ 8,757,592	\$ 137,876,914

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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, 2009 are as follows:

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$7,500,000 Capital Improvement Revenue Bonds, Series 1998, payable solely from Non-Ad Valorem Funds appropriated by the City in its annual budget, interest ranging from 4.55% to 5.00% payable semi-annually and sinking fund installments ranging from \$385,000 to \$560,000 through September 1, 2018. Proceeds to be used to finance various capital improvement projects throughout the city. Current portion is \$385,000.	\$ 969,988	\$ 3,220,012
\$4,500,000 Capital Improvement Revenue Bonds, Series 2001, payable from non-ad valorem funds appropriated by the City in its annual budget, interest ranging from 3.85% to 4.75% payable semi-annually and sinking fund installments ranging from \$90,000 to \$355,000 through April 1, 2021. Proceeds used to finance various capital improvement projects throughout the City. Current portion is \$290,000.	876,869	1,663,131

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$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 \$180,000 to \$370,000 through October 1, 2027. Proceeds used to finance stormwater system improvements throughout the City. Current portion is \$180,000.	4,910,000	-
\$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 \$445,000 to \$490,000 through December 1, 2012. Proceeds used to refund Sales Tax Revenue Bonds. Current portion is \$445,000.	-	1,865,000
\$3,170,000 Capital Improvements Revenue Bonds, Series 2004, payable from non-advalorem 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.	-	3,045,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

	Business-type Activities	Government Activities
\$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 \$455,000 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. Current portion is \$455,000.	-	18,505,000
\$829,980 Radio System Interlocal Agreement, payable from lawfully available sources, interest at 5.04% payable semi-annually, principal due annually of \$102,378 through April 1, 2010. Current portion is \$102,378.	26,894	75,484
\$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 \$500,000 to \$2,600,000 through May 1, 2031. Proceeds will be used to to acquire and construct redevelopment projects. Current portion is \$500,000.	-	18,755,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$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 \$350,000 to \$865,000 through October 1, 2030. Proceeds used to finance stormwater system improvements throughout the City. Current portion is \$350,000.	12,510,000	-
\$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 \$105,000 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 bond is \$680,000.	-	23,190,000
\$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 bond is 0.	-	6,650,000
	19,293,751	76,968,627
Less: current portion payable from restricted assets	(746,137)	(2,706,241)
Unamortized items	(74,956)	(553,391)
	<u>\$ 18,472,658</u>	<u>\$ 73,708,995</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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

Governmental Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 2,706,241	\$ 3,820,112	\$ 6,526,353
2011	2,812,106	3,706,076	6,518,182
2012	2,995,750	3,579,176	6,574,926
2013	3,125,942	3,445,863	6,571,805
2014	2,751,133	3,315,756	6,066,889
2015-2019	14,580,130	14,512,654	29,092,784
2020-2024	11,872,325	11,001,734	22,874,059
2025-2029	20,055,000	6,578,525	26,633,525
2030-2034	15,870,000	1,307,775	17,177,775
2035	200,000	5,000	205,000
	<u>\$ 76,968,627</u>	<u>\$ 51,272,671</u>	<u>\$ 128,241,298</u>

Business-Type Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 746,137	\$ 847,182	\$ 1,593,319
2011	742,894	818,932	1,561,826
2012	774,250	787,333	1,561,583
2013	804,058	757,331	1,561,389
2014	838,867	722,191	1,561,058
2015-2019	4,224,870	3,053,968	7,278,838
2020-2024	4,407,675	2,076,253	6,483,928
2025-2029	5,060,000	954,875	6,014,875
2030-2031	1,695,000	108,800	1,803,800
	<u>\$ 19,293,751</u>	<u>\$ 10,126,865</u>	<u>\$ 29,420,616</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Long-term liability activity of the **primary government** for the year ended September 30, 2009 was as follows:

	Beginning Balance 10/1/2008	Additions	Reductions	Ending Balance 9/30/2009	Amounts Due within One Year	Amounts Due after One Year
Governmental Activities:						
Notes and bonds payable:						
Revenue notes	\$ 30,150,000	\$ -	\$ 30,150,000	\$ -	\$ -	\$ -
Revenue bonds	48,868,708	29,840,000	1,815,565	76,893,143	2,630,757	74,262,386
Unamortized items	(125,691)	(450,795)	(23,095)	(553,391)	-	(553,391)
	<u>78,893,017</u>	<u>29,389,205</u>	<u>31,942,470</u>	<u>76,339,752</u>	<u>2,630,757</u>	<u>73,708,995</u>
Intergovernmental notes	146,960	-	71,476	75,484	75,484	-
	<u>79,039,977</u>	<u>29,389,205</u>	<u>32,013,946</u>	<u>76,415,236</u>	<u>2,706,241</u>	<u>73,708,995</u>
Other Liabilities:						
Other post employment benefits	295,701	202,688	-	498,389	-	498,389
Compensated absences	3,915,320	1,611,556	1,923,026	3,603,850	478,130	3,125,720
Total governmental activities	<u>\$ 83,250,998</u>	<u>\$ 31,203,449</u>	<u>\$ 33,936,972</u>	<u>\$ 80,517,475</u>	<u>\$ 3,184,371</u>	<u>\$ 77,333,104</u>
Business-type Activities:						
Notes and bonds payable:						
Revenue bonds	\$ 19,956,291	\$ -	\$ 689,434	\$ 19,266,857	\$ 719,243	\$ 18,547,614
Unamortized items	(80,237)	-	(5,281)	(74,956)	-	(74,956)
	<u>19,876,054</u>	<u>-</u>	<u>684,153</u>	<u>19,191,901</u>	<u>719,243</u>	<u>18,472,658</u>
Intergovernmental notes	52,360	-	25,466	26,894	26,894	-
	<u>19,928,414</u>	<u>-</u>	<u>709,619</u>	<u>19,218,795</u>	<u>746,137</u>	<u>18,472,658</u>
Other Liabilities:						
Other post employment benefits	42,398	32,989	-	75,387	-	75,387
Compensated absences	406,522	231,622	213,719	424,425	45,138	379,287
Total business activities	<u>\$ 20,377,334</u>	<u>\$ 264,611</u>	<u>\$ 923,338</u>	<u>\$ 19,718,607</u>	<u>\$ 791,275</u>	<u>\$ 18,927,332</u>

Compensated absences	Beginning Balance 10/1/2008	Additions	Reductions	Ending Balance 9/30/2009
Governmental Activities:				
General Fund	\$ 3,817,253	\$ 1,552,556	\$ 1,870,545	\$ 3,499,264
Community Development Block Grant	48,448	48,000	18,533	77,915
Community Redevelopment Agency	49,508	11,000	33,837	26,671
State Housing Initiatives Program	111	-	111	-
	<u>\$ 3,915,320</u>	<u>\$ 1,611,556</u>	<u>\$ 1,923,026</u>	<u>\$ 3,603,850</u>

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Capital Improvement Revenue Bonds Series 1998

The Series 1998 Bonds were issued pursuant to Chapter 166, Part II, Florida Statutes, and The City Charter and Resolution No. 98-18 as supplemented for the purpose of (i) making certain capital improvements within the corporate limits of the City, (ii) purchasing a surety for deposit to the Reserve Fund, and (iii) financing the costs of issuance of the Series 1998 Bonds including the municipal bond insurance premium and reserve policy premium. This 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) the largest amount as shall not adversely affect the exclusion of interest on the bonds from gross income for federal tax purposes. 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 \$591,048, 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 fund. Amounts deposited into the construction fund shall be used for the purpose of paying construction costs.

The Series 1998 Bonds and interest thereon are payable solely from non-ad valorem funds appropriated by the City in its annual budget. Such covenant to budget and appropriate does not create any lien upon or pledge of such non-ad valorem funds, nor does it preclude the City from pledging in the future its non-ad valorem funds, nor does it require the City to levy and collect any particular non-ad valorem funds, nor does it give the bondholders a prior claim on the non-ad valorem funds as opposed to claims of general creditors of the City.

The Series 1998 Bonds maturing on or prior to September 1, 2008, are not redeemable prior to their respective maturities. The Series 1998 Bonds maturing on or after September 1, 2009, are subject to optional redemption prior to their maturities beginning September 1, 2008. The Series 1998 Bonds maturing on September 1, 2014 are subject to mandatory sinking fund redemption beginning September 1, 2011. The Series 1998 Bonds maturing on September 1, 2018 are subject to mandatory sinking fund redemption beginning September 1, 2015.

Capital Improvement Revenue Bonds, Series 2001

The Series 2001 Bonds were issued pursuant to Chapter 166, Part II, Florida Statutes, and The City Charter and Resolution No. 01-165, as supplemented for the purpose of (i) making certain capital improvements within the corporate limits of the City including road improvements and improvements to the City-owned marina, and (ii) financing the costs of issuance of the Series 2001 Bonds including the municipal bond insurance premium and reserve policy premium. The resolution provides for the creation and establishment of the following funds:

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 bond service requirement, (ii) 125% of the average annual bond service requirement, or (iii) the largest amount as shall not adversely affect the exclusion of interest on the bonds from gross income for federal tax purposes. 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 \$405,595, which is the maximum bond service requirement.
2. Capital Improvement Reserve Fund - Unless otherwise provided in a supplemental resolution of the Issuer, the Issuer shall purchase the Reserve Policy in an amount equal to the Reserve Requirement for deposit to the Reserve Fund and to be used only for the purposes provided therefore.
3. Capital Improvement 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 2001 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 2001 Bonds when due.

The Series 2001 Bonds maturing on or after to September 1, 2012, are subject to optional redemption on or after September 1, 2011. The Series 2001 Bonds maturing on September 1, 2021 are subject to mandatory sinking fund redemption beginning September 1, 2016.

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.

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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:

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.

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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.

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.

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

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.

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, 2009

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.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Defeasance of Revenue Bonds Payable

On October 3, 2008, the city refunded and defeased on a current basis the Series 2007 Sunshine State Governmental Financing Commission Revenue Notes maturing on May 1, 2006 through May 1, 2023 amounting to \$30,150,000. The City used proceeds of \$29,840,000 from Series 2008A and B Capital Improvement Revenue Refunding Bonds along with \$3,155,701 from an interest reserve account from the Series 2007 Notes to currently defease the Series 2007 Notes and pay certain costs incurred in connection with issuing the bonds.

The transaction resulted in a reduction of \$11,899,526 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 \$1,011,320. The City refunded the issue to reduce the total debt service payments on the debt and to reduce the period the debt is outstanding.

In prior years, the city defeased certain outstanding Redevelopment Revenue Bonds payable from tax increment revenues. 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, 2009 the following bonds are considered defeased:

<u>Bond Issue</u>	<u>Beginning Balance 10-1-2008</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending Balance 9-30-2009</u>
Redevelopment Revenue Bonds, Series 2003	8,205,000	-	300,000	7,905,000
	<u>\$ 8,205,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 7,905,000</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

Component Unit

Bond obligations of the FPUA (a component unit) as of September 30, 2009 are as follows:

	<u>Business-type Activities</u>
\$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, 2009 is \$10,504,000. The bonds mature October 1, 2009 and 2010 with principal and interest totaling \$5,445,000 due in each of those years.	\$ 10,504,000
\$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 4.8% to 5.375%, on the remaining annual principal amounts ranging from \$190,000 to \$255,000 through October 1, 2015.	1,555,000
\$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, 2009 is \$18,199,000. 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.	18,199,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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 2.00% to 5.00% on the remaining annual principal amounts ranging from \$10,000 to \$6,970,000 through October 1, 2016.	37,180,000
Florida Municipal Power Agency (FMPA) Pooled loan collateralized by pledge of the net revenues of the combined systems subordinate to all outstanding bonds, payable in annual installments from October 1, 2012 through October 1, 2031, with principal amounts ranging from \$605,000 to \$1,528,000. Interest is payable monthly at a rate to be determined periodically based on the interest rate charged to FMPA for commercial paper. As of September 20, 2009, the effective interest rate was 2.12%.	20,000,000
Florida Municipal Power Agency (FMPA) Pooled loan collateralized by pledge of the net revenues of the combined systems subordinate to all outstanding bonds, payable in annual installments from October 1, 2012 through October 1, 2031, with principal amounts ranging from \$302,000 to \$764,000. Interest is payable monthly at a rate to be determined periodically based on the interest rate charged to FMPA for commercial paper. As of September 20, 2009, the effective interest rate was 2.12%.	10,000,000

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE K – LOANS AND BONDS PAYABLE (CONTINUED)

	<u>Business-type Activities</u>
Florida Municipal Power Agency (FMPA) Pooled loan collateralized by pledge of the net revenues of the combined systems subordinate to all outstanding bonds, payable in annual installments through October 1, 2012, with principal amounts ranging from \$16,000 to \$162,000. Interest is payable monthly at a rate to be determined periodically based on the interest rate charged to FMPA for commercial paper. As of September 20, 2009, the interest rate was 2.12%.	479,000
	<u>107,462,000</u>
Less: Unamortized portion of bond premium and discounts	(2,147,000)
Unamortized deferred bond loss	1,442,000
Current portion payable from restricted assets	<u>5,797,000</u>
	<u>\$ 102,370,000</u>

Long-term liability activity of the FPUA (a component unit) for the year ended September 30, 2009 was as follows:

	<u>Beginning Balance 10/1/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 9/30/2009</u>	<u>Amounts Due within One Year</u>
Loans and revenue bonds	\$ 111,040,000	\$ 1,772,000	\$ (5,350,000)	\$ 107,462,000	\$ 5,797,000
Deferred Amounts	1,004,000	232,000	(531,000)	705,000	-
Other Liabilities:					
Compensated absences	2,148,000	1,336,000	(1,519,000)	1,965,000	1,294,000
Other Post Employment Benefits	-	165,000	(152,000)	13,000	-
Total	<u>\$ 114,192,000</u>	<u>\$ 3,505,000</u>	<u>\$ (7,552,000)</u>	<u>\$ 110,145,000</u>	<u>\$ 7,091,000</u>

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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, 2009 are as follows

	Principal	Interest	Total
2010	\$ 5,797,000	\$ 3,923,000	\$ 9,720,000
2011	5,809,000	3,905,000	9,714,000
2012	5,837,000	3,613,000	9,450,000
2013	6,878,000	3,269,000	10,147,000
2014	7,208,000	2,908,000	10,116,000
2015-2019	34,912,000	9,662,000	44,574,000
2020-2024	28,740,000	7,016,000	35,756,000
2025-2029	22,883,000	3,553,000	26,436,000
2030-2032	6,555,000	338,000	6,893,000
	<u>124,619,000</u>	<u>38,187,000</u>	<u>162,806,000</u>
Future accretion on capital appreciation bonds	<u>(17,157,000)</u>	<u>17,157,000</u>	<u>-</u>
	<u>\$ 107,462,000</u>	<u>\$ 55,344,000</u>	<u>\$ 162,806,000</u>

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 \$8,071,000 and occurs in the bond year October 1, 2011. Additionally, the issues require renewal and replacement and emergency reserve funds with minimum requirements of \$1,000,000 and \$1,750,000, respectively. These reserves are funded in the amounts of \$1,223,000 and \$2,000,000, respectively, at September 30, 2009.

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, 2009

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.

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, 2009, 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, 2009, the amount reserved for bond requirements was \$3,222,538.

