



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Fiscal Year Ended September 30, 2019  
FORT PIERCE, FLORIDA

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



**For Fiscal Year Ended September 30, 2019**

**Prepared by:**

**Johnna S. Morris  
Director of Finance**

**City of Fort Pierce Finance Department**

## FORT PIERCE CITY HALL

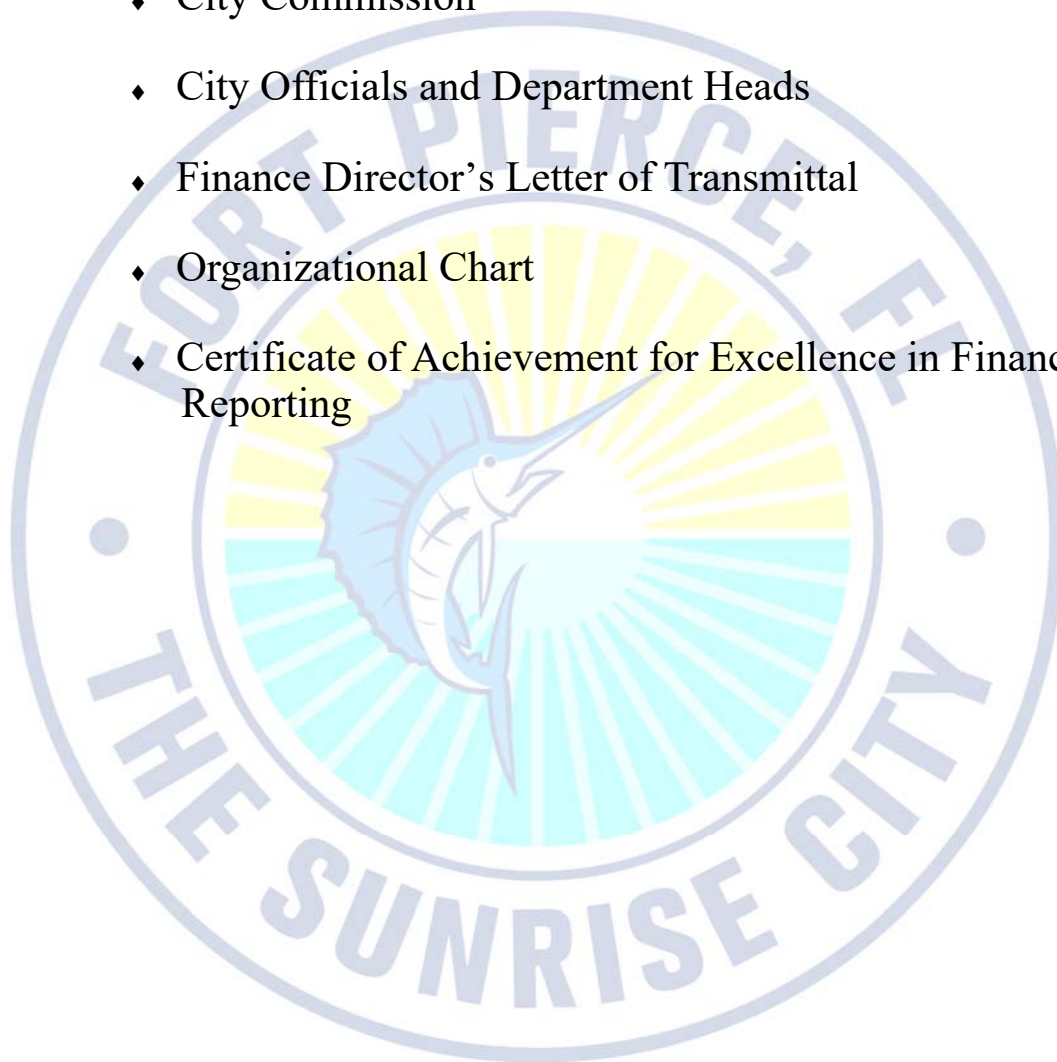


### Mission Statement

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

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

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





---

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

Table of Contents .....5  
City Commission .....10  
City Officials and Department Heads .....12  
Finance Director’s Letter of Transmittal .....13  
Organizational Chart.....18  
Certificate of Achievement for Excellence in Financial Reporting.....19

***FINANCIAL SECTION***

Independent Auditors’ Report.....23  
Management’s Discussion and Analysis .....26

***Basic Financial Statements:***

Government-wide Financial Statements:  
Statement of Net Position .....40  
Statement of Activities.....42  
Fund Financial Statements:  
    Balance Sheet-Government Funds.....46  
    Reconciliation of Total Governmental Fund Balance to Net Position  
    of Governmental Activities.....48  
    Statement of Revenues, Expenditures and Changes in Fund Balances  
    Governmental Funds .....50  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of the Governmental Funds to the Statement of Activities ....52  
Statement of General Fund Revenues, Expenditures and Changes  
in Fund Balance, Budget (GAAP Basis) and Actual .....53  
Statement of Special Revenue Fund Revenues, Expenditures and Changes  
in Fund Balance, Budget (GAAP Basis) and Actual -  
    Community Redevelopment Agency .....54  
Statement of Fund Net Position – Proprietary Funds .....56  
Statement of Revenues, Expenses and Changes in Fund Net Position -  
    Proprietary Funds .....60  
Statement of Cash Flows – Proprietary Funds .....62  
Statement of Fiduciary Funds Net Position .....68

---

**TABLE OF CONTENTS****Page**

Statement of Changes in Fiduciary Net Position .....	69
Notes to the Financial Statements .....	71

***Required Supplementary Information*****GASB Statement 75:**

Other Post-Employment Benefits (OPEB) - Schedule of Changes in City's Net OPEB Liability and Related Ratios .....	138
--	-----

**GASB Statement 67:**

General Employees' Retirement and Benefit System- Schedules of Changes in City's Net Pension Liability and Related Ratios .....	140
Schedule of Employer's Net Pension Liability .....	142
Schedule of Contributions .....	143
Municipal Police Officers' Retirement Trust Fund- Schedule of Changes in City's Net Position Liability and Related Ratios .....	146
Schedule of Contributions .....	148
Schedule of Investment Returns Multiyear .....	149

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

General Fund Description .....	153
Schedule of General Fund Revenues and Other Financing Sources Budget (GAAP Basis) and Actual .....	154
Schedule of General Fund Expenditures and Other Financing Uses Budget (GAAP Basis) and Actual .....	155
Non-major Governmental Funds Description .....	157
Combining Balance Sheet – Non-major Governmental Funds .....	162
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds .....	163
Combining Balance Sheet – Non-major Special Revenue Funds .....	164

---

**TABLE OF CONTENTS****Page**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Special Revenue Funds .....	166
Statement of Special Revenue Fund Revenues, Expenditures and Changes in Fund Balance, Budget (GAAP Basis) and Actual - Police Grant Fund .....	168
Statement of Special Revenue Fund Revenues, Expenditures and Changes in Fund Balance, Budget (GAAP Basis) and Actual - State Housing Initiatives Fund .....	169
Statement of Special Revenue Fund Revenues, Expenditures and Changes in Fund Balance, Budget (GAAP Basis) and Actual - Community Development Block Grant Fund .....	170
Statement of Special Revenue Fund Revenues, Expenditures and Changes in Fund Balance, Budget (GAAP Basis) and Actual - Hurricane Housing Recovery Grant Fund .....	171
Combining Balance Sheet – Non-major Debt Service Funds .....	172
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Debt Funds.....	174

***STATISTICAL SECTION (UNAUDITED)***

A1 – Statistical Tables .....	179
-------------------------------	-----

***Financial Trends Information:***

B1 – Net Position by Component Last Ten Fiscal Years .....	180
B2 – Changes in Net Position Last Ten Fiscal Years .....	182
B2 – General Revenues and Other Changes in Net Position .....	184
B3 – Fund Balances, Government Funds Last Ten Fiscal Years .....	186
B4 – Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years .....	188
B5 – Changes in Net Position Last Ten Fiscal Years .....	190

***Revenue Capacity Information:***

C1 – Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years .....	192
C2 – Direct and Overlapping Property Tax Rates Last Ten Fiscal Years .....	194

---

**TABLE OF CONTENTS****Page**

C3 – Property Tax Levies and Collections Last Ten Fiscal Years .....	196
C4 – Principal Revenue Payers - Property Tax Current Year and Nine Years Ago.....	198
C5 – State Shared Revenue Funds Current Year and Nine Years Ago.....	201
C6 – Fort Pierce Redevelopment Agency Districts Taxable Values Current Year and Nine Years Ago.....	202

***Debt Capacity Information:***

D1 – Legal Debt Margin Information and Direct and Overlapping Governmental Activities Debt.....	204
D2 – Ratio of Outstanding Debt by Type Last Ten Fiscal Years .....	206
D3 – Pledged - Revenue Coverage Last Ten Fiscal Years .....	208

***Demographic and Economic Information:***

E1 – Demographic and Economic Statistics Last Ten Calendar Years.....	210
E2 – Principal Employers Current Year .....	211

***Operating Information:***

F1 – Full-Time Equivalent City Government/Employees by Function/Program Last Ten Fiscal Years.....	212
F2 – Operating Indicators by Function/Program Last Ten Fiscal Years .....	214
F3 – Capital Asset Statistics by Function/Program Last Ten Fiscal Years .....	216

***AUDITORS' REPORTS SECTION******Report of Independent Certified Public Accountants on:***

Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	220
Schedule of Expenditures of Federal Awards and State Financial Assistance .....	222

---

**TABLE OF CONTENTS**

**Page**

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance ..... 223

Compliance with Requirements Applicable to Each Major Federal Awards Program, State  
Financial Assistance Project and Internal Control over Compliance in Accordance  
with Uniform Guidance and Chapter 10.550. Rules of the Auditor General..... 224

Schedule of Findings and Questioned Costs - Federal Awards and State Projects ..... 226

Section 218.415 Compliance ..... 227

Management Letter ..... 228

Affidavit ..... 231

## CITY COMMISSION



Linda Hudson, Mayor



Rufus J. Alexander II



Jeremiah Johnson



Thomas K. Perona



Reginald Sessions



## CITY OFFICIALS



Nicholas Mimms, City Manager



Peter Sweeney  
*City Attorney*

Linda Cox  
*City Clerk*

Johnna S. Morris, *Director of Finance*  
Diane Hobley-Burney, *Chief of Police*  
John R. Andrews, *City Engineer*  
DeVoshay Johnson, *Information Technology Manager*  
Paul Thomas *Building Official*  
Jennifer Hofmeister, *Director, Planning Department*  
Robert Reals, *Director, Public Works/Solid Waste*  
Dean Kubitschek, *Marina Manager*  
Peggy Arraiz, *Code Compliance Manager*  
Daniel Visconti, *Golf Course Manager*  
Sharon Engle, *Director, Sunrise Theatre*  
Kevin Browning, *Human Resources Manager*



March 18, 2020

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, 2019. 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, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

## **The Reporting Entity and Its Services**

The City of Fort Pierce, Florida was incorporated in 1901 and covers an area of approximately 35.07 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 46,071 residents. In addition, the City operates a solid waste enterprise activity, a marina, a golf course, a theatre, a building department and a stormwater utility fund. This report includes two component units and one related organization.

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

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

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

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

## **Economic Condition and Outlook**

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

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

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

For years the local economy has counted on construction as the number one industry in the county. The downturn of the housing market, experienced in the prior years, had a significant impact on the percentage of unemployment. The current unemployment rate of 5.7% is down from 5.9% last year.

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

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

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

### **Major Initiatives**

The environmental cleanup of the H.D. King power plant downtown is complete. Using a \$1,700,000 brownfield grant the old plant was demolished and property was cleaned-up. The city has contracted with a land developer to develop this site. Development plans include a hotel, retail space, and residential housing. The City completed major improvements to Dreamland Park including the addition of a water fountain play area and the replacement of playground equipment. Several pieces of playground equipment were replaced at Jaycee Park also. The City used restricted revenue to complete the project. With the assistance of grant funds boat ramps were installed at Moore's Creek. The City continued its beautification projects with the addition of the traffic cabinet wraps, decorative signage added to the Peacock District and the addition of an electric trolley car. The City is pursuing development ideas regarding the old Kings Inn property now that the building has been demolished. Major stormwater improvement projects, on Virginia Ave and Mayflower were completed this year. Currently, major stormwater improvements including the addition of some sidewalks continues on Ave A & B, 7<sup>th</sup> Street and Surfside Road. Using infrastructure revenue and stormwater funds significant road work including realignment and signal work continues on Ohio Ave. The City's Engineering Department continues to manage road resurfacing projects throughout the City. The City's Mariana currently has projects in progress including dredging, the construction of a fuel dock and building. The City's Planning Department continues to actively work with retailers looking to open business's within the City limits.

As a result of maintaining the millage rate, the 2019 budget included funding for capital equipment, which prior to FY 2016, because of limited resources, little was budgeted to capital equipment. In 2019, the City was able to replace fleet vehicles, replace a side loader truck in the Solid Waste division, update some technological infrastructure, and continue road resurfacing. The capital additions were through leasing proceeds and operating revenue. The City's long-term debt at 9/30/2019 was \$85,224,235.

### **2019-2020 Budget Issues**

The City of Fort Pierce budget for fiscal 2020 increased from fiscal 2019. The budget for 2020 is \$42,429,972 and 2019 was \$38,909,613, an increase of \$3,520,359. The new infrastructure sales tax attributes to \$1,500,000 of this increase.

The City’s taxable valuation is \$2,378,742,249 compared to last year’s final valuation of \$2,360,949,717. This represents an increase of approximately 0.75% or \$17,792,532. The City Commission elected to maintain the millage rate at 6.9000. The continued increase in property values and maintaining the millage rate helped balance the budget.

In 2016, the City Commission established an annual restricted amount to be used for capital projects and approved an interfund loan to fund a new capital improvement plan. The 2020 budget includes \$600,000 restricted revenue; \$400,000 to be used to finance capital improvements and purchases and \$200,000 to be used to repay the interfund loan.

The City appropriated \$462,950 from fund balance to balance General Fund’s budget.

The 2020 budget (General Fund) included a 3% pay increase for all employees and the addition 4 full time positions. Retirement rates for general members are 16.77%, down from 16.99%, Police officers decreased to 11.99% down from 12.00%. The budget as assumes an increase in worker’s compensation insurance. These wage and benefit changes equated to an increase of \$1,189,957.

During FY 2018 & 2019, the City entered into capital leases to assist in the acquisition of capital assets. Additional capital leases are budgeted in FY 2020 resulting in an increase in debt payment of \$638,000.

Passage of the ½ cent infrastructure sales tax allows the City to budget much need infrastructure projects. The FY 2020 budget included \$1,500,000 in Infrastructure sales tax projects.

The budget includes a \$100,000 increase in tax increment financing relating to the increase in property values.

**Reserve Policy**

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

Fiscal Year	Budget	10% Reserve	Beginning Fund Balance
2018	38,909,613	3,890,962	6,169,645
2019	42,429,972	4,242,997	9,650,552

**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, 2018. 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 thirty consecutive years. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

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

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

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

Respectfully submitted,



Johnna S. Morris  
Director of Finance

# CITY OF FORT PIERCE , FLORIDA ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Fort Pierce  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

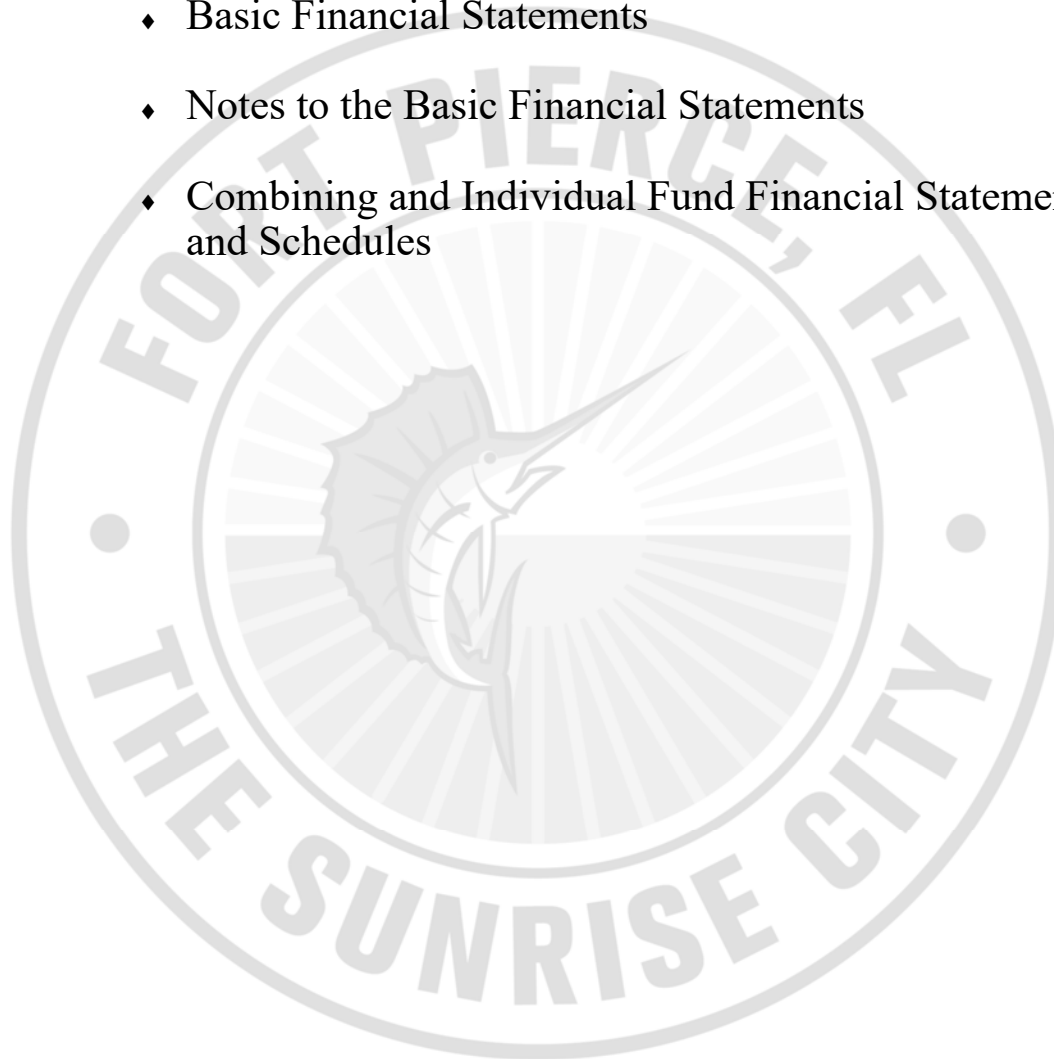
*Christopher P. Morill*

Executive Director/CEO



## **I. *FINANCIAL SECTION***

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





## Independent Auditors' Report

To the City Commission  
Fort Pierce, Florida

March 18, 2020

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statement**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida as of September 30, 2019, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, and Community Redevelopment Agency Fund, for the year ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

To the City Commission  
Fort Pierce, Florida

March 18, 2020

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

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2020 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountants  
City of Fort Pierce

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fort Pierce (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. 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 and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$121,075,266 of which \$51,661,632 is governmental and \$69,413,634 is the total for business-type activities.
- The City's revenues for Governmental Activities at year end were \$46,793,327 a slight 1.17% increase, and expenses were \$45,897,021 an 8.33% increase before transfers in of \$657,539. Revenues exceeded expenses by \$0.90 million. The revenue increase from 2018 was \$0.54 million; this can be attributed to increases in the following: ad valorem and other taxes of \$0.82 million, intergovernmental revenue of \$1.25 million, and charges for service of \$1.50 million offset by the (\$3.09 million) decrease in operating grants and contributions. The increase in expenses in comparison to last year was \$3.53 million, resulting from increases in the following: public safety \$2.38 million, transportation \$0.36 million, economic environment \$0.25 million, culture and recreation \$0.024 million and interest on long-term debt \$0.27 million
- Business-type funds revenues were \$22,896,238 an increase of 5.43% or \$1,178,882 before transfers out of \$657,539, and expenses were \$21,628,011, an increase of 2.51% or \$529,246 from the previous year. The increase in revenue from the prior year is attributable to the net increase in operating and capital grants and contributions of \$1.12 million. The increase in expenses in comparison to the prior year is attributable to increases in the following: marina \$0.20 million, golf course \$0.20 million and building department \$0.22 million offset by the decrease in sunrise theatre of (\$0.17).
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$21,597,497, an increase of \$2,318,134. There were increases in the special revenue fund of \$2.15 million, including an increase in the restricted revenue fund of \$2.1 million and the community redevelopment agency fund of \$0.50 million, The debt service fund increased \$1.08 million. These increases were offset by a decrease in the General Fund of (\$0.91 million).

The long-term debt, net of current portion, of the City on 9/30/19 was \$78,388,710, a decrease of \$4.85 million or 5.82%. The debt services requirements were met financially.

## Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, asset and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$121,075,266 at the close of the most recent fiscal year.

Approximately 92% of the City's net position reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Fort Pierce Net Position - FY 2019 and 2018

	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other Assets	26,784,126	24,313,055	5,042,977	5,187,922	31,827,103	29,500,977
Capital Assets	103,603,617	106,426,955	87,944,780	86,493,377	191,548,397	192,920,322
<b>Total Assets</b>	<b>130,387,743</b>	<b>130,740,010</b>	<b>92,987,757</b>	<b>91,681,299</b>	<b>223,375,000</b>	<b>222,421,309</b>
Deferred Outflows	6,415,785	8,761,778	1,134,565	976,456	7,550,350	9,738,234
Long-term Liabilities O/S	77,283,476	78,513,822	20,528,987	19,096,070	97,812,463	97,609,892
Other Liabilities	7,558,420	6,980,745	3,635,505	4,044,656	11,193,925	11,025,401
<b>Total Liabilities</b>	<b>84,841,896</b>	<b>85,494,567</b>	<b>24,164,492</b>	<b>23,140,726</b>	<b>109,006,388</b>	<b>108,635,293</b>
Deferred Inflows	300,000	3,899,434	544,196	714,083	844,196	4,613,517
Net Position:						
Net Invested in Capital Assets	43,122,969	41,656,393	68,807,409	68,117,114	111,903,378	109,773,507
Restricted	3,428,020	2,347,896	2,387,689	-	5,815,709	2,347,896
Unrestricted	5,110,643	6,103,498	(1,781,464)	685,832	3,329,179	6,789,330
<b>Total Net Position</b>	<b>51,661,632</b>	<b>50,107,787</b>	<b>69,413,634</b>	<b>68,802,946</b>	<b>121,075,266</b>	<b>118,910,733</b>

The City's net position increased by \$2,164,533 during the fiscal year. The net position of the Governmental Funds increased by \$1.55 million and business type funds increased by \$0.61 million. Assets of the Governmental Funds decreased \$0.35 million and liabilities decreased by \$0.65 million. Deferred outflows of the Governmental Funds decreased by \$2.35 million and deferred inflows decreased by \$3.60. In the enterprise funds, the assets had an increase of 1.42% or approximately \$1.31 million and liabilities had an increase of 4.42% or approximately \$1.02 million. Deferred outflows of the enterprise funds increased by \$0.16 million and deferred inflows decreased by \$0.17 million.

### City of Fort Pierce Statement of Activities- FY 2019 and 2018

	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues						
Charges for Services	11,455,586	9,956,734	19,918,910	19,833,703	31,374,496	29,790,437
Operating grants and Contributions	832,985	3,922,855	-	1,433,973	832,985	5,356,828
Capital Grants and Contributions	-	-	2,890,929	351,428	2,890,929	351,428
General Revenues:						
Ad Valorem Taxes	15,823,291	15,118,042	-	-	15,823,291	15,118,042
Other Taxes	6,579,389	6,462,405	-	-	6,579,389	6,462,405
Unrestricted grants and contributions	-	-	-	-	-	-
Intergovernmental	4,962,932	3,711,709	-	-	4,962,932	3,711,709
Miscellaneous	423,093	412,663	-	-	423,093	412,663
Contributions from Component Units	6,125,454	6,138,645	-	-	6,125,454	6,138,645
Unrestricted investment earnings	590,597	530,441	86,399	98,252	676,996	628,693
<b>Total Revenues</b>	<b>46,793,327</b>	<b>46,253,494</b>	<b>22,896,238</b>	<b>21,717,356</b>	<b>69,689,565</b>	<b>67,970,850</b>

**City of Fort Pierce Statement of Activities- FY 2019 and 2018 (Cont.)**

	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Expenses						
General government	12,478,803	12,453,169	-	-	12,478,803	12,453,169
Public safety	18,718,692	16,341,557	-	-	18,718,692	16,341,557
Transportation	6,743,878	6,382,606	-	-	6,743,878	6,382,606
Economic Environment	1,779,196	1,526,508	-	-	1,779,196	1,526,508
Culture & recreation	3,013,258	2,773,173	-	-	3,013,258	2,773,173
Interest on long-term debt	3,163,194	2,891,268	-	-	3,163,194	2,891,268
Solid Waste	-	-	6,778,735	6,745,265	6,778,735	6,745,265
Marina	-	-	4,375,846	4,180,073	4,375,846	4,180,073
Stormwater	-	-	3,321,553	3,275,415	3,321,553	3,275,415
Golf Course	-	-	1,628,188	1,432,238	1,628,188	1,432,238
Sunrise Theatre	-	-	3,666,296	3,832,927	3,666,296	3,832,927
Building Department	-	-	1,857,3937	1,632,847	1,857,3937	1,632,847
Total Expenses	45,897,021	42,368,281	21,628,011	21,098,765	67,525,032	63,467,046
Increase (Decrease) in net position						
before transfers	896,306	3,885,213	1,268,227	618,591	2,164,533	4,503,804
Transfers In (Out)	657,539	309,475	(657,539)	(309,475)	-	-
Changes in net position	1,553,845	4,194,688	610,688	309,116	2,164,533	4,503,804
Net Position - Beginning	50,107,787	45,913,099	68,802,946	68,493,830	118,910,733	114,406,929
Net Position – Ending	51,661,632	50,107,787	69,413,634	68,802,946	121,075,266	118,910,733

**Governmental activities.** Governmental activities accounted for a positive increase of \$896,306 in net position of the City.

Revenues increased \$0.54 million or 1.17% in Fiscal Year 2019. There are increases in the several categories. Charges for service increased by \$1.50 million, relating to the increase in tax incremental financing. Property values continue to increase, resulting in an increase of \$0.71 million in ad valorem revenue. Intergovernmental revenues increased by \$1.25 million relating to the infrastructure sales tax. Other taxes increased by \$0.17 million and unrestricted investment earnings increased by \$0.06 million. The above increases are offset by a (\$3.09 million) decrease in operating grant and contributions; in FY 2018 the City received large reimbursements related to hurricanes. The 8.33% or \$3.53 million increase in expenses was attributed to increases in the following categories: public safety \$2.38 million in relation to personal services and benefits, transportation \$0.36 million, economic environment \$0.25 million, culture and recreation \$0.24 million and interest on long-term debt \$0.27 million.

**Business-type activities.** The business-type activities include the activities of a stormwater utility program, golf course, city marina, theatre, solid waste operation and the building department. Revenues increased \$1.18 million, operating and capital grants services accounted for \$1.11 million of the increase offset by a decrease of (\$0.08 million) relating to charges for services. Expenses increased \$0.53 million. The marina increased \$0.20 million, the golf course \$0.20 and

the building department \$0.22 million in expenses; offset by a decrease of (\$0.17 million) in the theatre.

## **Financial Analysis of the Government's Funds**

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

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

The City maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Community Redevelopment Agency Fund, and the Restricted Revenue Fund. As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$21,597,497 an increase of \$2,318,134 in comparison with the prior year. The non-spendable portion is \$66,888, restricted is \$11,555,521, \$462,950 is committed, \$5,530,428 is assigned and \$3,981,710 is unassigned and available for spending at the government's discretion.

The *general fund* is the chief operating fund of the City. The ending fund balance in 2019 is \$8,740,349, which decreased (\$0.91 million). The (9%) decrease relates to the increases in public safety expenses, while revenues in total were sustained and the usage of fund balance to fund some projects. The decrease in fund balance is reflective mainly in the change in the nonspenable, committed and unassigned portions, which represents a decrease in prepaid expenses, budget appropriations and annual reserves. The debt service fund balance is \$3,428,020 an increase of \$1.08 million, which represents an accumulation of cash to repay principal and interest on debt. Finally, the fund balance in the special revenue funds at 9/30/2019 is \$9,429,128, an increase of \$2.15 million, \$2.14 million of the increase relates to the increase in funds reserved for special purposes and projects.

The city accounts for the community redevelopment agency fund as a special revenue fund. The activity in this fund represents redevelopment activities for certain areas existing in the City of Fort Pierce. The ending fund balance in 2019 is \$815,160 an increase of \$0.49 million from the prior year. The increase in fund balance is reflective in the restricted, which represents the increase in the tax incremental financing.

The restricted revenue fund, also a special revenue fund, accounts for revenue that is restricted as to the purpose the money generated can be utilized. The fund balance is \$7,064,218 an increase of \$2.13 million compared to the prior year. The increase in fund balance is reflective in the change in the restricted, which represents increases of \$1.3 million in impact fees restricted for capital improvements and \$0.93 million in the ½ cent infrastructure revenue restricted for infrastructure projects.

**Business Type Funds.** The enterprise funds have unrestricted net position of (\$1,781,464). Net investment in capital assets is \$68,807,409. Restricted for capital projects is \$2,387,689 with a combined net position total of \$69,413,634. The increase in net position of \$0.61 million from the prior year is reflective of the \$2.94 million operating gain in stormwater and building offset by the (\$2.33) operating loss in solidwaste, marina, golf course, and sunrise theatre.