NOTE M - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of and for the year ended September 30, 2009, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor	\$ 308,118
General	Community Redevelopment Agency	181,079
General	Hurricane Housing Recovery Grant	26
General	Solid Waste	139,779
General	Storm Water	192,171
General	Golf Course	17,796
Marina	General	1,123
Community Redevelopment Agency	Community Redevelopment Agency	
	Capital Project	500,000
Hurricane Housing Recovery Grant	Nonmajor	2,007
		<u>\$ 1,342,099</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 Marina fund and Hurricane Housing Recovery Grant fund relate to small short-term timing differences. Amounts due to the Community Redevelopment Agency are for reimbursement of capital expenditures paid from the Community Redevelopment Agency fund.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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

Due to the primary government and from the component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General fund	FPUA	\$ 789,479
Stormwater fund	FPUA	310,424
Solid waste fund	FPUA	465,460
		<u>\$ 1,565,363</u>

Inter-fund transfers:

	<u>Redevelopment</u>						<u>Total</u>
	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Agency Capital projects</u>	<u>Golf Course</u>	<u>Sunrise Theatre</u>	<u>Nonmajor Funds</u>	
Transfers out:							
General	\$ -	\$ -	\$ 3,216,734	\$ 211,070	\$ -	\$ 4,222,546	\$ 7,650,350
Community							
Redev. Agency	940,755	-	-	-	1,167,973	2,521,056	4,629,784
Redev. Agency							
Capital Projects	-	3,002,352	-	-	-	139,418	3,141,770
Solid Waste	1,956,308	-	-	-	-	-	1,956,308
Stormwater	15,544	-	-	-	-	-	15,544
Internal Service	720,893	-	-	-	-	-	720,893
Nonmajor	5,267	-	159,310	79,920	-	1,438,769	1,683,266
	<u>\$ 3,638,767</u>	<u>\$ 3,002,352</u>	<u>\$ 3,376,044</u>	<u>\$ 290,990</u>	<u>\$ 1,167,973</u>	<u>\$ 8,321,789</u>	<u>\$ 19,797,915</u>

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

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 \$161,000 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, 2009 were approximately \$1,393,000 of which approximately \$1,375,000 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, 2009, were approximately \$14,580,000. Amounts receivable from the FPUA at September 30, 2009 were \$1,565,363.

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, 2009, the amount transferred to the General Fund under this provision was \$5,045,811.

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, 2009, the City paid premiums of approximately \$1,343,000 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, 2009

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 has closed the Internal Service Fund as of September 30, 2009 and accordingly, no current claims liability is reported. Changes in the Fund's claim liability amount during the past three fiscal years are as follows:

	<u>Beginning Liability</u>	<u>Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2006-2007	\$ 625,000	\$ 3,916,055	\$ (4,141,055)	\$ 400,000
2007-2008	\$ 400,000	\$ 3,775,221	\$ (4,125,221)	\$ 50,000
2008-2009	\$ 50,000	\$ -	\$ (50,000)	\$ -

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 \$214,000 and \$144,000, 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 28 City retirees and 27 Utilities Authority retirees participating in the health insurance plan.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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.

	<u>City</u>	<u>FPUA</u>
Normal Cost(service cost for one year)	\$ 230,882	\$
Amortization of Unfunded Actuarial Accrued Liabilities(UAAL)	<u>122,431</u>	
Annual Required Contribution	353,313	165,000
Contributions made	<u>117,636</u>	<u>152,000</u>
Increase in Net OPEB Obligation	235,677	13,000
Net OPEB Obligation-beginning of year	<u>338,099</u>	<u>-</u>
Net OPEB Obligation-end of year	\$ <u><u>573,776</u></u>	\$ <u><u>13,000</u></u>

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 2009 were as follows:

	Fiscal Year Ended	Annual OPEB Cost	Employer Contributions Toward OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
City	9/30/2009	353,313	117,636	33%	573,776
FPUA	9/30/2009	165,385	144,000	87.1%	13,000

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

Funding Policy

As of September 30, 2008, the most recent actuarial valuation date, the plans were unfunded. The unfunded actuarial accrued liability was \$3,848,898 and 2,094,000 for the City and FPUA respectively.

The covered payroll for active employees covered by the plan was \$20,159,967 and 14,711,000 for the City and FPUA. The ratio of the UAAL to covered payroll was 19% for the City and 14% for the FPUA. As of September 30, 2009, 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, 2008 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 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.

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, 2009 is \$4,473,000. The Authority is committed under the agreements to payments totaling \$5,732,000 for the year ending September 30, 2009.

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, 2009, \$1,942,000 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 \$1,197,000.

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 will expire on September 30, 2010.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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 FMFA under the Construction Services Agreement. Upon completion of the construction phase of the project, the Authority entered into the Operation and Maintenance Agreement with FMFA. 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 FMFA.

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, 2009, the TCEC incurred costs in the amount of \$1,491,000, 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 - 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:

2010	35,538
2011	35,538
2012	59,071
	<u>\$ 130,147</u>

Rent expense for the above referenced lease was \$28,515 for year ended September 30, 2009.

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 \$190,237 from the tenant for the year ended September 30, 2009. 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, 2009, 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 \$114,591 from the tenant for the year ended September 30, 2009.

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, 2009.

City of Fort Pierce, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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, 2009 are as follows:

Governmental Activities:

Cash and investments:	
Capital improvements-Bond Proceeds	\$ 2,889,009
Customer deposits	33,513
	<u>\$ 2,922,522</u>

Business-type activities:

Cash and investments:	
Customer deposits	\$ 219,386
	<u>219,386</u>

The restricted assets of the **FPUA** (a component unit) as of September 30, 2009, are as follows:

Cash and investments:	
Principal and interest on debt service	\$ 6,858,070
Capital Improvement Charges	7,781,576
Emergency reserve	2,000,000
Renewal and replacement reserve	1,222,538
Customer security deposits	5,866,435
	<u>\$ 23,728,619</u>

NOTE V – CONDUIT DEBT OBLIGATIONS

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

As of September 30, 2009, 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 \$9,474,012.

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 revenues recognized as a result of selling off any salvageable equipment and scrap has been recorded as extraordinary income. Likewise, the expenses involved with the demolition of the plant, including environmental compliance, contractor work, and the administration of the project has been recorded as extraordinary expense. Those figures for the fiscal year ended September 30, 2009 were \$203,000 and \$549,000 respectively.

NOTE X- SUBSEQUENT EVENTS

Subsequent to year end, the Authority issued \$34,800,000 Utilities Refunding Bonds, Series 2009. The bonds were issued to provide funds to refund the FMPA Pooled Loans plus the initial funding of a Debt Service Fund.

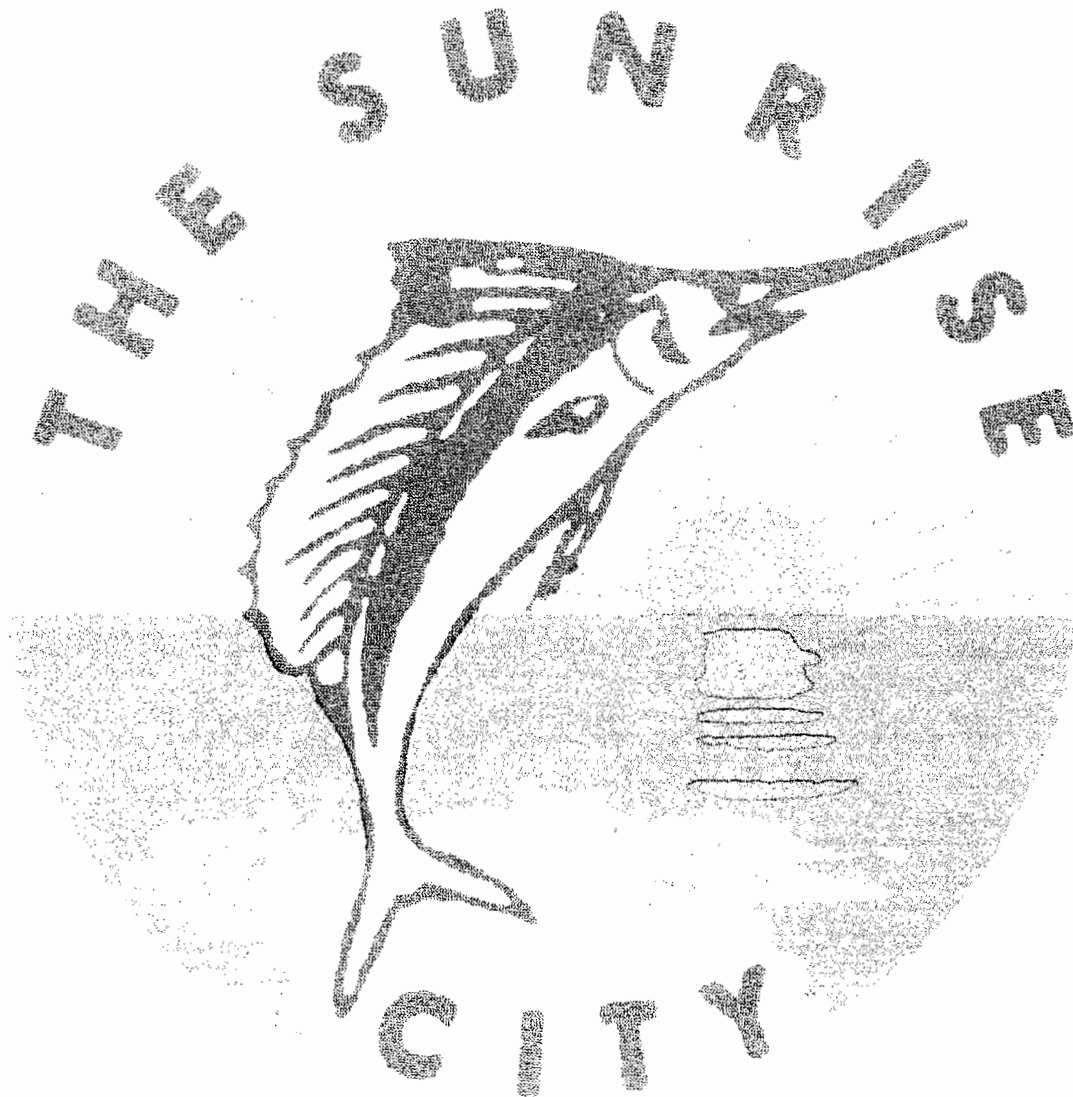
Management has performed an analysis of the activities and transactions subsequent to September 30, 2009 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2009. Management has performed their analysis through May 25, 2010.

NOTE Y- PRIOR PERIOD ADJUSTMENT

The Authority's 2008 financial statements have been restated to accommodate changes to the calculation of Other Post Employment Benefits (OPEB). Modifications to the actuarial assumptions played a major role on the calculation of that liability. The result of the restated actuarial report eliminated the necessity for recording the noncurrent liability and restricting net assets for \$2,463,000.

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, 2009

(Unaudited)

Schedule of Funding Progress

		(\$ in millions)					UAAL as a % of Covered Payroll
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)	
9/30/2000	*	162.0	130.0	(32.0)	125	33.3	(96)
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

** 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
2000	2.18	709,194	982,054	100
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

@ 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, 2009
(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, 2009
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent of payroll
Remaining amortization periods	2 - 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, 2009

(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
1999	9/30/1998	131,301	282,764	215.4
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

* 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

**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, 2009
(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, 2009
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

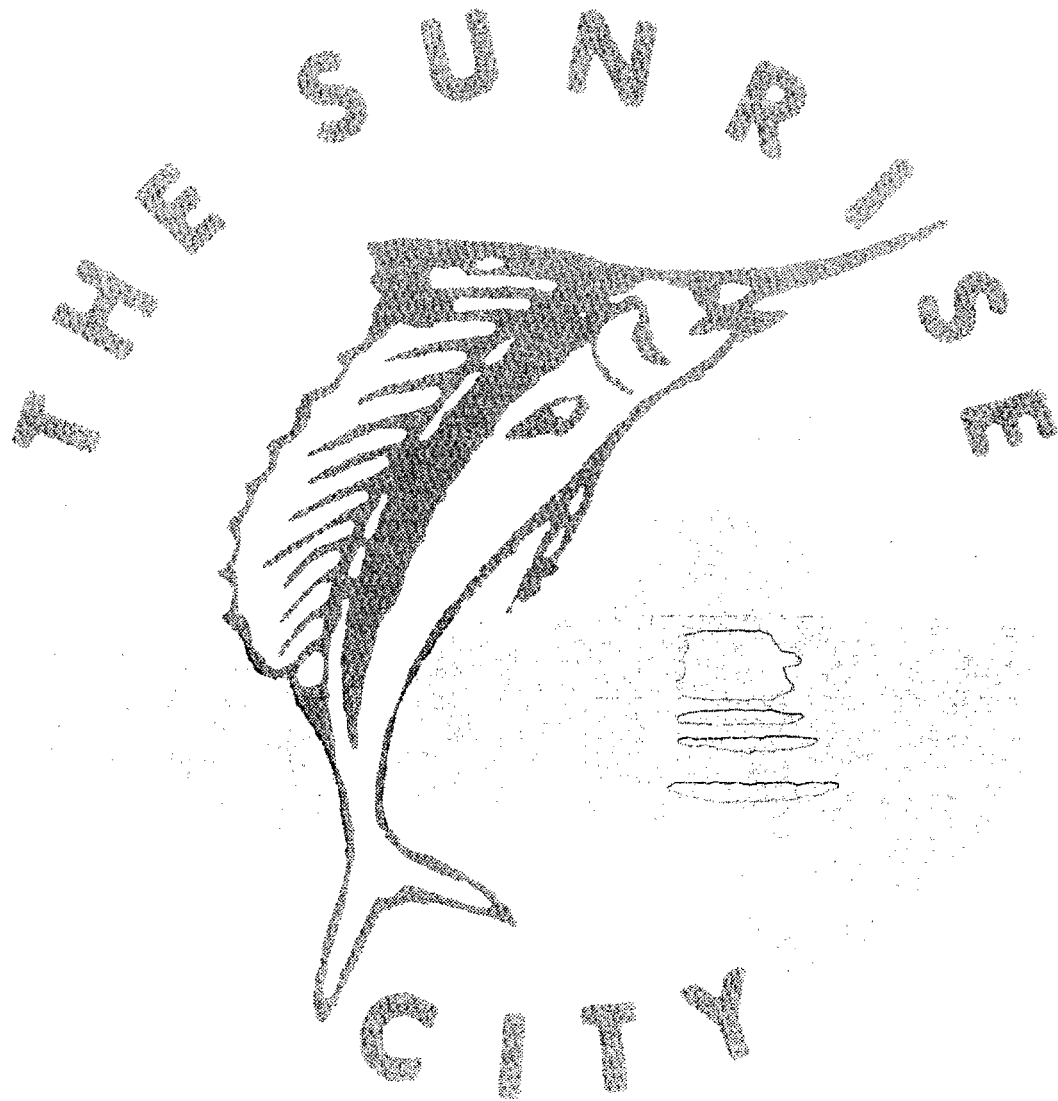
September 30, 2009

(Unaudited)

Schedule of Funding Progress

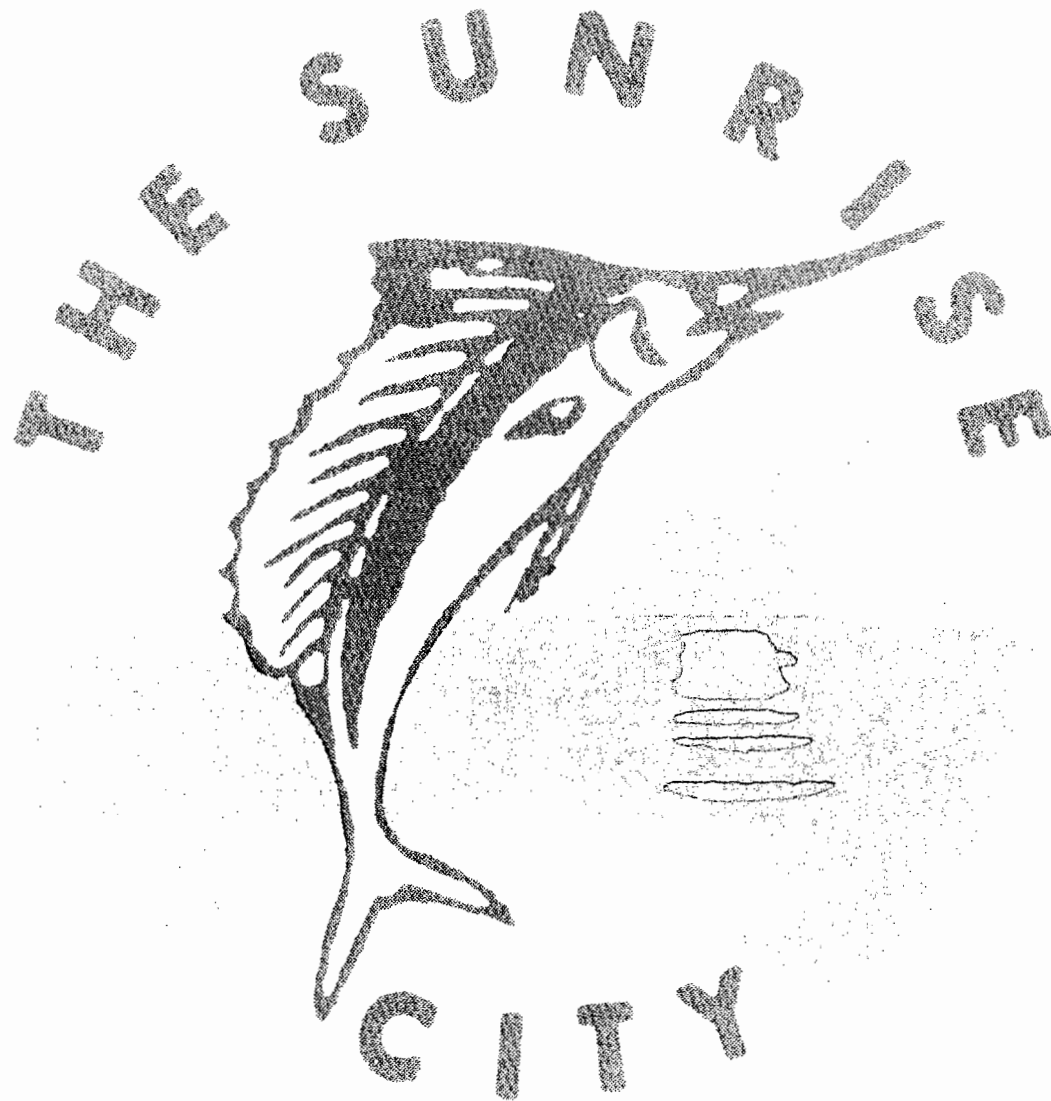
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
City of Ft. Pierce						
9/30/2008	- \$	3,848,898 \$	3,848,898	0%	\$ 17,923,099	21%
FPUA(a discretely presented component unit)						
9/30/2008	- \$	2,094,000 \$	2,094,000	0%	\$ 14,388,000	15%

COMBINING AND INDIVIDUAL FUND STATEMENTS



GENERAL FUND

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



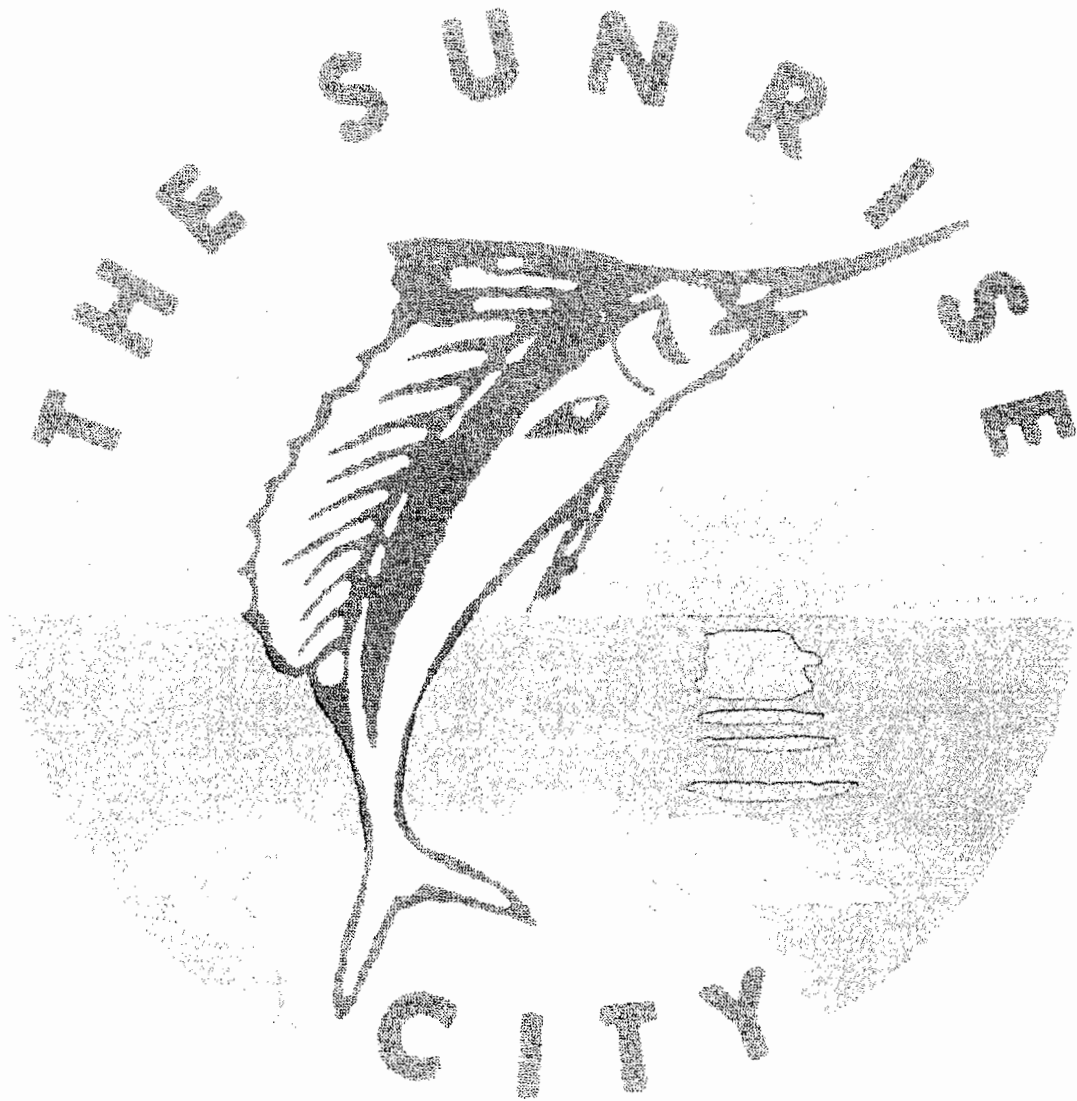
City of Fort Pierce, Florida
**SCHEDULE OF GENERAL FUND REVENUES AND
OTHER FINANCING SOURCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**
Year ended September 30, 2009

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Taxes			
Ad valorem	\$ 15,451,646	\$ 14,476,029	\$ 14,476,029
General sales and use	3,050,000	2,523,926	2,523,926
Franchise	4,730,000	4,886,723	4,886,723
	<u>23,231,646</u>	<u>21,886,678</u>	<u>21,886,678</u>
Licenses and permits			
Occupational licenses	240,000	233,878	233,878
Building permits	1,481,000	573,712	573,712
Planning and zoning	60,000		
Other	105,500	138,499	138,499
	<u>1,886,500</u>	<u>946,089</u>	<u>946,089</u>
Intergovernmental revenue			
Federal grants	526,344	390,966	390,966
State grants	-	3,142,690	3,142,690
State shared revenue	3,156,000	2,629,949	2,629,949
State retirement contribution	-	276,943	276,943
County shared revenue	68,000	63,253	63,253
In lieu of taxes	46,000	-	-
	<u>3,796,344</u>	<u>6,503,801</u>	<u>6,503,801</u>
Charges for services			
General government	49,500	83,540	83,540
Physical environment	10,000	9,740	9,740
Transportation	1,000	-	-
	<u>60,500</u>	<u>93,280</u>	<u>93,280</u>
Fines and forfeitures			
Court cases	318,000	182,112	182,112
Code violation	102,000	159,418	159,418
	<u>420,000</u>	<u>341,530</u>	<u>341,530</u>
Other			
Contributions from component unit	5,649,105	5,045,811	5,045,811
Investment income	254,250	143,812	143,812
Rents	13,385	66,711	66,711
Administrative and contractual services	467,789	684,143	684,143
Reimbursements by other funds	1,865,500	2,315,036	2,315,036
Special assessments	50,300	8,692	8,692
Impact fees	485,000	154,144	154,144
Sales of capital assets	-	27,192	27,192
Miscellaneous	25,000	136,713	136,713
	<u>8,810,329</u>	<u>8,582,254</u>	<u>8,582,254</u>
Total revenues	38,205,319	38,353,632	38,353,632
Other financing sources			
Transfers in	962,971	3,638,767	3,638,767
Total other financing sources	<u>962,971</u>	<u>3,638,767</u>	<u>3,638,767</u>
Total revenues, other financing sources,	<u>\$ 39,168,290</u>	<u>\$ 41,992,399</u>	<u>\$ 41,992,399</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, 2009

	Budgeted Amounts		Actual
	Original	Final	
Expenditures			
General Government			
Legislative			
City Commission	\$ 293,439	\$ 280,515	\$ 280,515
Executive			
City Manager	687,010	671,618	671,618
City Clerk	409,905	414,501	414,501
Financial and administrative			
General administration	7,487,506	7,576,345	7,576,345
Finance	903,180	898,386	898,386
MIS	852,459	909,602	909,602
Purchasing	327,336	339,318	339,318
Personnel	473,036	501,354	501,354
Legal counsel			
City Attorney	645,570	710,569	710,569
Comprehensive planning			
Planning	1,079,477	1,014,744	1,014,744
Public works			
Director	587,621	558,562	558,562
Garage	624,966	522,764	522,764
Building maintenance	1,198,892	1,081,961	1,081,961
	<u>15,570,397</u>	<u>15,480,239</u>	<u>15,480,239</u>
Public safety			
Law enforcement			
Police	891,928	858,453	858,453
Police- Investigation	2,278,006	2,345,867	2,345,867
Police- Neighborhood	6,128,639	5,881,600	5,881,600
Police- Support Operations	3,225,368	3,032,149	3,032,149
Grants	1,392,814	1,190,168	1,190,168
Community Response Bureau	776,584	785,923	785,923
Protective inspections			
Code Enforcement	832,296	758,583	758,583
Building	1,182,993	1,168,694	1,168,694
	<u>16,708,628</u>	<u>16,021,437</u>	<u>16,021,437</u>
Transportation			
Road and street facilities			
Engineering	1,343,896	1,154,327	1,154,327
Street maintenance	2,517,305	2,632,113	2,632,113
	<u>3,861,201</u>	<u>3,786,440</u>	<u>3,786,440</u>
Culture and recreation			
Parks and recreation	2,501,573	2,397,060	2,397,060
	<u>2,501,573</u>	<u>2,397,060</u>	<u>2,397,060</u>
Total expenditures	38,641,799	37,685,176	37,685,176
Other financing uses			
Transfers out	1,498,100	7,650,350	7,650,350
	<u>1,498,100</u>	<u>7,650,350</u>	<u>7,650,350</u>
Total expenditures and other financing uses	<u>\$ 40,139,899</u>	<u>\$ 45,335,526</u>	<u>\$ 45,335,526</u>

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

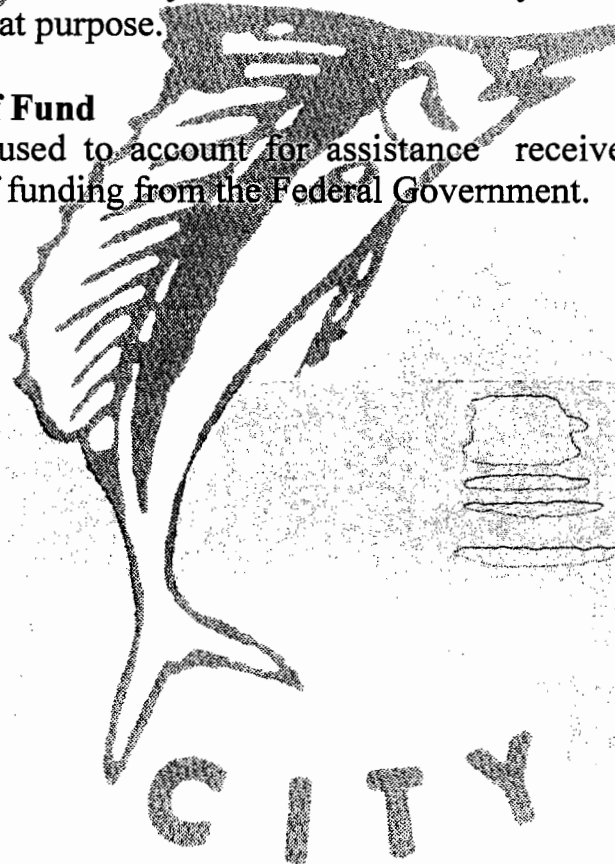
Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The City does not have an appropriated budget for special revenue funds.

❖ **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.

❖ **Disaster Relief Fund**

This fund is used to account for assistance received to assist in hurricane relief funding from the Federal Government.



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

❖ **Road Improvement Notes, Series 2000A & 2000B,**

This fund is used to account for monies to pay \$5,000,000 in notes issued to finance road improvement projects. The State of Florida has committed to reimburse the City upon completion of each project.

❖ **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.

NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

DEBT SERVICE FUNDS (CONT'D)

❖ **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 2007-2012.

❖ **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.

❖ **Sunshine State Governmental Financing Commission Taxable & Tax Exempt Revenue Notes 2007**

This fund is used to account for the accumulation of monies to pay for construction of a city garage and land purchases. Non-ad valorem revenues are pledged for the payment of principal and interest due from 2007-2037.

CAPITAL PROJECT FUNDS

❖ **Capital Improvement Fund, Series 2005 & 2006**

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.

❖ **Sunshine Fund**

This fund is used to account for the sources and uses of funds to purchase land and construction of a garage and other improvements.

NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

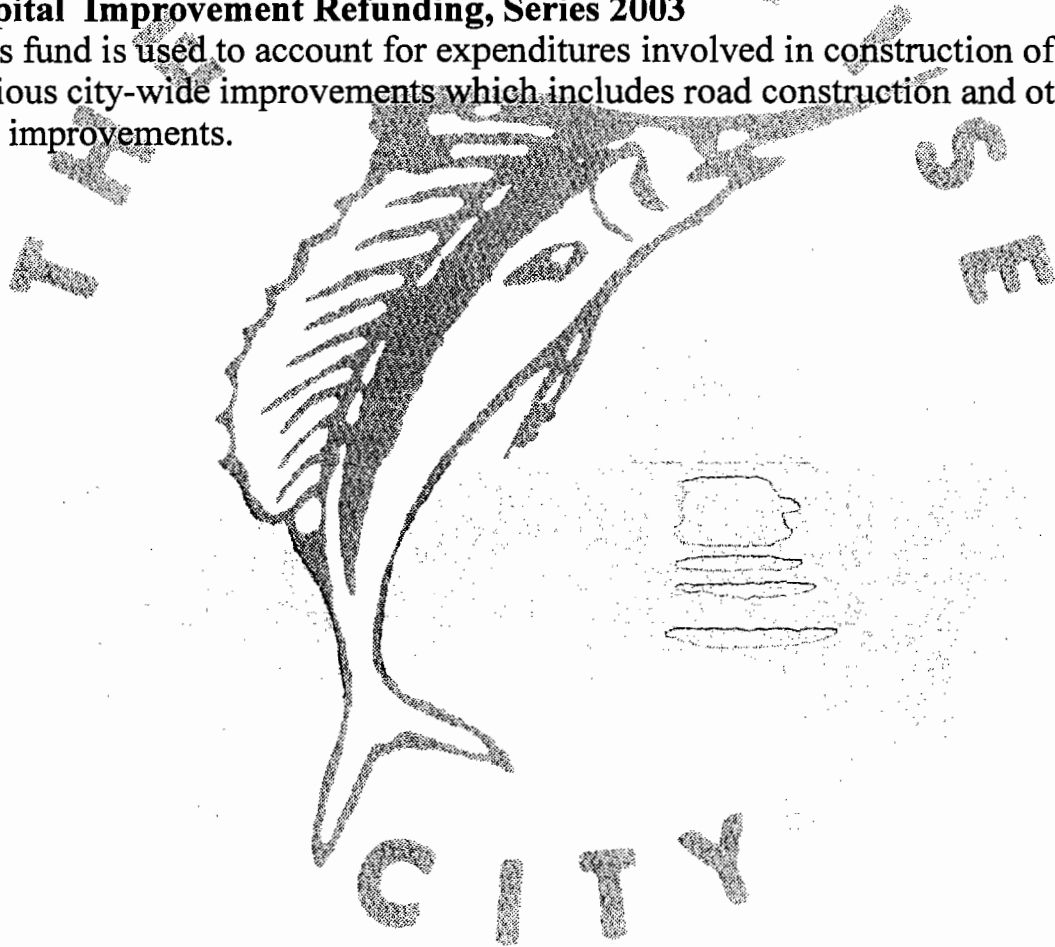
DEBT SERVICE FUNDS (CONT'D)

❖ **Capital Project Fund/Special Capital Project**

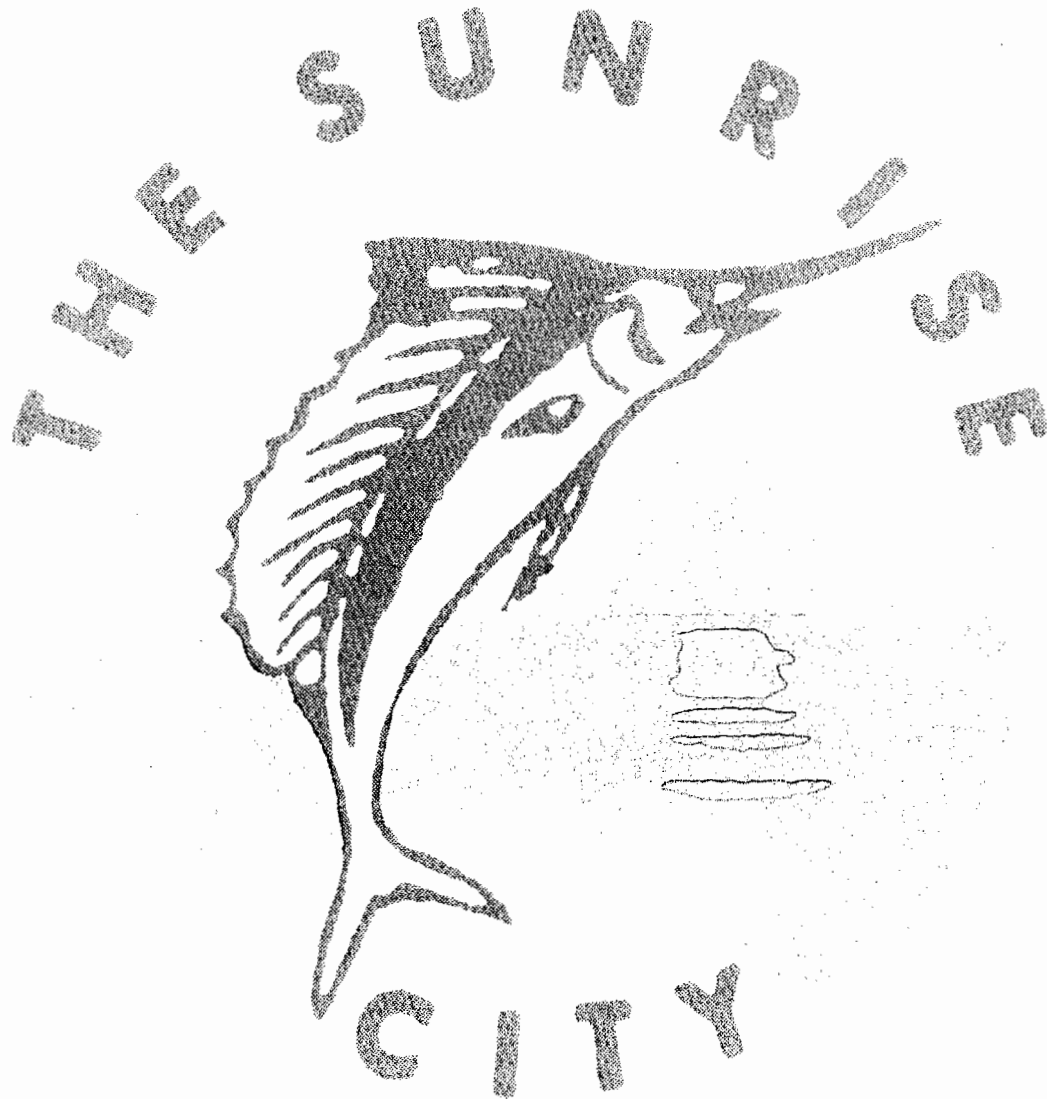
This fund is used to account for the accumulation of monies to pay for reconstruction of Heathcote Botanical Gardens and other special projects.

❖ **Capital Improvement Refunding, Series 2003**

This fund is used to account for expenditures involved in construction of various city-wide improvements which includes road construction and other site improvements.



NONMAJOR GOVERNMENTAL FUNDS



City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 648,857	\$ 2,493,069	\$ 2,818,627	\$ 5,960,553
Accounts Receivable	450	-	-	450
Due from other governments	334,595	-	-	334,595
Notes Receivable	312,482	-	-	312,482
Total assets	<u>\$ 1,296,384</u>	<u>\$ 2,493,069</u>	<u>\$ 2,818,627</u>	<u>\$ 6,608,080</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 22,861	\$ 1,000	\$ 14,894	\$ 38,755
Due to other funds	310,126	-	-	310,126
Deferred revenues	312,482	-	-	312,482
Total liabilities	<u>645,469</u>	<u>1,000</u>	<u>14,894</u>	<u>661,363</u>
FUND BALANCES				
Reserved for:				
Debt service	-	2,492,069	-	2,492,069
Capital projects	-	-	2,803,733	2,803,733
Unreserved, undesignated	650,915	-	-	650,915
Total fund balances	<u>650,915</u>	<u>2,492,069</u>	<u>2,803,733</u>	<u>5,946,717</u>
Total liabilities and fund balances	<u>\$ 1,296,384</u>	<u>\$ 2,493,069</u>	<u>\$ 2,818,627</u>	<u>\$ 6,608,080</u>

City of Fort Pierce, Florida

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

Year ended September 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental	\$ 1,904,849	\$ -	\$ -	\$ 1,904,849
Fines and forfeitures	179,663	-	-	179,663
Investment income	9,126	24,918	15,492	49,536
Miscellaneous	62,983	-	55,972	118,955
Total revenues	2,156,621	24,918	71,464	2,253,003
Expenditures				
Current				
Public safety	58,179	-	-	58,179
Economic environment	1,490,631	-	-	1,490,631
Capital Outlay	29,000	-	258,228	287,228
Debt service				
Principal	-	1,815,565	-	1,815,565
Interest and fees	-	3,815,295	-	3,815,295
Other	-	835,315	-	835,315
Total expenditures	1,577,810	6,466,175	258,228	8,302,213
Excess of revenues over (under) expenditures	578,811	(6,441,257)	(186,764)	(6,049,210)
Other financing sources (uses)				
Transfers in	-	5,192,594	3,129,195	8,321,789
Proceeds of Refunding Bonds	-	29,840,000	-	29,840,000
Discount on Issuance of Refunding Bonds	-	(450,795)	-	(450,795)
Payment on Current Refunding	-	(30,150,000)	-	(30,150,000)
Transfers out	(70,483)	(1,543,337)	(69,446)	(1,683,266)
Total other financing sources (uses)	(70,483)	2,888,462	3,059,749	5,877,728
Net change in fund balances	508,328	(3,552,795)	2,872,985	(171,482)
Fund balance - beginning of year	142,587	6,044,864	(69,252)	6,118,199
Fund balance - end of year	\$ 650,915	\$ 2,492,069	\$ 2,803,733	\$ 5,946,717

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2009

	Law Enforcement Trust Fund	State Housing Initiatives Program (S.H.I.P.)
ASSETS		
Cash and investments	\$ 171,647	\$ 264,467
Accounts Receivable	-	-
Due from other governments	-	17,441
Notes receivable	-	27,961
Total assets	<u>\$ 171,647</u>	<u>\$ 309,869</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ 8,059
Due to other funds	-	5,181
Deferred revenues	-	27,961
Total liabilities	-	41,201
FUND BALANCES		
Unreserved, undesignated	<u>171,647</u>	<u>268,668</u>
Total liabilities and fund balances	<u>\$ 171,647</u>	<u>\$ 309,869</u>

Community Development Block Grant Fund	Restricted Revenue Fund	Total Nonmajor Special Revenue Funds
\$ 1,887	\$ 210,856	\$ 648,857
450	-	450
317,154	-	334,595
284,521	-	312,482
<u>\$ 604,012</u>	<u>\$ 210,856</u>	<u>\$ 1,296,384</u>
\$ 14,802	\$ -	\$ 22,861
304,689	256	310,126
284,521	-	312,482
<u>604,012</u>	<u>256</u>	<u>645,469</u>
-	210,600	650,915
<u>\$ 604,012</u>	<u>\$ 210,856</u>	<u>\$ 1,296,384</u>

City of Fort Pierce, Florida
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year ended September 30, 2009

	Law Enforcement Trust Fund	State Housing Initiatives Program (S.H.I.P.)
<i>Revenues</i>		
Intergovernmental	\$ -	\$ 370,438
Fines and forfeitures	179,663	-
Investment income	1,523	2,375
Miscellaneous	2,233	9,118
Total revenues	183,419	381,931
<i>Expenditures</i>		
Current		
Public safety	58,179	-
Economic environment	-	215,452
Capital outlay	29,000	-
Total expenditures	87,179	215,452
Excess of revenues over (under) expenditures	96,240	166,479
<i>Other financing sources (uses)</i>		
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	96,240	166,479
Fund balance - beginning of year	75,407	102,189
Fund balance - end of year	\$ 171,647	\$ 268,668

Community Development Block Grant Fund	Restricted Fund	Total Non-Major Special Revenue Funds
\$ 1,323,811	\$ 210,600	\$ 1,904,849
-	-	179,663
5,228	-	9,126
51,632	-	62,983
1,380,671	210,600	2,156,621
-	-	58,179
1,275,179	-	1,490,631
-	-	29,000
1,275,179	-	1,577,810
105,492	210,600	578,811
(70,483)	-	(70,483)
(70,483)	-	(70,483)
35,009	210,600	508,328
(35,009)	-	142,587
\$ -	\$ 210,600	\$ 650,915

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2009

	Fort Pierce Redevelopment Bonds	City Hall Revenue	Golf Course Improvement Bonds	Capital Improvement Revenue 1998
ASSETS				
Cash and investments	\$ 858,803	\$ 525,509	\$ 121,967	\$ 831,105
Total Assets	<u>\$ 858,803</u>	<u>\$ 525,509</u>	<u>\$ 121,967</u>	<u>\$ 831,105</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,000	\$ -	\$ -	\$ -
Total liabilities	1,000	-	-	-
FUND BALANCES				
Reserved for:				
Debt service	857,803	525,509	121,967	831,105
Total fund balance	857,803	525,509	121,967	831,105
Total liabilities and fund balance	<u>\$ 858,803</u>	<u>\$ 525,509</u>	<u>\$ 121,967</u>	<u>\$ 831,105</u>

Road Improvement 2000 A and 2000 B	Capital Improvement Revenue 2001	Capital Improvement Revenue 2008	Sunshine Fund Revenue 2007	Total Nonmajor Debt Service Funds
\$ -	\$ 144,287	\$ 11,398	\$ -	\$ 2,493,069
\$ -	\$ 144,287	\$ 11,398	\$ -	\$ 2,493,069
\$ -	\$ -	\$ -	\$ -	\$ 1,000
-	-	-	-	1,000
-	144,287	11,398	-	2,492,069
-	144,287	11,398	-	2,492,069
\$ -	\$ 144,287	\$ 11,398	\$ -	\$ 2,493,069

City of Fort Pierce, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE**
NONMAJOR DEBT SERVICE FUNDS
 Year Ended September 30, 2009

	Fort Pierce Redevelopment Bonds	City Hall Revenue	Golf Course Improvement Bonds	Capital Improvement Revenue 1998
Revenues				
Investment income	\$ 2,726	\$ 2,109	\$ 554	\$ 13,212
Expenditures				
Debt service				
Principal	860,000	430,000	65,000	280,502
Interest and fees	1,677,713	73,981	145,320	170,830
Other	3,005	12,000	1,500	384
Total expenditures	2,540,718	515,981	211,820	451,716
Excess of revenues over (under) expenditures	(2,537,992)	(513,872)	(211,266)	(438,504)
Other financing sources (uses)				
Transfers in	2,521,056	503,981	211,070	172,979
Proceeds of Refunding Bonds	-	-	-	-
Discount on Issuance of Refunding Bonds	-	-	-	-
Payment on Current Refunding	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	2,521,056	503,981	211,070	172,979
Net change in fund balances	(16,936)	(9,891)	(196)	(265,525)
Fund balances - beginning of year	874,739	535,400	122,163	1,096,630
Fund balances - end of year	\$ 857,803	\$ 525,509	\$ 121,967	\$ 831,105