## General Fund Budgetary Highlights

The General Fund 2019 budget revenue was \$38,672,704; the amount realized was \$42,793,303, an increase of \$4,120,599 or 10.66%. The expenditure budget was \$38,909,613, and the actual amount was \$43,703,506, an increase of \$4,793,893 or 12.32%. All the budget numbers are presented without the netting of transfers in this section. Differences between the original and final revenue and expenditure budget decreased fund balance by \$910,203; the changes were substantial in some categories, listed below are the major notable amendments:

- \$641,671 or 2.95% increase in taxes; increases in ad valorem taxes \$127,283, local option taxes \$195,408, and utility and other taxes \$318,980.
- \$1,906,038 or 52.96% increase in intergovernmental revenue; \$263,497 increase in state and federal grants relating to emergency mitigation reimbursement, \$1,478,446 increase in state shared revenue, relating mainly to the new ½ infrastructure sales tax, \$102,063 more in state retirement contribution, \$56,491 increase in payments in lieu and \$5,541 increase in other intergovernmental.
- \$100,227 or 30.30% increase in charges for services; community center produced \$24,725 more, \$21,642 in youth activities, \$15,061 parking fees, \$13,457 in traffic fines, and \$25,342 in other service charges.
- \$113,458 or 46.12% increase in fines and forfeitures; \$94,153 increase in alarm violations, \$66,947 in property code violations, offset by \$47,672 decrease in judgements and fees.
- \$1,262,101 increase in other revenues and other financing sources; \$467,928 in capital lease obligations were not budgeted, \$33,282 increase in special assessments, \$194,828 increase in interest, \$4,652 increase in rents received, \$42,939 increase in contribution from component unit, \$121,194 in administrative and contractual services relating mainly to traffic and signal maintenance, \$82,849 increase in other miscellaneous revenues mainly from contributions, sale of scrap, and reimbursement of expenses, \$436,820 increase in transfer from other funds related to expense paid through general, off-set by \$122,391 decrease in reimbursements by other funds.
- \$4,793,893 or 12.32% increase in expenditures from various departments. The major increases were: Administration \$858,917 primarily relating to increases in capital outlay and insurance, \$286,792 relating to personal services, contract services and building supplies, Public Safety \$1,256,884 relating to personal services and benefits, Culture and recreation \$111,940 relating to utilities, capital outlay and youth activities, and transfers out \$2,432,505 relating to transfers for debt and transfer to restricted revenue for infrastructure sales tax.

## 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, 2019 amounts to \$191,548,397 (this is net of accumulated depreciation). Significant additions during the year consisted of major stormwater canal projects, a weed cutter boat for stormwater maintenance, street reconstruction, 26 new vehicles, a side loader in solid waste, an electric trolley, construction of boat ramps at Moore Creek, dredging at

the Marina as well as the start of construction of a new fuel building, the start of construction for a new permitting hub for the Building department, the start of reconstruction on 3 stormwater projects, and various equipment and machinery. Notable disposals consisted of old vehicles, old computer equipment and old equipment and machinery. See Note H for detail information on the primary government's Capital Assets.

City of Fort Pierce Capital Assets - FY 2019 and 2018 (net of depreciation)						
	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land & CIP	28,209,333	27,942,357	1,854,278	2,699,821	30,063,611	30,642,178
Buildings	25,998,601	26,846,329	9,507,672	10,093,100	35,506,273	36,939,429
Improvements Other than Buildings	20,676,466	21,740,718	74,072,098	70,803,967	94,748,564	92,544,685
Machinery & Equipment	5,521,133	5,479,617	2,510,732	2,896,489	8,031,865	8,376,106
Infrastructure	23,198,084	24,417,934	-	-	23,198,084	24,417,934
<b>Total</b>	<u>103,603,617</u>	<u>106,426,955</u>	<u>87,944,780</u>	<u>86,493,377</u>	<u>191,548,397</u>	<u>192,920,332</u>

**Debt.** At the end of the current fiscal year, the City had total long-term debt outstanding, net of current portion of \$78,388,710.

City of Fort Pierce Outstanding Debt Revenue Bond, Road Improvement Notes, Intergovernmental Notes & Capital Leases						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue bonds, road improvement notes, intergovernmental notes & capital leases	66,086,864	71,323,670	19,137,371	18,376,263	85,224,235	89,699,933
Less current portion	(5,214,678)	(5,041,475)	(1,620,847)	(1,423,214)	(6,835,525)	(6,464,689)
Long-term debt, net of current portion	<u>60,872,186</u>	<u>66,282,195</u>	<u>17,516,524</u>	<u>16,953,049</u>	<u>78,388,710</u>	<u>83,235,244</u>

The City's long-term debt, net of current portion debt decreased during the year by a net \$4.85 million. The Notes to the Financial Statements (Note I) has additional information on all debt activity.

All bonded debt is insured and carries ratings from Moody's of A1 issuer rating and A2 non-ad valorem rating, as of September 30, 2019. No direct ad valorem tax-supported debt exists

currently.

### **Economic Factors and Next Year's Budgets and Rates**

The budget process for the 2020 budget began with a 9.05% increase or \$3,520,359 in the General Fund Budget, of which \$600,000 was restricted, and expenditures exceeding revenues by approximately \$463,000; fund balance was used to fund the shortfall.

Some of the significant factors considered in preparing the City's Annual General Fund Budget for Fiscal Year 2020, that caused and closed the budget gap are listed below:

- In the General Fund, the City's taxable valuation is \$2,378,742,249 compared to last year's final valuation of \$2,360,949,717. This represents an increase of approximately 0.75% or \$17,792,532. This increase in property values and the City Commission electing to maintain the millage rate at 6.9000 helped to balance the budget. Maintaining the millage rate generated \$1.13 million, of which \$400,000 was restricted to be used to finance much needed future capital projects and purchases and an additional \$200,000 is restricted to repay the interfund loan from FY 2016.
- The City budgeted to receive an additional \$1.70 million in intergovernmental revenue. \$1.5 million of this additional budgeted revenue relates to the ½ infrastructure sales tax.
- The City budgeted to receive an additional \$186,586 transfer from contributions from component unit and an additional \$510,109 in transfers in relating to debt payments and special projects.
- The City appropriated \$0.46 million from fund balance to balance General Fund's budget.
- In the 2020 budget (General Fund) the personnel services included a 3% pay increase for all employees. Retirement rates for general members are 16.77%, down from 16.99%, Police officers decreased to 11.99% down from 12.00%. Health insurance premiums increased 0.70% and dental insurance increased 4.5%. To contain costs the budget included the addition of only 4 full time positions: 1 in the city managers' office, 1 in the recreation program, and 2 in public works. These wage, benefit and personnel changes equated to an increase of \$935,665.
- The 2020 budget (General Fund) included an increase of \$254,292 in insurance costs relating to general property and liability insurance and workers compensation.
- The 2020 budget included an increase of \$548,034 relating to the payment of debt, \$638,000 relating to new debt for the acquisition of vehicles and a reduction of \$89,966 relating to existing debt.
- An additional \$1,614,00 is included for capital projects relating to infrastructure projects and safety initiatives.

- The 2020 budget included an increase in the tax incremental financing expense of \$189,494.
- The Fort Pierce Redevelopment Agency tax increment financing (TIF) continues to increase. The increase in property tax values and maintaining the millage rate resulted in an increase of \$394,807; from \$6.3 million to \$6.7 million. In the past, the budget was unable to support a number of special projects under historic preservation and restoration; funding for neighborhood and business grants; and other cultural and community events and functions. In prior years, to help balance the budget, transfers from General were used. In FY 2020, because of the increase in tax revenues, no transfer was budgeted, and \$350,000 was allocated to fund school resources officers in schools within City boundaries.
- As for the business-type activities, the Marina and the Stormwater had to make up their budget shortfalls by appropriating retained earnings of \$845,579 and \$46,000 respectively in FY 2020. Transfers from other funds were used to balance the budget of the Sunrise Theatre (\$450,000 from Redevelopment Agency). Solid Waste, Building, and Golf Course were able to sufficiently fund their budgets with budgeted revenues.

### **Requests for Information**

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

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **BASIC FINANCIAL STATEMENTS**



**THIS PAGE INTENTIONALLY LEFT BLANK**



## GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Fort Pierce, Florida  
**STATEMENT OF NET POSITION**  
September 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 17,917,439	\$ 2,613,740	\$ 20,531,179	\$ 30,506,045
Receivables (net of allowance for uncollectibles)	1,516,398	2,402,932	3,919,330	12,769,957
Due from component unit	236,076	965,701	1,201,777	-
Internal balances	4,028,035	(4,028,035)	-	-
Due from other governments	1,193,939	410,267	1,604,206	1,793,177
Inventories and other current assets	66,888	30,152	97,040	4,500,716
Restricted Assets:				
Temporarily restricted:				
Cash and investments	-	2,572,215	2,572,215	26,299,308
Total current assets	<u>24,958,775</u>	<u>4,966,972</u>	<u>29,925,747</u>	<u>75,869,203</u>
Noncurrent assets:				
Prepaid Insurance	26,945	76,005	102,950	-
Notes Receivable	1,798,406	-	1,798,406	-
FMPA working capital receivable	-	-	-	1,918,608
Investment in Public Gas Partners Pool	-	-	-	359,143
Capital assets, not being depreciated:				
Land	27,796,483	674,008	28,470,491	9,556,000
Construction in progress	412,850	1,180,270	1,593,120	17,483,427
Capital assets (net of accumulated depreciation):				
Buildings	42,748,801	17,903,077	60,651,878	-
Improvements other than buildings	45,883,266	102,926,308	148,809,574	-
Equipment	19,572,458	11,567,079	31,139,537	-
Infrastructure	108,924,361	-	108,924,361	448,035,718
Accumulated depreciation	<u>(141,734,602)</u>	<u>(46,305,962)</u>	<u>(188,040,564)</u>	<u>(263,908,377)</u>
Total noncurrent assets	<u>105,428,968</u>	<u>88,020,785</u>	<u>193,449,753</u>	<u>213,444,519</u>
Total assets	<u>\$ 130,387,743</u>	<u>\$ 92,987,757</u>	<u>\$ 223,375,500</u>	<u>\$ 289,313,722</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	2,859,216	-	2,859,216	97,294
Pensions	3,215,520	1,072,989	4,288,509	3,328,336
Other post employment benefits	341,049	61,576	402,625	113,951
Total deferred outflows of resources	<u>6,415,785</u>	<u>1,134,565</u>	<u>7,550,350</u>	<u>3,539,581</u>

The accompanying notes are an integral part of this statement.

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Fort Pierce Utilities Authority
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 1,173,739	\$ 1,348,652	\$ 2,522,391	\$ 7,968,950
Unearned revenue	190,047	389,579	579,626	622,375
Accrued compensated absences	316,602	75,859	392,461	-
Capital leases payable	494,793	311,411	806,204	29,000
Due to other governments	105,250	-	105,250	858,365
Notes and revenue bonds-current	4,719,885	1,309,436	6,029,321	5,953,001
Accrued interest payable	427,645	16,042	443,687	852,851
Liabilities payable from restricted assets:				
Customer deposits	130,459	184,526	314,985	8,481,418
Total current liabilities	<u>7,558,420</u>	<u>3,635,505</u>	<u>11,193,925</u>	<u>24,765,960</u>
Noncurrent liabilities:				
Notes and bonds payable, net	59,692,754	16,976,115	76,668,869	57,728,389
Capital Leases	1,179,432	540,409	1,719,841	84,620
Accrued compensated absences	2,918,082	490,553	3,408,635	2,210,481
Other post employment benefits	2,309,675	417,007	2,726,682	989,218
Net Pension Liability	11,183,533	2,104,903	13,288,436	11,606,105
Total noncurrent liabilities	<u>77,283,476</u>	<u>20,528,987</u>	<u>97,812,463</u>	<u>72,618,813</u>
Total liabilities	<u>84,841,896</u>	<u>24,164,492</u>	<u>109,006,388</u>	<u>97,384,773</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Payments received in advance	-	-	-	4,881,346
Pensions	255,647	536,188	791,835	441,439
Other post employment benefits	44,353	8,008	52,361	36,445
Total deferred inflows of resources	<u>300,000</u>	<u>544,196</u>	<u>844,196</u>	<u>5,359,230</u>
<b>NET POSITION</b>				
Net Invested in capital assets	43,122,969	68,807,409	111,930,378	160,527,000
Restricted for:				
Capital projects	-	2,387,689	2,387,689	-
Capital improvement charges	-	-	-	4,155,212
Debt service and other	3,428,020	-	3,428,020	6,856,825
Unrestricted	<u>5,110,643</u>	<u>(1,781,464)</u>	<u>3,329,179</u>	<u>18,570,263</u>
Total net position	<u>\$ 51,661,632</u>	<u>\$ 69,413,634</u>	<u>\$ 121,075,266</u>	<u>\$ 190,109,300</u>

City of Fort Pierce, Florida  
**STATEMENT OF ACTIVITIES**  
Year ended September 30, 2019

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 12,478,803	\$ 1,496,288	\$ -	\$ -
Public safety	18,718,692	624,537	202,741	-
Transportation	6,743,878	750,443	72,500	-
Economic environment	1,779,196	7,883,792	557,744	-
Culture and recreation	3,013,258	700,526	-	-
Interest on long-term debt	3,163,194	-	-	-
Total governmental activities	<u>45,897,021</u>	<u>11,455,586</u>	<u>832,985</u>	<u>-</u>
Business-type activities:				
Solid waste	6,778,735	7,648,557	-	-
Marina	4,375,846	3,470,692	-	-
Storm Water	3,321,553	2,845,271	-	2,890,929
Golf Course	1,628,188	1,151,369	-	-
Sunrise Theatre	3,666,296	2,466,477	-	-
Building Fund	1,857,393	2,336,544	-	-
Total business-type activities	<u>21,628,011</u>	<u>19,918,910</u>	<u>-</u>	<u>2,890,929</u>
Total primary government	<u>\$ 67,525,032</u>	<u>\$ 31,374,496</u>	<u>\$ 832,985</u>	<u>\$ 2,890,929</u>
<b>Component units:</b>				
Fort Pierce Utilities Authority	\$ 100,087,451	\$ 101,394,952	\$ 422,981	\$ 1,500,771
Total component units	<u>\$ 100,087,451</u>	<u>\$ 101,394,952</u>	<u>\$ 422,981</u>	<u>\$ 1,500,771</u>
General revenues:				
Ad valorem taxes				
General sales and use taxes				
Utility service and franchise taxes				
State revenue sharing-unrestricted				
Additional one cent sales taxes				
Insurance premium tax				
Contributions from component unit				
Miscellaneous				
Unrestricted investment earnings				
Extraordinary Item				
Transfers				
Total general revenues, extraordinary items, and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

<b>Net (expense) Revenue and Change in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Fort Pierce Utilities Authority</b>
\$ (10,982,515)	\$ -	\$ (10,982,515)	\$ -
(17,891,414)	-	(17,891,414)	-
(5,920,935)	-	(5,920,935)	-
6,662,340	-	6,662,340	-
(2,312,732)	-	(2,312,732)	-
(3,163,194)	-	(3,163,194)	-
<u>(33,608,450)</u>	<u>-</u>	<u>(33,608,450)</u>	<u>-</u>
-	869,822	869,822	-
-	(905,154)	(905,154)	-
-	2,414,647	2,414,647	-
-	(476,819)	(476,819)	-
-	(1,199,819)	(1,199,819)	-
-	479,151	479,151	-
<u>-</u>	<u>1,181,828</u>	<u>1,181,828</u>	<u>-</u>
<u>\$ (33,608,450)</u>	<u>\$ 1,181,828</u>	<u>\$ (32,426,622)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,231,253</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,231,253</u>
\$ 15,823,291	-	\$ 15,823,291	\$ -
2,220,408	-	2,220,408	-
4,358,981	-	4,358,981	-
1,525,975	-	1,525,975	-
3,034,894	-	3,034,894	-
402,063	-	402,063	-
6,125,454	-	6,125,454	(6,125,454)
423,093	-	423,093	-
590,597	86,399	676,996	3,073,301
-	-	-	97,307
657,539	(657,539)	-	-
<u>35,162,295</u>	<u>(571,140)</u>	<u>34,591,155</u>	<u>(2,954,846)</u>
1,553,845	610,688	2,164,533	276,407
<u>50,107,787</u>	<u>68,802,946</u>	<u>118,910,733</u>	<u>189,832,893</u>
<u>\$ 51,661,632</u>	<u>\$ 69,413,634</u>	<u>\$ 121,075,266</u>	<u>\$ 190,109,300</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **FUND FINANCIAL STATEMENTS**

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



City of Fort Pierce, Florida  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
September 30, 2019

	General Fund	Community Redevelopment Agency
<b>ASSETS</b>		
Cash and investments	\$ 6,602,758	\$ 806,270
Accounts receivables	4,676,330	298,485
Liens receivables	4,560,075	-
Due from component unit	236,076	-
Due from other funds	3,612,194	-
Advances to other funds	-	-
Due from other governments	691,227	-
Prepaid items	-	14,196
Inventories	52,692	-
Notes receivable	-	-
Total assets	\$ 20,431,352	\$ 1,118,951
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,052,437	\$ 4,850
Contracts payable - retainage	5,758	-
Deposits	130,459	-
Due to other funds	-	22,691
Advances from other funds	744,280	-
Revenue in advance	190,047	-
Total liabilities	2,122,981	27,541
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	9,568,022	276,250
Total Deferred Inflows	9,568,022	276,250
<b>FUND BALANCES</b>		
Nonspendable	52,692	14,196
Restricted	-	800,964
Committed	462,950	-
Assigned	4,242,997	-
Unassigned	3,981,710	-
Total fund balances	8,740,349	815,160
Total liabilities, deferred inflows of resources, and fund balances	\$ 20,431,352	\$ 1,118,951

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

Restricted Revenue Fund	Other Governmental Funds	Totals
\$ 7,200,623	\$ 3,307,787	\$ 17,917,438
28,622	35,345	5,038,782
-	-	4,560,075
-	-	236,076
-	-	3,612,194
-	1,282,848	1,282,848
28,017	474,695	1,193,939
-	-	14,196
-	-	52,692
-	1,798,406	1,798,406
<u>\$ 7,257,262</u>	<u>\$ 6,899,081</u>	<u>\$ 35,706,646</u>

\$ 182,018	\$ 22,900	\$ 1,262,205
11,026	-	16,784
-	-	130,459
-	100,036	122,727
-	-	744,280
-	-	190,047
<u>193,044</u>	<u>122,936</u>	<u>2,466,502</u>
-	1,798,375	11,642,647
-	1,798,375	11,642,647

-	-	66,888
7,059,635	3,694,922	11,555,521
-	-	462,950
4,583	1,282,848	5,530,428
-	-	3,981,710
<u>7,064,218</u>	<u>4,977,770</u>	<u>21,597,497</u>
<u>\$ 7,257,262</u>	<u>\$ 6,899,081</u>	<u>\$ 35,706,646</u>

City of Fort Pierce, Florida

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

September 30, 2019

---

Total fund balance per this statement	\$	21,597,497
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds. The cost of the assets is \$245,338,219 and the accumulated depreciation is \$141,734,602		103,603,617
Deferred inflows related to pensions and other post employment benefits are not financial resources and therefore are not reported in governmental funds		(300,000)
Long-term liabilities (capital lease obligations, intergovernmental notes, other post employment benefits, accrued compensated absences, and pension liability) of \$86,178,507 plus unamortized premiums of \$3,363,751 are not due and payable and therefore, are not reported in the funds.		(82,814,756)
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.		(427,645)
Insurance costs related to debt issuances and deferred charges on refundings are financial uses in the fund statement; for full accrual, however these expenses are reported as non-current assets in the government-wide financial statements.		2,886,161
Deferred outflows related to pensions and other post employment benefits are not financial resources and therefore are not reported in governmental funds		3,556,569
Various receivables, (liens receivable, loans receivable, notes receivable, and due from other governments are not financial resources in the current period and therefore, are reported as unavailable revenue in the funds.		3,560,189
Net position of governmental activities	\$	<u>51,661,632</u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**



City of Fort Pierce, Florida  
**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year ended September 30, 2019

	General Fund	Community Redevelopment Agency
<b>Revenues</b>		
Taxes	\$ 22,402,679	\$ -
Licenses and permits	480,104	-
Intergovernmental	5,505,038	6,321,663
Charges for services	431,027	-
Fines and forfeitures	359,458	-
Contributions from component unit	6,125,454	-
Investment income	284,828	7,746
Other	2,261,020	752,162
Total revenues	<u>37,849,608</u>	<u>7,081,571</u>
<b>Expenditures</b>		
Current		
General government	12,897,475	-
Public safety	16,514,953	-
Transportation	3,145,704	-
Economic environment	-	556,372
Culture and recreation	2,530,491	-
Capital outlay	1,457,846	81,091
Debt service		
Principal	-	-
Interest and fees	25,735	261,779
Other	-	-
Total expenditures	<u>36,572,204</u>	<u>899,242</u>
Excess of revenues over (under) expenditures	1,277,404	6,182,329
<b>Other financing sources (uses)</b>		
Transfers in	4,475,767	-
Debt issuance	-	-
Capital lease issuance	467,928	-
Payment on Advance Refunding	-	-
Transfers out	<u>(7,131,302)</u>	<u>(5,695,369)</u>
Total other financing sources (uses)	<u>(2,187,607)</u>	<u>(5,695,369)</u>
Net change in fund balances	(910,203)	486,960
Fund balances - beginning of year	<u>9,650,552</u>	<u>328,200</u>
Fund balances - end of year	<u>\$ 8,740,349</u>	<u>\$ 815,160</u>

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

Restricted Revenue Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ 22,402,679
324,374	-	804,478
246,236	802,828	12,875,765
-	-	431,027
-	4,006	363,464
-	-	6,125,454
132,186	165,834	590,594
1,480,222	140,288	4,633,692
<u>2,183,018</u>	<u>1,112,956</u>	<u>48,227,153</u>
-	-	12,897,475
-	370,492	16,885,445
-	-	3,145,704
-	1,123,570	1,679,942
-	-	2,530,491
452,285	43,042	2,034,264
-	5,185,396	5,185,396
-	2,388,727	2,676,241
-	67,673	67,673
<u>452,285</u>	<u>9,178,900</u>	<u>47,102,631</u>
1,730,733	(8,065,944)	1,124,522
1,038,574	10,979,741	16,494,082
-	27,764,844	27,764,844
-	-	467,928
-	(27,696,699)	(27,696,699)
<u>(630,338)</u>	<u>(2,379,534)</u>	<u>(15,836,543)</u>
<u>408,236</u>	<u>8,668,352</u>	<u>1,193,612</u>
2,138,969	602,408	2,318,134
<u>4,925,249</u>	<u>4,375,362</u>	<u>19,279,363</u>
<u>\$ 7,064,218</u>	<u>\$ 4,977,770</u>	<u>\$ 21,597,497</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, 2019

---

Net change in fund balances-total governmental funds	\$ 2,318,134
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures, however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$4,837,562) exceeds capital outlay (\$2,034,264) in the current period.	(2,803,298)
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.	(20,040)
Repayment of bond and note principal (\$5,185,396) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	5,185,396
Debt issuance (\$27,764,844) used to refund bonds (\$27,696,699) are other financing sources(uses) in the governmental funds, but increase(decrease) long-term liabilities in the Statement of Net Assets.	(68,145)
Capital lease issuance (\$467,928) used for capital asset acquisition are other financing sources(uses) in the governmental funds, but increase(decrease) long-term liabilities in the Statement of Net Assets.	(467,928)
Compensated Absences of (\$23,359) 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.	(23,359)
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.	(59,871)
Governmental funds do not recognize expenditures for the Change in Net Pension Liability and OPEB each year. This represents the change in the Net Pension Liability and OPEB in the current year.	(1,963,529)
Bond insurance costs and discounts are reported as expenditures when paid. In the Statement of Net Position these costs are amortized. Current year amortization expense was (\$360,425)	(360,425)
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.	(183,090)
Change in Net position of governmental activities	<u>\$ 1,553,845</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, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 21,761,008	\$ 22,402,679	\$ 22,402,679	\$ -
Licenses and permits	383,000	480,104	480,104	-
Intergovernmental	3,599,000	5,505,038	5,505,038	-
Charges for services	330,800	431,027	431,027	-
Fines and forfeitures	246,000	359,458	359,458	-
Contributions from component unit	6,082,515	6,125,454	6,125,454	-
Investment income	90,000	284,828	284,828	-
Other	2,141,434	2,261,020	2,261,020	-
Total revenues	<u>34,633,757</u>	<u>37,849,608</u>	<u>37,849,608</u>	-
<b>Expenditures</b>				
General government	13,325,521	14,240,486	14,240,486	-
Public safety	15,332,865	16,589,749	16,589,749	-
Transportation	3,078,380	3,156,979	3,156,979	-
Culture and recreation	2,473,050	2,584,990	2,584,990	-
Total expenditures	<u>34,209,816</u>	<u>36,572,204</u>	<u>36,572,204</u>	-
Excess of revenues over expenditures	423,941	1,277,404	1,277,404	-
<b>Other financing sources (uses)</b>				
Capital lease proceeds	-	467,928	467,928	-
Transfers in	4,038,947	4,475,767	4,475,767	-
Transfers out	<u>(4,699,797)</u>	<u>(7,131,302)</u>	<u>(7,131,302)</u>	-
Total other financing sources (uses)	<u>(660,850)</u>	<u>(2,187,607)</u>	<u>(2,187,607)</u>	-
Net change in fund balances	(236,909)	(910,203)	(910,203)	-
Fund balance - beginning of year	<u>9,650,552</u>	<u>9,650,552</u>	<u>9,650,552</u>	-
Fund balance - end of year	<u>\$ 9,413,643</u>	<u>\$ 8,740,349</u>	<u>\$ 8,740,349</u>	<u>\$ -</u>

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

City of Fort Pierce, Florida

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
COMMUNITY REDEVELOPMENT AGENCY  
Year ended September 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 6,306,127	\$ 6,321,663	\$ 6,321,663	\$ -
Investment income	500	7,746	7,746	-
Other	177,500	752,162	752,162	-
Total revenues	<u>6,484,127</u>	<u>7,081,571</u>	<u>7,081,571</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Economic environment	862,261	556,372	556,372	-
Capital outlay	-	81,091	81,091	-
Debt service	-	261,779	261,779	-
Total expenditures	<u>862,261</u>	<u>899,242</u>	<u>899,242</u>	<u>-</u>
Excess of revenues over expenditures	5,621,866	6,182,329	6,182,329	-
<b>Other financing sources (uses)</b>				
Transfers out	<u>(5,621,866)</u>	<u>(5,695,369)</u>	<u>(5,695,369)</u>	<u>-</u>
Total other financing sources (uses)	(5,621,866)	(5,695,369)	(5,695,369)	-
Net change in fund balances	-	486,960	486,960	-
Fund balance - beginning of year	<u>328,200</u>	<u>328,200</u>	<u>328,200</u>	<u>-</u>
Fund balance - end of year	<u>\$ 328,200</u>	<u>\$ 815,160</u>	<u>\$ 815,160</u>	<u>\$ -</u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**



City of Fort Pierce, Florida  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUNDS**  
September 30, 2019

	Business-type Activities		
	Solid Waste	Marina	Storm Water
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and investments	\$ 189,259	\$ 232,754	\$ -
Receivables - net of allowances:			
Accounts	849,365	125,431	1,231,756
Unbilled services	187,488	-	-
Due from component units	711,778	-	251,508
Due from other governments	-	-	410,267
Inventories and other current assets	-	14,783	-
Restricted Assets			
Cash and investments	-	2,524,648	-
Total current assets	<u>1,937,890</u>	<u>2,897,616</u>	<u>1,893,531</u>
NON-CURRENT ASSETS			
Prepaid Insurance	-	59,184	16,821
Non-depreciable capital assets			
Land	-	9,197	-
Construction in progress	-	184,823	950,202
Depreciable capital assets			
Buildings	122,858	843,196	-
Improvements other than buildings	47,243	45,568,762	54,535,472
Equipment	9,163,959	187,436	1,085,563
Accumulated depreciation	<u>(7,373,823)</u>	<u>(12,977,040)</u>	<u>(16,272,286)</u>
Total non-current assets	<u>1,960,237</u>	<u>33,875,558</u>	<u>40,315,772</u>
Total assets	<u>3,898,127</u>	<u>36,773,174</u>	<u>42,209,303</u>
<b>DEFERRED OUTFLOWS</b>			
Pensions	485,163	113,151	-
OPEB	27,302	6,258	-
Total deferred outflows	<u>512,465</u>	<u>119,409</u>	<u>-</u>

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

<u>Golf Course</u>	<u>Sunrise Theatre</u>	<u>Building Fund</u>	<u>Business-type Activities Totals</u>
\$ 950	\$ 3,600	\$ 2,187,177	\$ 2,613,740
2,303	6,589	-	2,215,444
-	-	-	187,488
-	-	2,415	965,701
-	-	-	410,267
15,369	-	-	30,152
<u>6,754</u>	<u>40,813</u>	<u>-</u>	<u>2,572,215</u>
<u>25,376</u>	<u>51,002</u>	<u>2,189,592</u>	<u>8,995,007</u>
-	-	-	76,005
314,811	350,000	-	674,008
-	-	45,245	1,180,270
877,676	16,059,347	-	17,903,077
2,774,831	-	-	102,926,308
458,331	213,635	458,155	11,567,079
<u>(2,084,275)</u>	<u>(7,270,095)</u>	<u>(328,443)</u>	<u>(46,305,962)</u>
<u>2,341,374</u>	<u>9,352,887</u>	<u>174,957</u>	<u>88,020,785</u>
<u>2,366,750</u>	<u>9,403,889</u>	<u>2,364,549</u>	<u>97,015,792</u>
59,375	107,805	307,495	1,072,989
3,300	6,458	18,258	61,576
<u>62,675</u>	<u>114,263</u>	<u>325,753</u>	<u>1,134,565</u>

City of Fort Pierce, Florida  
**STATEMENT OF NET POSITION- (CONTINUED)**  
**PROPRIETARY FUNDS**  
September 30, 2019