Road Improvement 2000 A and 2000 B	Capital Improvement Revenue 2001	Capital Improvement Revenue 2008	Sunshine Fund Revenue 2007	Total Nonmajor Debt Service Funds
\$ 14	\$ 384	\$ 1,226	\$ 4,693	\$ 24,918
-	180,063	-	-	1,815,565
-	79,028	1,526,665	141,758	3,815,295
-	265	1,500	816,661	835,315
-	259,356	1,528,165	958,419	6,466,175
14	(258,972)	(1,526,939)	(953,726)	(6,441,257)
-	243,671	1,539,837	-	5,192,594
-	-	-	29,840,000	29,840,000
-	-	-	(450,795)	(450,795)
-	-	-	(30,150,000)	(30,150,000)
(5,000)	-	(1,500)	(1,536,837)	(1,543,337)
(5,000)	243,671	1,538,337	(2,297,632)	2,888,462
(4,986)	(15,301)	11,398	(3,251,358)	(3,552,795)
4,986	159,588	-	3,251,358	6,044,864
\$ -	\$ 144,287	\$ 11,398	\$ -	\$ 2,492,069

City of Fort Pierce, Florida
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2009

	Capital Project Fund Sunshine Fund	Capital Project Fund Capital Improvement 2003	Capital Project Fund Special Capital Projects Fund	Total Nonmajor Capital Project Funds
ASSETS				
Cash and investments	\$ -	\$ -	\$ 2,818,627	\$ 2,818,627
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	-	-	14,894	14,894
Total liabilities	-	-	14,894	14,894
FUND BALANCES				
Reserved for:				
Capital projects	-	-	2,803,733	2,803,733
Total liabilities and fund balances	\$ -	\$ -	\$ 2,818,627	\$ 2,818,627

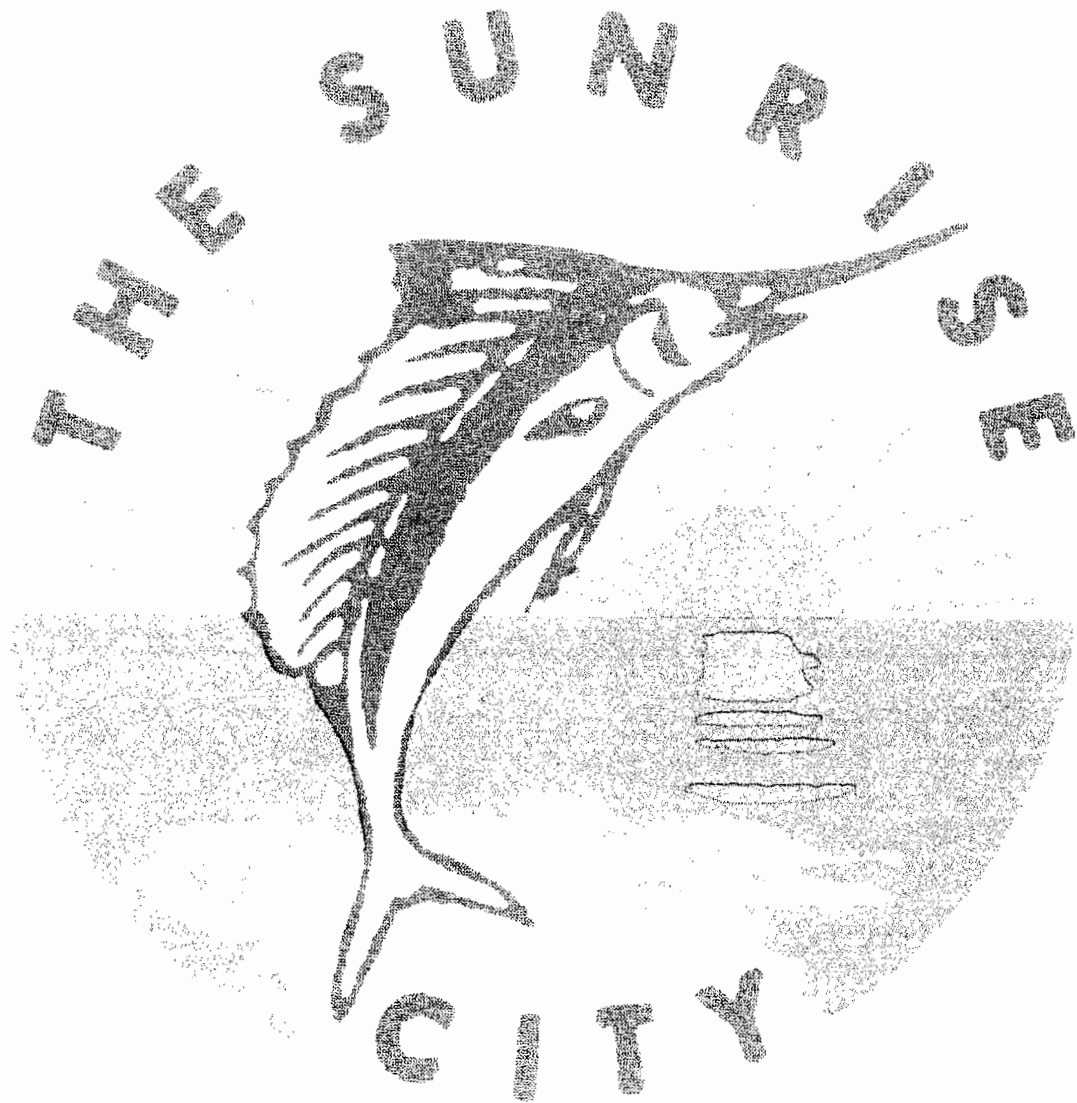
City of Fort Pierce, Florida

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

Year ended September 30, 2009

	Capital Project Fund Sunshine Fund	Capital Project Fund Capital Improvement 2003	Capital Project Fund Special Capital Projects Fund	Total Nonmajor Capital Project Funds
Revenues				
Investment income	\$ 946	\$ 1	\$ 14,545	\$ 15,492
Miscellaneous income	55,972	-	-	55,972
Total revenues	56,918	1	14,545	71,464
Expenditures				
Capital outlay	36,490	-	221,738	258,228
Total expenditures	36,490	-	221,738	258,228
Excess of revenues over (under) expenditures	20,428	1	(207,193)	(186,764)
Other financing sources (uses)				
Transfers in	118,269	-	3,010,926	3,129,195
Transfers out	(69,179)	(267)	-	(69,446)
Total other financing sources (uses)	49,090	(267)	3,010,926	3,059,749
Net change in fund balances	69,518	(266)	2,803,733	2,872,985
Fund balance - beginning of year	(69,518)	266	-	(69,252)
Fund balance - end of year	\$ -	\$ -	\$ 2,803,733	\$ 2,803,733

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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.

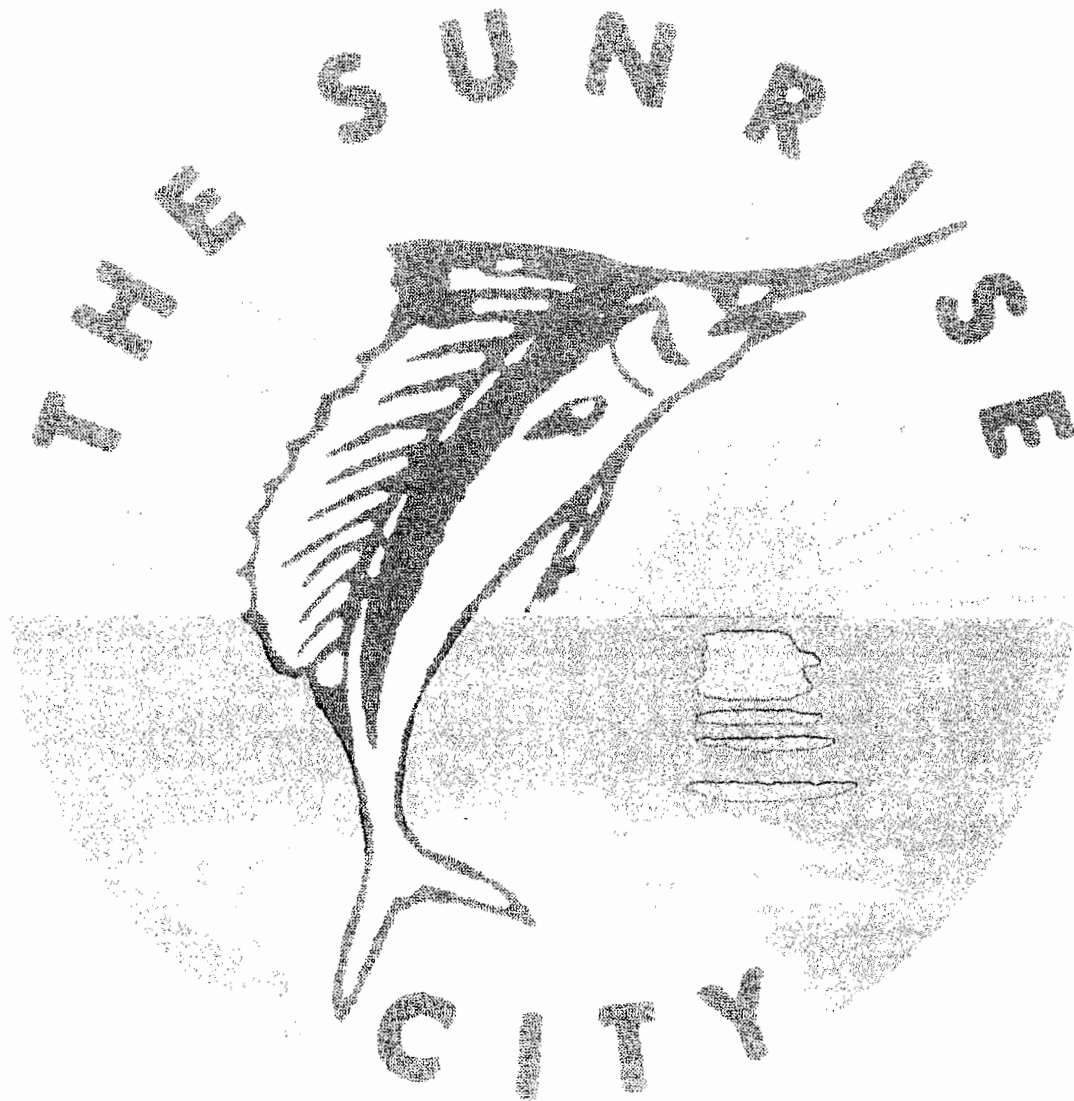
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

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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City of Fort Pierce, Florida
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:	27.22 square miles	1970	29,721
		1980	33,802
Number of Employees:	744	1990	36,830
City	439	2000	38,401
Utilities Authority	305		
Police Protection:		Recreation:	
Number of Stations	3	Acres of Public Parks	116.9
Number of Arresting Personnel	115	Baseball Practice Fields	17
Fire Protection:		Basketball Courts	4
(County wide)		Boat Ramps	5
Number of Stations	18	Football Fields	1
Number of Firemen & Officers	420	Hand Ball Courts	0
Infrastructure:		Miles of Public Beach	2.3
Cemeteries (not City owned)	2	Municipal Pools	2
City Bridges	7	Racquetball Courts	0
City Buildings	25	Shuffleboard Courts	1
Flashing Caution Lights	30	Tennis Courts	4
Street Lights	5,138	Utilities Customers:	
Traffic & Caution Lights	70	Electric	27,712
Miles of:		Water	19,260
Streets	152.46	Wastewater	14,829
•Paved	150.43	Natural Gas	4,070
•Unpaved	2.03	County Schools Enrollment:	
Canals	10.09	Special Education	5,795
Curbs and Gutters	116.57	Elementary	16,821
Seawalls	1.13	Middle	8,237
Sidewalks	74.01	High School	10,408
Storm Sewers	73.1	Total Enrollment	41,261
Building Permits New Constructio.	42	Solid Waste Customers:	
Valuation	\$17,080,618	Commercial	1,972
		Residential	12,926
		Public	39

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

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

	Fiscal Year			
	2009	2008	2007	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 36,179,711	\$ 39,596,736	\$ 34,683,122	\$ 34,940,179
Restricted	6,262,950	8,583,007	8,630,792	5,979,367
Unrestricted	13,913,684	9,190,260	8,813,572	8,284,023
Total governmental activities net assets	<u>\$ 56,356,345</u>	<u>\$ 57,370,003</u>	<u>\$ 52,127,486</u>	<u>\$ 49,203,569</u>
Business type activities				
Invested in capital assets, net of related debt	\$ 40,490,367	\$ 28,158,381	\$ 29,329,512	\$ 24,776,985
Restricted	-	-	-	-
Unrestricted	12,419,077	18,071,190	10,548,133	11,662,622
Total business-type activities net assets	<u>\$ 52,909,444</u>	<u>\$ 46,229,571</u>	<u>\$ 39,877,645</u>	<u>\$ 36,439,607</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 76,670,078	\$ 67,755,117	\$ 64,012,634	\$ 59,717,164
Restricted	6,262,950	8,583,007	8,630,792	5,979,367
Unrestricted	26,332,761	27,261,450	19,361,705	19,946,645
Total primary government net assets	<u>\$ 109,265,789</u>	<u>\$ 103,599,574</u>	<u>\$ 92,005,131</u>	<u>\$ 85,643,176</u>

Source: Statement of Net Assets

Fiscal Year					
2005		2004		2003	
\$	23,716,538	\$	30,410,138	\$	32,150,577
	14,793,226		17,913,369		14,971,600
	9,249,853		2,230,886		4,184,165
\$	47,759,617	\$	50,554,393	\$	51,306,342
\$	6,806,387	\$	3,439,331	\$	3,719,336
	-		-		-
	9,901,064		3,677,445		2,496,446
\$	16,707,451	\$	7,116,776	\$	6,215,782
\$	30,522,925	\$	33,849,469	\$	35,869,913
	14,793,226		17,913,369		14,971,600
	19,150,917		5,908,331		6,680,611
\$	64,467,068	\$	57,671,169	\$	57,522,124

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

	Fiscal Year			
	2009	2008	2007	2006
Expenses				
Government activities:				
General government	\$ 12,967,795	\$ 15,157,106	\$ 13,450,017	\$ 13,100,535
Public Safety	16,893,985	16,773,117	16,485,679	16,650,512
Transportation	6,647,625	7,003,523	7,024,296	6,590,194
Economic Environment	7,863,601	7,758,223	9,475,767	8,894,855
Culture and recreation	2,642,486	2,825,114	2,610,912	3,467,988
Interest of long-term debt	4,001,465	3,537,105	2,856,782	1,596,722
Total government activities expenses	\$ 51,016,957	\$ 53,054,188	\$ 51,903,453	\$ 50,300,806
Business-type activities				
Solid Waste	\$ 4,747,297	\$ 5,168,303	\$ 5,074,554	\$ 5,237,869
Marina	2,233,160	2,459,231	2,554,290	2,441,381
Storm water	2,578,157	2,499,171	2,475,360	1,861,218
Golf course	1,933,926	1,813,631	1,777,562	1,622,928
Theater	4,017,465	3,821,918	3,781,301	563,450
Total business-type activities	\$ 15,510,005	\$ 15,762,254	\$ 15,663,067	\$ 11,726,846
Total primary government expenses	\$ 66,526,962	\$ 68,816,442	\$ 67,566,520	\$ 62,027,652
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,396,587	\$ 3,551,313	\$ 4,249,283	\$ 8,084,053
Public Safety	1,120,931	1,724,209	2,253,572	3,164,892
Transportation	121,646	259,442	501,618	756,794
Economic Environment	293,568	507,295	349,130	-
Culture and recreation	10,167	78,877	110,719	179,282
Operating grants and contributions	12,358,009	13,141,206	15,710,657	10,569,716
Capital grants and contributions	2,966,734	2,086,094	100,000	539,500
Total governmental activities program revenues	\$ 19,267,642	\$ 21,348,436	\$ 23,274,979	\$ 23,294,237
Business-type activities				
Charges for services:				
Solid Waste	\$ 6,079,811	\$ 6,185,722	\$ 6,235,950	\$ 5,359,719
Marina	1,551,310	1,630,162	1,623,322	1,501,071
Storm water	2,599,139	2,498,258	2,471,274	2,314,063
Golf course	1,471,253	1,659,221	1,641,172	1,556,868
Theater	2,211,941	2,254,689	1,554,963	83,489
Operating grants and contributions	3,825,307	2,544,073	1,459,848	2,521,350
Capital grants and contributions	4,208,215	5,164,319	1,524,028	16,423,052
Total business-type activities	\$ 21,946,976	\$ 21,936,444	\$ 16,510,557	\$ 29,759,612
Total primary government revenues	\$ 41,214,618	\$ 43,284,880	\$ 39,785,536	\$ 53,053,849
Net (Expense) Revenue				
Governmental activities	\$ (31,749,315)	\$ (31,705,752)	\$ (27,006,569)	\$ (28,897,927)
Business-type activities	6,436,971	6,174,190	18,032,766	1,320,391
Total primary government net expenses	\$ (25,312,344)	\$ (25,531,562)	\$ (8,973,803)	\$ (27,577,536)