	Business-type Activities		
	Solid Waste	Marina	Storm Water
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 557,252	\$ 155,451	\$ 331,177
Contracts payable - retainage	-	6,955	95,020
Due to other funds	6,666	7,163	2,088,468
Accrued compensated absences	14,275	4,714	-
Revenue bonds and notes - current	-	409,436	900,000
Capital Lease Payable-current	311,411	-	-
Accrued interest - revenue bonds and notes	-	16,042	-
Liabilities payable from restricted assets			
Customer deposits	-	136,959	-
Revenue in Advance	-	-	-
	<hr/>	<hr/>	<hr/>
Total current liabilities	889,604	736,720	3,414,665
<b>NON-CURRENT LIABILITIES</b>			
Advances from other funds	-	538,568	-
Other Post Employment Benefits	184,900	42,383	-
Accrued compensated absences	250,984	83,907	-
Net Pension Liability	951,754	221,970	-
Capital Lease Payable	540,409	-	-
Revenue bonds and notes payable, net	-	7,661,439	9,314,676
	<hr/>	<hr/>	<hr/>
Total non-current liabilities	1,928,047	8,548,267	9,314,676
Total liabilities	<hr/>	<hr/>	<hr/>
	2,817,651	9,284,987	12,729,341
<b>DEFERRED INFLOWS</b>			
Pensions	242,443	56,543	-
OPEB	3,551	814	-
	<hr/>	<hr/>	<hr/>
Total deferred inflows	245,994	57,357	-
<b>NET POSITION</b>			
Net Invested in capital assets	1,108,417	25,745,499	30,084,275
Restricted for capital projects	-	2,387,689	-
Unrestricted	238,530	(582,949)	(604,313)
	<hr/>	<hr/>	<hr/>
Total net position	\$ 1,346,947	\$ 27,550,239	\$ 29,479,962
	<hr/>	<hr/>	<hr/>

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

			Business-type Activities Totals
Golf Course	Sunrise Theatre	Building Fund	
\$ 35,117	\$ 48,536	\$ 119,144	\$ 1,246,677
-	-	-	101,975
635,468	740,645	11,057	3,489,467
1,944	48,363	6,563	75,859
-	-	-	1,309,436
-	-	-	311,411
-	-	-	16,042
6,754	40,813	-	184,526
-	389,579	-	389,579
<u>679,283</u>	<u>1,267,936</u>	<u>136,764</u>	<u>7,124,972</u>
-	-	-	538,568
22,346	43,732	123,646	417,007
8,489	25,560	121,613	490,553
116,477	211,482	603,220	2,104,903
-	-	-	540,409
-	-	-	16,976,115
<u>147,312</u>	<u>280,774</u>	<u>848,479</u>	<u>21,067,555</u>
<u>826,595</u>	<u>1,548,710</u>	<u>985,243</u>	<u>28,192,527</u>
29,672	53,871	153,659	536,188
429	840	2,374	8,008
<u>30,101</u>	<u>54,711</u>	<u>156,033</u>	<u>544,196</u>
2,341,374	9,352,887	174,957	68,807,409
-	-	-	2,387,689
(768,645)	(1,438,156)	1,374,069	(1,781,464)
<u>\$ 1,572,729</u>	<u>\$ 7,914,731</u>	<u>\$ 1,549,026</u>	<u>\$ 69,413,634</u>

City of Fort Pierce, Florida  
**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS**  
Year ended September 30, 2019

	Business-type Activities		
	Solid Waste	Marina	Storm Water
Operating revenues			
Sales and charges for services	\$ 7,598,417	\$ 1,752,603	\$ 2,678,791
Gas and oil sales	-	1,132,565	-
Other	50,140	585,524	166,480
Total operating revenues	<u>7,648,557</u>	<u>3,470,692</u>	<u>2,845,271</u>
Operating expenses			
Personal services	2,170,524	463,585	-
General and administrative	80,000	-	236,852
Cost of goods and services sold	2,392,543	1,010,714	-
Depreciation	508,933	1,126,095	1,334,588
Other operating expenses	1,590,410	1,394,018	1,423,576
Total operating expenses	<u>6,742,410</u>	<u>3,994,412</u>	<u>2,995,016</u>
Operating income (loss)	906,147	(523,720)	(149,745)
Non-operating revenues (expenses)			
Investment income	10,170	10,875	20,984
Interest expense	(36,325)	(381,434)	(326,537)
Total non-operating revenues (expenses)	<u>(26,155)</u>	<u>(370,559)</u>	<u>(305,553)</u>
Income (loss) before transfers and capital contributions	879,992	(894,279)	(455,298)
Capital Contributions	-	-	2,890,929
Transfers in	-	-	-
Transfers out	(882,491)	(250,000)	-
CHANGE IN NET POSITION	(2,499)	(1,144,279)	2,435,631
Total net position - beginning	<u>1,349,446</u>	<u>28,694,518</u>	<u>27,044,331</u>
Total net position - end of year	<u>\$ 1,346,947</u>	<u>\$ 27,550,239</u>	<u>\$ 29,479,962</u>

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

			Business-type Activities Totals
Golf Course	Sunrise Theatre	Building Fund	
\$ 1,144,336	\$ 2,457,285	\$ 2,302,689	\$ 17,934,121
-	-	-	1,132,565
7,033	9,192	33,855	852,224
<u>1,151,369</u>	<u>2,466,477</u>	<u>2,336,544</u>	<u>19,918,910</u>
383,550	361,257	1,341,041	4,719,957
59,853	94,218	-	470,923
45,882	852,541	-	4,301,680
140,492	546,487	68,786	3,725,381
998,411	1,811,793	447,566	7,665,774
<u>1,628,188</u>	<u>3,666,296</u>	<u>1,857,393</u>	<u>20,883,715</u>
(476,819)	(1,199,819)	479,151	(964,805)
2,428	2,841	39,101	86,399
-	-	-	(744,296)
<u>2,428</u>	<u>2,841</u>	<u>39,101</u>	<u>(657,897)</u>
(474,391)	(1,196,978)	518,252	(1,622,702)
-	-	-	2,890,929
-	480,338	-	480,338
-	-	(5,386)	(1,137,877)
(474,391)	(716,640)	512,866	610,688
<u>2,047,120</u>	<u>8,631,371</u>	<u>1,036,160</u>	<u>68,802,946</u>
<u>\$ 1,572,729</u>	<u>\$ 7,914,731</u>	<u>\$ 1,549,026</u>	<u>\$ 69,413,634</u>

City of Fort Pierce, Florida  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2019

	Business-type Activities	
	Solid Waste	Marina
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 7,724,508	\$ 3,341,856
Receipts from rental property	-	141,277
Payments to suppliers for goods and services	(4,515,460)	(2,455,777)
Payments to employees for services	(1,248,416)	(293,983)
Payments for benefits on behalf of employees	(720,426)	(133,819)
Net cash provided (used) by operating activities	1,240,206	599,554
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in	-	-
Transfers (out)	(882,491)	(250,000)
Net cash provided (used) by noncapital financing activities	(882,491)	(250,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(404,378)	(612,310)
Receipts from Intergovernmental	-	351,428
Bond and loan principal payments	(351,865)	(267,369)
Bond proceeds	-	3,225,000
Bond and loan interest payments	(36,325)	(432,682)
Net cash provided (used) by capital and related financing activities	(792,568)	2,264,067
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on cash and investments	10,170	10,875
Net cash provided (used) by investing activities	10,170	10,875
Net increase (decrease) in cash and investments	(424,683)	2,624,496
Cash and investments at beginning of year	613,942	132,906
Cash and investments at end of year	\$ 189,259	\$ 2,757,402
Cash and investments-unrestricted	\$ 189,259	\$ 232,754
Cash and investments-restricted	-	2,524,648
	\$ 189,259	\$ 2,757,402

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

				Business-type Activities Totals
Storm Water	Golf Course	Sunrise Theatre	Building Fund	
\$ 2,639,564	\$ 1,150,305	\$ 2,432,569	\$ 2,334,703	\$ 19,623,505
-	-	-	-	141,277
(293,438)	(815,418)	(2,538,944)	(398,044)	(11,017,081)
-	(120,184)	(285,647)	(724,359)	(2,672,589)
-	(210,377)	(100,827)	(399,616)	(1,565,065)
<u>2,346,126</u>	<u>4,326</u>	<u>(492,849)</u>	<u>812,684</u>	<u>4,510,047</u>
-	-	480,338	-	480,338
-	-	-	(5,386)	(1,137,877)
-	-	480,338	(5,386)	(657,539)
(4,039,376)	-	-	(120,717)	(5,176,781)
3,853,012	-	-	-	4,204,440
(1,730,000)	-	-	-	(2,349,234)
-	-	-	-	3,225,000
(500,102)	-	-	-	(969,109)
<u>(2,416,466)</u>	<u>-</u>	<u>-</u>	<u>(120,717)</u>	<u>(1,065,684)</u>
<u>20,984</u>	<u>2,428</u>	<u>2,841</u>	<u>39,101</u>	<u>86,399</u>
<u>20,984</u>	<u>2,428</u>	<u>2,841</u>	<u>39,101</u>	<u>86,399</u>
(49,356)	6,754	(9,670)	725,682	2,873,223
<u>49,356</u>	<u>950</u>	<u>54,083</u>	<u>1,461,495</u>	<u>2,312,732</u>
<u>\$ -</u>	<u>\$ 7,704</u>	<u>\$ 44,413</u>	<u>\$ 2,187,177</u>	<u>\$ 5,185,955</u>
\$ -	\$ 950	\$ 3,600	\$ 2,187,177	\$ 2,613,740
-	6,754	40,813	-	2,572,215
<u>\$ -</u>	<u>\$ 7,704</u>	<u>\$ 44,413</u>	<u>\$ 2,187,177</u>	<u>\$ 5,185,955</u>

City of Fort Pierce, Florida  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2019

	Business-type Activities	
	Solid Waste	Marina
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 906,147	\$ (523,720)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	508,933	1,126,095
(Increase) decrease in accounts receivable	120,910	10,593
(Increase) decrease in due from component unit	(44,957)	-
(Increase) decrease in inventories and other current assets	74,445	73,627
(Increase) decrease in deferred outflows	(122,499)	(29,306)
Increase (decrease) in accounts payable and accrued liabilities	84,325	77,503
Increase (decrease) in due to other funds	(602,000)	(202,575)
Increase (decrease) in customer deposits	-	1,855
Increase (decrease) in other post employment benefits	32,385	8,515
Increase (decrease) in Net Pension Liability	336,724	79,861
Increase (decrease) in Deferred Inflows	(82,465)	(18,530)
Increase (decrease) in accrued compensated absences	28,258	(4,364)
Net cash provided (used) by operating activities	<u>\$ 1,240,206</u>	<u>\$ 599,554</u>

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

---

<u>Storm Water</u>	<u>Golf Course</u>	<u>Sunrise Theatre</u>	<u>Building Fund</u>	<u>Business-type Activities Totals</u>
\$ (149,745)	\$ (476,819)	\$ (1,199,819)	479,151	\$ (964,805)
1,334,588	140,492	546,487	68,786	3,725,381
45,803	(1,223)	(171)	-	175,912
(251,508)	-	-	(1,840)	(298,305)
4,202	30,743	57,676	7,454	248,147
-	(24,504)	14,049	(124,491)	(286,751)
(607,884)	(28,473)	(19,735)	48,587	(445,677)
1,970,670	288,760	181,358	1,062	1,637,275
-	161	(33,737)	-	(31,721)
-	15,980	(7,637)	40,356	89,599
-	56,250	9,121	285,813	767,769
-	(2,027)	(53,364)	(13,498)	(169,884)
-	4,986	12,923	21,304	63,107
<u>\$ 2,346,126</u>	<u>\$ 4,326</u>	<u>\$ (492,849)</u>	<u>\$ 812,684</u>	<u>\$ 4,510,047</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**



## TRUST FUNDS

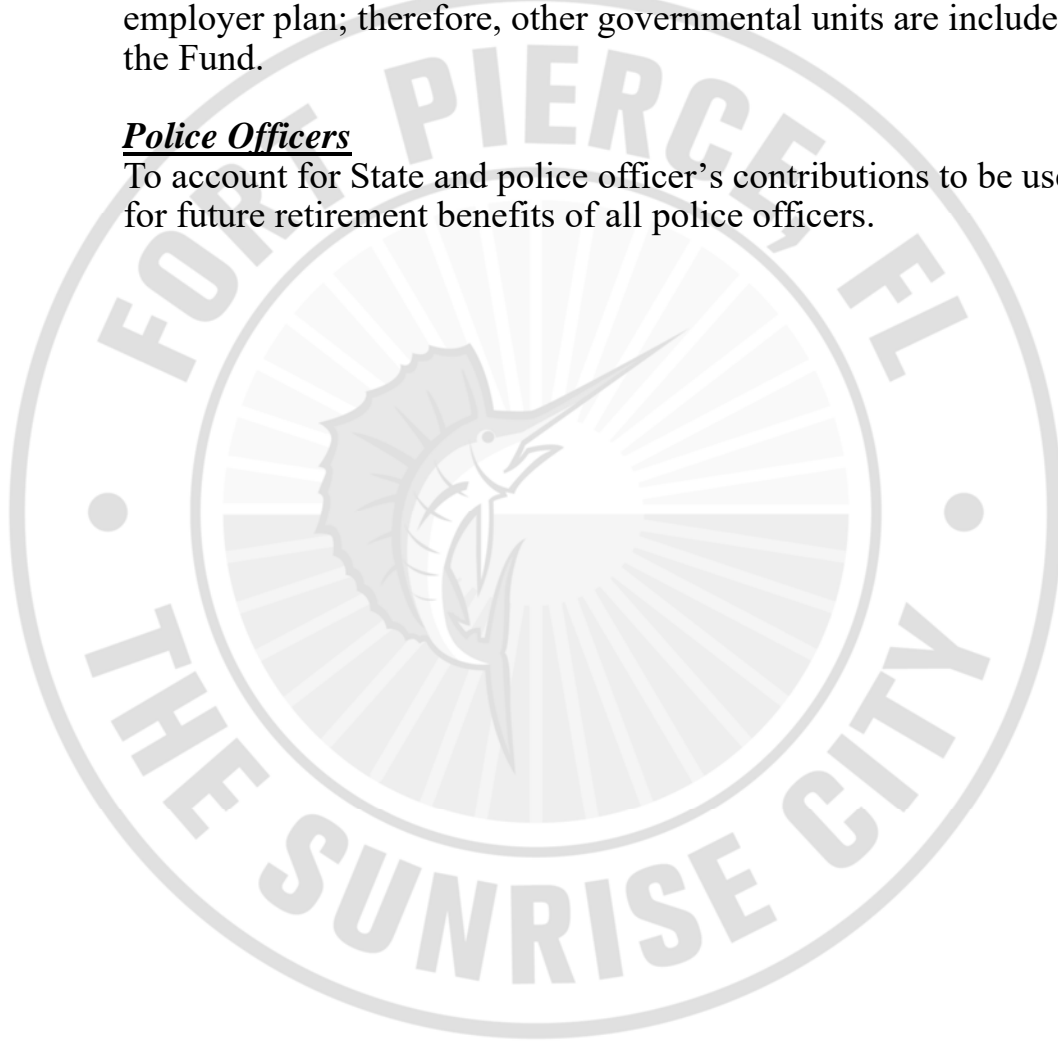
### ◆ Pension Trust

#### General Employees

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

#### Police Officers

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



City of Fort Pierce, Florida  
**STATEMENT OF FIDUCIARY FUNDS NET POSITION**  
September 30, 2019

	Pension Trusts
<b>ASSETS</b>	
Cash and cash equivalents	\$ 840,353
Investments, at fair value:	
U.S. Government Securities	21,136,478
Municipal Bonds	313,708
Mutual Funds	126,254,224
Certificates of Deposit	349,856
Common Stock	15,473,448
Corporate Bonds	30,913,666
Real Estate Trust L.P.	20,852,825
Common Trust Fund	940,127
Money Market	2,470,966
Total investments	218,705,298
Total cash and investments	219,545,651
Accounts receivable	317,014
Accrued interest receivable	382,903
	220,245,568
 <b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	78,152
Total liabilities	78,152
 <b>NET POSITION-RESTRICTED FOR PENSION</b>	
<b>BENEFITS</b>	\$ 220,167,416

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

City of Fort Pierce, Florida  
**STATEMENT OF CHANGES IN FIDUCIARY FUNDS NET POSITION**  
Year ended September 30, 2019

	Pension Trusts
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 5,240,707
Employees	2,388,106
State-Via the General Fund	402,063
Total contributions	8,030,876
Investment income	
Interest	2,610,548
Dividends	1,407,291
Net appreciation in fair value of investments	2,816,451
Total investment income	6,834,290
Investment expenses	(830,044)
Net investment income	6,004,246
Total additions	14,035,122
<b>DEDUCTIONS</b>	
Retirement benefits paid	14,874,016
Refunds of employee contributions	467,789
Administrative expenses	325,176
Insurance expense	20,651
Total deductions	15,687,632
Net Increase(Decrease)	(1,652,510)
<b>NET POSITION-RESTRICTED FOR PENSION</b>	
<b>BENEFITS</b>	
Beginning of year	221,819,926
End of year	\$ 220,167,416

*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 35.07 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 46,071 residents in the form of law enforcement, street maintenance, solid waste, culture and recreation, planning and zoning, human resources and general administrative services.

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

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

Blended component units, although legally separate entities, are, in substance, part of the City’s operations. Accordingly, data from these component units are included with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that it is legally separate from the City. The financial activities and balances for each blended and discretely presented component units are as of and for the period ended September 30, 2019.

***A. BLENDED COMPONENT UNITS***

Community Redevelopment Agency

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

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

**1. REPORTING ENTITY (CONTINUED)**

**B. DISCRETELY PRESENTED COMPONENT UNIT**

Fort Pierce Utilities Authority

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

**C. RELATED ORGANIZATION**

Fort Pierce Housing Authority

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

**2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

Separate financial statements are provided for governmental funds, 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.

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

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

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

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

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

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

The city reports the following major governmental funds:

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

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

The *restricted revenue fund-special revenue fund* accounts for all revenue that is restricted as to the purpose the money generated can be utilized such as impact fees, municipal service taxing unit revenue, and certain license and permit fees.

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

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

The government reports the following major proprietary funds:

Business type activities

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

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

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

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

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

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

Governmental activities

Additionally, the government reports the following fund types:

Fiduciary funds

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

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

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

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

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

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

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

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

**a. Deposits and investments**

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

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

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

**b. Receivables and payables**

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

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

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

**c. Due to/Due from**

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

**d. Inventories and prepaid items**

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

**e. Restricted assets**

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

The Fort Pierce Utilities Authority has similar restricted assets.

**f. Capital assets**

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

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

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

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

**f. Capital assets (continued)**

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

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

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

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

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

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

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

**h. Compensated absences**

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

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

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

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

**i. Other Post Employment Benefits**

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

**j. Long-term obligations**

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

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

**k. Fund equity**

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

**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, one major special revenue fund; community redevelopment agency fund, and the following non-major special revenue funds: police grant fund, state housing initiatives program fund, community development block grant fund, and hurricane housing recovery grant fund. The major special revenue fund; restricted revenue fund was not legally required to adopt a budget.

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

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

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

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

“Total fund balances” as reported on the City’s Governmental Funds Balance Sheet \$21,597,497 differs from the “net position” of governmental activities \$51,661,632 that are reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Funds Balance Sheet. The effect of the differences is illustrated below.

**Capital related items**

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

Cost of capital assets, not being depreciated	\$	28,209,333
Cost of capital assets, being depreciated		217,128,886
Accumulated depreciation		(141,734,602)
Total	\$	<u>103,603,617</u>

**Long-term debt transactions**

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2019 were:

Bonds and notes payable	\$	(64,412,639)
Capital lease obligations		(1,674,225)
Other post employment benefits		(2,309,675)
Net Pension Liability		(11,183,533)
Compensated absences		(3,234,684)
Total	\$	<u>(82,814,756)</u>

**Accrued interest**

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

Bond and revenue notes	\$	<u>(427,645)</u>
------------------------	----	------------------

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

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

**Prepaid Insurance and Deferred Charge on Refunding**

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

Net bond insurance costs	\$ 26,945
Net Deferred charge on refunding	\$ 2,859,216

**Unavailable revenues**

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

Liens receivable	\$ 9,309,988
Loans receivable	45,948
Notes receivable	1,769,282
Due from other governments	517,430
Allowance for doubtful accounts	(8,082,459)
Deferred revenues	\$ 3,560,189

**Deferred Inflows and Outflows from Pension Activity**

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

Deferred inflows/outflows	
Deferred Inflows-Pensions and OPEB	\$ (300,000)
Deferred Outflows-Pensions and OPEB	\$ 3,556,569

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

Inter-fund receivables and payables in the amount of \$867,007 between governmental funds have been eliminated for the Statement of Net Position.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

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

The “net change in fund balances” for government funds \$2,318,134 differs from the “change in net position” for governmental activities \$1,553,845 reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

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

Capital outlay	\$ 2,034,264
Depreciation expense	(4,837,562)
	<u>\$ (2,803,298)</u>

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

Net book value of capital assets disposed	<u>\$ (20,040)</u>
---	--------------------

**Long-term debt transactions**

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

Bond, notes, and capital lease principal payments	<u>\$ 5,185,396</u>
---	---------------------

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**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	\$ (85,334)
Net change in compensated absences	\$ (23,359)
Net interest adjustment	\$ (59,871)
Net Change in Pension Liability	\$ (1,878,195)

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

Debt Issuance	\$ (27,764,844)
Payment on advance refunding	27,696,699
Capital lease proceeds	(467,928)
	\$ (536,073)

**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	\$ (360,425)
-----------------------	--------------

**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	\$ (183,090)
--------------------------------	--------------

**Reclassification and Eliminations**

The General Fund recognizes revenues in the amount of \$1,253,609 for the general administrative charges to the various functions. These revenues and expenditures must be eliminated to avoid “double counting”. Transfers in and transfers out in the amount of \$15,836,543 between governmental activities are eliminated in the government-wide financial statements.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***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, 2019 was \$23,103,394 and the bank balance was \$22,981,351. 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, 2019, or with banks in which depository insurance was sufficient to cover the deposit balance.

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

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

The Florida PRIME has met the criteria as a "2a7-like" pool; this pool was assigned a rating of AAAM by the Standards and Poor's Rating Service. The FPUA has a \$5,531,770 balance at September 30, 2019. The fair value of the position in the pool is valued the same as the pooled shares.

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

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

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

A summary of pooled cash and investments as of September 30, 2019 is as follows:

	<u>Primary Government</u>	<u>Component Unit-FPUA</u>
Cash	\$ 5,664,746	\$ 7,635,270
Investments:		
Certificates of Deposit	-	3,322,082
State Board of Administration pooled trust fund	-	5,531,770
Florida Municipal Investment trust	51,991	-
Money market	-	7,196,167
Repurchase agreements	17,386,657	33,120,064
Total investments	<u>17,438,648</u>	<u>49,170,083</u>
Total pooled cash and investments	<u>\$ 23,103,394</u>	<u>\$ 56,805,353</u>

All investments held in the primary government and component unit at September 30, 2019 have maturity dates less than one year.

A summary of investments held in pension trust funds as of September 30, 2019 is as follows:

	<u>Fair Value Measurements</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Agencies	\$ 21,136,478	\$ -	\$ -
Municipal Bonds	313,708	-	-
Certificates of Deposit	349,856	-	-
Corporate obligations	-	30,913,666	-
Common stock	15,473,448	-	-
Mutual funds-equity	126,254,224	-	-
Real estate trust L.P.	-	-	20,852,825
Common trust fund	-	-	940,127
Money market funds	2,470,966	-	-
	<u>\$165,998,680</u>	<u>\$30,913,666</u>	<u>\$21,792,952</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

	Investment Maturities in Years					total
	under 1	1-5	6-10	10-20	over 20	
U.S. Agencies	\$ -	\$ 3,541,624	\$ 980,563	\$ 1,571,026	\$ 15,043,265	\$ 21,136,478
Municipal Bonds	-	-	-	-	313,708	313,708
Certificates of Deposit	-	349,856	-	-	-	349,856
Corporate obligations	-	17,641,448	9,008,701	2,594,546	1,668,971	30,913,666
Common stock	15,473,448	-	-	-	-	15,473,448
Mutual funds-equity	126,254,224	-	-	-	-	126,254,224
Real estate trust L.P.	20,852,825	-	-	-	-	20,852,825
Common trust fund	940,127	-	-	-	-	940,127
Money market funds	2,470,966	-	-	-	-	2,470,966
	<u>\$ 165,991,590</u>	<u>\$ 21,532,928</u>	<u>\$ 9,989,264</u>	<u>\$ 4,165,572</u>	<u>\$ 17,025,944</u>	<u>\$ 218,705,298</u>

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

As of September 30, 2019, the pension plans had the following fixed income investments with corresponding credit ratings:

	Credit Rating	Amount
Corporate Bonds	A1	2,581,839
Corporate Bonds	A2	6,749,243
Corporate Bonds	A3	7,206,793
Corporate Bonds	Aaa	1,757,284
Corporate Bonds	Aa1	506,231
Corporate Bonds	Aa2	832,143
Corporate Bonds	Aa3	1,260,547
Corporate Bonds	Baa1	5,882,148
Corporate Bonds	Baa2	2,025,528
Corporate Bonds	Baa3	699,896
Corporate Bonds	not rated	1,412,014
		<u>\$ 30,913,666</u>
Municipal Bonds	A2	<u>\$ 313,708</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

***NOTE E - PROPERTY TAXES***

The City's property tax is levied by St. Lucie County each November 1 on the assessed value listed as of the prior January 1 for real and personal property located in the City. Property taxes become a lien on the first day of the levy year and are due on or before March 31. Assessed values are established by the St. Lucie County Property Appraiser. The assessed value at January 1, 2018, upon which the 2018-2019 levy is based, was \$2,378,742,249.

The City is permitted by State law to levy taxes of up to 10 mills of assessed valuation for the General Fund. Taxes are levied at 6.9 mills for the General Fund for the fiscal year ended September 30, 2019.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE F - ACCOUNTS RECEIVABLE/NOTES RECEIVABLE***

Accounts Receivable

Accounts receivable held by the primary government's enterprise funds and the FPUA (a component unit) are stated net of allowances for estimated uncollectibles of \$15,639 for the marina, \$27,235 for sanitation, \$0 for storm water, \$0 for golf course, and \$902,903 the FPUA, respectively. The general fund accounts receivable is stated net of allowance for estimated uncollectibles of \$8,082,459. No other allowance is provided for receivables held by governmental or fiduciary fund types because, in the opinion of management, all such accounts are collectible.

Notes Receivable

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

***NOTE G - DUE FROM OTHER GOVERNMENTS***

Amounts due from other governments include \$393,055 from U.S. Department of Housing & Urban Development, \$5,696 from Federal Department of Justice, \$32,967 from the Florida Department of Law Enforcement, \$410,237 from the U.S. Department of Agriculture, \$90,086 from St. Lucie County, \$443,512 from FEMA, \$73,919 from Florida Department of Community Affairs, \$72,530 from Florida Inland Navigation, and \$82,204 due from St. Lucie County Housing Authority.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE H - CAPITAL ASSETS**

Capital asset activity of the **primary government** for the year ended September 30, 2019 was as follows:

**Governmental Activities:**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 27,796,483	\$ -	\$ -	\$ -	\$ 27,796,483
Construction in Progress	145,874	276,976	-	(10,000)	412,850
Total capital assets, not being depreciated	27,942,357	276,976	-	(10,000)	28,209,333
Capital assets, being depreciated:					
Buildings	42,701,001	47,800	-	-	42,748,801
Improvements other than buildings	45,391,630	491,636	-	-	45,883,266
Equipment	19,128,482	1,217,852	(783,876)	10,000	19,572,458
Infrastructure	108,924,361	-	-	-	108,924,361
Total	216,145,474	1,757,288	(783,876)	10,000	217,128,886
Less accumulated depreciation for:					
Buildings	(15,854,671)	(895,529)	-	-	(16,750,200)
Improvements other than buildings	(23,650,911)	(1,555,889)	-	-	(25,206,800)
Equipment	(13,648,866)	(1,166,296)	763,836	-	(14,051,326)
Infrastructure	(84,506,428)	(1,219,848)	-	-	(85,726,276)
Total accumulated depreciation	(137,660,876)	(4,837,562)	763,836	-	(141,734,602)
Total capital assets, being depreciated, net	78,484,598	(3,080,274)	(20,040)	10,000	75,394,284
Total capital assets, net	<u>\$ 106,426,955</u>	<u>\$ (2,803,298)</u>	<u>\$ (20,040)</u>	<u>\$ -</u>	<u>\$ 103,603,617</u>

Depreciation expense charged to functions/programs of the **primary government** (governmental activities) for the year ended September 30, 2019 was as follows:

**Governmental activities:**

General government	\$ 200,210
Public safety	779,148
Transportation	3,431,963
Economic environment	85,347
Culture and recreation	340,894
Total	<u>\$ 4,837,562</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**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	2,025,813	1,180,270	-	(2,025,813)	1,180,270
Total capital assets, not being depreciated	2,699,821	1,180,270	-	(2,025,813)	1,854,278
Capital assets, being depreciated:					
Buildings	17,903,077	-	-	-	17,903,077
Improvements other than buildings	97,456,982	3,443,513	-	2,025,813	102,926,308
Equipment	11,207,010	553,001	(192,932)	-	11,567,079
Total	126,567,069	3,996,514	(192,932)	2,025,813	132,396,464
Less accumulated depreciation for:					
Buildings	(7,809,977)	(1,713,184)	-	-	(9,523,161)
Improvements other than buildings	(26,393,359)	(1,333,095)	-	-	(27,726,454)
Equipment	(8,570,177)	(679,102)	192,932	-	(9,056,347)
Total accumulated depreciation	(42,773,513)	(3,725,381)	192,932	-	(46,305,962)
Total capital assets, being depreciated, net	83,793,556	271,133	-	2,025,813	86,090,502
Total capital assets, net	<u>\$ 86,493,377</u>	<u>\$ 1,451,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,944,780</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, 2019 was as follows:

Solid waste	\$ 508,933
Marina	1,126,095
Stormwater	1,334,588
Golf course	140,492
Sunrise Theatre	546,487
Building Fund	68,786
Total	<u>\$ 3,725,381</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Utility Plant, not being depreciated:				
Land	\$ 9,947,000	\$ 5,000	\$ (396,000)	\$ 9,556,000
Construction Work in Progress	18,051,916	12,650,511	(13,219,000)	17,483,427
Total Utility Plant, not being depreciated	27,998,916	12,655,511	(13,615,000)	27,039,427
Utility Plant, being depreciated:				
Transmission, distribution and collection systems	349,610,784	9,761,934	(8,922,000)	350,450,718
Equipment	57,637,000	1,901,000	(2,925,000)	56,613,000
Structures and improvements	38,450,000	2,598,000	(76,000)	40,972,000
Total Utility Plant being depreciated	445,697,784	14,260,934	(11,923,000)	448,035,718
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(196,700,943)	(10,815,434)	6,917,000	(200,599,377)
Equipment	(38,545,000)	(2,268,000)	2,925,000	(37,888,000)
Structures and improvements	(24,623,000)	(874,000)	76,000	(25,421,000)
Total accumulated depreciation	(259,868,943)	(13,957,434)	9,918,000	(263,908,377)
Total Utility Plant, being depreciated, net	185,828,841	303,500	(2,005,000)	184,127,341
Total Utility Plant, net	<u>\$ 213,827,757</u>	<u>\$ 12,959,011</u>	<u>\$ (15,620,000)</u>	<u>\$ 211,166,768</u>

Construction work in progress at September 30, 2019 consists principally of expansions and upgrades to the electric transmission and distribution system, water supply and distribution system, wastewater collection system, and gas distribution system.

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

	<b>Project Total</b>	<b>Expended to Date</b>	<b>Remaining Commitment</b>	<b>Required Further Financing</b>
Water	\$ 1,767,000	\$ 694,000	\$ 1,073,000	None
Wastewater	5,332,000	2,655,000	2,677,000	None
Gas	290,000	173,000	117,000	None
Electric	315,000	142,000	173,000	None
Administration	59,000	20,000	39,000	None
	<u>\$ 7,763,000</u>	<u>\$ 3,684,000</u>	<u>\$ 4,079,000</u>	

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**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, 2019, costs of \$300,000 were authorized under these contracts, \$76,000 has been spent, and authorized amounts of \$224,000 remained.

**NOTE I – LONG TERM DEBT**

Bond and note obligations of the **primary government** as of September 30, 2019 are as follows:

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$6,825,000 Capital Improvement Revenue Refunding Bonds, Series 2010A, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 5% interest payable semi-annually with a sinking fund installment of 480,000 in 2020. Proceeds used to defease the 1998 and 2001 Capital Improvement bonds. Current portion of bond is 480,000.	129,889	350,111
\$2,935,000 Taxable Capital Improvement Revenue Refunding Bonds, Series 2010B, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 5.344% interest payable semi-annually and annual sinking fund installments ranging from 360,000 to 400,000 beginning in 2014 through September 1, 2022. Proceeds used to partially refund the Taxable Capital Improvement Revenue Refunding Bonds, Series 2008. Current portion of bond is 360,000.	-	1,140,000
\$3,395,000 Section 108 Loan Payable, variable interest only monthly to 2012, annual principal payments beginning in 2012 ranging from 282,000 to 283,000 to 2024, payable from proceeds of a note receivable secured by a shopping center with a pledge of the City's Community Development Block Grant revenues. Current portion of note is \$283,000.	-	1,414,000

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$6,079,229 Capital Improvement Revenue Note, Series 2014, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 3.055% interest payable semi-annually and annual principal payments ranging from 365,716 to 535,541 beginning in 2014 through December 1, 2028. Proceeds used to purchase energy conservation equipment. Current portion of note is 365,716.	-	4,478,221
\$3,920,771 Capital Improvement Revenue Note, Series 2014A, payable from net marina revenues and the half-cent sales tax, 3.19% interest payable semi-annually and annual principal payments ranging from 260,605 to 346,491 beginning in 2016 through December 1, 2029. Proceeds used for construction costs related to the city owned marina. Current portion of note is 260,605.	3,017,381	-
\$13,745,000 Stormwater Utility System Revenue Refunding Note, Series 2016, payable from and secured by a first lien and pledge upon the Stormwater revenues, interest at 2.90% payable semi-annually and sinking fund installments ranging from \$740,000 to \$1,095,000 through October 1, 2030. Proceeds used to currently refund the 2002 and 2006 Stormwater Utility Revenue Bonds. Current portion is \$900,000.	10,240,000	-
\$20,000,000 Fort Pierce Redevelopment Revenue Refunding Notes, Series 2015A, payable from and secured by a first lien and pledge upon tax increment revenues, with interest at 3.2%, payable semi-annually and sinking fund installments ranging from \$1,110,000 to \$1,615,000 through May 1, 2031. Proceeds will be used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$1,110,000.	-	15,980,000

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

	<u>Business-type Activities</u>	<u>Government Activities</u>
<p>\$11,055,000 Fort Pierce Redevelopment Revenue Refunding Notes, Series 2015B, payable from and secured by a first lien and pledge upon tax increment revenues, with interest at 3.2%, payable semi-annually and sinking fund installments ranging from \$610,000 to \$905,000 through May 1, 2031. Proceeds used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$610,000.</p>	-	8,790,000
<p>\$1,280,000 Fort Pierce Taxable Capital Improvement Revenue Note, 2016A , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 4.25%, payable semi-annually and sinking fund installments ranging from \$120,000 to \$150,000 through August 1, 2026. Proceeds used to repay Fort Pierce Utility Authority. Current portion is \$120,000.</p>	-	935,000
<p>\$820,000 Fort Pierce Capital Improvement Revenue Note, 2016B , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 3.09%, payable semi-annually and sinking fund installments ranging from \$50,000 to \$65,000 through August 1, 2026. Proceeds used for land purchase. Current portion is \$50,000.</p>	-	680,000
<p>\$1,435,000 Fort Pierce Taxable Capital Improvement Revenue Note, 2016C , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 2.35%, payable semi-annually and sinking fund installments ranging from \$205,000 to \$215,000 through August 1, 2023. Proceeds used for new radios. Current portion is \$205,000.</p>		840,000

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

	<u>Business-type Activities</u>	<u>Government Activities</u>
\$6,860,000 Fort Pierce Capital Improvement Revenue Refunding Note, 2018 , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 3.61%, payable semi-annually and sinking fund installments ranging from \$70,000 to \$750,000 through August 1, 2023. Proceeds used to defease a portion of the Series 2010A Capital Improvement Revenue Refunding Bonds. Current portion is \$70,000.	1,818,444	4,901,556
\$26,460,000 Fort Pierce Capital Improvement Revenue and Refunding Bonds, 2019 , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 5%, payable semi-annually and sinking fund installments ranging from \$500,000 to \$2,180,000 through September 1, 2038. Proceeds used to defease the Series 2015 Capital Improvement Revenue Refunding Note, and finance costs of a marina project. Current portion is \$1,215,000.		
	3,225,000	21,540,000
	18,430,714	61,048,888
Less: current portion payable from restricted assets	(1,309,436)	(4,719,885)
Unamortized items	(145,163)	3,363,751
	<u>\$ 16,976,115</u>	<u>\$ 59,692,754</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

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

**Governmental Activities:**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,719,885	2,313,735	\$ 7,033,620
2021	4,913,736	2,116,192	7,029,928
2022	5,089,081	1,935,420	7,024,501
2023	4,858,884	1,761,502	6,620,386
2024	4,815,200	1,591,830	6,407,030
2025-2029	24,860,055	5,277,462	30,137,517
2030-2032	11,792,047	892,006	12,684,053
	<u>\$ 61,048,888</u>	<u>\$ 15,888,147</u>	<u>\$ 76,937,035</u>

**Business-Type Activities:**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,309,436	556,686	\$ 1,866,122
2021	1,347,287	504,692	1,851,979
2022	1,389,995	464,851	1,854,846
2023	1,434,335	423,746	1,858,081
2024	1,477,609	381,329	1,858,938
2025-2029	7,264,100	1,236,715	8,500,815
2030-2034	1,997,952	497,154	2,495,106
2034-2038	2,210,000	168,000	2,378,000
	<u>\$ 18,430,714</u>	<u>\$ 4,233,173</u>	<u>\$ 22,663,887</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

Long-term liability activity of the **primary government** for the year ended September 30, 2019 was as follows:

	<b>Beginning Balance 10/1/2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 9/30/2019</b>	<b>Amounts Due within One Year</b>	<b>Amounts Due after One Year</b>
<b>Governmental Activities:</b>						
Notes, bonds payable, and loans:						
Revenue notes	\$ 65,911,787	\$ -	\$ 29,307,010	\$ 36,604,777	\$ 2,511,774	\$ 34,093,003
Revenue bonds	1,830,111	23,235,000	2,035,000	23,030,111	1,925,111	21,105,000
Section 108 Loan	1,697,000	-	283,000	1,414,000	283,000	1,131,000
Unamortized items	228,089	3,225,000	89,338	3,363,751	-	3,363,751
	<u>69,666,987</u>	<u>26,460,000</u>	<u>31,714,348</u>	<u>64,412,639</u>	<u>4,719,885</u>	<u>59,692,754</u>
Capital lease payable						
Capital lease payable	1,656,683	467,928	450,386	1,674,225	494,793	1,179,432
Other Liabilities:						
Other post employment benefits	1,922,945	386,730	-	2,309,675	-	2,309,675
Net Pension Liability	7,406,400	3,777,133	-	11,183,533	-	11,183,533
Compensated absences	3,211,324	1,250,115	1,226,755	3,234,684	316,602	2,918,082
Total governmental activities	<u>\$ 83,864,339</u>	<u>\$ 32,341,906</u>	<u>\$ 33,391,489</u>	<u>\$ 82,814,756</u>	<u>\$ 5,531,280</u>	<u>\$ 77,283,476</u>
<b>Business-type Activities:</b>						
Notes, bonds payable, and capital leases:						
Revenue notes	\$ 17,203,083	\$ -	\$ 1,997,369	\$ 15,205,714	\$ 1,309,436	\$ 13,896,278
Revenue bonds	-	3,225,000	-	3,225,000	-	3,225,000
Unamortized items	(30,505)	(128,639)	(13,981)	(145,163)	-	(145,163)
	<u>17,172,578</u>	<u>3,096,361</u>	<u>1,983,388</u>	<u>18,285,551</u>	<u>1,309,436</u>	<u>16,976,115</u>
Capital lease payable						
Capital lease payable	1,203,685	-	351,865	851,820	311,411	540,409
Other Liabilities:						
Other post employment benefits	327,407	89,600	-	417,007	-	417,007
Net Pension Liability	1,337,134	767,769	-	2,104,903	-	2,104,903
Compensated absences	503,305	277,145	214,038	566,412	75,859	490,553
Total business activities	<u>\$ 20,544,109</u>	<u>\$ 4,230,875</u>	<u>\$ 2,549,291</u>	<u>\$ 22,225,693</u>	<u>\$ 1,696,706</u>	<u>\$ 20,528,987</u>

<b>Compensated absences</b>	<b>Beginning Balance 10/1/2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 9/30/2019</b>
<b>Governmental Activities:</b>				
General Fund	\$ 3,187,642	\$ 1,237,167	\$ 1,205,477	\$ 3,219,332
Community Development Block Grant	23,682	12,948	21,278	15,352
	<u>\$ 3,211,324</u>	<u>\$ 1,250,115</u>	<u>\$ 1,226,755</u>	<u>\$ 3,234,684</u>

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

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

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

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

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

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

Section 108 Note Payable

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

Capital Improvement Revenue Note, Series 2014

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

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

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

Capital Improvement Revenue Note, Series 2014A

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

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

Stormwater Revenue Refunding Note, Series 2016

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

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

Capital Improvement Revenue Refunding Note, Series 2015

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

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

Redevelopment Revenue Refunding Note, Series 2015A and B

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

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

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

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

The Series 2016 Notes and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of and interest on the Series 2016 Notes when due.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

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

Capital Improvement Revenue Refunding Note, Series 2018

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

The Series 2018 Notes and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of and interest on the Series 2018 Notes when due.

Capital Improvement Revenue and Refunding Bonds, Series 2019

The Series 2019 Notes were issued for the purpose of: (i) advance refund the City's outstanding Capital Improvement Revenue Refunding Bonds, Series 2015, (ii) financing the cost of designing, permitting, constructing, reconstructing and equipping a marina project (iii) finance the costs of issuance of the Series 2019 bonds.

The Series 2019 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 and interest on the Series 2019 Bonds when due.

Defeasance of Revenue Bonds Payable

On July 12, 2019 the city advance refunded and defeased the Series 2015 Capital Improvement Revenue Refunding Bonds maturing on September 1, 2019 through September 1, 2032 amounting to \$26,890,000. The City deposited proceeds of \$28,015,690 from Series 2019 Capital Improvement Revenue and Refunding Bonds in an irrevocable trust account and invested in direct obligations of the United States of America to allow for future payments of principal and interest until the redemption date of September 1, 2032 at a redemption price of 100%.

The difference in the cash flows of the old debt service compared to the new issue was a positive \$1,821,843. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$1,250,191. The City refunded the issue to reduce debt service costs over the term of the loan.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

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

At September 30, 2019 the following bonds are considered defeased:

Bond Issue	Series	Beginning Balance 10-1-2018	Additions	Retirement	Ending Balance 9-30-2019
Capital Improvement Bonds	2001	\$ 330,000	\$ -	\$ 105,000	\$ 225,000
Redevelopment Revenue Bonds	2003	3,330,000	-	605,000	2,725,000
Capital Improvement Bonds	2008	22,090,000	-	1,075,000	21,015,000
Redevelopment Revenue Bonds	2006	13,585,000	-	705,000	12,880,000
Capital Improvement Revenue Refunding Bonds	2010	6,345,000	-	-	6,345,000
Capital Improvement Revenue Refunding Bonds	2015	-	26,890,000	1,545,000	25,345,000
		\$ 45,680,000	\$ 26,890,000	\$ 4,035,000	\$ 68,535,000

Component Unit

Bond obligations of the FPUA (a component unit) as of September 30, 2019 are as follows:

	<b>Business-type Activities</b>
<p>\$10,223,254 Utilities Revenue Capital Appreciation Bonds, Series 1999B, collateralized by pledge of and first lien on the net revenues of the combined systems, yield varying from 5.80% to 5.90%. The accreted value at September 30, 2019 is \$22,612,000. The remaining principal to be paid totals \$26,020,000 in annual amounts ranging from \$4,335,000 to \$4,340,000 through October 1, 2024.</p>	22,612,000

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

Component Unit

Bond obligations of the FPUA (a component unit) as of September 30, 2019 are as follows:

	<u>Business-type Activities</u>
\$9,545,000 Utilities Revenue Bonds, Series 2016, collateralized by pledge of and first lien on the net revenues of the combined systems, interest at 2.14%. Theremaining annual principal amounts range from \$308,000 to \$3,451,000 through October 1, 2026.	8,776,000
\$34,800,000 Utilities Refunding Revenue Bonds, Series 2009, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 4.0% to 5.00% on the remaining annual principal amounts ranging from \$1,310,000 to \$7,285,000 through October 1, 2029.	<u>32,335,000</u>
	<u>63,723,000</u>
Less: Unamortized portion of bond premium and discounts	42,000
Current portion payable from restricted assets	<u>5,953,000</u>
	<u>\$ 57,728,000</u>

Long-term liability activity of the FPUA (a component unit) for the year ended September 30, 2019 was as follows:

	<u>Balance 10/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2019</u>	<u>Due within One Year</u>
Loans and revenue bonds	\$ 68,347,000	\$ 1,273,000	\$ (5,897,000)	\$ 63,723,000	\$ 5,953,000
Deferred Amounts	(48,000)	-	6,000	(42,000)	-
Due to St. Lucie County	77,000	-	(77,000)	-	-
Net Pension Liability	7,408,000	4,198,000	-	11,606,000	-
Capital Leases	138,000	-	(24,380)	113,620	29,000
Other Liabilities:					
Compensated absences	2,015,000	1,575,000	(1,379,000)	2,211,000	-
Other Post Employment Benefits	856,000	197,000	(64,000)	989,000	-
<b>Total</b>	<u>\$ 78,793,000</u>	<u>\$ 7,243,000</u>	<u>\$ (7,435,380)</u>	<u>\$ 78,600,620</u>	<u>\$ 5,982,000</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

Requirements to pay principal and interest on the **FPUA** (a component unit) obligations in each of the years/periods ending September 30, 2019 are as follows

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,953,000	1,645,000	7,598,000
2021	6,015,000	1,584,000	7,599,000
2022	6,076,000	1,519,000	7,595,000
2023	6,138,000	1,449,000	7,587,000
2024	6,210,000	1,377,000	7,587,000
2025-2029	29,454,000	4,278,000	33,732,000
2030	7,285,000	-	7,285,000
	<u>67,131,000</u>	<u>11,852,000</u>	<u>78,983,000</u>
Future accretion on capital appreciation bonds	<u>(3,408,000)</u>	<u>3,408,000</u>	<u>-</u>
	<u>\$ 63,723,000</u>	<u>\$ 15,260,000</u>	<u>\$ 78,983,000</u>

Other Requirements

The Series 1999, 2009, and 2016 bond issues provide that the Authority accumulate monthly 1/6 of the amount of all interest becoming due on the next semi-annual interest payment date, and 1/12 of the amount of principal which will become due and payable on the next principal maturity date. Additionally, FPUA’s Master Bond Resolution requires renewal and replacement, emergency reserve, and debt service reserve subaccount funds with minimum requirements of \$500,000, \$900,000 and \$5,457,000, respectively. These reserves are funded in the amounts of \$500,000, \$900,000, and \$5,457,000, respectively, at September 30, 2019.

The 2016 Utilities Refunding Bonds, maturing on October 1, 2026 with an interest rate of 2.14% are redeemable at any time at the option of FPUA. Any full or partial prepayment will carry a fee equal to the greater of (i) 1% of the principal balance multiplied by the number of years remaining or (ii) a “yield maintenance Fee”.

Other Requirements

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE J - INTERFUND ADVANCES, RECEIVABLES, PAYABLES, AND TRANSFERS**

Advances

During the year ending September 30, 2015, the Section 108 Debt Service fund advanced approximately \$1,090,000 to the Marina Fund to aid in the construction of new docks. Terms of the loan require 96 monthly payments of \$12,903, including interest at 3%. At September 30, 2019, the long-term portion of the advance was \$538,568.

During the year ending September 30, 2016, the Section 108 Debt Service fund advanced approximately \$1,400,000 to the General Fund to aid in the construction of infrastructure improvements. Terms of the loan require 96 monthly payments of \$16,421, including interest at 3%. At September 30, 2019, the long-term portion of the advance was \$915,602.

The composition of interfund balances as of and for the year ended September 30, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor	\$ 100,036
General	Community Redevelopment Agency	22,691
General	Solid Waste	6,666
General	Marina	7,163
General	Stormwater	2,088,468
General	Golf Course	635,468
General	Sunrise Theatre	740,645
General	Building Fund	11,057
		<u>\$ 3,612,194</u>

**Due to/Due from other funds:**

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

**Due to the primary government and from the component units:**

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General fund	FPUA	\$ 236,076
Solid waste fund	FPUA	711,778
Storm Water fund	FPUA	251,508
Building fund	FPUA	2,415
		<u>\$ 1,201,777</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

**Inter-fund transfers:**

	<u>General</u>	<u>Restricted Revenue Funds</u>	<u>Sunrise Theatre</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Transfers out:</b>					
General	\$ -	\$ 1,038,574	\$ -	\$ 6,092,728	\$ 7,131,302
Community Redev.					
Agency	2,734,449	-	450,000	2,510,920	5,695,369
Restricted Rev.	600,000	-	30,338	-	630,338
Solid Waste	882,491	-	-	-	882,491
Marina	250,000	-	-	-	250,000
Building	5,386	-	-	-	5,386
Nonmajor	3,441	-	-	2,376,093	2,379,534
	<u>\$ 4,475,767</u>	<u>\$ 1,038,574</u>	<u>\$ 480,338</u>	<u>\$ 10,979,741</u>	<u>\$ 16,974,420</u>

Transfers into the Nonmajor funds were for debt service payments made from the various debt service funds. The transfer into the Sunrise Theatre from the Community Redevelopment Agency special revenue fund and Restricted Fund were to provide support for operations and capital expenses, respectively. The General Fund received a transfer from the Community Redevelopment Agency Fund to subsidize redevelopment district projects and related debt. The General Fund also received an annual transfer from the Solid Waste Fund, Marina Fund, Golf Course, and Building Fund. The General Fund received a transfer from a nonmajor fund that was closed in 2019.

**NOTE K - TRANSACTIONS WITH COMPONENT UNITS**

**Fort Pierce Utilities Authority (a discretely presented component unit)**

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

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

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

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

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

Total charges to the City for nonmetered and metered services for the year ended September 30, 2019, were approximately \$1,784,000. Total disbursements made to the City by the FPUA, including payments of utility tax and sanitation charges collected during year ended September 30, 2019, were approximately \$10,770,000. Amounts receivable from the FPUA at September 30, 2019 were approximately \$1,112,000.

The Fort Pierce City Charter, Article XII, Section 178, provides that each year the Utility Authority shall pay to the City of Fort Pierce a sum equal to six percent of gross revenues derived from the operation of the utilities for the preceding fiscal year. The city commission, by majority vote, may agree to accept a lesser percentage. For purposes of this section the Charter defines gross revenues as all income derived from retail sales of electricity, gas, and wastewater disposal; wholesale and retail sales of water; gains on sales of assets, interest, rents, royalties, dividends, and management fees. Where a power cost adjustment or purchase gas adjustment is utilized, gross income shall mean the amount billed based upon the applicable rate without a debit or credit for the cost adjustment. For the year ended September 30, 2019, the amount transferred to the General Fund under this provision was \$6,125,000.

***NOTE L - RISK MANAGEMENT***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program mainly encompasses obtaining property and liability insurance through commercial insurance carriers. During the year ended September 30, 2019, the City paid premiums of approximately \$2,499,500 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, and past claims have not exceeded insurance coverage in any of the past three years. There were no significant changes in coverage retention, or limits during the fiscal year. The General Fund handles property claims for the City and absorbs the loss for any amounts below the deductible amounts.

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

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS**

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

Currently an annual actuarial evaluation is performed for both Plans. The most recent actuarial valuations were performed for the year ended September 30, 2019. 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.

Below is a summary of all pension related items in the aggregate across governmental, business-type and component unit activities. Details related to these items are presented separately for each plan on the following pages.

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Municipal Police Officers' Retirement Trust Fund	722,211	646,917	354,932	363,826
General Employee Retirement and Benefit System ( City Portion)	12,566,225	3,641,592	436,903	5,059,678
Subtotal	13,288,436	4,288,509	791,835	5,423,504
General Employee Retirement and Benefit System ( FPUA Portion)	11,606,105	3,328,336	441,439	4,673,094
Total	<u>24,894,541</u>	<u>7,616,845</u>	<u>1,233,274</u>	<u>10,096,598</u>

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

The General Employees' Retirement and Benefit System

**Plan Description**

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

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

Plan Changes effective for October 1, 2012

For members hired prior to October 1, 2012:

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

Plan Changes effective for October 1, 2018 (retroactive change)

For members hired after October 1, 2012:

- Benefits vest 100% after five years of service.(10 year of service before retroactive change)
- Overtime hours included in compensation are limited to 300 hours per year.
- Maximum pension benefit paid is the lesser of \$100,000 or 75% of final five year average.

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

**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

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

assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an attained age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized at a level percent of payroll over periods of 3-30 years.

**Membership**

At September 30, 2019, the Plan's membership consisted of: (1) 517 retirees and beneficiaries currently receiving benefits and 47 terminated employees entitled to benefits but not yet receiving them; (2) 308 vested active employees; and (3) 242 non-vested active employees.

**Benefits**

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

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

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

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

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

Duty Pre-Retirement Death Benefit- No age of service requirement benefits begin upon termination of

workers compensation; benefits paid at the same amount that was paid by workers' compensation to the spouse until death, or to unmarried children under 18 and dependents of parents.

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

**Contributions**

For the Three years ended 2017, 2018 and 2019, employer contributions to the Plan, all made in accordance with actuarially determined requirements, were \$4,565,884, \$4,909,654 and \$5,240,707 which was 15.33%, 16.27% and 16.20% respectively, of annual covered payroll.

The total payroll for employees covered by the System for the year ended September 30, 2019 was \$32,342,994 which includes \$15,007,022 for Fort Pierce Utilities Authority employees. One hundred percent of required contributions were actually made for 2017, 2018 and 2019.

**Pension Payable**

At September 30, 2019, the City reported payable's to the pension for their final two payrolls of the fiscal year of \$210,302 (including member contributions of \$61,959) for the City and the final payroll of the fiscal year \$78,097 (including member contributions of \$20,264) for FPUA.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

**Investments**

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

Best estimates of real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Allocation-weighted Long-term Expected Real Rate of Return
Large Cap Equity	26%	4.75%	1.24%
Small/Mid Cap Equity	12%	5.00%	0.60%
Global Ex-US Equity	25%	5.00%	1.25%
Domestic Fixed Income	27%	1.50%	0.41%
Real Estate	10%	4.00%	0.40%
	100%		3.90%

For the year ended September 30, 2019, the annual money-weighted rate of return, net of investment expenses was 2.65%.

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

At September 30, 2019, the City and Fort Pierce Utilities Authority (FPUA) reported their proportional share of the following:

	City	Component Unit FPUA
Net Pension Liability	12,566,225	11,606,105
Employer Allocation Percentage	51.99%	48.01%
Proportional Share of Plan Pension Expense	5,059,678	4,673,094

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Primary Government:</b>		
Difference between Expected and Actual Experience	143,059	436,903
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	1,584,039	-
Change of Assumptions	1,876,576	-
Changes in Proportion and Differences between Employer Contributions and Share of Contributions	37,918	-
	<u>3,641,592</u>	<u>436,903</u>
<b>Component Unit-FPUA:</b>		
Difference between Expected and Actual Experience	132,129	403,521
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	1,463,011	-
Change of Assumptions	1,733,196	-
Changes in Proportion and Differences between Employer Contributions and Share of Contributions	-	37,918
	<u>3,328,336</u>	<u>441,439</u>
	<u>6,969,928</u>	<u>878,342</u>

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

Year Ending September 30	Net Deferred Outflows of Resources		
	City	Component Unit FPUA	Total
2020	1,227,258	1,212,472	2,439,730
2021	407,627	285,549	693,176
2022	506,399	413,086	919,485
2023	1,063,405	975,790	2,039,195
Thereafter	-	-	-
TOTAL	<u>\$ 3,204,689</u>	<u>\$ 2,886,897</u>	<u>\$ 6,091,586</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

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

**Actuarial Assumptions**

The annual required contribution for the current year was determined as part of the September 30, 2019 actuarial valuation of the Plan. The following methods and assumptions were used to determine the contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	2-30 years as of September 30, 2017
Asset valuation method	4-year smoothed market
Wage Inflation	4.0%
Salary increases	General & Utilities Authority; 4.0% to 6.5%, including inflation Police; 4.0% to 8.0%
Investment rate of return	7.75%
Long-term municipal bond rate	2.75%
Retirement Age	Age and service-based tables that are specific to the type of eligibility condition.
Mortality	The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Cost-of-living Adjustment	COLA's are granted if the investment return exceeds the investment return assumption and the cumulative actuarial gains and losses since 1995 are positive. Because the cumulative gains and losses are (30) million, the COLA provision is assumed to not operate for the indefinite future.

**Notes:**The September 30, 2019 valuation reflects changes in relation to City Ordinance Nos. 18-037, 18-038, and 18-042. City Ordinance nos. 18-037 &18-042 restored the 5 year vesting requirement from 10 years for members hired after October 1, 2012, resulting in a small increase in the Total Pension Liability. City Ordinance No. 18-038 has a de minimis impact and codifies that Human Resource shall inform the member in writing of his/her entitlement to claim military service credit immediately upon the member's return from active duty.

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

**Discount Rate**

A single discount rate of 7.75% is used to measure the total pension liability. This single rate was based on the expected rate of return on pension plan investments of 7.75%. The projection of cash flows used to determine this single discount rate assumes that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of Pension Liability**

The following presents the City's proportional share of the plan's net pension liability, calculated using a single discount rate of 7.75%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher:

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

	1% Decrease 6.75	Current Single Discount Rate Assumption 7.75	1% Increase 8.75
Total Pension Liability	\$ 254,078,088	\$ 228,566,233	207,071,915
Net Position Restricted for Pensions	204,393,903	204,393,903	204,393,903
Net Pension Liability	<u>\$ 49,684,185</u>	<u>\$ 24,172,330</u>	<u>\$ 2,678,012</u>

**Municipal Police Officers' Retirement Trust Fund**

**Plan Description**

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

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

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

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

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

**Membership**

As of September 30, 2019, Plan membership consisted of: (1) 37 retirees and beneficiaries currently receiving benefits and 1 terminated employees entitled to benefits but not yet receiving them; (2) 41 vested active employees; and (3) 73 non-vested active employees.

**Funding Policy**

Contribution requirements for the Plan are established and may be amended by State law and City ordinance. Contributions for the Plan are financed principally by contributions from the State of Florida, which are financed by a .85% excise tax on casualty insurance premiums on policies covering property within the corporate limits of City of Fort Pierce, as provided under provisions of Chapter 185, Florida Statutes. Current year contributions to the plan from the State of Florida were \$402,063. The revenue and corresponding expense are recorded in the general fund. In accordance with City Code Section 13-169 each Plan member is required to make contributions of 7% of their salaries to the Plan. The funding policy for the Plan is actuarially determined in that an annual actuarial valuation is made to determine if State and employee contributions are sufficient to fund the Plan. The City is not required to contribute in any way to the Plan. Administrative costs are financed through investment earnings.

The actuarial valuation as of September 30, 2019 found anticipated revenues to be sufficient to fund the current year benefits provided by the Plan in accordance with the provisions of Chapter 185, Florida Statutes.

**Benefits**

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

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

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

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

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

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

**Pension Payable**

At September 30, 2019, the City reported a payable to the police pension related to employee contributions of \$28,614 withheld from the City's final payroll of the fiscal year.

**Investments**

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

Best estimates of real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Allocation-weighted Long-term Expected Real Rate of Return
Large Cap Equity	15%	7.40%	1.50%
Small/Mid Cap Equity	14%	7.80%	1.40%
Global Ex-US Equity	15%	2.40%	0.70%
Domestic Fixed Income	25%	3.20%	1.40%
MLP	6%	8.10%	0.60%
High Yield	6%	5.70%	0.50%
Convertible Bonds	8%	6.30%	0.70%
REITS	5%	7.20%	0.50%
Real Estate	5%	4.90%	0.40%
Cash	1%	0.60%	0.00%
	100%		7.70%

For the year ended September 30, 2019, the annual money-weighted rate of return, net of investment expenses was 5.29%.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

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

At September 30, 2019, the City reported a liability of \$722,211 for its share of the net pension liability. The net pension liability was measured at September 30, 2019 with an actuarial valuation date of September 30, 2019.