Fiscal Year		
2005	2004	2003
\$ 14,741,595	\$ 14,229,637	\$ 9,885,116
13,407,321	11,900,163	11,705,758
6,261,610	5,402,102	2,577,943
2,994,655	1,428,611	1,763,620
5,392,943	2,241,848	1,902,661
1,202,837	975,409	742,444
\$ 44,000,961	\$ 36,177,770	\$ 28,577,542
\$ 4,976,786	\$ 4,509,758	\$ 4,166,062
1,944,677	2,689,567	2,130,298
1,376,538	1,194,486	754,293
1,067,884	1,094,109	1,313,907
-	-	-
\$ 9,365,885	\$ 9,487,920	\$ 8,364,560
\$ 53,366,846	\$ 45,665,690	\$ 36,942,102
\$ 5,415,316	\$ 6,199,171	\$ 2,623,558
3,638,404	1,544,010	660,093
222,452	117,359	168,521
-	454,361	98,677
225,188	129,150	55,324
5,533,452	4,311,988	1,004,701
68,222	567,913	364,839
\$ 15,103,034	\$ 13,323,952	\$ 4,975,713
\$ 5,084,531	\$ 4,826,295	\$ 4,181,082
1,066,132	1,969,786	2,173,384
1,238,885	1,076,431	1,453,555
402,752	624,922	856,069
-	-	-
2,893,976	-	-
-	-	-
\$ 10,686,276	\$ 8,497,434	\$ 8,664,090
\$ 25,789,310	\$ 21,821,386	\$ 13,639,803
\$ (28,897,927)	\$ (23,601,829)	\$ (23,601,829)
1,320,391	(990,486)	299,530
\$ (27,577,536)	\$ (24,592,315)	\$ (23,302,299)

General Revenues and Other Changes in Net Assets

	Fiscal Year			
	2009	2008	2007	2006
Governmental Activities:				
Taxes				
Ad valorem tax	\$ 14,476,029	\$ 15,983,798	\$ 15,708,542	\$ 12,155,111
General Sales and use tax	2,523,926	2,408,440	2,586,791	2,809,910
Utility service and franchise	4,886,723	4,729,859	4,361,022	4,553,618
State Revenue Sharing	1,148,859	1,167,446	1,371,713	1,463,753
Addition on one-cent sales tax	1,353,418	1,550,221	1,715,029	2,039,174
Unrestricted grants and contributions	276,943	345,472	345,742	-
Component unit transfer	5,045,811	4,951,964	4,208,790	4,651,977
Investment earnings	273,147	1,202,125	1,949,595	115,455
Miscellaneous	237,912	521,986	300,424	961,523
Special Item-Sale of Land		3,207,299		
Transfers	512,889	879,659	(995,257)	(300,000)
Total government activities	\$ 30,735,657	\$ 36,948,269	\$ 31,552,391	\$ 28,450,521
Business-type activities				
Investment earnings	\$ 142,244	\$ 620,760	\$ 1,141,317	\$ 759,369
Insurance proceeds-unrestricted	-	-	-	236,345
Miscellaneous	613,547	436,635	453,974	403,676
Transfers	(512,889)	(879,659)	995,257	300,000
Total business-type activities	\$ 242,902	\$ 177,736	\$ 2,590,548	\$ 1,699,390
Total primary government	\$ 30,978,559	\$ 37,126,005	\$ 34,142,939	\$ 30,149,911
Change in Net Assets				
Governmental Activities	\$ (1,013,658)	\$ 5,242,517	\$ 2,923,917	\$ 1,443,952
Business-type activities	6,679,873	6,351,926	20,623,314	3,019,781
Total primary government	\$ 5,666,215	\$ 11,594,443	\$ 23,547,231	\$ 4,463,733

Source: Statement of Activities

Fiscal Year					
2005		2004		2003	
\$	11,592,435	\$	10,806,049	\$	8,254,665
	2,755,281		2,443,899		2,197,978
	4,699,273		4,364,647		4,473,004
	1,428,351		1,212,058		1,112,497
	2,060,923		1,851,659		1,589,470
	4,585,395		4,919,453		4,477,259
	-		-		-
	469,309		327,327		98,862
	194,716		127,327		1,940,391
	(1,682,512)		(267,056)		1,589,116
\$	26,103,171	\$	25,785,363	\$	25,733,242
\$	135,227	\$	537,291	\$	111,243
	5,996,876		-		-
	455,669		1,186,508		496,179
	1,682,512		267,056		(1,589,116)
\$	8,270,284	\$	1,990,855	\$	(981,694)
\$	34,373,455	\$	27,776,218	\$	24,751,548
\$	(2,794,756)	\$	2,931,545	\$	2,131,413
	9,590,675		1,061,451		(682,164)
\$	6,795,919	\$	3,992,996	\$	1,449,249

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

	Fiscal Year			
	2009	2008	2007	2006
General Fund				
Reserve	\$ -	\$ 3,000,000	\$ -	\$ -
Unreserved	4,525,073	4,868,200	4,837,799	3,399,430
Total General Fund	\$ 4,525,073	\$ 7,868,200	\$ 4,837,799	\$ 3,399,430
All Other Government Funds				
Reserved:				
Debt Service	\$ 2,492,069	\$ 6,044,864	\$ 6,928,848	\$ 2,451,080
Capital projects	8,225,425	7,273,739	13,868,386	23,528,287
Unreserved, reported in:				
Special revenue funds	662,216	3,495,240	3,528,819	5,201,199
Capital projects funds	-	-	-	-
Total all other governmental funds	\$ 11,379,710	\$ 16,813,843	\$ 24,326,053	\$ 31,180,566
Total governmental and general funds	\$ 15,904,783	\$ 24,682,043	\$ 29,163,852	\$ 34,579,996

Source: Balance Sheet Governmental Funds

Fiscal Year					
2005	2004	2003	2002	2001	2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,528,148	6,591,240	3,399,134	3,104,716	3,238,086	4,396,344
\$ 7,528,148	\$ 6,591,240	\$ 3,399,134	\$ 3,104,716	\$ 3,238,086	\$ 4,396,344
\$ 2,124,375	\$ 2,180,086	\$ 1,956,664	\$ 2,195,777	\$ 1,911,823	\$ 1,458,185
12,903,101	9,825,850	-	-	1,946,524	4,095,583
939,482	607,221	74,121	209,821	396,507	522,775
-	-	13,166,202	4,221,745	-	-
\$ 15,966,958	\$ 12,613,157	\$ 15,196,987	\$ 6,627,343	\$ 4,254,854	\$ 6,076,543
\$ 23,495,106	\$ 19,204,397	\$ 18,596,121	\$ 9,732,059	\$ 7,492,940	\$ 10,472,887

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

	Fiscal Year			
	2009	2008	2007	2006
Revenues				
Taxes	\$ 21,886,678	\$ 23,122,097	\$ 22,656,355	\$ 19,518,639
Licenses, fees and permits	946,089	1,629,310	1,997,284	2,820,335
Intergovernmental	16,068,886	18,493,398	19,422,168	19,535,244
Charges for services	93,280	85,260	94,256	101,933
Fines and penalties	521,193	475,811	536,872	642,792
Contributions from component units	5,045,811	4,951,964	4,208,790	4,651,977
Investment earnings	237,912	1,202,125	1,949,595	961,523
Other revenues	3,844,946	5,272,877	6,168,564	5,085,586
Total revenues	\$ 48,644,795	\$ 55,232,842	\$ 57,033,884	\$ 53,318,029
Expenditures				
General government	\$ 14,914,645	\$ 16,553,623	\$ 15,393,131	\$ 13,627,277
Public safety	16,191,118	15,842,453	15,659,093	15,593,122
Transpiration	3,783,786	3,794,313	3,960,131	3,735,841
Economic environment	7,759,398	7,439,327	9,356,712	8,809,116
Culture and recreation	2,389,376	2,729,348	2,317,515	3,184,392
Capital outlay	6,236,137	12,115,028	38,092,574	13,944,562
Debt service:				
Principal	1,887,041	1,777,174	4,024,196	1,605,506
Interest	3,821,412	3,501,542	2,522,186	1,404,507
Other	912,131	48,800	279,233	238,816
Total expenditures	\$ 57,895,044	\$ 63,801,608	\$ 91,604,771	\$ 62,143,139
Excess of Revenues over and (under) expenditures	\$ (9,250,249)	\$ (8,568,766)	\$ (34,570,887)	\$ (8,825,110)
Other Financing sources (Uses)				
Transfers in	\$ 18,338,952	\$ 11,573,501	\$ 11,088,614	\$ 3,164,320
Transfers out	(17,105,170)	(10,693,843)	(12,083,871)	(3,464,320)
Issuance of debt	-	-	30,150,000	20,210,000
Discount on issuance of debt	(450,795)	-	-	-
Proceeds from refunding	29,840,000	-	-	-
Total other financing	-	-	-	-
Payment on Current Refunding	(30,150,000)			
Total sources (uses)	\$ 472,987	\$ 879,658	\$ 29,154,743	\$ 19,910,000
		3,207,299		
Net change in fund balances	\$ (8,777,262)	\$ (4,481,809)	\$ (5,416,144)	\$ 11,084,890
Debt service as a percentage				
of non capital expenditures	12.8%	10.3%	12.8%	6.7%

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

Fiscal Year					
2005	2004	2003	2002	2001	2000
\$ 19,046,989	\$ 16,329,901	\$ 14,910,580	\$ 14,099,099	\$ 13,174,893	\$ 12,255,708
3,417,698	1,264,681	904,533	842,109	659,094	577,226
12,404,309	9,328,110	5,292,416	5,260,658	5,183,500	5,352,961
110,669	202,519	67,850	979,808	733,397	736,023
528,894	547,841	434,831	354,029	320,506	353,662
4,585,395	4,919,453	-	1,000,000	-	-
469,309	308,991	196,320	289,698	702,333	594,235
3,547,218	4,630,498	1,789,087	1,211,499	1,409,693	1,435,264
\$ 44,110,481	\$ 37,531,994	\$ 23,595,617	\$ 24,036,900	\$ 22,183,416	\$ 21,305,079
\$ 15,193,614	\$ 11,218,205	\$ 9,306,005	\$ 8,949,537	\$ 9,768,962	\$ 10,257,599
12,667,329	12,383,763	10,858,265	11,023,604	10,387,363	9,770,270
3,512,083	3,257,346	3,034,952	3,417,782	3,070,707	2,774,504
2,910,853	1,413,564	1,147,395	1,417,653	1,230,345	1,121,541
5,121,215	2,213,207	1,942,529	1,818,549	1,656,352	1,756,930
5,458,921	6,704,265	2,679,452	835,108	2,574,842	2,521,414
1,986,452	1,656,094	4,230,234	1,962,858	2,278,313	800,625
1,241,669	753,805	709,894	630,349	702,021	584,178
550,139	226,413	325,696	99,062	1,116	1,183
\$ 48,642,275	\$ 39,826,662	\$ 34,234,422	\$ 30,154,502	\$ 31,670,021	\$ 29,588,244
\$ (4,531,794)	\$ (2,294,668)	\$ (10,638,805)	\$ (6,117,602)	\$ (9,486,605)	\$ (8,283,165)
\$ 3,554,512	\$ 5,232,921	\$ 10,838,021	\$ 6,495,383	\$ 7,788,751	\$ 7,125,973
(5,237,024)	(5,499,977)	(5,171,646)	(1,585,154)	(3,254,178)	(2,633,211)
20,200,000	3,170,000	14,625,000	2,946,492	-	-
(66,164)	-	-	-	-	-
(9,628,821)	-	-	-	-	-
-	-	-	500,000	1,975,188	5,611,950
\$ 8,822,503	\$ 2,902,944	\$ 20,291,375	\$ 8,356,721	\$ 6,509,761	\$ 10,104,712
\$ 4,290,709	\$ 608,276	\$ 9,652,570	\$ 2,239,119	\$ (2,976,844)	\$ 1,821,547
8.7%	8.0%	16.7%	9.2%	10.2%	5.1%

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

	Fiscal Year			
	2009	2008	2007	2006
Additions				
Employer	\$ 3,580,089	\$ 4,053,604	\$ 6,475,387	\$ 8,975,380
Employees	2,168,561	2,122,748	2,045,601	1,973,325
State	276,943	345,472	345,472	369,999
Other		-	699	291
Investment income (net of expenses)	4,352,746	(23,183,079)	30,501,473	19,294,520
Total additions to plan net assets	\$ 10,378,339	\$ (16,661,255)	\$ 39,368,632	\$ 30,613,515
Deductions				
Benefit payments	\$ 7,160,364	\$ 6,833,788	\$ 8,751,479	\$ 8,975,796
Refunds	443,021	306,553	312,244	208,479
Administrative expenses	186,494	126,355	127,238	115,064
Fire District Asset Withdrawal	-	-	98,084,291	-
Other expenses	18,479	19,984	23,403	23,985
Total deductions from plan net assets	\$ 7,808,358	\$ 7,286,680	\$ 107,298,655	\$ 9,323,324
Change in net assets	\$ 2,569,981	\$ (23,947,935)	\$ (67,930,023)	\$ 21,290,191

Source: Combining Statement of Changes in Fiduciary Funds Net Asstes

Fiscal Year					
2005	2004	2003	2002	2001	2000
\$ 5,634,357	\$ 841,375	\$ 339,828	\$ 99,148	\$ 129,726	\$ 230,294
1,791,010	1,717,985	1,564,737	1,658,460	1,672,235	1,721,131
345,472	327,497	366,732	312,206	288,412	286,792
3,395,780	2,769,870	1,931,251	2,059,636	1,867,100	1,540,343
20,405,068	18,592,851	21,027,113	(4,373,467)	(15,974,918)	19,603,040
\$ 31,571,687	\$ 24,249,578	\$ 25,229,661	\$ (244,017)	\$ (12,017,445)	\$ 23,381,600
\$ 7,380,700	\$ 6,869,866	\$ 6,571,789	\$ 6,165,351	\$ 6,364,410	\$ 5,473,809
247,846	515,726	455,817	632,168	678,834	544,632
159,127	161,006	79,010	138,933	100,332	846,620
-	-	-	-	-	-
22,791	24,886	18,826	-	612,338	-
\$ 7,810,464	\$ 7,571,484	\$ 7,125,442	\$ 6,936,452	\$ 7,755,914	\$ 6,865,061
\$ 23,761,223	\$ 16,678,094	\$ 18,104,219	\$ (7,180,469)	\$ (19,773,359)	\$ 16,516,539