For the year ended September 30, 2019, the city recognized pension expense of \$363,826. The City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	329,339	265,830
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	317,578	-
Change of Assumptions	-	89,102
Total Deferred Outflows/Inflows of Resources	<u>646,917</u>	<u>354,932</u>

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

Year Ending September 30	Net Deferred Outflows of Resources
2020	37,345
2021	67,586
2022	119,364
2023	90,007
2024	8,236
Thereafter	(30,553)
TOTAL	<u>\$ 291,985</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

**Net Pension Liability and Plan Fiduciary Net Position**

The components of the net pension liability and plan fiduciary net position of the City at September 30, 2019, were as follows:

<b>Total Pension Liability:</b>	
Service cost	\$ 565,351
Interest	1,154,457
Benefit change	-
Difference between actual & expected experience	
experience	(213,853)
Assumption changes	-
Benefit payments	(697,198)
Refunds	(39,638)
<b>Net Change in Total Pension Liability</b>	<u>769,119</u>
<b>Total Pension Liability-Beginning</b>	15,726,606
<b>Total Pension Liability-Ending (a)</b>	<u>\$ 16,495,725</u>
<b>Plan Fiduciary Net Position:</b>	
Contributions-employer	\$ -
Contributions-employer (from state)	402,063
Contributions-Employee(Including buyback contributions)	569,137
Net investment income	723,841
Benefit payments	(697,198)
Refunds	(39,638)
Administrative expense	(39,355)
Other	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>918,850</u>
<b>Plan Fiduciary Net Position-Beginning</b>	14,854,664
<b>Plan Fiduciary Net Position-Ending (b)</b>	<u>\$ 15,773,514</u>
<b>Net Pension Liability-Ending (a) - (b)</b>	722,211

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

**Actuarial Assumptions**

The annual required contribution for the current year was determined as part of the September 30, 2018 actuarial valuation of the Plan. The following methods and assumptions were used to determine the contribution rates:

Valuation date	September 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	20 years (single equivalent amortization period)
Asset valuation method	4-year smoothed market
Inflation rate	2.5%
Salary increases	3.5% to 6.5% depending on completed years of service including inflation
Investment rate of return	7.25%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table(for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants(for postretirement mortality), with mortality improvements projected for all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for special risk class members of the Florida Retirement System(FRS). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

**Discount Rate**

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

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

**Sensitivity of Pension Liability**

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

1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
\$ 2,801,274	\$ 722,211	\$ (967,028)

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF  
FIDUCIARY FUNDS NET POSITION**  
September 30, 2019

	Pension Trusts		Total
	General Employees	Police Officers	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 494,439	\$ 345,914	\$ 840,353
Investments, at fair value:			
U.S. Government Securities	19,773,179	1,363,299	21,136,478
Mutual Funds	115,090,591	11,163,633	126,254,224
Municipal Bonds	313,708	-	313,708
Certificates of Deposit	-	349,856	349,856
Common Stock	15,473,448	-	15,473,448
Corporate Bonds	29,681,150	1,232,516	30,913,666
Real Estate Trust L.P.	20,852,825	-	20,852,825
Common Trust Fund	-	940,127	940,127
Money Market	2,116,983	353,983	2,470,966
Total investments	<u>203,301,884</u>	<u>15,403,414</u>	<u>218,705,298</u>
Total cash and investments	203,796,323	15,749,328	219,545,651
Accounts receivable	288,399	28,615	317,014
Accrued interest receivable	382,903	-	382,903
Total assets	<u>\$ 204,467,625</u>	<u>\$ 15,777,943</u>	<u>\$ 220,245,568</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 73,722	\$ 4,430	\$ 78,152
<b>NET POSITION-RESTRICTED FOR PENSION BENEFITS</b>			
	<u>\$ 204,393,903</u>	<u>\$ 15,773,513</u>	<u>\$ 220,167,416</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF CHANGES**  
**IN FIDUCIARY FUNDS NET POSITION**  
Year ended September 30, 2019

	Pension Trusts		Total
	General Employees	Police Officers	
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 5,240,707	\$ -	\$ 5,240,707
Employees	1,818,969	569,137	2,388,106
State-via the general fund	-	402,063	402,063
Total contributions	<u>7,059,676</u>	<u>971,200</u>	<u>8,030,876</u>
Investment income			
Interest	2,524,352	86,196	2,610,548
Dividends	1,045,427	361,864	1,407,291
Net appreciation (depreciation) in fair value of investments	2,470,453	345,998	2,816,451
Total investment income	<u>6,040,232</u>	<u>794,058</u>	<u>6,834,290</u>
Investment expenses	<u>(759,826)</u>	<u>(70,218)</u>	<u>(830,044)</u>
Net investment income	<u>5,280,406</u>	<u>723,840</u>	<u>6,004,246</u>
Total increases	12,340,082	1,695,040	14,035,122
<b>DEDUCTIONS</b>			
Retirement benefits paid	14,176,818	697,198	14,874,016
Refunds of employee contributions	428,151	39,638	467,789
Administrative expenses	285,821	39,355	325,176
Insurance expense	20,651	-	20,651
Total deductions	<u>14,911,441</u>	<u>776,191</u>	<u>15,687,632</u>
Net Increase (Decrease)	(2,571,359)	918,849	(1,652,510)
<b>NET POSITION-RESTRICTED FOR PENSION BENEFITS</b>			
Beginning of year	<u>206,965,262</u>	<u>14,854,664</u>	<u>221,819,926</u>
End of year	<u>\$ 204,393,903</u>	<u>\$ 15,773,513</u>	<u>\$ 220,167,416</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE N - POST-EMPLOYMENT HEALTH CARE BENEFITS**

In addition to providing pension benefits, the City provides certain health care and life insurance benefits for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. The primary government recognizes the costs associated with providing these benefits as premiums are paid. The FPUA (a component unit) recognizes the cost as it is incurred. Premiums paid by retirees for the primary government and for the FPUA total approximately \$326,000 and \$291,000, respectively.

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

**Plan Description**

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

**Funding Policy**

As of September 30, 2019, the most recent actuarial measurement date, the city's and FPUA's plans were unfunded.

**Membership**

At September 30, 2019, the City's Plan membership consisted of: (1) 51 retirees and beneficiaries, and (2) 308 active employees. At September 30, 2019, the FPUA's Plan membership consisted of: (1) 50 retirees and beneficiaries, and (2) 278 active employees.

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

At September 30, 2019, the City and FPUA reported an OPEB liability of \$2,726,682, and \$989,212. The net OPEB liability was measured at September 30, 2019 with an actuarial valuation date of September 30, 2018.

For the year ended September 30, 2019, the city and FPUA recognized OPEB expense of \$238,189, and \$64,148, respectively.

	Primary Government	Component Unit FPUA
<b>OPEB Expense:</b>		
Service Cost	\$ 99,678	\$ 26,709
Interest on the Total OPEB Liability	85,282	37,439
Recognition of Outflow(Inflow) of of Resources Due to Liabilities	53,229	-
	<u>\$ 238,189</u>	<u>\$ 64,148</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

**Recognition of Deferred Outflows and Inflows of Resources**

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period. At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 2,680 years. Additionally, the total plan membership (active employees and inactive employees) was 359. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 7.4649 years.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
<b>Primary Government:</b>		
Difference between Expected and Actual Experience	121,448	-
Change of Assumptions	281,177	52,361
	<u>402,625</u>	<u>52,361</u>
<b>Component Unit-FPUA:</b>		
Difference between Expected and Actual Experience	113,951	36,445
Change of Assumptions	-	-
Difference between Expected and Actual Experience	-	-
	<u>113,951</u>	<u>36,445</u>

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

Year Ending September 30	Net Deferred Outflows of Resources	
	Primary Government	Component Unit FPUA
	<u>                    </u>	<u>                    </u>
2020	53,229	11,534
2021	53,229	11,534
2022	53,229	11,534
2023	53,229	11,534
2024	53,229	11,534
Thereafter	84,119	19,836
TOTAL	<u>\$ 350,264</u>	<u>\$ 77,506</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

**Net OPEB Liability**

	Primary Government	Component Unit FPUA
<b>Total OPEB Liability:</b>		
Service cost	\$ 99,678	\$ 26,709
Interest	85,282	37,439
Benefit change	-	-
Difference between actual & expected experience	113,730	132,631
Assumption changes	324,670	-
Benefit payments	<u>(147,030)</u>	<u>(63,859)</u>
<b>Net Change in Total OPEB Liability</b>	<b>476,330</b>	<b>132,920</b>
<b>Total OPEB Liability-Beginning</b>	<u>2,250,352</u>	<u>856,298</u>
<b>Total OPEB Liability-Ending (a)</b>	<u><b>\$ 2,726,682</b></u>	<u><b>\$ 989,218</b></u>
Covered Payroll	16,903,846	16,496,863
Net OPEB Liability as a Percentage of Covered Employee Payroll	16.13%	6.00%

**Actuarial Assumptions and Methods**

Valuation date	September 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, open 30-year period
Wage Inflation	2.5%
Salary increases	General : 4.0% to 6.5%, including inflation Police; 4% to 8%
Retirement Age	Age and service-based tables that are specific to the type of eligibility
Mortality	The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Health Care Trend Rates	Trend starting at 9.0% and gradually decreasing to an ultimate trend rate of 4.0%
Aging Factors	Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"
Expenses	Administrative expenses are included in the premium costs
Notes	There were no benefit changes during the year. Assumption changes include: 1) resetting the trend, 2) adjusting the single discount rate from 3.83% to 2.75%, 3) updates to the election assumption, and 4) the inclusion of a 2% excise tax load.

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

**Discount Rate**

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). The discount rate was 3.83% as of the prior measurement date.

**Sensitivity of Total OPEB Liability**

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan’s total OPEB liability, calculated using a discount rate of 2.75%, as well as what the plan’s total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

<b>Sensitivity of the Total OPEB Liability to the Discount Rate Assumption</b>		
1% Decrease	Current Single Discount Rate Assumption	1% Increase
1.75	2.75	3.75
\$ 3,007,256	\$ 2,726,682	\$ 2,480,690

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

<b>Sensitivity of Total OPEB Liability to Healthcare Cost Rate Assumption</b>		
1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 2,436,400	\$ 2,726,682	\$ 3,081,548

**NOTE O - DEFERRED COMPENSATION PLAN**

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

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

***NOTE P - CONTRACT COMMITMENTS***

**FPUA**, the “Authority” (a component unit)

FMPA All-requirements Power Supply Project

As of January 1, 1998, the Authority became a participant in Florida Municipal Power Agency’s (FMPA) All-Requirements Power Supply Project (hereinafter referred to as ARP). The Authority has agreed to purchase all capacity and energy necessary for their electric system from FMPA’s ARP during the term of the contract. The contract is a 30 year evergreen, automatically renewing on October 1 of each year unless notification is provided one year prior to the automatic extension date.

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

FMPA St. Lucie Project

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

***NOTE P - CONTRACT COMMITMENTS (CONTINUED)***

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

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

Purchases under these contracts are accounted for as operating expenses by the Authority. Total cost included in operating expenses for the year ended September 30, 2019 is \$8,146,000. The Authority is committed under the agreements to payments totaling \$7,862,000 for the year ending September 30, 2019.

Florida Gas Transmission

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

On July 3, 2012, the Authority acquired additional firm capacity from the City of Sunrise, Florida in order to meet the needs of new industrial customers. This agreement will remain in effect until cancelled by the Authority. In fiscal 2016, additional firm capacity was made available from FGT and the Authority exercised rights to obtain this capacity. An additional 96,800 MMBtu of capacity was obtained. With the additional capacity, the amount of Sunrise capacity was reduced by 45,300 MMBtu via a revised interlocal agreement with the City of Sunrise. In fiscal 2019, FPUA will be entitled to firm capacity of 566,412 MMBtu, and will commit to purchase 305,931 MMBtu of natural gas at a cost of \$712,000. The amounts purchased under these contracts for fiscal 2019 and fiscal 2018 were \$1,717,000 and 1,763,000, respectively.

FMPA Treasure Coast Energy Center

The Authority has entered into an agreement with FMPA to manage and operate their newly developed facility located in St. Lucie County near Fort Pierce. The Treasure Coast Energy Center (TCEC) is a natural gas fueled power generation site. The initial terms of this agreement(s) commenced on July 24, 2007 and expired on September 30, 2011, after which the agreement becomes a one-year evergreen protecting both parties from a long term commitment. The agreement has been extended for the year ended September 30, 2019.

The Authority has been engaged to manage, operate, and maintain the TCEC. TCEC employees are on the payroll of the Authority and all costs associated with them are reimbursed bi-weekly by FMPA. TCEC employee costs and revenue for Fiscal 2019 totaled \$2,284,000.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE Q - CONTINGENT LIABILITIES**

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

**NOTE R - LEASES**

Operating Leases:

The city entered into a 5 year agreement effective August 2018, for body camera equipment and support at \$7,500 per month extending to August 2023.

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

Minimum future rental payments under operating leases for each of the years/period ending September 30 are as follows:

2020	\$	122,302
2021		122,302
2022		122,302
2023		114,802
2024		32,302
Thereafter		419,926
	\$	<u>1,065,416</u>

Rent expense for the above referenced leases was \$124,338 for the year ended September 30, 2019.

Capital Leases:

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Machinery and Equipment	\$ 2,227,161	\$ 1,524,415
Less: accumulated depreciation	(918,684)	(660,582)
Total	<u>\$ 1,308,477</u>	<u>\$ 863,833</u>

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE R – LEASES (CONTINUED)**

The future minimum lease obligations and net present value of these minimum lease payments as of September 30, 2019, were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2020	\$ 570,559	\$ 332,734
2021	534,143	332,734
2022	496,133	221,823
2023	157,858	-
2024	72,015	-
	<u>1,830,708</u>	<u>887,291</u>
Less: Amount representing interest	(156,483)	(35,471)
Present value of future minimum lease payments	<u>\$ 1,674,225</u>	<u>\$ 851,820</u>

FPUA(component unit) entered into a five-year capital lease on January 14, 2018 for equipment capitalized at \$154,000. The interest/maintenance costs for 2019 were \$21,000. The Future minimum lease payments for this capital lease are as follows:

	<u>Amount</u>
2020	45,468
2021	45,468
2022	45,468
2023	<u>11,367</u>
	147,771
Less: Amount representing interest	(34,151)
Present value of future minimum lease payments	<u>\$ 113,620</u>

**NOTE S - OPERATING LESSOR**

On August 18, 1998, the City, as lessor, entered into an agreement with the Tiki Bar and Restaurant of Fort Pierce, Inc. (the “tenant”), the lessee, to rent the restaurant facility located at the City’s public marina and docking facility. The current lease expired in August 2018. Both parties agreed to continue on a month to month basis until March 2019, when the restaurant closed. Rent is payable monthly on the last day of each month. Currently the lease terms call for rent payments equal to a certain percentage of the tenant’s gross revenues. Until the tenant’s calendar year-to-date revenues exceed \$1,000,000, rent is equal to 10% of the tenant’s gross revenues. For the remainder of the calendar year, rent is equal to 5% of the tenant’s gross revenues. The City collected \$62,176 from the tenant for the year ended September 30, 2019.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

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

On December 15, 2005 the City, as a lessor, entered into an agreement with Ianco, LLC (the “tenant”), the lessee, to rent the restaurant facility located on the western side of the City’s public marina and docking facility. The current lease agreement extends to June 30, 2021. Rent is payable monthly within five business days of the closing of any monthly period. Rent is computed at the greater of 7.25% of all gross revenues or \$6,500 per month. The City collected \$220,043 from the tenant for the year ended September 30, 2019.

***NOTE T-FUND BALANCE***

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

As of September 30, 2019, the fund balances of the governmental funds are classified as follows:

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

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

**Committed-** Amounts can be used only for specific purposes because of a formal action (ordinance) of the City Commission, the highest level of decision making authority. Commitments may be changed or lifted only by the City Commission taking the same formal action(ordinance) that imposed the original constraint.

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

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

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

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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

As of September 30, 2019, the fund balances of the governmental funds are:

<b>FUND BALANCES</b>	General Fund	Community Redevelopment Agency	Restricted Revenue Fund	Other Governmental Funds	Totals
<b>Nonspendable:</b>					
Inventories	\$ 52,692	\$ -	\$ -	\$ -	\$ 52,692
Prepaid Items	-	14,196	-	-	14,196
<b>Restricted for:</b>					
Law Enforcement	-	-	-	99,245	99,245
Debt Service	-	-	-	2,145,172	2,145,172
Grant-CDBG	-	-	-	779,489	779,489
Redevelopment Projects	-	800,964	-	-	800,964
State Housing Initiatives	-	-	-	339,382	339,382
Grant-Administration	-	-	-	331,634	331,634
Impact Fees-Capital Improv.	-	-	3,393,297	-	3,393,297
PSFRD-Capital Improv.	-	-	59,729	-	59,729
Park Improvements	-	-	691,208	-	691,208
Special Projects	-	-	1,173,957	-	1,173,957
Capital Improvement:					
Roads	-	-	600,000	-	600,000
Infrastructure	-	-	928,318	-	928,318
Theatre Restoration	-	-	213,126	-	213,126
<b>Committed to:</b>					
Budget Appropriations	462,950	-	-	-	462,950
<b>Assigned to:</b>					
10% Reserve Policy	4,242,997	-	-	-	4,242,997
Art in Public Places	-	-	4,583	-	4,583
Advances to Other Funds	-	-	-	1,282,848	1,282,848
<b>Unassigned:</b>	3,981,710	-	-	-	3,981,710
	<u>\$ 8,740,349</u>	<u>\$ 815,160</u>	<u>\$ 7,064,218</u>	<u>\$ 4,977,770</u>	<u>\$ 21,597,497</u>

**NOTE U – TAX ABATEMENTS**

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

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE V - RESTRICTED ASSETS**

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

The restricted assets of the **primary government** as of September 30, 2019 are as follows:

**Business-type activities:**

Capital projects-Bond Proceeds	\$ 2,387,689
Customer deposits	184,526
	<u>2,572,215</u>
	<u>\$ 2,572,215</u>

The restricted assets of the **FPUA** (a component unit) as of September 30, 2019, are as follows:

Cash and investments:	
Principal and interest on debt service	\$ 6,805,853
Capital Improvement charges	4,155,212
Debt service	5,456,825
Emergency reserve	900,000
Renewal and replacement reserve	500,000
Customer security deposits	8,481,418
	<u>26,299,308</u>
	<u>\$ 26,299,308</u>

**NOTE W – CONDUIT DEBT OBLIGATIONS**

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

As of September 30, 2019, there were two series of Capital Improvement Revenue Bonds outstanding. The aggregate principal amount payable for the series issued after October 1, 1996, is \$9,238,021.

**NOTE X- EXTRAORDINARY ITEM**

FPUA transferred the ownership of the former site of the Henry D. King Power Plant to the Fort Pierce Redevelopment Agency (FPRA) on October 15, 2009. A grant awarded to the FPRA for the cleanup was not sufficient to cover the cost of remediation. Since then, the cost of the remediation activities was either paid by FPUA, or with loans obtained from the Treasure Coast Regional Planning Council by the FPRA. FPUA provided irrevocable letters of credit to secure these loans. As of November 26, 2018, all the loans have been repaid. The extraordinary income received by FPUA in FY 2019 of \$97,307 was paid by the FPRA from net proceeds of the sale of a Voluntary Cleanup Tax Certificate, after repayment of the loans, as set forth in the FPRA Resolution No. 18-02.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE Y- SUBSEQUENT EVENTS***

Management has performed an analysis of the activities and transactions subsequent to September 30, 2019 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2019. As a result of the spread of COVID-19, economic uncertainties have risen which are likely to negatively impact operating results, though such potential impact is unknown at this time. Management has performed their analysis through March 18, 2020, the date the financial statements were available for issuance.

**THIS PAGE INTENTIONALLY LEFT BLANK**



## REQUIRED SUPPLEMENTARY INFORMATION

◆ **GASB Statement 75**

◆ **GASB Statement 67**

◆ **GASB Statement 68**



City of Fort Pierce, Florida  
**GASB STATEMENT 75 REQUIREMENT SUPPLEMENTARY INFORMATION**  
City of Ft. Pierce Other Post Employment Benefits  
Schedule of Changes in the City's Net OPEB Liability and Related Ratios  
September 30, 2019  
(Unaudited)

<b>Primary Government</b>		
	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability:</b>		
Service cost	\$ 99,678	\$ 107,243
Interest	85,282	78,531
Benefit change	-	-
Difference between actual & expected experience	113,730	31,535
Assumption changes	324,670	(71,941)
Benefit payments	<u>(147,030)</u>	<u>(170,274)</u>
<b>Net Change in Total OPEB Liability</b>	476,330	(24,906)
<b>Total OPEB Liability-Beginning</b>	<u>2,250,352</u>	<u>2,275,258</u>
<b>Total OPEB Liability-Ending (a)</b>	<u><u>\$ 2,726,682</u></u>	<u><u>\$ 2,250,352</u></u>
Covered Payroll	16,903,846	17,543,452
Net OPEB Liability as a Percentage of Covered Payroll	16.13%	12.83%
<b>Component Unit-FPUA</b>		
Service cost	\$ 26,709	\$ 19,960
Interest	37,439	33,195
Benefit change	-	-
Difference between actual & expected experience	132,631	(50,737)
Assumption changes	-	-
Implicit rate subsidy	<u>(63,859)</u>	<u>(40,626)</u>
<b>Net Change in Total OPEB Liability</b>	132,920	(38,208)
<b>Total OPEB Liability-Beginning</b>	<u>856,298</u>	<u>894,506</u>
<b>Total OPEB Liability-Ending (a)</b>	<u><u>\$ 989,218</u></u>	<u><u>\$ 856,298</u></u>
Covered Payroll	16,496,863	15,838,042
Net OPEB Liability as a Percentage of Covered Payroll	6.00%	5.41%

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

**GASB STATEMENT 75 REQUIREMENT SUPPLEMENTARY INFORMATION**

September 30, 2019

(Unaudited)

---

**ACTUARIAL ASSUMPTIONS AND METHODS**

Valuation date	September 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, open 30-year period
Wage Inflation	2.5%
Salary increases	General : 4.0% to 6.5%, including inflation Police; 4% to 8%
Retirement Age	Age and service-based tables that are specific to the type of eligibility
Mortality	The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Health Care	
Trend Rates	Trend starting at 9.0% and gradually decreasing to an ultimate trend rate of 4%
Aging Factors	Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"
Expenses	Administrative expenses are included in the premium costs
Notes	There were no benefit changes during the year. Assumption changes include: 1) resetting the trend, 2) adjusting the single discount rate from 3.83% to 2.75%, 3) updates to the election assumption, and 4) the inclusion of a 2% excise tax load.

City of Fort Pierce, Florida  
Required Supplementary Information  
Schedule of Changes in the City's Net Pension Liability and Related Ratios  
General Employees Retirement and Benefits System  
September 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Pension Liability:</b>			
Service cost	\$ 4,901,223	\$ 4,568,028	\$ 4,587,528
Interest	16,847,951	16,278,951	15,490,335
Benefit change	174,512	-	-
Difference between actual & expected experience	(997,275)	521,525	344
Assumption changes	-	-	9,957,279
Benefit payments	(14,176,818)	(13,781,354)	(13,426,539)
Refunds	(428,152)	-	-
<b>Net Change in Total Pension Liability</b>	<u>6,321,441</u>	<u>7,587,150</u>	<u>16,608,947</u>
<b>Total Pension Liability-Beginning</b>	<u>222,244,792</u>	<u>214,657,642</u>	<u>198,048,695</u>
<b>Total Pension Liability-Ending (a)</b>	<u>\$ 228,566,233</u>	<u>\$ 222,244,792</u>	<u>\$ 214,657,642</u>
 <b>Plan Fiduciary Net Position:</b>			
Contributions-employer	\$ 5,240,707	\$ 4,909,654	\$ 4,565,884
Contributions-member	1,818,969	1,690,811	1,669,207
Net investment income	5,280,406	19,626,060	19,013,825
Benefit payments	(14,176,818)	(13,781,354)	(13,426,539)
Refunds	(428,152)	-	-
Administrative expense	(249,712)	(207,265)	(209,251)
Other	(56,759)	(46,756)	(45,031)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(2,571,359)</u>	<u>12,191,150</u>	<u>11,568,095</u>
<b>Plan Fiduciary Net Position-Beginning</b>	<u>206,965,262</u>	<u>194,774,112</u>	<u>183,206,017</u>
<b>Plan Fiduciary Net Position-Ending (b)</b>	<u>\$ 204,393,903</u>	<u>\$ 206,965,262</u>	<u>\$ 194,774,112</u>
 <b>Net Pension Liability-Ending (a) - (b)</b>	<u>24,172,330</u>	<u>15,279,530</u>	<u>19,883,530</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.42%	93.12%	90.74%
Covered Payroll	32,342,994	30,176,465	29,789,176
 Net Pension Liability as a Percentage of Covered Payroll	74.74%	50.63%	66.75%

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

	2016	2015	2014
\$	4,329,645	\$ 4,044,804	\$ 4,049,351
	14,668,388	14,241,759	13,874,945
	-	-	-
	(620,021)	-	(500,696)
	5,168,979	-	(335,946)
	(13,376,671)	(12,528,070)	(11,877,048)
	-	(287,469)	(307,836)
	10,170,320	5,471,024	4,902,770
	<u>187,878,375</u>	<u>182,407,351</u>	<u>177,504,581</u>
\$	<u><u>198,048,695</u></u>	<u><u>187,878,375</u></u>	<u><u>182,407,351</u></u>

\$	4,211,311	\$ 4,093,268	\$ 4,356,127
	1,533,510	1,473,091	1,493,529
	16,472,191	2,984,072	16,939,786
	(13,376,671)	(12,528,070)	(11,877,048)
	-	(287,469)	(307,836)
	(217,891)	(176,341)	(199,552)
	(50,240)	(44,893)	(47,555)
	8,572,210	(4,486,342)	10,357,451
	<u>174,633,807</u>	<u>179,120,149</u>	<u>168,762,698</u>
\$	<u><u>183,206,017</u></u>	<u><u>174,633,807</u></u>	<u><u>179,120,149</u></u>

14,842,678	13,244,568	3,287,202
------------	------------	-----------

92.51%	92.95%	98.20%
27,295,114	26,139,109	26,380,878

54.38%	50.67%	12.46%
--------	--------	--------

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
 General Employee's Retirement and Benefit System  
 September 30, 2019  
 (Unaudited)

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

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Employer's Proportion of the Net Pension Liability(Asset)	12,566,225	7,871,592	9,793,225	8,187,612	7,716,429
Employer's Proportionate share of the Net Pension Liability(Asset)	51.99%	51.52%	49.25%	55.16%	58.26%
Employer's Covered Payroll	17,335,972	16,775,936	16,580,599	14,786,848	13,707,805
Employer's Proportionate share of the Net Pension Liability(Asset) as a Percentage of Covered Payroll	72.49%	46.92%	59.06%	55.37%	56.29%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.42%	93.12%	90.74%	92.51%	92.95%

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

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Employer's Proportion of the Net Pension Liability(Asset)	11,606,105	7,407,938	10,090,305	6,655,066	5,528,139
Employer's Proportionate share of the Net Pension Liability(Asset)	48.01%	48.48%	50.75%	44.84%	41.74%
Employer's Covered Payroll	15,007,022	13,400,529	13,208,577	12,508,266	12,431,304
Employer's Proportionate share of the Net Pension Liability(Asset) as a Percentage of Covered Payroll	77.34%	55.28%	76.39%	53.21%	44.47%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.42%	93.12%	90.74%	92.51%	92.95%

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

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
 General Employee's Retirement and Benefit System  
 September 30, 2019  
 (Unaudited)

**CITY OF FT. PIERCE  
 SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
9/30/2014	2,302,840	2,302,840	-	14,546,191	15.83%
9/30/2015	2,006,447	2,006,447	-	13,707,805	14.64%
9/30/2016	2,172,613	2,172,613	-	14,786,848	14.69%
9/30/2017	2,418,554	2,418,554	-	16,580,599	14.59%
9/30/2018	2,507,774	2,507,774	-	16,775,936	14.95%
9/30/2019	2,523,920	2,523,920	-	17,335,972	14.56%

**FORT PIERCE UTILITY AUTHORITY(component unit)  
 SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
9/30/2014	2,053,287	2,053,287	-	11,834,687	17.35%
9/30/2015	2,086,821	2,086,821	-	12,431,304	16.79%
9/30/2016	2,038,699	2,038,699	-	12,508,266	16.30%
9/30/2017	2,147,330	2,147,330	-	13,208,577	16.26%
9/30/2018	2,401,880	2,401,880	-	13,400,529	17.92%
9/30/2019	2,716,787	2,716,787	-	15,007,022	18.10%

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

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
 General Employee's Retirement and Benefit System  
 September 30, 2019  
 (Unaudited)

---

**Notes to Schedule of Contributions:**

Valuation date	Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	2-30 years as of September 30, 2017
Asset valuation method	4-year smoothed market
Wage Inflation	4.0%
Salary increases	General & Utilities Authority; 4.0% to 6.5%, including inflation Police; 4.0% to 8.0%
Investment rate of return	7.75%
Long-term municipal bond rate	2.75%
Retirement Age	Age and service-based tables that are specific to the type of eligibility condition.
Mortality	The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Cost-of-living Adjustment	COLA's are granted if the investment return exceeds the investment return assumption and the cumulative actuarial gains and losses since 1995 are positive. Because the cumulative gains and losses are (30) million, the COLA provision is assumed to not operate for the indefinite future.
Notes	The September 30, 2019 valuation reflects changes in relation to City Ordinance Nos. 18-037, 18-038, and 18-042. City Ordinance nos. 18-037 & 18-042 restored the 5 year vesting requirement from 10 years for members hired after October 1, 2012, resulting in a small increase in the Total Pension Liability. City Ordinance No. 18-038 has a de minimis impact and codifies that Human Resource shall inform the member in writing of his/her entitlement to claim military service credit immediately upon the member's return from active duty.

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

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
General Employee's Retirement and Benefit System  
September 30, 2019  
(Unaudited)

---

**SCHEDULE OF INVESTMENT RETURNS MULTIYEAR\***

---

Annual money-weighted rate of return, net of investment expense:	<u>Annual Return</u>
Fiscal year ending September 30, 2014	10.48%
Fiscal year ending September 30, 2015	1.75%
Fiscal year ending September 30, 2016	9.86%
Fiscal year ending September 30, 2017	11.79%
Fiscal year ending September 30, 2018	9.38%
Fiscal year ending September 30, 2019	2.65%

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

City of Fort Pierce, Florida  
Required Supplementary Information  
Schedule of Changes in the City's Net Pension Liability and Related Ratios  
Municipal Police Officers' Retirement Trust Fund  
September 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Pension Liability:</b>			
Service cost	\$ 565,351	\$ 548,415	\$ 492,850
Interest	1,154,457	1,067,784	1,000,403
Benefit change	-	-	-
Difference between actual & expected experience	(213,853)	297,338	206,823
Assumption changes	-	-	(155,930)
Benefit payments	(697,198)	(637,505)	(566,773)
Refunds	<u>(39,638)</u>	<u>(95,647)</u>	<u>(40,689)</u>
<b>Net Change in Total Pension Liability</b>	769,119	1,180,385	936,684
<b>Total Pension Liability-Beginning</b>	<u>15,726,606</u>	<u>14,546,221</u>	<u>13,609,537</u>
<b>Total Pension Liability-Ending (a)</b>	<u><u>\$16,495,725</u></u>	<u><u>\$15,726,606</u></u>	<u><u>\$14,546,221</u></u>
<b>Plan Fiduciary Net Position:</b>			
Contributions-employer	\$ -	\$ -	\$ -
Contributions-Employer(State)	402,063	367,113	329,933
Contributions-member	569,137	502,051	487,044
Net investment income	723,841	780,019	1,130,702
Benefit payments	(697,198)	(637,505)	(566,773)
Refunds	(39,638)	(95,647)	(40,689)
Administrative expense	(39,355)	(35,078)	(34,525)
Other	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	918,850	880,953	1,305,692
<b>Plan Fiduciary Net Position-Beginning</b>	<u>14,854,664</u>	<u>13,973,711</u>	<u>12,668,019</u>
<b>Plan Fiduciary Net Position-Ending (b)</b>	<u><u>\$15,773,514</u></u>	<u><u>\$14,854,664</u></u>	<u><u>\$13,973,711</u></u>
<b>Net Pension Liability-Ending (a) - (b)</b>	722,211	871,942	572,510
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.62%	94.46%	96.06%
Covered Payroll	8,130,527	7,172,157	6,957,771
Net Pension Liability as a Percentage of Covered Payroll	8.88%	12.16%	8.23%

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

2016	2015	2014
\$ 498,450	\$ 498,038	\$ 592,432
952,685	916,626	861,104
-	-	-
(66,499)	(158,912)	(9,847)
-	-	305,956
(540,270)	(561,863)	(729,776)
(293,992)	(121,468)	(132,922)
<u>550,374</u>	<u>572,421</u>	<u>886,947</u>
<u>13,059,163</u>	<u>12,486,742</u>	<u>11,599,795</u>
<u>\$13,609,537</u>	<u>\$13,059,163</u>	<u>\$12,486,742</u>

\$ -	\$ -	\$ -
302,837	265,449	248,113
471,774	452,740	449,881
1,000,576	(232,886)	896,529
(540,270)	(561,863)	(729,776)
(293,992)	(121,468)	(132,922)
(36,110)	(30,114)	(65,371)
-	-	-
<u>904,815</u>	<u>(228,142)</u>	<u>666,454</u>
<u>11,763,204</u>	<u>11,991,346</u>	<u>11,324,892</u>
<u>\$12,668,019</u>	<u>\$11,763,204</u>	<u>\$11,991,346</u>

941,518	1,295,959	495,396
93.08%	90.08%	96.03%
6,739,629	6,450,909	6,426,871
13.97%	20.09%	7.71%

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
Municipal Police Officers' Retirement Trust Fund  
September 30, 2019  
(Unaudited)

**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
9/30/2014	285,353	248,113	37,240 *	6,426,871	3.86%
9/30/2015	198,688	265,449	(66,761)	6,450,909	4.11%
9/30/2016	173,208	302,837	(129,629)	6,739,629	4.49%
9/30/2017	186,468	329,933	(143,465)	6,957,771	4.74%
9/30/2018	200,820	367,113	(166,293)	7,172,157	5.12%
9/30/2019	256,925	402,063	(145,138)	8,130,527	4.95%

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

**Notes to Schedule of Contributions**

Valuation date	September 30, 2018
Measurement date	September 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, closed
Remaining amortization period	20 years (single equivalent amortization period)
Asset valuation method	4-year smoothed market
Inflation rate	2.5%
Salary increases	3.5% to 6.5% depending on completed years of service, including inflation
Investment rate of return	7.25%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition

**Mortality**  
RP-2000 Combined Healthy Participant Mortality Table(for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants(for postretirement mortality), with mortality improvements projected for all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for special risk class members of the Florida Retirement System(FRS). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

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

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
Municipal Police Officers' Retirement Trust Fund  
September 30, 2019  
(Unaudited)

---

---

**SCHEDULE OF INVESTMENT RETURNS MULTIYEAR\***

---

	Annual Return
Annual money-weighted rate of return, net of investment expense:	
Fiscal year ending September 30, 2014	9.3%
Fiscal year ending September 30, 2015	-3.5%
Fiscal year ending September 30, 2016	9.57%
Fiscal year ending September 30, 2017	10.68%
Fiscal year ending September 30, 2018	6.47%
Fiscal year ending September 30, 2019	5.29%

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

**THIS PAGE INTENTIONALLY LEFT BLANK**



## COMBINING AND INDIVIDUAL FUND STATEMENTS



**THIS PAGE INTENTIONALLY LEFT BLANK**



## GENERAL FUND

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



City of Fort Pierce, Florida  
**SCHEDULE OF GENERAL FUND REVENUES AND  
OTHER FINANCING SOURCES  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND**  
Year ended September 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>Revenues</b>			
Taxes			
Ad valorem	\$ 15,696,008	\$ 15,823,291	\$ 15,823,291
General sales and use	2,025,000	2,220,408	2,220,408
Franchise	4,040,000	4,358,980	4,358,980
	<u>21,761,008</u>	<u>22,402,679</u>	<u>22,402,679</u>
Licenses and permits			
Occupational licenses	275,000	299,030	299,030
Other	108,000	181,074	181,074
	<u>383,000</u>	<u>480,104</u>	<u>480,104</u>
Intergovernmental revenue			
State grants	-	89,849	89,849
Federal grants	-	173,648	173,648
State shared revenue	3,228,000	4,706,446	4,706,446
State retirement contribution	300,000	402,063	402,063
County shared revenue	50,000	55,541	55,541
In lieu of taxes	21,000	77,491	77,491
	<u>3,599,000</u>	<u>5,505,038</u>	<u>5,505,038</u>
Charges for services			
General government	257,800	325,088	325,088
Physical environment	73,000	105,939	105,939
	<u>330,800</u>	<u>431,027</u>	<u>431,027</u>
Fines and forfeitures			
Court cases	53,500	10,917	10,917
Code violation	192,500	348,541	348,541
	<u>246,000</u>	<u>359,458</u>	<u>359,458</u>
Other			
Contributions from component unit	6,082,515	6,125,454	6,125,454
Investment income	90,000	284,828	284,828
Rents	28,334	32,986	32,986
Administrative and contractual services	515,000	636,194	636,194
Reimbursements by other funds	1,376,000	1,253,609	1,253,609
Special assessments	17,600	50,882	50,882
Impact fees	-	-	-
Miscellaneous	204,500	287,349	287,349
	<u>8,313,949</u>	<u>8,671,302</u>	<u>8,671,302</u>
Total revenues	34,633,757	37,849,608	37,849,608
<b>Other financing sources</b>			
Transfers in	4,038,947	4,475,767	4,475,767
Capital lease proceeds	-	467,928	467,928
Total other financing sources	<u>4,038,947</u>	<u>4,943,695</u>	<u>4,943,695</u>
Total revenues, other financing sources,	<u>\$ 38,672,704</u>	<u>\$ 42,793,303</u>	<u>\$ 42,793,303</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, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>Expenditures</b>			
General Government			
Legislative			
City Commission	\$ 246,606	\$ 251,086	\$ 251,086
Executive			
City Manager	767,900	768,962	768,962
City Clerk	323,768	306,361	306,361
Financial and administrative			
General administration	6,212,520	7,071,437	7,071,437
Finance	885,902	881,285	881,285
MIS	1,190,540	1,098,687	1,098,687
Purchasing	322,738	273,480	273,480
Human Resources	435,732	431,005	431,005
Legal counsel			
City Attorney	667,864	632,554	632,554
Comprehensive planning			
Planning	566,959	533,845	533,845
Public works			
Director	98,252	134,845	134,845
Garage	585,387	748,587	748,587
Building maintenance	1,021,353	1,108,352	1,108,352
	<u>13,325,521</u>	<u>14,240,486</u>	<u>14,240,486</u>
Public safety			
Law enforcement			
Police	5,125,000	6,075,078	6,075,078
Police- Operations	7,900,653	8,212,252	8,212,252
Police- Support Operations	1,250,000	1,095,923	1,095,923
Code Enforcement	1,057,212	1,206,496	1,206,496
	<u>15,332,865</u>	<u>16,589,749</u>	<u>16,589,749</u>
Transportation			
Road and street facilities			
Engineering	1,293,711	1,222,647	1,222,647
Street maintenance	1,784,669	1,934,332	1,934,332
	<u>3,078,380</u>	<u>3,156,979</u>	<u>3,156,979</u>
Culture and recreation			
Parks and recreation	2,143,014	2,231,695	2,231,695
Riverwalk Center	330,036	353,295	353,295
	<u>2,473,050</u>	<u>2,584,990</u>	<u>2,584,990</u>
Total expenditures	34,209,816	36,572,204	36,572,204
<b>Other financing uses</b>			
Transfers out	4,699,797	7,131,302	7,131,302
Total expenditures and other financing use	<u>\$ 38,909,613</u>	<u>\$ 43,703,506</u>	<u>\$ 43,703,506</u>

## NONMAJOR GOVERNMENTAL FUNDS



## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

◆ **The Law Enforcement Trust Fund**

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

◆ **Police Grant Fund**

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

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

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

◆ **Federal Major Grant Program (CDBG)**

This fund is used to account for major grants administered by Grants Administration to record grant income and related eligible expenditures.

◆ **Hurricane Housing Recovery Grant Fund**

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

## NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

### DEBT SERVICE FUNDS

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

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

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

◆ **Capital Improvement Revenue Refunding Bond Fund, Series 2010  
A&B**

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

◆ **Section 108 Note Payable**

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

◆ **Capital Improvement Revenue Refunding Bond Fund, Series 2014**

This fund is used to account for the accumulation of monies to pay \$6,079,229 of financing used for the purchase of capital energy conservation equipment. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2014-2028.

## NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

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

◆ **Fort Pierce Redevelopment Revenue Refunding Note Fund, Series 2015 AB**

This fund is used to account for the accumulation of monies to pay \$20,000,000 Series 2006 and \$20,200,000 Series 2005 of the Redevelopment Bonds. FPRA TIF funds are pledged for the payments of principal and interest due from 2016-2031.

◆ **Capital Improvement Revenue Refunding Note Fund, Series 2015**

This fund is used to account for the accumulation of monies to pay \$3,170,000 Series 2004 and \$1,909,000 Series 2008A of the Capital Improvement Revenue Refunding Bonds. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2017-2032.

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

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

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

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

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

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

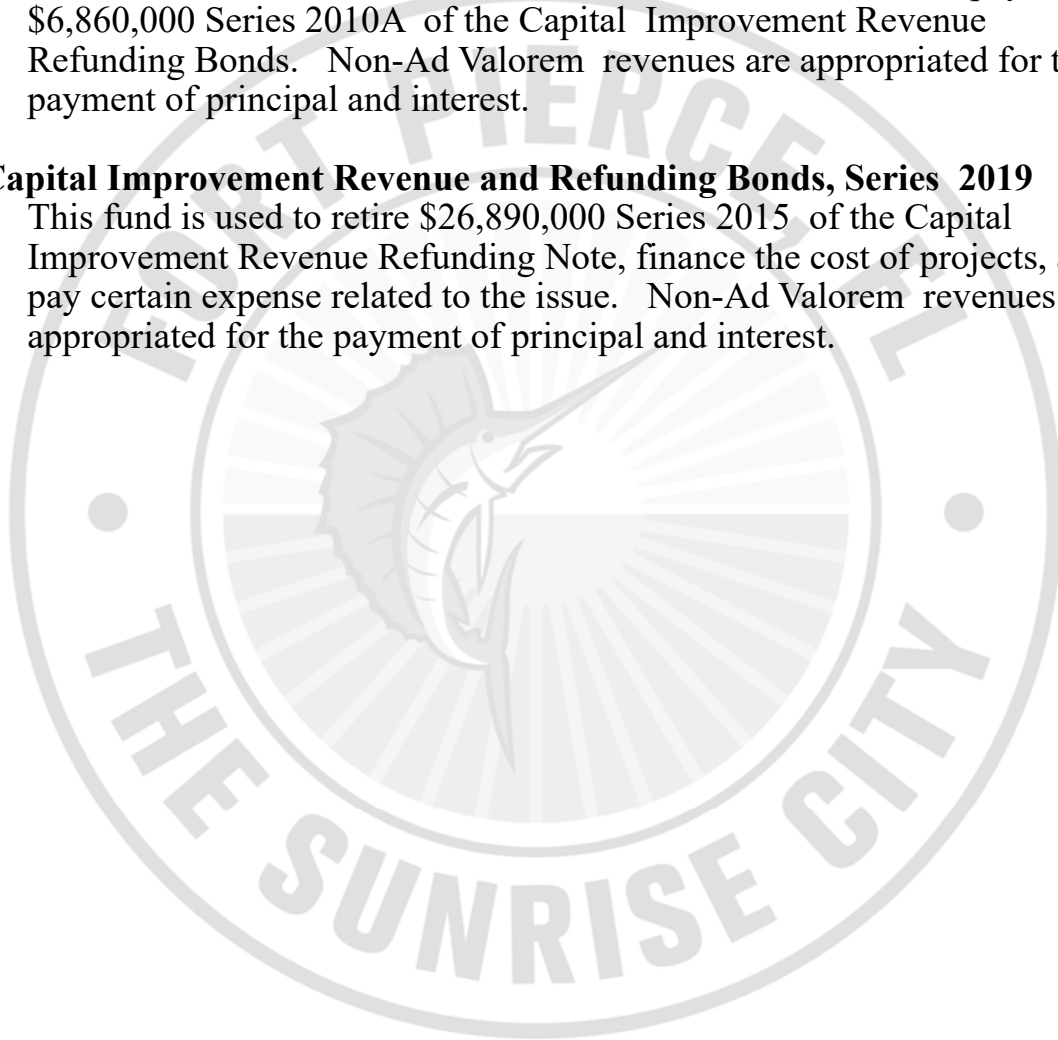
◆ **Capital Lease**

This fund is used to account for the accumulation of monies to pay \$2,388,791 of capital lease obligations.

## NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

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

- ◆ **Capital Improvement Revenue Refunding Note Fund, Series 2018**  
This fund is used to account for the accumulation of monies to pay \$6,860,000 Series 2010A of the Capital Improvement Revenue Refunding Bonds. Non-Ad Valorem revenues are appropriated for the payment of principal and interest.
  
- ◆ **Capital Improvement Revenue and Refunding Bonds, Series 2019**  
This fund is used to retire \$26,890,000 Series 2015 of the Capital Improvement Revenue Refunding Note, finance the cost of projects, and pay certain expense related to the issue. Non-Ad Valorem revenues are appropriated for the payment of principal and interest.



**THIS PAGE INTENTIONALLY LEFT BLANK**



City of Fort Pierce, Florida  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2019

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 1,162,615	\$ 2,145,172	\$ 3,307,787
Accounts Receivable	35,345	-	35,345
Advance to other funds	-	1,282,848	1,282,848
Due from other governments	474,695	-	474,695
Notes Receivable	1,798,406	-	1,798,406
Total assets	<u>\$ 3,471,061</u>	<u>\$ 3,428,020</u>	<u>\$ 6,899,081</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 22,900	\$ -	\$ 22,900
Due to other funds	100,036	-	100,036
Total liabilities	<u>122,936</u>	<u>-</u>	<u>122,936</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	1,798,375	-	1,798,375
<b>FUND BALANCES</b>			
Restricted	1,549,750	2,145,172	3,694,922
Assigned	-	1,282,848	1,282,848
Total fund balances	<u>1,549,750</u>	<u>3,428,020</u>	<u>4,977,770</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,471,061</u>	<u>\$ 3,428,020</u>	<u>\$ 6,899,081</u>

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended September 30, 2019

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$ 802,828	\$ -	\$ 802,828
Fines and forfeitures	4,006	-	4,006
Investment income	34,503	131,331	165,834
Miscellaneous	140,288	-	140,288
<b>Total revenues</b>	<b>981,625</b>	<b>131,331</b>	<b>1,112,956</b>
<b>Expenditures</b>			
Current			
Public safety	370,492	-	370,492
Economic environment	1,123,570	-	1,123,570
Capital Outlay	43,042	-	43,042
Debt service			
Principal	-	5,185,396	5,185,396
Interest and fees	-	2,388,727	2,388,727
Other	-	67,673	67,673
<b>Total expenditures</b>	<b>1,537,104</b>	<b>7,641,796</b>	<b>9,178,900</b>
Excess of revenues over (under) expenditures	(555,479)	(7,510,465)	(8,065,944)
<b>Other financing sources (uses)</b>			
Transfers in	757,845	10,221,896	10,979,741
Debt issuance	-	27,764,844	27,764,844
Payment on Advance Refunding	-	(27,696,699)	(27,696,699)
Transfers out	(680,082)	(1,699,452)	(2,379,534)
<b>Total other financing sources (uses)</b>	<b>77,763</b>	<b>8,590,589</b>	<b>8,668,352</b>
Net change in fund balances	(477,716)	1,080,124	602,408
Fund balance - beginning of year	2,027,466	2,347,896	4,375,362
Fund balance - end of year	<b>\$ 1,549,750</b>	<b>\$ 3,428,020</b>	<b>\$ 4,977,770</b>

City of Fort Pierce, Florida  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
September 30, 2019

	Police Grants Fund	Law Enforcement Trust Fund	State Housing Initiatives Program (S.H.I.P.)
<b>ASSETS</b>			
Cash and investments	\$ 8,984	\$ 99,245	\$ 339,402
Accounts Receivable	20,000	-	-
Due from other governments	81,640	-	-
Notes receivable	-	-	29,094
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 110,624</u>	<u>\$ 99,245</u>	<u>\$ 368,496</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 460	\$ -	\$ -
Due to other funds	100,000	-	20
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>100,460</u>	<u>-</u>	<u>20</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	29,094
	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES</b>			
Restricted	10,164	99,245	339,382
Total fund balances	<u>10,164</u>	<u>99,245</u>	<u>339,382</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 110,624</u>	<u>\$ 99,245</u>	<u>\$ 368,496</u>

Community Development Block Grant	Hurricane Housing Recovery Grant Fund	Total Nonmajor Special Revenue Funds
\$ 389,684	\$ 325,300	\$ 1,162,615
15,295	50	35,345
393,055	-	474,695
<u>275,112</u>	<u>1,494,200</u>	<u>1,798,406</u>
<u>\$ 1,073,146</u>	<u>\$ 1,819,550</u>	<u>\$ 3,471,061</u>
\$ 18,559	\$ 3,881	\$ 22,900
<u>16</u>	<u>-</u>	<u>100,036</u>
<u>18,575</u>	<u>3,881</u>	<u>122,936</u>
<u>275,081</u>	<u>1,494,200</u>	<u>1,798,375</u>
<u>779,490</u>	<u>321,469</u>	<u>1,549,750</u>
<u>779,490</u>	<u>321,469</u>	<u>1,549,750</u>
<u>\$ 1,073,146</u>	<u>\$ 1,819,550</u>	<u>\$ 3,471,061</u>

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
Year ended September 30, 2019

	Police Grants Fund	Law Enforcement Trust Fund	State Housing Initiatives Program (S.H.I.P.)
<b>Revenues</b>			
Intergovernmental	\$ 202,741	\$ -	\$ 73,063
Fines and forfeitures	-	4,006	-
Investment income	3,488	1,768	2,584
Miscellaneous	80,000	-	-
Total revenues	286,229	5,774	75,647
<b>Expenditures</b>			
Current			
Public safety	363,977	6,515	-
Economic environment	-	-	567,328
Capital outlay	-	-	-
Total expenditures	363,977	6,515	567,328
Excess of revenues over (under) expenditures	(77,748)	(741)	(491,681)
<b>Other financing sources (uses)</b>			
Transfers in	77,763	-	680,082
Transfers out	-	-	-
Total other financing sources (uses)	77,763	-	680,082
Net change in fund balances	15	(741)	188,401
Fund balance - beginning of year	10,149	99,986	150,981
Fund balance - end of year	\$ 10,164	\$ 99,245	\$ 339,382

Community Development Block Grant	Hurricane Housing Recovery Grant Fund	Total Non-Major Special Revenue Funds
\$ 485,632	\$ 41,392	\$ 802,828
-	-	4,006
22,413	4,250	34,503
38	60,250	140,288
<u>508,083</u>	<u>105,892</u>	<u>981,625</u>
-	-	370,492
435,418	120,824	1,123,570
43,042	-	43,042
<u>478,460</u>	<u>120,824</u>	<u>1,537,104</u>
29,623	(14,932)	(555,479)
-	-	757,845
-	(680,082)	(680,082)
-	(680,082)	77,763
29,623	(695,014)	(477,716)
749,867	1,016,483	2,027,466
<u>\$ 779,490</u>	<u>\$ 321,469</u>	<u>\$ 1,549,750</u>

City of Fort Pierce, Florida

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

Year ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 658,716	\$ 202,741	\$ 202,741	\$ -
Investment income	-	3,488	3,488	-
Other	80,000	80,000	80,000	-
Total revenues	<u>738,716</u>	<u>286,229</u>	<u>286,229</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Economic environment	588,716	363,977	363,977	-
Capital outlay	200,000	-	-	-
Total expenditures	<u>788,716</u>	<u>363,977</u>	<u>363,977</u>	<u>-</u>
Excess of revenues over expenditures	(50,000)	(77,748)	(77,748)	-
<b>Other financing sources (uses)</b>				
Transfers in	<u>50,000</u>	<u>77,763</u>	<u>77,763</u>	<u>-</u>
Total other financing sources (uses)	50,000	77,763	77,763	-
Net change in fund balances	-	15	15	-
Fund balance - beginning of year	<u>10,149</u>	<u>10,149</u>	<u>10,149</u>	<u>-</u>
Fund balance - end of year	<u>\$ 10,149</u>	<u>\$ 10,164</u>	<u>\$ 10,164</u>	<u>\$ -</u>

City of Fort Pierce, Florida

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

Year ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 353,000	\$ 73,063	\$ 73,063	\$ -
Investment income	500	2,584	2,584	-
Other	40,000	-	-	-
Total revenues	<u>393,500</u>	<u>75,647</u>	<u>75,647</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Economic environment	393,500	567,328	567,328	-
Total expenditures	<u>393,500</u>	<u>567,328</u>	<u>567,328</u>	<u>-</u>
Excess of revenues over expenditures	-	(491,681)	(491,681)	-
<b>Other financing sources (uses)</b>				
Transfers in	-	680,082	680,082	-
Total other financing sources (uses)	-	680,082	680,082	-
Net change in fund balances	-	188,401	188,401	-
Fund balance - beginning of year	<u>150,981</u>	<u>150,981</u>	<u>150,981</u>	<u>-</u>
Fund balance - end of year	<u>\$ 150,981</u>	<u>\$ 339,382</u>	<u>\$ 339,382</u>	<u>\$ -</u>

City of Fort Pierce, Florida

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

Year ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 859,320	\$ 485,632	\$ 485,632	\$ -
Investment income	1,000	22,413	22,413	-
Other	8,918	38	38	-
Total revenues	<u>869,238</u>	<u>508,083</u>	<u>508,083</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Economic environment	869,238	435,418	435,418	-
Capital outlay	-	43,042	43,042	-
Total expenditures	<u>869,238</u>	<u>478,460</u>	<u>478,460</u>	<u>-</u>
Excess of revenues over expenditures	-	29,623	29,623	-
Net change in fund balances	-	29,623	29,623	-
Fund balance - beginning of year	<u>749,867</u>	<u>749,867</u>	<u>749,867</u>	<u>-</u>
Fund balance - end of year	<u>\$ 749,867</u>	<u>\$ 779,490</u>	<u>\$ 779,490</u>	<u>\$ -</u>

City of Fort Pierce, Florida

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

Year ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 41,392	\$ 41,392	\$ -
Investment income	250	4,250	4,250	-
Other	213,500	60,250	60,250	-
Total revenues	<u>213,750</u>	<u>105,892</u>	<u>105,892</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Economic environment	258,750	120,824	120,824	-
Total expenditures	<u>258,750</u>	<u>120,824</u>	<u>120,824</u>	<u>-</u>
Excess of revenues over expenditures	(45,000)	(14,932)	(14,932)	-
<b>Other financing sources (uses)</b>				
Transfers in	45,000	-	-	-
Transfers out	-	(680,082)	(680,082)	-
Total other financing sources (uses)	45,000	(680,082)	(680,082)	-
Net change in fund balances	-	(695,014)	(695,014)	-
Fund balance - beginning of year	<u>1,016,483</u>	<u>1,016,483</u>	<u>1,016,483</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,016,483</u>	<u>\$ 321,469</u>	<u>\$ 321,469</u>	<u>\$ -</u>

City of Fort Pierce, Florida  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
September 30, 2019

---

	<u>Capital Improvement Revenue 2008</u>	<u>Capital Improvement Refunding 2010</u>	<u>Capital Improvement Revenue 2014</u>	<u>Section 108 Loan</u>	<u>Fort Pierce Redevelopment Refunding 2015</u>	<u>Capital Improvement Refunding 2015</u>
<b>ASSETS</b>						
Cash and investments	\$ -	\$ 52	\$ 1,450,821	\$ 129,357	\$ 504,049	\$ -
Advance to other funds	-	-	-	1,282,848	-	-
Total Assets	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ 1,450,821</u>	<u>\$ 1,412,205</u>	<u>\$ 504,049</u>	<u>\$ -</u>
 <b>LIABILITIES AND FUND BALANCES</b>						
<b>FUND BALANCES</b>						
Restricted	-	52	1,450,821	129,357	504,049	-
Assigned	-	-	-	1,282,848	-	-
Total fund balance	<u>-</u>	<u>52</u>	<u>1,450,821</u>	<u>1,412,205</u>	<u>504,049</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ 1,450,821</u>	<u>\$ 1,412,205</u>	<u>\$ 504,049</u>	<u>\$ -</u>

---

Capital Improvement Note A 2016	Capital Improvement Note B 2016	Capital Improvement Note C 2016	Capital Lease	Capital Improvement Refunding 2018	Capital Improvement Refunding 2019	Total Nonmajor Debt Service Funds
\$ 522	\$ 959	\$ 1,067	\$ -	\$ 7,025	\$ 51,320	\$ 2,145,172
-	-	-	-	-	-	1,282,848
<u>\$ 522</u>	<u>\$ 959</u>	<u>\$ 1,067</u>	<u>\$ -</u>	<u>\$ 7,025</u>	<u>\$ 51,320</u>	<u>\$ 3,428,020</u>
522	959	1,067	-	7,025	51,320	2,145,172
-	-	-	-	-	-	1,282,848
<u>522</u>	<u>959</u>	<u>1,067</u>	<u>-</u>	<u>7,025</u>	<u>51,320</u>	<u>3,428,020</u>
<u>\$ 522</u>	<u>\$ 959</u>	<u>\$ 1,067</u>	<u>\$ -</u>	<u>\$ 7,025</u>	<u>\$ 51,320</u>	<u>\$ 3,428,020</u>

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE**  
**NONMAJOR DEBT SERVICE FUNDS**  
 Year Ended September 30, 2019

	Capital Improvement Revenue 2008	Capital Improvement Refunding 2010	Capital Improvement Revenue 2014	Section 108 Loan	Fort Pierce Redevelopment Refunding 2015	Capital Improvement Refunding 2015
<b>Revenues</b>						
Investment income	\$ 18	\$ 5,785	\$ 10,731	\$ 48,330	\$ 17,503	\$ 30,652
<b>Expenditures</b>						
Debt service						
Principal	-	340,000	351,892	283,000	1,665,000	-
Interest and fees	-	96,587	142,185	44,203	845,220	757,298
Other	-	1,974	-	-	1,500	-
Total expenditures	-	438,561	494,077	327,203	2,511,720	757,298
Excess of revenues over (under) expenditures	18	(432,776)	(483,346)	(278,873)	(2,494,217)	(726,646)
<b>Other financing sources (uses)</b>						
Transfers in	-	432,377	1,775,800	-	2,510,920	2,421,614
Debt issuance	-	-	-	-	-	-
Payment on Advance Refunding	-	-	-	-	-	-
Transfers out	(3,441)	-	-	-	-	(1,696,011)
Total other financing sources (uses)	(3,441)	432,377	1,775,800	-	2,510,920	725,603
Net change in fund balances	(3,423)	(399)	1,292,454	(278,873)	16,703	(1,043)
Fund balances - beginning of year	3,423	451	158,367	1,691,078	487,346	1,043
Fund balances - end of year	\$ -	\$ 52	\$ 1,450,821	\$ 1,412,205	\$ 504,049	\$ -

Capital Improvement Note A 2016	Capital Improvement Note B 2016	Capital Improvement Note C 2016	Capital Lease	Capital Improvement Refunding 2018	Capital Improvement Refunding 2019	Total Nonmajor Debt Service Funds
\$ 483	\$ 844	\$ 1,045	\$ -	\$ 946	\$ 14,994	\$ 131,331
115,000	45,000	200,000	450,387	40,117	1,695,000	5,185,396
44,625	22,403	24,440	75,245	178,394	158,127	2,388,727
-	-	-	585	-	63,614	67,673
159,625	67,403	224,440	526,217	218,511	1,916,741	7,641,796
(159,142)	(66,559)	(223,395)	(526,217)	(217,565)	(1,901,747)	(7,510,465)
159,647	67,425	224,462	526,217	218,512	1,884,922	10,221,896
-	-	-	-	-	27,764,844	27,764,844
-	-	-	-	-	(27,696,699)	(27,696,699)
-	-	-	-	-	-	(1,699,452)
159,647	67,425	224,462	526,217	218,512	1,953,067	8,590,589
505	866	1,067	-	947	51,320	1,080,124
17	93	-	-	6,078	-	2,347,896
\$ 522	\$ 959	\$ 1,067	\$ -	\$ 7,025	\$ 51,320	\$ 3,428,020

**THIS PAGE INTENTIONALLY LEFT BLANK**



## STATISTICAL SECTION



## A-1 STATISTICAL TABLES

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

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

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

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

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

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

**MISCELLANEOUS STATISTICS**

**September 30, 2019**

<b>Date of Incorporation:</b>	February 2, 1901	<b>City of Fort Pierce Population:</b>	
<b>Adoption of City Charter:</b>	1957	1940	8,040
<b>Form of Govt:</b>	Commission/City Manager	1950	13,502
<b>Fiscal Year:</b>	October 1, 2018 through September 30, 2019	1960	25,113
<b>Area:</b>	35.07 square miles as of 9/30/2019	1970	29,721
		1980	33,802
<b>Number of Employees:</b>	667.0	1990	36,830
City	384.0	2000	38,401
Utilities Authority	283.0	2010	41,590
<b>Police Protection:</b>		<b>Recreation:</b>	
Number of Stations	2	Acres of Public Parks	294.3
Number of Arresting Personnel	119	Miles of Public Beach	2.3
		Baseball Practice Fields	23
<b>Fire Protection:</b>		Basketball Courts	11
(County wide)		Boat Ramps	10
Number of Stations	17	Football Fields	1
Number of Firemen & Officers	386	Playgrounds	12
		Municipal Pools	2
<b>Infrastructure:</b>		Racquetball/Handball Courts	2
City Buildings	23	Shuffleboard Courts	1
Cemeteries (not City owned)	5	Tennis Courts	18
City Bridges	15		
*Vehicle	6	<b>Utilities Customers:</b>	
*Pedestrian	9	Electric	28,300
Traffic Lights	211	Water	20,400
*Flashing Lights	32	Wastewater	15,200
*Traffic & Caution Lights	179	Natural Gas	4,100
Street Lights	5,313		
Miles of:		<b>County Schools Enrollment: *</b>	
*Paved Streets	182.4	ESE (all grades)	5,863
*Unpaved Streets	3.0	Elementary , Non ESE	15,482
Total Streets	185.4	Middle , Non ESE	8,130
Canals	10.1	High School , Non ESE	10,685
Curbs and Gutters	121.6	Total Enrollment	40,160
Seawalls	1.1		
Sidewalks	113.4	<b>Solid Waste Customers:</b>	
Storm Sewers	74.9	Commercial	1,814
<b>Building Permits New Construction:</b>	135	Residential	12,273
Construction Valuation	\$ 50,971,905	Public	23

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.