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
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
2000	851,605,955	137,928,160	6,544,916

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
\$	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
	156,647,061	839,431,970	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
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
2000	7.3305	3.1328	0.1515	0.1000	4.4466	0.0440	-	0.3800

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
7.6850	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	-
9.0250	2.6726	0.0504	0.5970	0.2500	0.2757	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	<u>Collected within the Fiscal Year of the Levy</u>	
		Amount	Percentage of Levy
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%
2000	7,301,757	7,008,144	95.98%

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
\$	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%
	92,707	7,100,851	97.25%

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

Taxpayer	2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
HCA 7	39,936,768	1	1.42094%
AT&T Florida	38,098,571	2	1.35554%
Prime Homes At Portofino Land	37,656,277	3	1.33980%
Destin Beach Inc	37,261,113	4	1.32574%
Riverfront Development LC	26,691,154	5	0.94967%
Cornerstone Fort Pierce Dev	26,428,949	6	0.94034%
Ehden NV	25,687,266	7	0.91395%
Florida East Coast Railroad	20,687,616	8	0.73606%
Orange Blossom Investment LLC	19,545,698	9	0.69543%
Wal-Mart Stores East Inc	18,677,114	10	0.66453%
BellSouth Telecommunications			
Grand Savannah Club, LTD			
P & P MHC Estates LP			
Harbor Federal Savings & Loan			
Fort Pierce Properties LLC			
Total	<u>\$ 290,670,524</u>		<u>10.34200%</u>

* Total assessed valuation is \$ 2,810,584,353

2000		
Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
38,690,586	1	3.88429%
7,244,724	7	0.72732%
12,061,250	4	1.21087%
6,500,816	9	0.65264%
17,515,368	3	1.75843%
30,785,172	2	3.09064%
10,242,413	5	1.02827%
8,410,916	6	0.84440%
6,585,921	8	0.66118%
6,184,726	10	0.62091%
<u>\$ 144,221,892</u>		<u>14.47896%</u>

\$ 996,079,031

City of Fort Pierce, Florida
Legal Debt Margin Information
September 30, 2009

	Fiscal Year			
	2009	2008	2007	2006
Debit Limit	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000
Total Net Debt Applicable to Limit *	59,002,378	61,054,320	62,741,731	36,894,613
Debit Margin	\$ 7,997,622	\$ 5,945,680	\$ 4,258,269	\$ 30,105,387
Total net debt applicable to the limit as a percentage of debt limit	88.063%	91.126%	93.644%	55.067%

* 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, 2009

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Share of Overlapping Debt
Debt repaid with property taxes			
St. Lucie County	\$ 1,890,000	8.00%	\$ 151,200
Other Debt			
St. Lucie County	4,410,000	1.71%	75,484
Subtotal, overlapping debt			\$ 226,684
City direct debt			76,893,143
Total direct and overlapping debt			\$ 77,119,827

Sources: St. Lucie County

Fiscal Year					
2005	2004	2003	2002	2001	2000
\$ 67,000,000	\$ 67,000,000	\$ 36,000,000	\$ 22,000,000	\$ 22,000,000	\$ 22,000,000
24,978,872	27,102,964	26,077,972	14,254,907	18,635,208	19,878,030
\$ 42,021,128	\$ 39,897,036	\$ 9,922,028	\$ 7,745,093	\$ 3,364,792	\$ 2,121,970
37.282%	40.452%	72.439%	64.795%	84.705%	90.355%

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
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
2000		4,270,000	12,000,000	1,483,125

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	\$ 17,420,000	\$ 26,894	\$ 96,262,377	6.18%	2,407
2,026,292	17,930,000	52,360	99,174,320	6.79%	2,479
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
1,906,875		218,030	19,878,030	1.65%	530

Pledged Revenue Coverage

Last Ten Fiscal Years

Governmental Activities

Non-ad Valorem Bonds

Fiscal Year	Revenue ¹		Less: Operating Expenses ²		Net Available Revenue		Debt Service		Coverage
							Principal	Interest	
2009	\$	30,514,244	\$	23,275,607	\$	7,238,637	\$	525,566	7.86
2008		35,447,510		21,659,477		13,788,033		509,038	14.92
2007		36,149,522		20,611,287		15,538,235		2,495,759	5.46
2006		32,751,374		25,880,436		6,870,938		550,818	5.79
2005		35,750,278		22,328,760		13,421,518		968,560	8.14
2004		28,759,839		16,720,712		12,039,127		552,207	10.88
2003		24,062,539		20,796,326		3,266,213		566,633	2.86
2002		23,631,092		19,741,840		3,889,252		1,454,606	1.87
2001		23,647,081		19,430,576		4,216,505		1,789,682	1.75
2000		22,271,263		20,482,601		1,788,662		255,000	3.04

Revenue Sharing Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage
							Principal	Interest	
2009		***		***		***		***	***
2008		***		***		***		***	***
2007		1,371,713		-		1,371,713		238,437	5.64
2006		1,463,753		-		1,463,753		238,437	5.90
2005		1,428,351		-		1,428,351		229,688	5.75
2004		1,212,058		-		1,212,058		218,750	4.93
2003		1,036,394		-		1,036,394		210,000	4.23
2002		1,040,016		-		1,040,016		203,438	4.22
2001		1,016,171		-		1,016,171		194,688	4.16
2000		981,239		-		981,239		188,125	3.84

Redevelopment Bonds ³

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage
							Principal	Interest	
2009	\$	9,653,380	\$	7,081,139	\$	2,572,241	\$	800,000	1.04
2008		9,211,436		5,445,421		3,766,015		780,000	1.52
2007		10,488,287		4,874,975		5,613,312		880,000	2.49
2006		5,181,650		1,310,208		3,871,442		420,000	3.74
2005		3,114,717		-		3,114,717		375,000	4.07
2004		1,293,799		-		1,293,799		530,000	1.69
2003		***		***		***		***	***
2002		***		***		***		***	***
2001		***		***		***		***	***
2000		***		***		***		***	***

Sales Tax Increment Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage
							Principal	Interest	
2009	\$	1,353,418	\$	-	\$	1,353,418	\$	430,000	2.69
2008		1,550,221		-		1,550,221		420,000	3.07
2007		1,715,029		-		1,715,029		410,000	3.40
2006		2,039,174		-		2,039,174		405,000	4.01
2005		2,060,923		-		2,060,923		395,000	4.07
2004		1,851,659		-		1,851,659		420,000	3.72
2003		1,589,470		-		1,589,470		380,000	2.94
2002		1,502,849		-		1,502,849		365,000	2.78
2001		1,465,071		-		1,465,071		350,000	2.71
2000		1,381,943		-		1,381,943		340,000	2.54

Business Activities ⁴**Marina Bonds**

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest	Coverage
2009	\$ 2,003,613	\$ 1,743,047	\$ 260,566	\$ 189,243	\$ 95,082	0.92
2008	2,079,777	1,919,150	160,627	355,396	102,024	0.35
2007	2,345,683	1,935,606	410,077	474,600	106,475	0.71
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
2000	1,718,308	1,030,600	687,708	241,875	72,583	2.19

Storm Water Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest	Coverage
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	***	***	***	***	***	***
2000	***	***	***	***	***	***

Solid Waste Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest	Coverage
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
2000	4,354,022	3,120,854	1,233,168	-	5,490	224.62

*** No bonds outstanding

Source:

¹ Revenues: Less Grants, Capital leases, Transfers. Also, Restricted Revenues, Local Option Gas Tax and Impact Fees² Expenses: Governmental Expenditures and Public Safety Debt Financed from the Sources, and Ad Valorem Credit which started in 2004³ Funded by (TIF) Tax Increment Funds⁴ 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

Calender Year	City of Ft. Pierce Population	Personal Income	Per Capita Personal Income		School Enrollment**	Unemployment Rate
2009	44,000	\$ 1,557,000,000	\$ 36,500	***	41,261	10.60%
2008	44,227	1,460,160,000	36,504	***	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%
2000	37,516	1,206,176,916	32,151	*	29,248	7.70%

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*	2009		
	Employees*	Rank	Percentage of Total City Employment
St. Lucie School Board	4,612	1	8.86%
Indian River Community College	1,547	2	2.97%
St Lucie County BOCC	1,474	3	2.83%
Lawnwood Regional Medical Center	1,400	4	2.69%
Wal-Mart Retail Stores & Distribution Center	950	5	1.83%
City of Fort Pierce	414	6	0.80%
Riverside Bank	402	7	0.77%
Fort Pierce Utilities Authority	295	8	0.57%
Publix Supermarkets	275	9	0.53%
New Horizons of the Treasure Coast	272	10	0.52%
Total	11,641		22.36%

*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				
	2009	2008	2007	2006	2005
Primary government:					
Government activities:					
General government	92	94	95	94	90
Public safety	203	217	198	196	182
Transportation	39	39	41	41	40
Economic environment	8	12	13	16	10
Culture and recreation	29	29	29	27	27
Total governmental activities	371	391	376	374	349
Business type activities					
Marina	7	9	9	10	13
Solid Waste	32	34	34	34	35
Golf Course	20	31	31	22	33
Sunrise Theatre	9	9	8	8	-
Total Business type activities	68	83	82	74	81
Total all activities	439	474	458	448	430

Source: City of Fort Pierce Budget Document

Fiscal Year				
2004	2003	2002	2001	2000
88	86	86	82	83
182	181	181	176	171
40	40	39	39	39
6	6	6	6	6
27	27	28	29	29
343	340	340	332	328
13	10	9	9	9
35	34	34	28	28
33	-	-	-	-
-	-	-	-	-
81	44	43	37	37
424	384	383	369	365

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

	Fiscal Year				
	2009	2008	2007	2006	2005
<u>Function/Program</u>					
Police					
Physical arrests	3,145	3,032	3,055	3,336	3,209
Parking Violations	969	860	513	1,471	2,130
Traffic Violations	5,744	6,993	8,618	10,053	11,796
Fire					
Emergency responses	33,673	32,182	31,512	30,467	29,645
Fires calls	4,515	4,790	4,604	4,524	4,470
Refuse collections					
Refuse collected (tons per day)	106.42	169.23	142.00	150.90	64.19
Other public works					
Street resurfacing (miles)	-	3.90	6.30	7.53	***
Potholes repaired *	380	281	206	240	***
Parks and recreation					
Athletic fields permits issued	447	533	460	631	***
River Walk Center permits issued	57	**	**	**	**
Garden Club permits issued	17	**	**	**	**

Sources: Various City of Fort Pierce departments

Notes: * Work orders issued

** 2009 First year of collecting data

*** Data not available

Fiscal Year				
2004	2003	2002	2001	2000
3,134	2,774	2,232	2,076	2,362
1,648	2,071	1,532	1,899	1,810
11,246	11,237	5,689	5,846	5,515
29,319	26,290	***	***	***
5,260	4,134	***	***	***
39.43	39.23	39.08	38.92	40.30
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
**	**	**	**	**
**	**	**	**	**

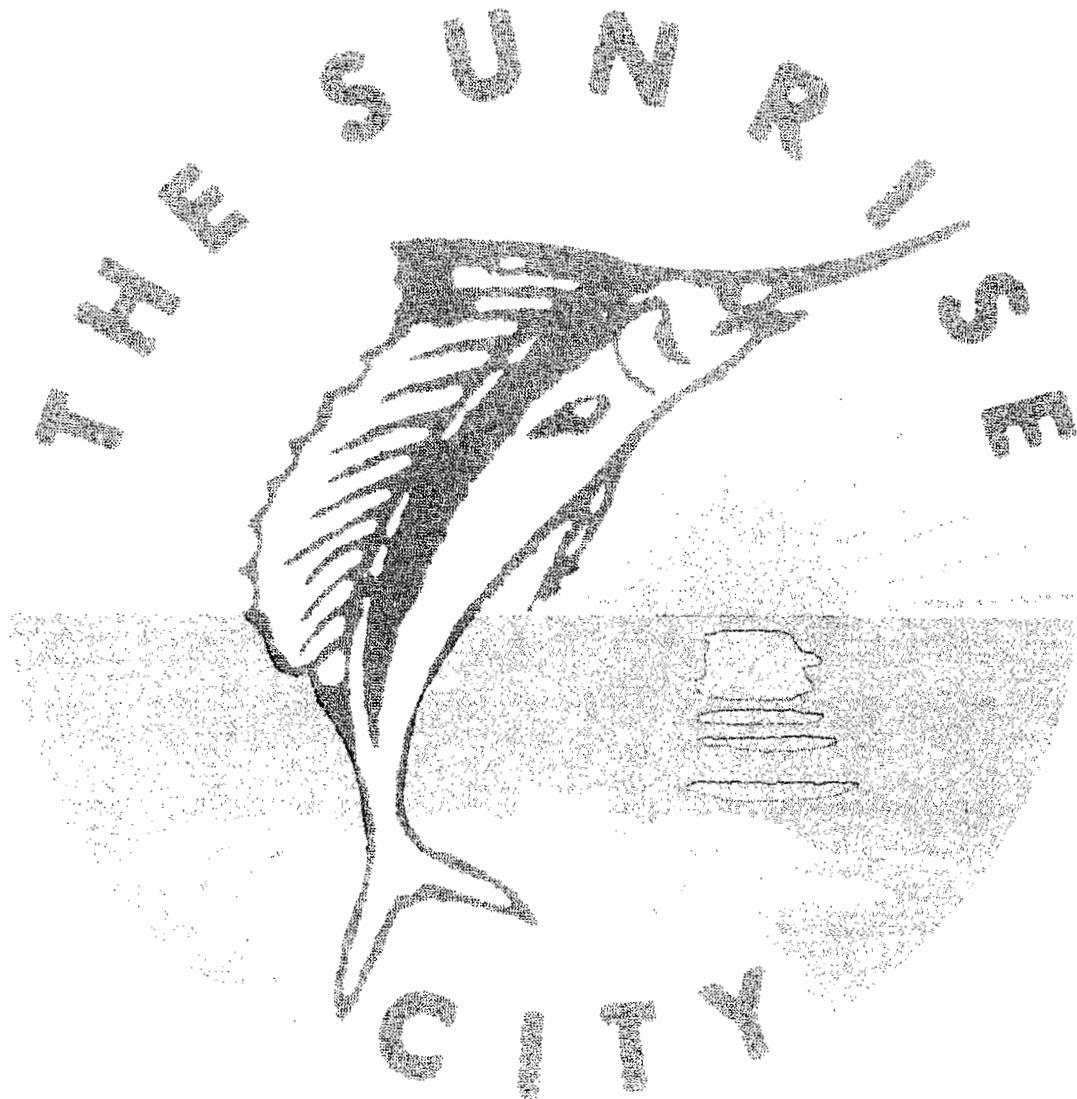
City of Fort Pierce, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year				
	2009	2008	2007	2006	2005
<u>Function/Program</u>					
Police					
Stations	3	3	3	2	2
Officers	115	117	108	114	114
Fire					
Stations	18	15	15	15	15
Firefighters	420	402	350	383	368
Refuse collections					
Commercial	1,972	1,978	1,607	1,700	1,668
Residential	12,926	13,180	11,964	21,729	21,492
Public	39	30	29	268	268
Other public works					
Streets (miles)	152	166	166	166	166
Streetlights	5,138	4,798	4,790	4,694	4,578
Traffic signals	70	70	70	67	66
Parks and recreations					
Acreage	116.9	116.9	116.9	116.9	116.9
Playgrounds	6	7	7	7	7
Baseball/football fields/basketball courts	22	26	26	27	27
Tennis/handball/racquetball/shuffleboard	5	5	5	7	7
Community Centers	2	2	2	2	2
Miles of public beach	2.3	2.3	2.3	2.3	2.3
Pools	2	2	2	1	1
Utility Customers					
Electric	27,712	28,584	26,886	26,600	26,258
Water	19,260	19,278	17,711	16,952	16,750
Wastewater	14,829	14,737	13,428	13,099	12,868
Natural Gas	4,070	4,171	4,304	4,431	4,507