\*St. Lucie County School Board figures are the most recent printed at time of publication.

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

	Fiscal Year			
	2019	2018	2017	2016
<b>Governmental activities</b>				
Net invested in capital assets	\$ 43,122,969	\$ 41,656,393	\$ 41,206,642	\$ 39,077,396
Restricted	3,428,020	2,347,896	2,906,878	5,300,896
Unrestricted	5,110,643	6,103,498	2,817,495	4,960,007
Adjustment to record net pension liability	*			
Adjustment to record net OPEB liability	**		(1,017,916)	
<b>Total governmental activities net Position</b>	<b>\$ 51,661,632</b>	<b>\$ 50,107,787</b>	<b>\$ 45,913,099</b>	<b>\$ 49,338,299</b>
<b>Business type activities</b>				
Net invested in capital assets	\$ 68,807,409	\$ 68,117,114	\$ 68,530,285	\$ 69,349,261
Restricted	2,387,689	-	-	-
Unrestricted	(1,781,464)	685,832	180,432	1,271,085
Adjustment to record net pension liability	*			
Adjustment to record net OPEB liability	**		(216,887)	
<b>Total business-type activities net Position</b>	<b>\$ 69,413,634</b>	<b>\$ 68,802,946</b>	<b>\$ 68,493,830</b>	<b>\$ 70,620,346</b>
<b>Primary Government</b>				
Net invested in capital assets	\$ 111,930,378	\$ 109,773,507	\$ 109,736,927	\$ 108,426,657
Restricted	5,815,709	2,347,896	2,906,878	5,300,896
Unrestricted	3,329,179	6,789,330	2,997,927	6,231,092
Adjustment to record net pension liability	*	*	*	
Adjustment to record net OPEB liability	**		(1,234,803)	
<b>Total primary government net Position</b>	<b>\$ 121,075,266</b>	<b>\$ 118,910,733</b>	<b>\$ 114,406,929</b>	<b>\$ 119,958,645</b>

Source: Statement of Net Position

\* Implementation of GASB 68

\*\* Implementation of GASB 75

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ \$ 37,055,350	\$ 34,114,524	\$ \$ 32,136,904	\$ \$ 30,700,782	\$ \$ 31,066,247	\$ \$ 28,668,343
6,911,826	7,644,201	3,612,651	4,469,991	7,448,269	7,448,269
5,825,232	9,166,286	12,820,034	14,694,145	13,854,615	18,329,988
	(1,761,220)				
<hr/>					
\$ \$ 49,792,408	\$ 49,163,791	\$ \$ 48,569,589	\$ \$ 49,864,918	\$ \$ 52,369,131	\$ \$ 54,446,600
<hr/>					
\$ \$ 72,258,131	\$ 66,234,195	\$ \$ 65,104,588	\$ \$ 53,122,423	\$ \$ 44,669,243	\$ \$ 45,408,923
-	-	-	-	-	-
4,277,533	13,349,535	12,551,494	13,672,962	13,960,371	10,201,851
	(270,999)				
<hr/>					
\$ \$ 76,535,664	\$ 79,312,731	\$ \$ 77,656,082	\$ \$ 66,795,385	\$ \$ 58,629,614	\$ \$ 55,610,774
<hr/>					
\$ \$ 109,313,481	\$ 100,348,719	\$ \$ 97,241,492	\$ \$ 83,823,205	\$ \$ 75,735,490	\$ 74,077,266
6,911,826	7,644,201	3,612,651	4,469,991	7,448,269	7,448,269
10,102,765	22,515,821	25,371,528	28,367,107	27,814,986	28,531,839
	(2,032,219)				
<hr/>					
\$ \$ 126,328,072	\$ 128,476,522	\$ \$ 126,225,671	\$ \$ 116,660,303	\$ \$ 110,998,745	\$ \$ 110,057,374
<hr/>					

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

	Fiscal Year			
	2019	2018	2017	2016
<b>Expenses</b>				
Government activities:				
General government	\$ 12,478,803	\$ 12,453,169	\$ 12,679,532	\$ 10,188,059
Public Safety	18,718,692	16,341,557	16,426,201	15,293,734
Transportation	6,743,878	6,382,606	6,224,923	5,868,560
Economic Environment	1,779,196	1,526,508	1,104,259	1,262,385
Culture and recreation	3,013,258	2,773,173	2,529,937	2,153,169
Interest of long-term debt	3,163,194	2,891,268	3,567,822	4,624,442
Total government activities expenses	<u>\$ 45,897,021</u>	<u>\$ 42,368,281</u>	<u>\$ 42,532,674</u>	<u>\$ 39,390,349</u>
Business-type activities				
Solid Waste	\$ 6,778,735	\$ 6,745,265	\$ 6,235,640	\$ 5,689,842
Marina	4,375,846	4,180,073	4,078,834	3,512,275
Storm Water	3,321,553	3,275,415	5,202,294	7,939,853
Golf Course	1,628,188	1,432,238	1,553,141	1,510,721
Sunrise Theater	3,666,296	3,832,927	4,376,238	4,595,335
Building Fund	1,857,393	1,632,847	1,304,815	1,194,096
Total business-type activities	<u>\$ 21,628,011</u>	<u>\$ 21,098,765</u>	<u>\$ 22,750,962</u>	<u>\$ 24,442,122</u>
Total primary government expenses	<u>\$ 67,525,032</u>	<u>\$ 63,467,046</u>	<u>\$ 65,283,636</u>	<u>\$ 63,832,471</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,496,288	\$ 1,581,796	\$ 2,127,748	\$ 1,180,822
Public Safety	624,537	915,607	402,673	559,349
Transportation	750,443	580,770	299,620	246,932
Economic Environment	7,883,792	6,452,713	6,883,000	7,296,531
Culture and recreation	700,526	425,848	254,567	166,683
Operating grants and contributions	832,985	3,922,855	1,422,785	385,082
Capital grants and contributions	-	-	-	-
Total governmental activities program revenue:	<u>\$ 12,288,571</u>	<u>\$ 13,879,589</u>	<u>\$ 11,390,393</u>	<u>\$ 9,835,399</u>
Business-type activities				
Charges for services:				
Solid Waste	\$ 7,648,557	\$ 7,806,315	\$ 6,676,775	\$ 6,544,120
Marina	3,470,692	3,635,137	3,729,402	2,856,262
Storm Water	2,845,271	2,691,049	2,724,106	2,708,419
Golf Course	1,151,369	1,127,258	979,461	1,235,869
Sunrise Theater	2,466,477	2,415,352	2,765,443	3,342,281
Building Fund	2,336,544	2,158,592	1,369,165	1,360,416
Operating grants and contributions	-	1,433,973	712,500	-
Capital grants and contributions	2,890,929	351,428	-	407,561
Total business-type activities	<u>\$ 22,809,839</u>	<u>\$ 21,619,104</u>	<u>\$ 18,956,852</u>	<u>\$ 18,454,928</u>
Total primary government revenues	<u>\$ 35,098,410</u>	<u>\$ 35,498,693</u>	<u>\$ 30,347,245</u>	<u>\$ 28,290,327</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	(33,608,450)	(28,488,692)	(31,142,281)	(29,554,950)
Business-type activities	<u>\$ 1,181,828</u>	<u>\$ 520,339</u>	<u>\$ (3,794,110)</u>	<u>\$ (5,987,194)</u>
Total primary government net expenses	<u>\$ (32,426,622)</u>	<u>\$ (27,968,353)</u>	<u>\$ (34,936,391)</u>	<u>\$ (35,542,144)</u>

Fiscal Year						
2015	2014	2013	2012	2011	2010	
\$ 9,615,174	\$ 9,098,006	\$ 9,073,474	\$ 9,368,691	\$ 9,578,646	\$ 11,039,863	
15,130,557	14,753,228	14,305,679	13,758,635	13,353,710	14,614,487	
5,729,773	6,071,542	6,263,011	6,277,776	6,347,717	7,375,759	
1,513,335	1,110,448	1,774,472	3,361,379	2,040,019	6,075,167	
2,206,744	2,522,271	2,231,912	2,268,586	2,321,424	2,548,710	
3,778,626	3,754,510	3,727,940	3,821,411	3,841,700	3,680,658	
<u>\$ 37,974,209</u>	<u>\$ 37,310,005</u>	<u>\$ 37,376,488</u>	<u>\$ 38,856,478</u>	<u>\$ 37,483,216</u>	<u>\$ 45,334,644</u>	
\$ 5,708,431	\$ 5,264,288	\$ 4,974,739	\$ 5,440,958	\$ 5,486,548	\$ 5,245,043	
3,344,558	2,610,077	2,605,281	2,155,455	2,353,376	2,300,594	
5,658,447	6,130,795	3,368,903	3,241,933	3,182,318	2,648,312	
1,574,074	1,587,070	1,658,894	1,610,301	1,600,742	1,908,161	
4,440,222	4,080,883	4,223,143	4,173,135	3,816,102	3,845,893	
1,175,458	1,014,511	1,004,080	951,656	997,636	915,411	
<u>\$ 21,901,190</u>	<u>\$ 20,687,624</u>	<u>\$ 17,835,040</u>	<u>\$ 17,573,438</u>	<u>\$ 17,436,722</u>	<u>\$ 16,863,414</u>	
<u>\$ 59,875,399</u>	<u>\$ 57,997,629</u>	<u>\$ 55,211,528</u>	<u>\$ 56,429,916</u>	<u>\$ 54,919,938</u>	<u>\$ 62,198,058</u>	
\$ 1,107,288	\$ 489,335	\$ 1,578,442	\$ 451,139	\$ 695,767	\$ 1,320,108	
478,889	391,592	434,898	335,806	338,144	480,040	
116,573	87,391	28,068	18,850	102,831	124,853	
6,047,847	3,904,780	4,876,129	5,021,998	5,565,047	9,151,126	
177,797	200,402	126,687	133,913	132,696	721,037	
1,823,584	4,169,400	1,013,850	2,968,721	1,977,408	3,228,715	
527,089	3,599,755	1,635,302	1,311,204	659,333	510,645	
<u>\$ 10,279,067</u>	<u>\$ 12,842,655</u>	<u>\$ 9,693,376</u>	<u>\$ 10,241,631</u>	<u>\$ 9,471,226</u>	<u>\$ 15,536,524</u>	
\$ 6,376,443	\$ 6,264,167	\$ 6,348,420	\$ 6,139,701	\$ 6,078,244	\$ 6,177,815	
2,196,705	1,737,088	1,800,958	1,920,455	1,626,788	1,531,036	
3,259,131	2,707,758	2,598,840	2,679,764	2,720,486	2,608,393	
1,373,744	1,417,093	1,418,505	1,439,569	1,350,526	1,373,150	
3,539,762	2,959,181	2,887,153	3,066,474	2,625,109	2,156,753	
1,231,122	1,276,557	1,053,183	845,845	976,606	1,044,916	
-	-	-	-	-	4,727,554	
1,959,954	7,142,646	13,354,340	10,145,196	4,046,662	-	
<u>\$ 19,936,861</u>	<u>\$ 23,504,490</u>	<u>\$ 29,461,399</u>	<u>\$ 26,237,004</u>	<u>\$ 19,424,421</u>	<u>\$ 19,619,617</u>	
<u>\$ 30,215,928</u>	<u>\$ 36,347,145</u>	<u>\$ 39,154,775</u>	<u>\$ 36,478,635</u>	<u>\$ 28,895,647</u>	<u>\$ 35,156,141</u>	
(27,695,142)	(24,467,350)	(27,683,112)	(28,614,847)	(28,011,990)	(29,798,120)	
<u>\$ (1,964,329)</u>	<u>\$ 2,816,866</u>	<u>\$ 11,626,359</u>	<u>\$ 8,663,566</u>	<u>\$ 1,987,699</u>	<u>\$ 2,756,203</u>	
<u>\$ (29,659,471)</u>	<u>\$ (21,650,484)</u>	<u>\$ (16,056,753)</u>	<u>\$ (19,951,281)</u>	<u>\$ (26,024,291)</u>	<u>\$ (27,041,917)</u>	

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

	<b>Fiscal Year</b>			
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Governmental Activities:</b>				
Taxes				
Ad valorem tax	\$ 15,823,291	\$ 15,118,042	\$ 13,973,397	\$ 13,171,397
General Sales and use tax	2,220,408	2,129,418	2,059,076	2,082,894
Utility service and franchise	4,358,981	4,332,987	4,314,862	4,261,492
State Revenue Sharing	1,525,975	1,445,623	1,392,722	1,323,800
Additional one-cent sales tax	3,034,894	1,898,973	1,776,224	1,666,089
Unrestricted grants and contributions	402,063	367,113	329,933	302,837
Component unit transfer	6,125,454	6,138,645	5,968,785	5,809,302
Miscellaneous	423,093	412,663	417,715	201,096
Unrestricted investment earnings	590,597	530,441	312,404	305,599
Extraordinary Item	-	-	-	-
Transfers	657,539	309,475	(1,810,121)	(23,665)
<b>Total government activities</b>	<b>\$ 35,162,295</b>	<b>\$ 32,683,380</b>	<b>\$ 28,734,997</b>	<b>\$ 29,100,841</b>
<b>Business-type activities</b>				
Investment earnings	\$ 86,399	\$ 98,252	\$ 74,360	\$ 48,211
Insurance proceeds-unrestricted				
Miscellaneous				
Transfers	(657,539)	(309,475)	1,810,121	23,665
<b>Total business-type activities</b>	<b>\$ (571,140)</b>	<b>\$ (211,223)</b>	<b>\$ 1,884,481</b>	<b>\$ 71,876</b>
<b>Total primary government</b>	<b>\$ 34,591,155</b>	<b>\$ 32,472,157</b>	<b>\$ 30,619,478</b>	<b>\$ 29,172,717</b>
 <b>Change in Net Position</b>				
Governmental Activities	\$ 1,553,845	\$ 4,194,688	\$ (2,407,284)	\$ (454,109)
Business-type activities	610,688	309,116	(1,909,629)	(5,915,318)
<b>Total primary government</b>	<b>\$ 2,164,533</b>	<b>\$ 4,503,804</b>	<b>\$ (4,316,913)</b>	<b>\$ (6,369,427)</b>

Source: Statement of Activities

Fiscal Year						
2015	2014	2013	2012	2011	2010	
\$ 11,882,126	\$ 11,958,161	\$ 10,082,823	\$ 10,009,972	\$ 11,144,640	\$ 11,867,277	
2,072,741	2,084,479	2,183,003	2,268,673	2,326,799	2,334,521	
4,209,187	4,213,534	4,456,865	4,708,357	4,656,869	4,771,753	
1,282,595	1,211,575	1,166,983	1,153,572	1,149,797	1,146,272	
1,603,223	1,495,885	1,378,666	1,330,114	1,387,116	1,333,339	
265,449	248,113	249,148	241,799	241,312	262,634	
5,735,240	5,605,157	5,365,879	4,767,268	4,925,280	4,853,329	
259,054	91,884	346,124	196,028	202,640	286,804	
166,607	193,528	243,884	191,827	194,349	249,136	
-	-	-	-	-	-	
847,537	815,331	914,408	1,243,024	(294,281)	783,310	
<u>\$ 28,323,759</u>	<u>\$ 27,917,647</u>	<u>\$ 26,387,783</u>	<u>\$ 26,110,634</u>	<u>\$ 25,934,521</u>	<u>\$ 27,888,375</u>	
\$ 34,799	\$ 44,148	\$ 64,567	\$ 79,883	\$ 87,750	\$ 122,060	
		84,179	665,346	-	-	
(847,537)	(815,331)	(914,408)	(1,243,024)	654,803	606,377	
<u>\$ (812,738)</u>	<u>\$ (771,183)</u>	<u>\$ (765,662)</u>	<u>\$ (497,795)</u>	<u>\$ 1,036,834</u>	<u>\$ (54,873)</u>	
<u>\$ 27,511,021</u>	<u>\$ 27,146,464</u>	<u>\$ 25,622,121</u>	<u>\$ 25,612,839</u>	<u>\$ 26,971,355</u>	<u>\$ 27,833,502</u>	
\$ 628,617	\$ 3,450,297	\$ (1,295,329)	\$ (2,504,213)	\$ (2,077,469)	\$ (1,909,745)	
(2,777,067)	2,045,683	10,860,697	8,165,771	3,024,533	2,701,330	
<u>\$ (2,148,450)</u>	<u>\$ 5,495,980</u>	<u>\$ 9,565,368</u>	<u>\$ 5,661,558</u>	<u>\$ 947,064</u>	<u>\$ 791,585</u>	

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

	<b>Fiscal Year</b>			
	<b>2019</b>	<b>**2018</b>	<b>2017</b>	<b>2016</b>
<b>General Fund</b>				
Nonspendable	\$ 52,692	\$ 403,855	\$ 347,570	\$ 316,714
Restricted	-	-	-	-
Committed	462,950	836,909	710,407	550,000
Assigned	4,242,997	3,890,961	3,688,620	3,582,326
Unassigned	3,981,710	4,518,827	1,423,048	403,281
Unreserved	-	-	-	-
<b>Total General Fund</b>	<b>\$ 8,740,349</b>	<b>\$ 9,650,552</b>	<b>\$ 6,169,645</b>	<b>\$ 4,852,321</b>
<b>All Other Government Funds</b>				
<b>Special Revenue:</b>				
Restricted	\$ 9,410,349	\$ 7,262,071	\$ 6,068,627	\$ 4,445,596
Nonspendable	14,196	14,261	12,067	16,573
Assigned	4,583	4,583	4,584	184,984
Committed	-	-	-	-
<b>Debt Service:</b>				
Restricted	2,145,172	757,718	1,019,095	2,974,093
Assigned	1,282,848	1,590,178	1,887,820	
<b>Capital projects:</b>				
Restricted	-	-	-	2,326,803
<b>Total all other governmental funds</b>	<b>\$ 12,857,148</b>	<b>\$ 9,628,811</b>	<b>\$ 8,992,193</b>	<b>\$ 9,948,049</b>
<b>Total governmental and general funds</b>	<b>\$ 21,597,497</b>	<b>\$ 19,279,363</b>	<b>\$ 15,161,838</b>	<b>\$ 14,800,370</b>

\* Implementation of GASB 54 in 2011

\*\* Implementation of GASB 74 in 2018

Source: Balance Sheet Governmental Funds

Fiscal Year						
2015	2014	2013	2012	* 2011	2010	
\$ 74,213	\$ 295,821	\$ 78,134	\$ 260,206	\$ 415,980	\$ -	-
-	-	-	-	-	-	-
550,000	723,134	1,219,933	1,219,933	894,680	-	-
3,582,326	3,404,652	3,232,604	3,232,604	3,222,160	-	-
255,096	(126,374)	(286,355)	95,628	565,717	-	-
-	-	-	-	-	-	4,149,368
<u>\$ 4,461,635</u>	<u>\$ 4,297,233</u>	<u>\$ 4,244,316</u>	<u>\$ 4,808,371</u>	<u>\$ 5,098,537</u>	<u>\$ 4,149,368</u>	
\$ 2,493,441	\$ 2,339,723	\$ 1,184,459	\$ 1,434,093	\$ 1,867,420	\$ 2,196,502	
-	18,429	1,084	16,437	16,591	-	-
184,984	184,984	190,062	190,062	190,062	-	-
290,254	130,783	946,613	544,490	567,140	-	-
3,750,413	3,722,988	991,103	1,561,513	2,168,777	3,416,600	
3,161,413	3,921,213	2,621,548	2,908,478	3,077,881	4,031,669	
<u>\$ 9,880,505</u>	<u>\$ 10,318,120</u>	<u>\$ 5,934,869</u>	<u>\$ 6,655,073</u>	<u>\$ 7,887,871</u>	<u>\$ 9,644,771</u>	
<u>\$ 14,342,140</u>	<u>\$ 14,615,353</u>	<u>\$ 10,179,185</u>	<u>\$ 11,463,444</u>	<u>\$ 12,986,408</u>	<u>\$ 13,794,139</u>	

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

	Fiscal Year			
	2019	2018	2017	2016
<b>Revenues</b>				
Taxes	\$ 22,402,679	\$ 21,580,447	\$ 20,347,337	\$ 19,515,783
Licenses, fees and permits	804,478	907,438	390,963	374,499
Intergovernmental	12,875,765	13,198,242	10,448,502	9,899,947
Charges for services	431,027	382,717	285,520	288,911
Fines and penalties	363,464	552,145	189,139	301,765
Contributions from component units	6,125,454	6,138,645	5,968,785	5,809,302
Investment earnings	590,594	530,441	312,404	305,599
Other revenues	4,633,692	3,730,516	5,476,101	5,088,808
Total revenues	\$ 48,227,153	\$ 47,020,591	\$ 43,418,751	\$ 41,584,614
<b>Expenditures</b>				
General government	12,897,475	12,259,917	12,538,429	10,409,135
Public safety	16,885,445	15,608,843	15,253,746	13,870,188
Transportation	3,145,704	3,074,578	3,068,423	2,747,800
Economic environment	1,679,942	1,435,852	1,021,717	1,182,662
Culture and recreation	2,530,491	2,444,590	2,217,612	1,902,214
Capital outlay	2,034,264	3,032,948	3,263,816	3,253,508
Debt service:				
Principal	5,185,396	4,742,039	4,289,252	3,788,108
Interest	2,676,241	2,476,039	3,107,687	3,935,165
Other	67,673	113,527	71,193	552,254
Total expenditures	\$ 47,102,631	\$ 45,188,333	\$ 44,831,875	\$ 41,641,034
<b>Excess of Revenues over and (under) expenditures</b>	\$ 1,124,522	\$ 1,832,258	\$ (1,413,124)	\$ (56,420)
<b>Other Financing sources (Uses)</b>				
Transfers in	\$ 16,494,082	\$ 10,966,769	\$ 15,746,154	\$ 10,826,011
Transfers out	(15,836,543)	(10,657,294)	(17,560,935)	(10,982,301)
Issuance of debt/Capital Lease	28,232,772	6,869,010	3,589,373	-
Discount on issuance of debt			-	-
Proceeds from refunding				59,370,000
Total other financing			-	-
Payment on Current Refunding				(17,400,000)
Payment on Advance Refunding	(27,696,699)	(4,893,218)		(41,299,060)
Total sources (uses)	\$ 1,193,612	\$ 2,285,267	\$ 1,774,592	\$ 514,650
Special Item-Sale of Land				
Net change in fund balances	\$ 2,318,134	\$ 4,117,525	\$ 361,468	\$ 458,230
Debt service as a percentage of non capital expenditures	17.4%	17.1%	17.8%	20.1%

Fiscal Year						
2015	2014	2013	2012	2011	2010	
\$ 18,164,053	\$ 18,256,174	\$ 16,722,691	\$ 16,987,002	\$ 18,128,308	\$ 18,973,552	
435,346	333,806	327,558	353,390	465,984	393,408	
10,661,557	15,104,540	11,384,520	11,338,211	9,157,273	12,180,543	
261,508	226,708	215,829	195,748	180,180	74,964	
245,930	202,277	222,445	193,114	207,067	350,920	
5,735,240	5,605,157	5,365,879	4,767,268	4,925,280	4,853,329	
166,607	193,528	243,884	196,028	202,640	286,804	
3,656,005	4,734,719	2,977,234	2,799,953	3,490,107	2,970,580	
<u>\$ 39,326,246</u>	<u>\$ 44,656,909</u>	<u>\$ 37,460,040</u>	<u>\$ 36,830,714</u>	<u>\$ 36,756,839</u>	<u>\$ 40,084,100</u>	
10,013,455	10,151,988	9,764,941	10,351,426	10,158,774	12,178,323	
13,873,313	14,032,891	13,453,506	12,972,368	12,555,394	13,918,785	
2,684,573	3,122,509	3,089,871	3,058,459	2,981,763	3,130,854	
1,434,987	1,033,042	1,735,007	3,277,492	1,944,850	6,042,952	
1,948,803	2,150,857	1,968,202	1,943,145	1,988,264	2,144,593	
3,575,611	10,185,718	3,765,513	2,383,608	2,118,083	3,642,606	
3,151,895	2,718,000	2,168,000	1,820,000	1,695,000	1,645,484	
3,760,086	3,647,762	3,709,460	3,761,440	3,813,474	3,644,993	
4,273	72,534	4,207	28,763	14,687	419,481	
<u>\$ 40,446,996</u>	<u>\$ 47,115,301</u>	<u>\$ 39,658,707</u>	<u>\$ 39,596,701</u>	<u>\$ 37,270,289</u>	<u>\$ 46,768,071</u>	
\$ (1,120,750)	\$ (2,458,392)	\$ (2,198,667)	\$ (2,765,987)	\$ (513,450)	\$ (6,683,971)	
\$ 13,675,604	\$ 14,954,554	\$ 11,239,805	\$ 10,639,613	\$ 6,319,305	\$ 13,083,132	
(12,828,067)	(14,139,223)	(10,325,397)	(9,396,589)	(6,613,586)	(12,313,489)	
-	-	-	-	-	459,099	
-	-	-	-	-	-	
-	6,079,229	-	-	-	11,308,143	
-	-	-	-	-	-	
-	-	-	-	-	(7,963,557)	
-	-	-	-	-	-	
<u>\$ 847,537</u>	<u>\$ 6,894,560</u>	<u>\$ 914,408</u>	<u>\$ 1,243,024</u>	<u>\$ (294,281)</u>	<u>\$ 4,573,328</u>	
<u>\$ (273,213)</u>	<u>\$ 4,436,168</u>	<u>\$ (1,284,259)</u>	<u>\$ (1,522,963)</u>	<u>\$ (807,731)</u>	<u>\$ (2,110,643)</u>	

18.7%

17.2%

16.4%

15.0%

15.7%

12.3%

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

	<b>Fiscal Year</b>			
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Additions</b>				
Employer	\$ 5,240,707	\$ 4,909,654	\$ 4,565,884	\$ 4,211,312
Employees	2,388,106	2,192,861	2,156,251	2,005,283
State	402,063	367,113	329,933	302,837
Other				-
Investment income (net of expenses)	\$ 6,004,246	\$ 20,351,634	\$ 20,081,849	\$ 17,392,106
<b>Total additions to plan net position</b>	<b>\$ 14,035,122</b>	<b>\$ 27,821,262</b>	<b>\$ 27,133,917</b>	<b>\$ 23,911,538</b>
<b>Deductions</b>				
Benefit payments	\$ 14,874,016	\$ 14,170,078	\$ 13,736,690	\$ 13,389,859
Refunds	467,789	344,428	298,276	786,340
Administrative expenses	325,176	215,247	206,760	204,174
Other expenses	20,651	19,406	19,406	19,406
<b>Total deductions from plan net position</b>	<b>\$ 15,687,632</b>	<b>\$ 14,749,159</b>	<b>\$ 14,261,132</b>	<b>\$ 14,399,779</b>
<b>Change in net position</b>	<b>\$ (1,652,510)</b>	<b>\$ 13,072,103</b>	<b>\$ 12,872,785</b>	<b>\$ 9,511,759</b>