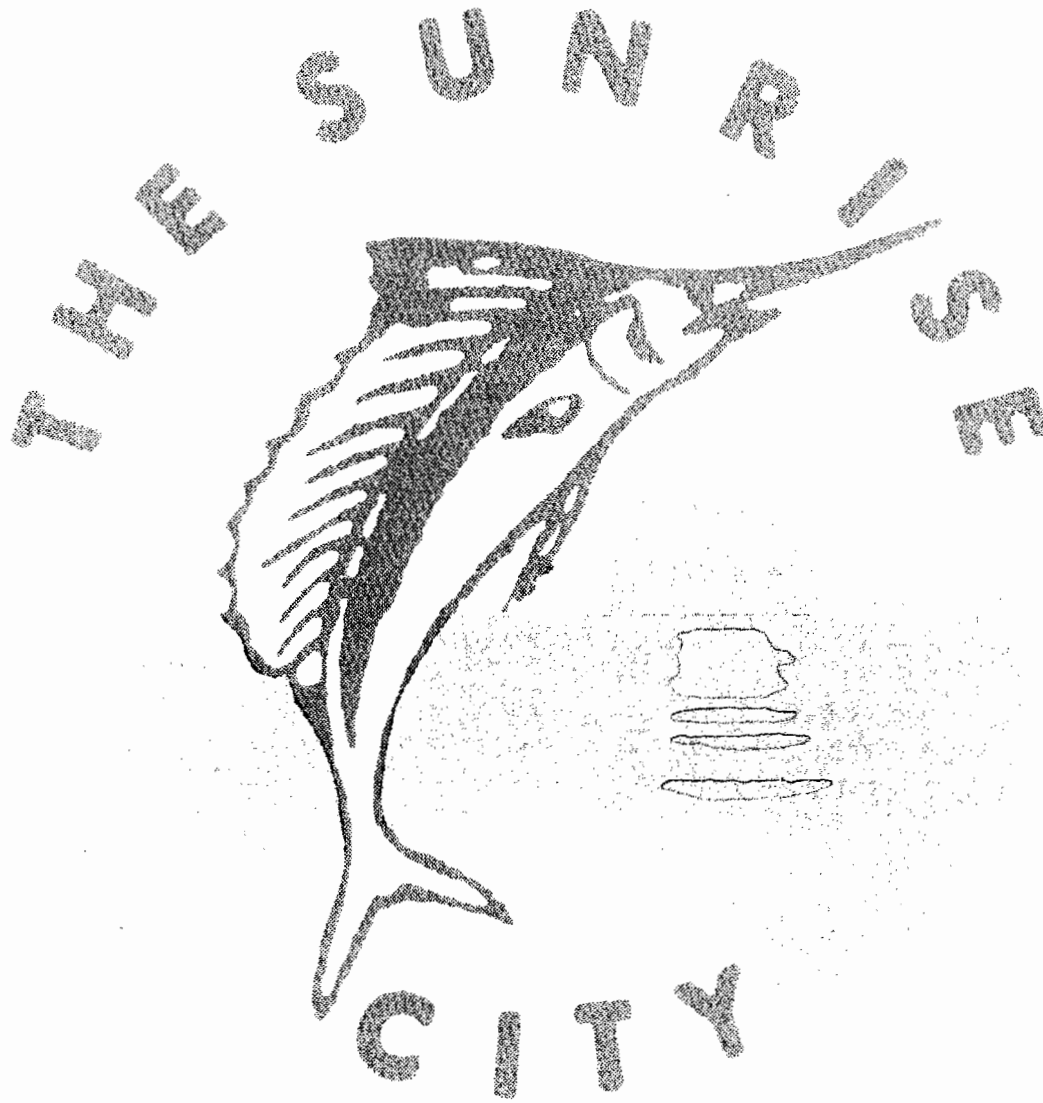
Sources: Various City of Fort Pierce departments and Fort Pierce Utilities Authority

Fiscal Year				
2004	2003	2002	2001	2000
4	3	3	3	3
109	105	101	111	117
15	15	15	15	15
315	345	283	290	273
1,747	1,710	1,712	1,700	1,981
12,363	12,580	12,528	12,481	12,697
283	28	25	25	33
165	165	165	165	165
4,404	4,293	4,283	4,283	4,243
68	68	68	68	88
116.9	116.9	116.9	116.9	116.9
7	7	7	7	7
27	27	27	27	27
11	11	11	11	11
2	2	2	2	2
2.3	2.3	2.3	2.3	2.3
1	1	1	1	1
25,986	25,566	25,257	25,127	29,587
16,578	16,183	15,961	15,509	15,406
12,945	12,759	12,655	12,349	12,287
4,518	4,531	4,594	4,648	4,656

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AUDITORS' REPORTS



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

May 28, 2010

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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 28, 2010. 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 control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects City of Fort Pierce, Florida's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of City of Fort Pierce, Florida's financial statements that is more than inconsequential will not be prevented or detected by City of Fort Pierce, Florida's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by City of Fort Pierce, Florida's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 May 28, 2010.

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.


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

May 28, 2010

We have audited the financial statements of the City of Fort Pierce, Florida as of and for the year ended September 30, 2009, and have issued our report thereon dated May 28, 2010.

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; Capital Improvement Revenue Bonds, Series 1998; Capital Improvement Revenue Bonds, Series 2001, 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, Series 2008B.

Dibartolomeo, McBee, Hartley & Barnes
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

May 28, 2010

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, 2009. 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, 2009. 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program or state assistance project on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state assistance project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state assistance project that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **2009-1, 2009-2, and 2009-3** to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state assistance project will not be prevented or detected by the entity's internal control. However, we believe the significant deficiencies described above are not material weaknesses.

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. Bue, Hentley & Barnes

Certified Public Accountants

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, significant deficiencies were 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: 14.218

CFDA Number: 10.923

Community Development Block Grant

Emergency Watershed Protection EWP Program

State projects

CSFA Number: 52.902

CSFA Number: 55.023

Hurricane Housing Recovery Program

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 Health and Human Services & Florida Housing Finance Agency

Federal: Community Development Block Grant, CFDA #14.218

State: Hurricane Housing Recovery Program, CSFA#52.902

City of Fort Pierce, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2009

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures	Pass-Through to Sub- Recipients
FEDERAL PROGRAMS:				
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Program:</i>				
Community Development Block Grant				
Entitlement	14.218	B07MC-120031	520,300	-
		B08MC-120031	452,650	97,884
<i>Passed Through St Lucie County:</i>				
CDBG Disaster Recovery	14.228	06DB-3C-10-66-02W10	385,386	-
			1,358,336	97,884
<u>U.S. Department of Homeland Security</u>				
<i>Passed Through Florida Department of Community Affairs:</i>				
Public Assistance Grants	97.036	05-WL-&K-10-66-02-705	187,108	-
Homeland Security Grant Program	97.067	09-DS-12-10-66-02	64,000	-
			251,108	-
<u>U.S. Department of Justice</u>				
<i>Direct Program:</i>				
Local Law Enforcement Block Grant	16.592	2005#DJBX0951	26,654	-
Edward Byrne Memorial State and Local	16.580	2007-DD-BX-0658	75,283	-
COPS Universal Hiring Program	16.710	2008-UM-WX-0029	56,022	-
Bullet Proof Vest	16.607	06133884	7,690	-
<i>Indirect Program:</i>				
<i>Passed through Florida Attorney General:</i>				
Victims of Crime Act	16.575	V8244	38,474	-
<i>Passed through Florida Department of Law Enforcement:</i>				
Gang Abatement and Reduction	16.738	2009-JAGC-STLU-1-T7-01	21,692	-
<i>Passed through St. Lucie County, Florida:</i>				
Edward Byrne Memorial Justice Assistance	16.738	2007-DJ-BX-0267	54,488	-
JAG Grant Local Solicitation	16.738	2008-DJ-BX-0532	17,517	-
			297,820	-
<u>U.S. Department of Transportation</u>				
<i>Pass through Florida Department of Transportation:</i>				
State and Community Highway Safety	20.600	SC-09-13-09	18,909	-
<u>U.S. Department of Agriculture (USDA)</u>				
Watershed Protection and Flood				
Prevention Program (TS Fay)	10.923	69-4209-9-1707	2,660,500	-
<u>U.S. Fish and Wildlife Service</u>				
<i>Passed Through Florida Department of Environmental Protection:</i>				
Clean Vessel Program	15.616	CVA08-504	7,692	-
<u>U.S. Department of Interior National Park</u>				
<i>Passed Through Florida Department of Environmental Protection:</i>				
Outdoor Rec. Acq., Development	15.916	LWCF#12-00553	200,000	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 4,794,365	\$ 97,884

City of Fort Pierce, Florida
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the year ended September 30, 2009

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures	Pass-Through to Sub- Recipients
STATE PROJECTS:				
<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	JPA406610-2-88-01	90,762	-
State Highway Project Reimbursement	55.023	JPA230297/1/58/01	4,208,214	-
Florida Highway Beautification	55.003	42304217401	15,214	-
			<u>4,314,190</u>	-
<u>Florida Housing Finance Agency:</u>				
State Housing Initiatives Partnership Program	52.901	n/a	215,452	-
Hurricane Housing Recovery Program	52.902	n/a	1,884,810	-
			<u>2,100,262</u>	-
<u>Florida Department of Community Affairs:</u>				
Florida Forever Act	52.002	09-CT-C1-07-F7-A1-081	1,941,394	-
Florida Forever Act	52.002	08-CT-C1-07-F7-A1-080	2,966,734	-
			<u>4,908,128</u>	-
<u>Florida Department of Environmental Protection:</u>				
Beach Erosion Control program	37.003	07SL4	77,028	-
<i>Passed Through South Florida Water Management District:</i>				-
Statewide Surface Water Restoration	37.039	SAP#4600001188	400,000	-
			<u>477,028</u>	-
<u>Florida Division of Emergency Management:</u>				
Emergency Shelter	52.024	09-SR-18-40-66-02	90,563	-
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 12,152,671</u>	<u>\$ -</u>

City of Fort Pierce, Florida

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AND STATE FINANCIAL ASSISTANCE

For the year ended September 30, 2009

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.

2009-1 Proper recipient file documentation related to Federal Awards/State Assistance

Condition: It was noted during the audit that certain recipient files did not include sufficient documentation to support change orders and also to adequately document all expenditures.

Effect: Ineligible expenditures could be paid by the City. Since these expenditures would then be billed to the state or federal government, the City could receive reimbursement for unallowed costs.

Recommendation: We recommend a checklist of required documentation be included in each file. Also, a formal review process by a member of management would insure all files have the required support for all disbursements.

Response: *As of March 2010 the Urban Redevelopment Department was created to address these, and other, management concerns. The previous Community Service Department was abolished and the staff was laid off. The new director created a Financial Administrator position to focus on issues such as these. The policies and procedures that are being implemented will enable the Director and Financial Administrator to oversee the application process, timely filing of reports, final closing documents as well as final review of files. Documentation checklists, such as the auditor recommends, have already been created. Both HUD and DCA have endorsed the new department structure and DCA, after a site visit, has strongly endorsed the changes already in place, particularly focusing on the increased fiscal responsibility.*

2009-2 Consistent Treatment of Rehab Loans and Deferred Loans

Condition: It was noted that formal procedures to determine which recipients would be required to payback rehab loans and which would receive deferred loans was not established.

Effect: It is possible that favoritism or fraud could occur in that the informal policy allowed for unreasonable discretion.

Recommendation: We recommend that the City prepare written policies to document which recipients would be required to payback loans. Also, it is imperative that the City institute a formal review process of each recipient loan to ensure fairness and impartiality for all recipients.

Response: After the creation of the new Department, the Director arranged for a four day training session for all staff to refresh everyone with best practices. Specific policies and procedures are being developed to avoid the appearance of favoritism which includes a "conflict of interest" statement that will be signed by all staff and updated annually. Periodic policy review, new policy implementation and continual oversight by the Financial Administrator and Director will keep the segregation of duties in place and deter the possibility of fraud.

2009-3 Mortgages were Recorded at the Anticipated Award Instead of the Final Award

Condition: It was noted during the audit that on both HHRP and CDBG awards that mortgages were recorded at the initial award and did not include change orders or other costs. Also, it was noted that one recipient's lien was not recorded at all.

Effect: The City will not receive a full reimbursement on the mortgages. Also, in instances where deferred mortgages exist and the recipients sell the residence, the City will not be able to recoup the correct outstanding mortgage balance.

Recommendation: We recommend that the City continue its efforts to discover and adjust loans currently outstanding. We further recommend that the City establish written procedures to ensure that all costs are incorporated into any new mortgages that the City prepares.

Response: The Urban Redevelopment staff is working continually to review all past recipients to ensure that their mortgages and notes were properly filed with the Clerk of Courts and preparing new corrected documentation to be executed by recipients. Staff has already recalled several inaccurate mortgages and corrected them. New policies will reflect that all costs, including relocation and storage costs are hard costs of the program and the responsibility of the recipient to repay. Change orders and reflexively accepting the lowest bids for construction work are no longer accepted policies. Staff anticipates a full policy redevelopment will be completed by year's end, which will address these and other issues.

IV. Summary Schedule of Prior Audit Findings None.

Management Letter

To the City Commission
City of Fort Pierce, Florida

May 28, 2010

We have audited the financial statements of the City of Fort Pierce, Florida, as of and for the year ended September 30, 2009, and have issued our report thereon dated July 1, 2009, 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 July 1, 2009, 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. In connection with our audit, **we offer the following comment:**

Condition: We noted during the audit many journal entries are necessary at year-end after the City's books have been closed. All significant accounts should be reconciled and adjusted prior to the City closing their books. When accounts are not timely reconciled, the risk of intentional or unintentional errors or irregularities increases.

Recommendation and Effect: We recommend all significant accounts be reconciled and adjusted throughout the year to reduce the amount of work and journal entries necessary at year-end. This will also facilitate a more timely closing as well as, more accurate interim information.

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

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 & Barred

Certified Public Accountants



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CITY HALL, 100 NORTH U.S. 1
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FORT PIERCE, FLORIDA 34954-1480

TEL. (772) 460-2200
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Response to Management Letter

June 4, 2010

To the City Commission
City of Fort Pierce, Florida

The Finance Department has never had issues pertaining to the reconciliation of accounts and excessive adjusting entries until the past two years. These issues are a result of new staff and the lack of experience in sufficient preparation for conducting the year-end audit. To address the problem, previous staff will be reassigned to the task and advance preparation will be made to insure that the accounts are reconciled in a timely fashion.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gloria J. Johnson'.

Gloria J. Johnson
Director of Finance

cc: Dibartolomeo, McBee, Hartley & Barnes, P.A.