Source: Combining Statement of Changes in Fiduciary Funds Net Position

<b>Fiscal Year</b>						
<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
\$ 4,093,268	\$ 4,356,127	\$ 4,266,803	\$ 3,566,751	\$ 3,181,446	\$ 3,377,350	
1,925,831	1,943,411	1,920,330	1,874,591	1,738,084	1,929,755	
265,449	248,113	249,148	241,799	241,312	262,634	
-	-	-	-	-	-	
\$ 2,511,123	\$ 17,721,192	\$ 21,583,070	\$ 26,881,779	\$ 1,482,590	\$ 14,806,065	
<hr/>						
\$ 8,795,671	\$ 24,268,843	\$ 28,019,351	\$ 32,564,920	\$ 6,643,432	\$ 20,375,804	
<hr/>						
\$ 12,959,826	\$ 12,606,823	\$ 11,993,098	\$ 10,874,268	\$ 10,413,658	\$ 9,727,760	
408,937	440,758	585,930	346,839	274,419	496,099	
153,522	176,528	134,550	129,911	141,620	198,932	
21,601	20,829	19,416	18,992	19,122	18,218	
<hr/>						
\$ 13,543,886	\$ 13,244,938	\$ 12,732,994	\$ 11,370,010	\$ 10,848,819	\$ 10,441,009	
<hr/>						
\$ (4,748,215)	\$ 11,023,905	\$ 15,286,357	\$ 21,194,910	\$ (4,205,387)	\$ 9,934,795	
<hr/>						

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

<b>Fiscal Year Ended September 30,</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Centrally Assessed Property</b>
2019	\$ 2,973,396,245	\$ 206,673,280	\$ 11,674,621
2018	2,807,904,420	200,953,767	11,459,927
2017	2,656,205,901	199,752,821	10,889,970
2016	2,519,792,781	201,769,117	9,950,405
2015	2,420,424,296	178,560,253	8,259,241
2014	2,369,027,251	196,294,919	7,180,208
2013	2,375,689,997	192,499,439	7,381,630
2012	2,463,908,875	209,865,288	7,135,634
2011	2,582,341,713	241,596,029	6,734,681
2010	2,539,072,299	183,522,400	11,900,267

<b>Less: Exemption</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
\$ 813,001,897	\$ 2,378,742,249	6.9000
777,186,255	2,243,131,859	6.9000
759,747,984	2,107,100,708	6.9000
744,102,164	1,987,410,139	6.9000
718,951,717	1,888,292,073	6.5786
707,506,816	1,864,995,562	6.6050
707,571,187	1,867,999,879	5.7131
707,684,181	1,973,225,616	5.4674
696,878,963	2,133,793,460	5.4674
441,744,364	2,292,750,602	5.4674

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

<b>Fiscal Year</b>	<b>County Parks MSTU</b>	<b>Co Public Transit MSTU</b>	<b>Erosion District E</b>	<b>Law Enf. Jail, Judicial Sys</b>	<b>Co General Revenue Fund</b>	<b>St. Lucie County Port Bond</b>	<b>Childrens Services Council</b>	<b>St Lucie Co Fire District</b>
2019	0.2313	0.1269	0.0925	3.4538	4.1077	-	0.4765	3.0000
2018	0.2313	0.1269	0.0925	3.4538	4.1077	-	0.4765	3.0000
2017	0.2313	0.1269	0.0925	3.2838	4.1077	-	0.4765	3.0000
2016	0.2313	0.1269	0.0925	3.2699	4.1273	0.0154	0.4765	3.0000
2015	0.2313	0.1269	0.0925	3.2699	3.7764	0.0154	0.4765	3.0000
2014	0.2313	0.1269	0.0925	3.9699	2.9221	0.0154	0.4872	3.0000
2013	0.2313	0.1269	0.0925	3.9699	2.9221	0.0154	0.4872	2.6500
2012	0.2313	0.1269	0.0925	3.9699	2.9221	0.0154	0.4872	2.6500
2011	0.2313	0.1269	0.0925	3.9699	2.8707	0.0154	0.4872	2.4839
2010	0.2313	0.0833	0.0925	3.3957	2.7694	0.0154	0.4872	2.2000

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

<b>FL Inland Navigation Dist</b>	<b>City of Fort Pierce</b>	<b>County School District</b>	<b>Mosquito Control</b>	<b>S FL Water Mgmt District</b>	<b>Beach Bond</b>	<b>Environ Signif Land Bond</b>	<b>Everglades Construction Project</b>	<b>Total</b>
0.0320	6.9000	6.3350	0.2164	0.2936	-	-	-	25.2657
0.0320	6.9000	6.5740	0.2164	0.3100	-	-	-	25.5211
0.0320	6.9000	6.9270	0.2164	0.3307	-	-	-	25.7248
0.0320	6.9000	7.2830	0.2413	0.3551	-	-	-	26.1512
0.0345	6.5786	7.2410	0.2522	0.3842	-	-	-	25.4794
0.0345	6.6050	7.2570	0.4065	0.4110	-	-	-	25.5593
0.0345	5.7131	7.7710	0.2036	0.4289	-	-	-	24.6464
0.0345	5.4674	7.8780	0.2036	0.4363	-	-	-	24.5151
0.0345	5.4674	8.1770	0.2036	0.5346	-	0.0459	0.0894	24.8302
0.0345	5.4674	7.6760	0.2036	0.5346	-	0.0459	0.0894	23.3262

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

**Collected within the Fiscal Year of the Levy**

<b>Fiscal Year Ended September 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Amount</b>	<b>Percentage of Levy</b>
2019	\$ 16,485,272	\$ 15,811,194	95.91%
2018	16,142,879	15,686,319	97.17%
2017	14,596,858	13,990,878	95.85%
2016	13,439,692	13,134,433	97.73%
2015	12,437,017	11,869,802	95.44%
2014	12,386,111	11,676,648	94.27%
2013	10,736,076	10,021,382	93.34%
2012	10,846,887	10,009,972	92.28%
2011	11,436,942	10,792,465	94.36%
2010	12,535,385	11,702,832	93.36%

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

**Total Collections to Date**

---

<b>Collections in Subsequent Years</b>	<b>Amount</b>	<b>Percentage of Levy</b>
\$ 12,097	\$ 15,823,291	95.98%
178,690	15,865,010	98.28%
(17,481)	13,973,397	95.73%
36,964	13,171,397	98.00%
12,303	11,882,105	95.54%
279,204	11,955,852	96.53%
61,442	10,082,823	93.92%
46,554	10,056,526	92.71%
165,634	10,958,099	95.81%
164,012	11,866,843	94.67%

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

Taxpayer	2019		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wal-Mart Stores East	64,090,605	1	2.69431%
Bellsouth Telecommunication % J&J	34,001,631	2	1.42940%
HCA Attn: Tax Dept	26,219,974	3	1.10226%
Ehden NV C/O Fraga Properties	23,594,240	4	0.99188%
Lawnwood Medical Center % DuCl	22,949,770	5	0.96479%
Destin Beach Inc % Carmela Bell	20,038,471	6	0.84240%
Treasure Cay Properties LLC	13,786,715	7	0.57958%
Woods Family Limited Ptrn II	13,119,921	8	0.55155%
Landings Fort Pierce LLC	12,572,064	9	0.52852%
FEC RR	12,220,006	10	0.51372%
AT&T			
Prime Homes at Portofino Land			
Riverfront Development LC			
Cornerstone Fort Pierce Dev			
Boca Ven Land of Ft Pierce Inc			
Orange Blossom Investment LLC			
Total	<u>\$ 242,593,397</u>		<u>10.1984%</u>

\* Total assessed valuation is \$ 2,378,742,249

<b>2010</b>		
<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
15,164,785	9	0.6614%
38,312,752	2	1.6710%
21,278,811	5	0.9281%
29,850,167	4	1.3019%
40,128,638	1	1.7502%
37,563,928	3	1.6384%
19,718,680	6	0.8600%
18,959,839	8	0.8269%
19,504,619	7	0.8507%
14,576,197	10	0.6358%
<u>\$ 255,058,416</u>		<u>11.1246%</u>
 \$ 2,292,750,602		

**THIS PAGE INTENTIONALLY LEFT BLANK**



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

<b>Fiscal Year</b>	<b>State Revenue Sharing</b>	<b>1/2 Cent Sales Tax</b>	<b>Mobile Home License</b>	<b>Beverage License</b>	<b>Fuel Tax Refund</b>	<b>Total Receipts</b>
2019	\$ 1,525,976	\$ 1,996,320	\$ 47,214	\$ 51,267	\$ 47,095	\$ 3,667,871
2018	1,445,623	1,898,973	45,579	45,403	56,434	3,492,012
2017	1,392,722	1,776,224	37,548	47,214	53,834	3,307,542
2016	1,323,800	1,666,089	38,013	36,752	53,354	3,118,008
2015	1,282,595	1,603,223	39,544	41,793	62,255	3,029,410
2014	1,211,575	1,495,885	36,372	39,118	54,071	2,837,021
2013	1,166,983	1,378,666	36,427	50,183	59,449	2,691,708
2012	1,153,572	1,330,114	37,212	32,681	57,159	2,610,738
2011	1,149,797	1,387,116	32,695	30,989	52,131	2,652,727
2010	1,146,272	1,333,339	30,890	32,418	57,563	2,600,482

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

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

AGENCY	Fiscal Year				
	2019	2018	2017	2016	2015
<b>City of Fort Pierce</b>					
CRA 1 (Res 82-25) *	54,796,766	53,285,719	50,541,442	47,636,647	48,076,622
CRA 2 (Res 95-89)	3,304,951	3,196,843	3,150,181	2,742,460	2,742,460
CRA 3 (Res 96-15)	4,186,715	4,085,487	3,942,324	3,853,477	3,853,477
CRA 4 (Res 01-98) *	710,835,016	673,134,776	632,670,747	589,287,949	592,159,262
<b>CFP Total</b>	<b>773,123,448</b>	<b>733,702,825</b>	<b>690,304,694</b>	<b>643,520,533</b>	<b>646,831,821</b>
<b>St. Lucie County</b>					
CRA 1 (Res 82-25) **	54,721,766	53,500,126	50,720,476	47,840,681	49,841,776
CRA 2 (Res 95-89)	3,304,951	3,196,843	3,150,181	2,742,460	2,742,460
CRA 3 (Res 96-15)	4,186,715	4,085,487	3,942,324	3,853,477	3,853,477
CRA 4 (Res 01-98) **	707,204,424	669,506,626	629,469,959	586,114,655	571,482,215
<b>SLC Total</b>	<b>769,417,856</b>	<b>730,289,082</b>	<b>687,282,940</b>	<b>640,551,273</b>	<b>627,919,928</b>

\* City with historic but no senior exemption

\*\* County with senior but no historic exemption

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

**City of Fort Pierce, Florida**  
**Legal Debt Margin Information**  
**September 30, 2019**

	Fiscal Year				
	2019	2018	2017	2016	2015
Debit Limit	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000
Total Net Debt Applicable to Limit * (1)	55,338,710	58,465,244	60,365,683	60,736,702	59,086,556
Debit Margin	\$ 11,661,290	\$ 8,534,756	\$ 6,634,317	\$ 6,263,298	\$ 7,913,444
Total net debt applicable to the limit as a percentage of debt limit	82.595%	87.262%	90.098%	90.652%	88.189%

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

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

---

**City of Fort Pierce**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2019**

Jurisdiction	Governmental Bonded Debt Outstanding	Percent Applicable to City*	Total Applicable to City
<b>Overlapping Debt:</b>			
St. Lucie County	149,561,868	13.26%	19,837,009
St. Lucie County District School Board**	<u>211,141,412</u>	12.59%	<u>26,574,145</u>
Overlapping Debt Totals	360,703,280		46,411,153
<b>Direct Debt:</b>			
City of Fort Pierce (1)	64,412,639	100.00%	64,412,639
Capital Leases	1,674,225	100.00%	1,674,225
Total Direct Debt	<u>66,086,864</u>		<u>66,086,864</u>
<b>Total direct and overlapping debt</b>	<u><u>426,790,144</u></u>		<u><u>112,498,017</u></u>

Sources: St. Lucie County

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

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

(1) City direct debt includes unamortized items

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

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

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

**Governmental Activities**

<b>Fiscal Year</b>	<b>Redevelopment Bonds</b>	<b>Sales Tax Increment Bonds</b>	<b>Non-ad Valorum</b>	<b>Capital Leases</b>
2019	\$ 24,770,000	\$ -	\$ 39,642,639	\$ 1,674,225
2018	26,435,000	-	43,231,987	1,656,683
2017	28,045,000	-	45,720,773	52,886
2016	32,000,000	-	42,296,369	-
2015	30,330,000	-	43,419,477	-
2014	31,670,000	-	40,192,143	-
2013	32,875,000	-	40,665,143	-
2012	34,080,000	490,000	41,138,143	-
2011	35,240,000	965,000	41,323,143	-
2010	36,305,000	1,420,000	41,498,143	-

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

\*\* Debt includes unamortized items

**Business-Type Activities**

	<b>Marina</b>	<b>Storm water</b>	<b>Solid Waste</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
\$	8,070,875	\$ 10,214,676	\$ -	\$ 851,820	\$ 85,224,235	6.08%	1,850
	5,230,204	11,942,374	-	\$ 1,203,685	89,699,933	7.02%	1,968
	5,361,342	11,970,000	-	\$ 1,471,677	92,621,679	7.72%	2,045
	5,598,333	13,745,000	-	-	93,639,702	8.21%	2,105
	5,827,371	13,935,000	-	-	93,511,848	8.20%	2,102
	1,846,857	14,570,000	-	-	88,279,000	7.67%	2,025
	1,846,857	15,185,000	-	-	90,572,000	7.59%	2,178
	1,846,857	15,775,000	-	-	93,330,000	6.93%	2,226
	1,846,857	16,345,000	-	-	95,720,000	7.38%	2,270
	1,846,857	16,890,000	-	-	97,960,000	6.27%	2,355

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

Governmental Activities

Non-ad Valorum Bonds

Fiscal Year	Revenue <sup>1</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2019	\$ 36,289,980	\$ 21,725,083	\$ 14,564,897	\$ 1,493,396	\$ 1,322,522	5.17
2018	29,828,824	19,680,890	10,147,934	1,244,692	1,347,312	3.92
2017	32,811,589	20,322,433	12,489,156	967,987	1,325,055	5.45
2016	30,423,143	16,406,115	14,017,028	530,000	1,119,194	8.50
2015	29,088,947	16,279,220	12,809,727	1,255,000	2,038,348	3.89
2014	30,042,740	15,262,366	14,780,374	1,185,000	2,105,055	4.49
2013	27,430,244	14,139,760	13,290,484	190,000	2,112,561	5.77
2012	25,997,176	14,636,799	11,360,377	185,000	2,119,967	4.93
2011	28,044,024	15,161,178	12,882,846	175,000	2,140,511	5.56
2010	28,489,194	16,775,024	11,714,170	4,948,143	519,172	2.14

Redevelopment Bonds <sup>3</sup>

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2019	\$ 7,081,572	\$ 3,497,785	\$ 3,583,787	\$ 3,409,000	\$ 1,022,002	0.81
2018	6,033,664	3,179,060	2,854,604	2,884,000	1,124,766	0.71
2017	7,349,601	4,228,262	3,121,339	2,848,500	1,117,279	0.79
2016	8,192,527	2,511,834	5,680,693	2,685,000	1,542,822	1.34
2015	7,461,479	4,225,896	3,235,583	1,295,000	1,432,781	1.19
2014	8,321,415	5,173,422	3,147,993	1,205,000	1,479,406	1.17
2013	5,453,289	2,523,697	2,929,592	1,205,000	1,524,331	1.07
2012	5,294,961	2,683,020	2,611,941	1,160,000	1,567,581	0.96
2011	5,771,580	2,501,344	3,270,236	1,065,000	1,610,181	1.22
2010	6,641,872	3,904,610	2,737,262	955,000	1,644,400	1.05

Sales Tax Increment Bonds

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2019	\$ 1,996,320	\$ -	\$ 1,996,320	\$ -	\$ -	-
2018	1,898,973	-	1,898,973	-	-	-
2017	1,776,224	-	1,776,224	-	-	-
2016	1,666,089	-	1,666,089	-	-	-
2015	1,603,223	-	1,603,223	-	-	-
2014	1,495,886	-	1,495,886	-	-	-
2013	1,378,666	-	1,378,666	490,000	9,800	2.76
2012	1,330,144	-	1,330,144	475,000	28,506	2.64
2011	1,387,116	-	1,387,116	455,000	45,375	2.77
2010	1,333,339	-	1,333,339	445,000	60,569	2.64

\*\*\* No bonds outstanding

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

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

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

<sup>4</sup> Statement of Revenues, Expenses and Changes in Fund Net Position-Proprietary Funds

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

Total operating expenses (less depr)

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

Business Activities <sup>4</sup>

## Marina Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2019	\$	3,458,992	\$	2,841,350	\$	617,642	\$	267,620	\$	181,293	1.38
2018		3,646,597		2,849,827		796,770		267,369		174,335	1.80
2017		3,086,148		2,474,008		612,140		244,619		208,933	1.35
2016		2,569,916		1,846,488		723,428		236,990		245,716	1.50
2015		2,203,948		2,183,515		20,433		229,038		223,573	0.05
2014		1,749,369		1,666,599		82,770		-		92,343	0.90
2013		1,812,467		1,754,527		57,940		-		92,343	0.63
2012		1,938,537		1,737,132		201,405		-		92,343	2.18
2011		2,038,173		1,751,506		286,667		-		95,421	3.00
2010		1,900,066		1,798,215		101,851		-		42,903	2.37

## Storm Water Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2019	\$	2,699,775	\$	1,660,427	\$	1,039,348	\$	1,730,000	\$	322,335	0.51
2018		2,750,689		1,612,191		1,138,498		-		351,332	3.24
2017		2,765,987		3,550,865		(784,878)		855,000		371,055	(0.64)
2016		2,747,322		4,856,140		(2,108,818)		950,000		542,329	(1.41)
2015		2,693,352		1,521,214		1,172,138		635,000		628,375	0.93
2014		2,718,550		2,538,854		179,696		635,000		657,605	0.14
2013		2,598,840		1,249,161		1,349,679		615,000		679,336	1.04
2012		2,736,435		1,153,251		1,583,184		590,000		703,935	1.22
2011		2,768,553		1,010,332		1,758,221		570,000		724,835	1.36
2010		2,702,779		899,894		1,802,885		545,000		747,510	1.39

## Solid Waste Bonds

Fiscal Year	Revenue		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage	
							Principal	Interest		
2019	\$	7,658,726	\$	6,178,441	\$	1,480,285	\$	***	***	***
2018		7,816,276		6,220,620		1,595,656		***	***	***
2017		6,680,064		5,926,721		753,343		***	30,446	***
2016		6,544,121		5,478,947		1,065,174		***	***	***
2015		6,378,368		5,411,167		967,201		***	***	***
2014		6,266,635		4,928,031		1,338,604		***	***	***
2013		6,369,346		4,579,691		1,789,655		***	***	***
2012		6,798,039		5,017,166		1,780,873		***	***	***
2011		6,085,349		4,792,160		1,293,189		***	***	***
2010		6,187,890		4,765,265		1,422,625		26,894	740	51.48

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

<b>Calendar Year</b>	<b>City of Ft. Pierce Population</b>	<b>Personal Income</b>	<b>Median Household Income *</b>	<b>School Enrollment**, ***</b>	<b>Unemployment Rate</b>
2019	46,071	1,402,631,595	30,445	40,160	5.7%
2018	45,581	1,277,407,525	28,025	40,160	5.9%
2017	45,295	1,200,453,385	26,503	41,458	6.5%
2016	44,484	1,140,347,340	25,635	41,589	8.4%
2015	43,601	1,151,676,814	26,414	40,764	10.4%
2014	43,074	1,193,968,206	27,719	40,951	13.7%
2013	42,645	1,347,496,710	31,598	45,781	10.1%
2012	41,993	1,296,281,917	30,869	46,453	10.9%
2011	42,169	1,561,500,000	37,030	44,294	13.0%
2010	41,590	1,566,650,000	37,669	45,188	14.1%

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

\*\* St. Lucie County School Board (Countywide)

\*\*\* St. Lucie County School Board figures are the most recent printed at time of publication.

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

Employer*	2019			2010		
	Employees *	Rank	Percentage of Total County Employment Within the City Limits	Employees *	Rank	Percentage of Total County Employment Within the City Limits
School Board of St Lucie County	5,564	1	7.20%	4,000	1	7.68%
Indian River State College*	2,338	2	3.03%	1,113	4	2.14%
Lawnwood Regional Medical Ctr & Heart Institute	1,615	3	2.09%	1,140	3	2.19%
Wal-Mart Distribution Center	890	4	1.15%	1,000	5	1.92%
St. Lucie County	797	5	1.03%			0.00%
Convey Health Solutions	450	6	0.58%			0.00%
St. Lucie County Fire District	434	7	0.56%			0.00%
MAXIMUS	354	8	0.46%			0.00%
City of Fort Pierce	337	9	0.44%	385	6	0.74%
Fort Pierce Utilities Authority	275	10	0.36%	286	9	0.55%
Publix Supermarkets				200	10	0.38%
St. Lucie County BOCC				1,950	2	3.75%
Bernard Egan and Company				400	7	0.77%
New Horizons				335	8	0.64%
<b>Total</b>	<b>13,054</b>		<b>16.90%</b>	<b>10,809</b>		<b>20.77%</b>
Total industry jobs in St. Lucie County	77,254			52,051		

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

\* Total industry job information is for St. Lucie County; specific City only data is not available.  
The information uses the most recent EDC data, 2019 is not available at this time.

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

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

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

\* 2010 First year of collecting data

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

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

	<b>Fiscal Year</b>			
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b><u>Function/Program</u></b>				
Police/Code Enforcement				
Physical arrests	2,863	2,690	2,520	2,626
Parking Violations	633	593	316	433
Traffic Violations	2,727	2,895	3,310	6,496
Fire (County wide)				
Emergency responses	48,995	39,736	47,000	45,796
Fires calls	4,965	3,754	6,301	4,928
Refuse collections				
Refuse collected (tons per day)	133	137	134	124
Other public works				
Street resurfacing (miles)	3	2	2	2
Potholes repaired *	322	222	222	412
Parks and recreation				
Athletic fields permits issued	274	450	287	269
River Walk Center permits issued	106	101	91	97
Garden Club permits issued	56	59	65	57
Maravilla permits issued	93	90	82	86
Special Events	145	154	143	168
Old City Hall	36	39	38	34

**Sources:** Various City of Fort Pierce departments

**Notes:** \* Work orders issued

\*\*\* Data not available

\*\*\*\* 2011 First year of collecting data

<b>Fiscal Year</b>					
<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
2,975	3,189	3,064	2,899	2,510	3,794
341	298	230	211	336	959
9,984	8,791	5,619	4,782	171	720
43,045	40,033	39,189	34,161	38,989	33,906
4,659	4,483	4,229	3,629	4,626	4,430
133	131	129	201	123	126
1	1	1	-	2	-
440	428	478	215	200	600
280	278	218	358	397	415
85	64	66	69	73	139
48	33	20	19	10	34
92	66	56	47	10	****
163	186	151	150	141	****
26	***	***	***	***	***

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

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Police				
Stations	2	2	2	3
Sworn Officers	119	119	121	115
Fire				
Stations	17	17	17	17
Firefighters	386	389	380	389
Refuse collections				
Commercial	1,814	1,792	1,786	1,751
Residential	12,273	12,073	11,993	12,173
Public	23	32	30	30
Other public works				
Streets (miles)	185	152	141	141
Streetlights	5,313	5,313	5,327	5,313
Traffic signals	211	211	211	211
Parks and recreations				
Acreage	294.3	294.3	294.3	294.3
Playgrounds	12	12	12	12
Baseball/football fields/basketball courts	35	35	35	35
Tennis/handball/racquetball/shuffleboard	21	21	21	21
Community Centers	2	2	2	2
Miles of public beach	2.3	2.3	2.3	2.3
Pools	2	2	2	2
Utility Customers				
Electric	28,300	28,300	28,300	28,100
Water	20,400	20,220	20,100	19,750
Wastewater	15,200	15,100	15,100	15,000
Natural Gas	4,100	4,130	4,150	4,225

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

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

Fiscal Year					
2015	2014	2013	2012	2011	2010
3	3	3	3	3	3
115	118	115	107	110	107
17	17	18	18	18	18
386	370	370	364	370	376
1,730	1,685	1,695	1,675	1,678	1,963
11,871	11,611	11,550	11,427	12,843	12,840
30	30	32	35	36	36
185	179	152	152	152	152
5,313	5,313	5,313	5,106	5,028	5,028
211	177	177	177	177	177
294.3	294.3	294.3	294.3	294.3	294.3
12	11	12	12	12	12
35	24	23	23	23	22
21	21	21	21	21	5
2	2	2	2	2	2
2.3	2.3	2.3	2.3	2.3	2.3
2	2	2	2	2	2
28,096	27,630	27,770	28,413	27,697	27,859
19,756	19,250	19,280	19,394	19,180	19,048
14,987	14,640	14,450	14,842	14,377	14,460
4,223	4,180	4,190	4,039	3,892	3,982

**THIS PAGE INTENTIONALLY LEFT BLANK**



## AUDITORS' REPORTS



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

To the City Commission  
City of Fort Pierce, Florida

March 18, 2020

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 18, 2020.

Internal Control Over Financial Reporting

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

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

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

### Compliance and Other Matters

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

### Purpose of this Report

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

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

Certified Public Accountants  
Fort Pierce, Florida

City of Fort Pierce, Florida  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE**  
For the year ended September 30, 2019

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures	Pass-Through to Sub- Recipients
<b><u>FEDERAL PROGRAMS:</u></b>				
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Direct Program:</i>				
Community Development Block Grant Entitlement	14.218	B16-MC-12-0031	29,309	-
Community Development Block Grant Entitlement	14.218	B17-MC-12-0031	119,448	-
Community Development Block Grant Entitlement	14.218	B18-MC-12-0031	306,752	-
			455,509	-
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Program:</i>				
Youth Gang Prevention	16.544	2016-VJV-FX-0002	142,960	-
Bullet Proof Vests	16.607		1,502	-
<i>Indirect Program:</i>				
<i>Passed through Florida Attorney General:</i>				
Victims of Crime Act	16.575	VOCA-2017-FPPD-00553	8,723	-
<i>Passed through Florida Department of Law Enforcement:</i>				
Gang Abatement and Reduction XVI	16.738	2017-MU-BX-0187 / /2019-JAGC-STLU-3-N2-157	32,967	-
Edward Byrne Memorial Competitive Grant Prog.	16.738	2017-JAGC-STLU-1-F9-179	1,793	-
<i>Passed through St. Lucie County, Florida:</i>				
Edward Byrne Memorial Justice asst. grant prog	16.738	2018-DJ-BX-0844	22,957	-
Edward Byrne Memorial Justice asst. grant prog	16.738	2018-JAGC	25,716	-
			236,618	-
<b><u>U.S. Department of Agriculture Natural Resources Conservation Service</u></b>				
Emergency Watershed Protection Program	10.923	NR184209XXXXC002	2,480,693	-
Emergency Watershed Protection Program	10.923	NR194209XXXXC001	410,237	-
			2,890,930	-
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			\$ 3,583,057	\$ -
<b><u>STATE PROJECTS:</u></b>				
<b><u>Florida Department of Transportation</u></b>				
Florida Highway Beautification	55.039	G1422	\$ 16,000	-
<b><u>Florida Housing Finance Agency:</u></b>				
State Housing Initiatives Partnership Program	40.901		73,063	-
<b><u>Florida Fish and Wildlife Conservation Commission</u></b>				
Florida Boating Improvement Program	77.006	18069	72,500	-
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			\$ 161,563	\$ -

City of Fort Pierce, Florida  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE**  
For the year ended September 30, 2019

---

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B-INDIRECT COST RATE**

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

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

To the City Council  
City of Fort Pierce, Florida

March 18, 2020

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

We have audited the compliance of the City of Fort Pierce, Florida with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of its major federal awards programs for the year ended September 30, 2019. The City of Fort Pierce, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

### **Opinion on Each Major Federal Program**

In our opinion, the City of Fort Pierce, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

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

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

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

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

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

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

Certified Public Accountants  
Fort Pierce, Florida

**I. Summary of Auditor Findings**

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

Federal Programs:

CFDA Number: 10.923 Emergency Watershed Protection Program

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

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

**II. Financial Statement Findings**

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

**III. Federal Program Findings and Questioned Costs**

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

**IV. Summary Schedule of Prior Audit Findings**

There were no prior audit findings.

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

To the City Commission  
Fort Pierce, Florida

March 18, 2020

We have examined the City's compliance with the requirements of Section 218.415, Florida Statutes with regards to the City's investments during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

*DiBartolomeo, McBee, Hartley & Barnes*

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

## Management Letter

To the City Commission  
City of Fort Pierce, Florida

March 18, 2020

### **Report on the Financial Statements**

We have audited the financial statements of the City of Fort Pierce, Florida, as of and for the year ended September 30, 2019, and have issued our report thereon dated March 18, 2020, which was unqualified.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

### **Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 18, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

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

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

### **Financial Condition**

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

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

## **Other Matters**

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)3, Rules of the Auditor General, requires us to communicate noncompliance with of provisions of contracts and grant agreements or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Purpose of this letter**

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

Very truly yours,



Certified Public Accountants  
Fort Pierce, Florida

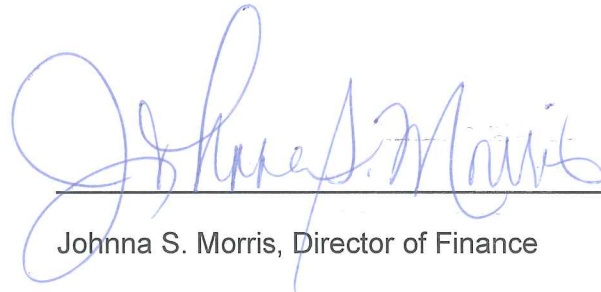


**AFFIDAVIT**

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

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

FUTHER AFFIANT SAYETH NAUGHT.

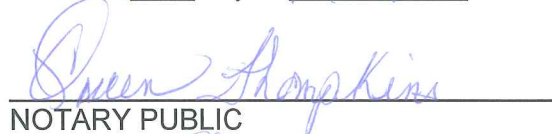


---

Johnna S. Morris, Director of Finance

STATE OF FLORIDA  
COUNTY OF SAINT LUCIE

SWORN TO AND SUBSCRIBED before me this 24<sup>th</sup> day of March, 2020.



---

NOTARY PUBLIC

Print Name Queen Thompkins

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

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

My Commission Expires:

