

CITY OF PORT ST. LUCIE, FLORIDA

Comprehensive Annual Financial Report

*Fiscal Year ended
September 30, 2013*



Front cover

Tradition Medical Center is the City's second full service hospital and Martin Health System's first hospital in St. Lucie County. The 201,184-square-foot hospital features 90 private patient rooms with the potential to expand to approximately 300 patient beds to meet future demands. There are 27 emergency rooms, 14 labor and recovery rooms, and 6 neonatal infant care units. Tradition Medical Center employs about 500 people and will be an integral part of the Tradition Center for Innovation, which also includes Torrey Pines Institute of Florida, Mann Research Center, and The Vaccine and Gene Therapy Institute of Florida.

Back cover

Bass Pro Shops opened its 11th store in Florida and employs about 150 people. The 100,000-square-foot building has over 90,000-square-feet of retail space, full service marine center, archery lane, and 13,000 gallon aquarium. Bass Pro also hosts conservation conventions as well as various clinics ranging from hunting and fishing to habitat restoration and preservation.

Burlington opened one of its 32 Florida locations in Port St. Lucie. The store is a 65,000-square-foot clothing retailer located on the West side of town. Burlington created about 75 jobs and hosts its own philanthropic program which donates new merchandise to local charitable agencies in communities surrounding its location.

Comprehensive Annual Financial Report

Year Ended September 30, 2013
City of Port St. Lucie, Florida



"A City for All Ages"

Prepared by:
The Finance Department



"A City for All Ages"

CITY COUNCIL

MAYOR

JoAnn Faiella

COUNCIL MEMBER, VICE MAYOR

Linda Bartz

COUNCIL MEMBER

Ron Bowen

COUNCIL MEMBER

Michelle Lee Berger

COUNCIL MEMBER

Shannon Martin

APPOINTED OFFICIALS

INTERM CITY MANAGER

Jeffrey Bremer

CITY ATTORNEY

Roger G. Orr

ADMINISTRATION

DIRECTOR OF UTILITIES SYSTEMS

Jesus A. Merejo

DIRECTOR OF HUMAN RESOURCES

Susan Williams

BUILDING OFFICIAL

Joel Dramis

**DIRECTOR OF MANAGEMENT
INFORMATION SYSTEMS**

Bill Jones

CHIEF OF POLICE

John Bolduc

DIRECTOR OMB/PURCHASING AGENT

David K. Pollard

CITY CLERK

Karen A. Phillips

DIRECTOR OF FINANCE/CITY TREASURER

Edwin M. Fry, Jr

CITY ENGINEER

Patricia Roebing

PARKS & RECREATION DIRECTOR

Sherman Conrad

COMMUNICATIONS DIRECTOR

Edward Cunningham

PLANNING & ZONING DIRECTOR

Daniel Holbrook

COMMUNITY SERVICES DIRECTOR

Patricia Selmer

RISK MANAGEMENT DIRECTOR

Renee' Major



City of Port St. Lucie *City Council*



Linda Bartz
Vice Mayor
District 1



Michelle Lee Berger
District 2



JoAnn M. Faiella
Mayor



Shannon M. Martin
District 3



Ron Bowen
District 4



"A City for All Ages"

Introductory Section

- ◆ Table of Contents
- ◆ Letter of Transmittal
- ◆ Organizational Chart
- ◆ Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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CITY OF PORT ST. LUCIE



Finance Department
Edwin M. Fry, Jr., Finance Director/City Treasurer

February 10, 2014

Honorable Mayor, Members of the
City Council, and Citizens of the
City of Port St. Lucie, Florida

The Comprehensive Annual Financial Report (CAFR) of the City of Port St. Lucie, Florida for the fiscal year ended September 30, 2013, is submitted herewith fulfilling the requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida. The organization, form, and contents of this report plus the accompanying financial statements and statistical tables are prepared by the Finance Department of the City in accordance with generally accepted accounting principles (GAAP) for state and local governments and as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

The City is responsible for establishing and maintaining a comprehensive internal controls framework that is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial records for preparing financial statements, and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. It is our belief that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a comprehensive understanding of the City's financial activity have been included.

Florida Statutes require an independent certified public accountant's financial audit of cities in the State. The City's financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The independent audit was performed to provide reasonable assurance that the financial statements are free of material misstatement for the fiscal year ended September 30, 2013.

The 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, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is located at the front 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. The Single Audit Section is the last section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities), as found in the basic financial statements, report information on all of the non-fiduciary activities of the primary government and its component units. The purpose of the government-wide financial statements is to provide a consolidated financial picture of all City activities. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely mostly on fees and charges for service for support.

The Reporting Entity and Services

The City of Port St. Lucie is the most populous City in St. Lucie County. It was incorporated in 1961 and is located near the Atlantic Ocean on the southeast coast of Florida. It is situated in the southern part of St. Lucie County which lies between Indian River County to the north and Martin County to the south. The City currently occupies 120 square miles. The population as reported in the 2010 Census was 164,603 and the estimated population of the City as of April 1, 2013 was 167,914 (information supplied by the University of Florida, Bureau of Economic and Business Research (BEBR)). The City was once considered the fastest growing community in both the state and the country. The City is still growing at a slower pace and per the latest BEBR report; the City is the 9th largest City in the State. The City of Port St. Lucie is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statutes to extend its corporate limits by annexation, which it has done from time to time.

Form of Government

The City of Port St. Lucie is strategically located 100 miles north of the City of Miami, 50 miles north of the City of West Palm Beach and 120 miles south of the City of Orlando. The City is served by three major north-south Florida highways: Interstate 95, the Florida Turnpike and U.S. Highway No. 1, and is located near a seaport, an international airport and has railway access. Port St. Lucie is the spring training home of the New York Mets major league baseball team and home of the St. Lucie Mets. The Professional Golf Association has a home in Port St. Lucie at PGA Village and has built a state of the art PGA learning center along with three outstanding golf courses. The Indian River State College, Keiser University and Barry University have facilities located within Port St. Lucie, providing excellent higher education opportunities.

The City was created under the Laws of Florida Act 61-2721 and operates under a Council/Manager form of government. The City Council, comprised of four council members and the mayor, is the principal legislative and governing body of the City. Council members and the mayor serve four year terms with staggered elections held every two years.

The City Manager is the Chief Administrative Officer of the City and is responsible to the City Council. The City Manager oversees the day-to-day operations, makes policy recommendations to the City Council and performs other duties assigned to him by the City Council including the preparation of the annual budget and the City's five-year capital improvement plan.

The City provides a broad range of municipal services including police protection, code inspection and compliance, planning and zoning, community and economic development, construction and maintenance of transportation facilities, recreational and cultural activities, emergency preparedness management, water and wastewater utilities, stormwater management and general and administrative support. Independent taxing agencies provide fire protection and education services.

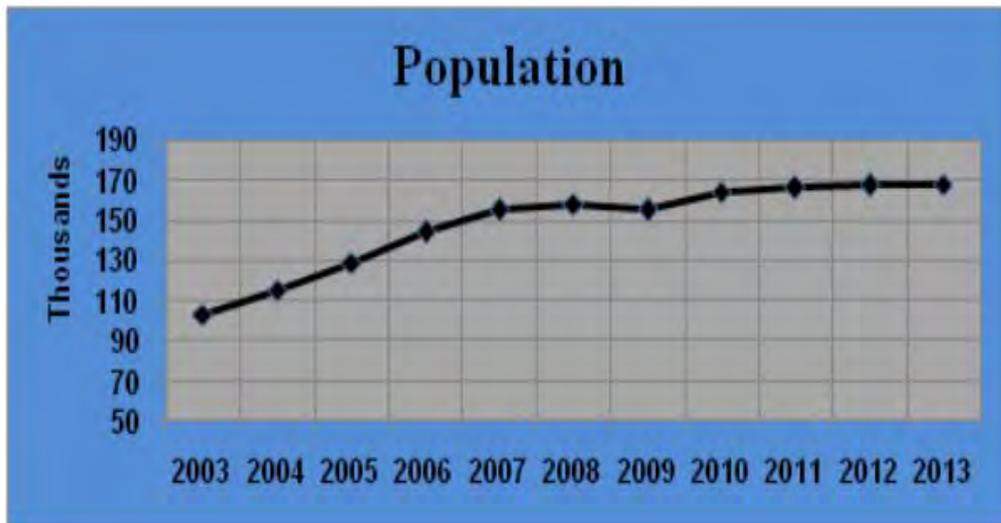
Financial Reporting Entity

This report includes all funds of the City that are controlled by or are dependent on the City Council. The City also exercises oversight and financial responsibility for the Port St. Lucie Governmental Finance Corporation, the Port St. Lucie Community Redevelopment Agency and the Port St. Lucie Municipal Police Officers' Retirement Trust Fund. Accordingly, these activities are included in the City's financial statements. Additional information on these three legally separate entities can be found in Note I - A in the notes to the financial statements.

Annual budgets for all funds of the City, except Capital Projects Funds, are adopted by the City Council each year. The annual budget serves as the foundation for the City's financial planning and control. The budget is legally enacted through the passage of an ordinance by City Council on or before the fifteenth day of September of the fiscal year currently ending. The level of budgetary control is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. Revisions that alter the budgeted totals of any department require approval of the City Council. Encumbrance accounting is utilized in governmental funds in order to reserve the encumbered portion of the appropriation. Encumbrances outstanding at year end are reported as reservations to fund balance and are re-appropriated as part of the following year's budget.

Economic Condition and the Local Economy

The Port St. Lucie Metropolitan Statistical Area, which includes all of St. Lucie and Martin counties, was severely impacted by the housing crisis. Construction, population growth and employment have all seen significant changes since 2007. The unemployment rate reached an all time low of 3.2 % in April, 2006 then peaked at 13.9% in August, 2010. As of September 2013, the unemployment rate was 8.7% compared to 10.4% in September 2012. In unison with the decline in unemployment, total nonfarm employment has increased from 121.8 thousand in September, 2012 to 126.9 thousand in September, 2013. Population growth in the City, which was once one of the fastest growing U. S. cities in 2005, has slowed significantly with an increase of 662 (0.4 percent) from April 2012 to April 2013. New construction, which peaked at \$1.155 billion in 2006, was \$36 million in 2013, a \$7 million increase compared to 2012. Taxable values climbed to \$13 billion in 2007, then plunged to \$6.3 billion in 2012. In 2013, taxable values rose slightly to \$6.4 billion, a 1.71% increase from 2012 due in part to modest increases in new construction and rising values of existing properties, the first increase in valuation since 2007. Since ad valorem taxes provide 25% of the funding for the General Fund, the City made major reductions to operating expenditures, including reducing staffing, which had grown to 1,237 full time equivalent employees (FTEs) in FY 2008-2009. In fiscal year 2013-2014, the proposed staffing level has been set at 972.48 FTE's, slightly less than the 973.13 final FTE count for fiscal year 2012-2013



Martin Memorial Health Systems completed construction of the Tradition Medical Center, a 90-bed acute care hospital in western Port St. Lucie and began accepting patients in December, 2013. The new hospital is located in the heart of the City's biotechnology research corridor, known collectively as the Tradition Center for Innovation. The Tradition Medical Center is adjacent to the recently completed forty-four thousand square foot Mann Research Center, and is within close proximity to the Torrey Pines Institute for Molecular Studies as well as the Vaccine and Gene Therapy Institute, or VGTI.

Budget Outlook

After many years of declining property values and less than favorable economic indicators, it appears the local economy is finally showing signs of recovery. The first increase in taxable value in six years is expected to result in an additional \$579,987 in ad valorem tax revenue in fiscal year 2013 – 2014, with no increase in millage. Revenues derived from taxable sales have continued their upward trend and increases in building activity resulted in a 20% increase in permit revenues in fiscal year 2012 – 2013 over prior year. In the 2012-2013 fiscal year, General Fund revenues exceeded General Fund expenditures resulting in an increase of fund balance for the third consecutive year. Ending fund balance for the General Fund equaled 38% of the 2013-2014 fiscal year budgeted operating expenditures. As a result of the bankruptcy of Digital Domain Media Group, debt service for the Digital Domain Lease Revenue Bonds was included in the 2013 – 2014 fiscal year budget. Additionally, the single largest property owner related to the City Center Special Assessment District (SAD) has not paid any assessments for the past three years and the related SAD debt payments due in fiscal year 2013 – 2014 will require contributions from the General Fund necessary to pay debt service. With the need to use General Fund resources for debt service related to the two bond issues, the projected ending fund balance at September 30, 2014 will be \$4,222,000 less than the September 30, 2013 fund balance.

The long range plan for the General Fund anticipates continuing increases in revenues ranging from 1.0 to 4.0 percent over the next four years. With the possibility of the local option gas tax not being renewed by the County Commission in fiscal year 2015 – 2016, in conjunction with a change in financial policy in fiscal year 2013 – 2014 increasing budgeted contingency from 8% to 15%, the Road & Bridge Fund has gone from being balanced and building a fund balance into the future to facing significant shortfalls over the next five years. The long range model for the Stormwater Fund also shows a deficit spending trend of approximately \$500,000 per year due in part to an increase in debt service of a similar amount, as well as the same aforementioned change in financial policy affecting budgeted contingency. It should be noted, however, that although the elimination of the local option gas tax revenue has been identified in the long range model for the Road and Bridge Fund, the likelihood of such is less than certain. Also, the slightly negative spending trend in the Storm Water Fund over the next five years is manageable and correctible.

Current and Long-Term Capital Improvements

The City of Port St. Lucie Capital Improvement Program is a multi-year plan used to identify needed capital projects and to coordinate financing and timing of the capital additions necessary to compliment the growth of the City and to comply with requirements of the Growth Management Act. Ongoing funding sources for capital improvements include a portion of the ad valorem taxes levied each year by the City, a 0.2313 county-wide tax levy dedicated to parks, the 6 cent, 2 cent, and 3 cent local option gas taxes imposed by County Ordinance, road impact fees, and parks impact fees. Grants and bond proceeds are also used to fund specific capital improvements, such as the various sidewalks projects and the Crosstown Parkway. Major capital projects planned for the next five years include:

- \$133,692,444 Crosstown Parkway Extension and Bridge
- \$11,652,158 Purchase of Civic Center and Village Square

- \$10,867,174 Sidewalks
- \$4,673,547 Port St. Lucie Boulevard Widening
- \$1,000,000 South Bend Traffic Circle

Awards and Acknowledgments

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 Port St. Lucie, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the twentyfirst (21st) consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2012. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

I take this opportunity to extend my appreciation to all City employees throughout the organization who have the daily responsibility of maintaining the financial records on which this report is based. Special recognition is given to the employees of the Finance Department who worked with dedication and diligence in completing this report.

Appreciation and recognition is extended to the accounting firm of Cherry Bekaert LLP for the professionalism and cooperation shown during the performance of the engagement and for the assistance and advice they provided during the course of their audit. The continued interest and support of the City Council, City Manager and City Department Directors in the planning and guidance of the financial operations of the City is greatly appreciated.

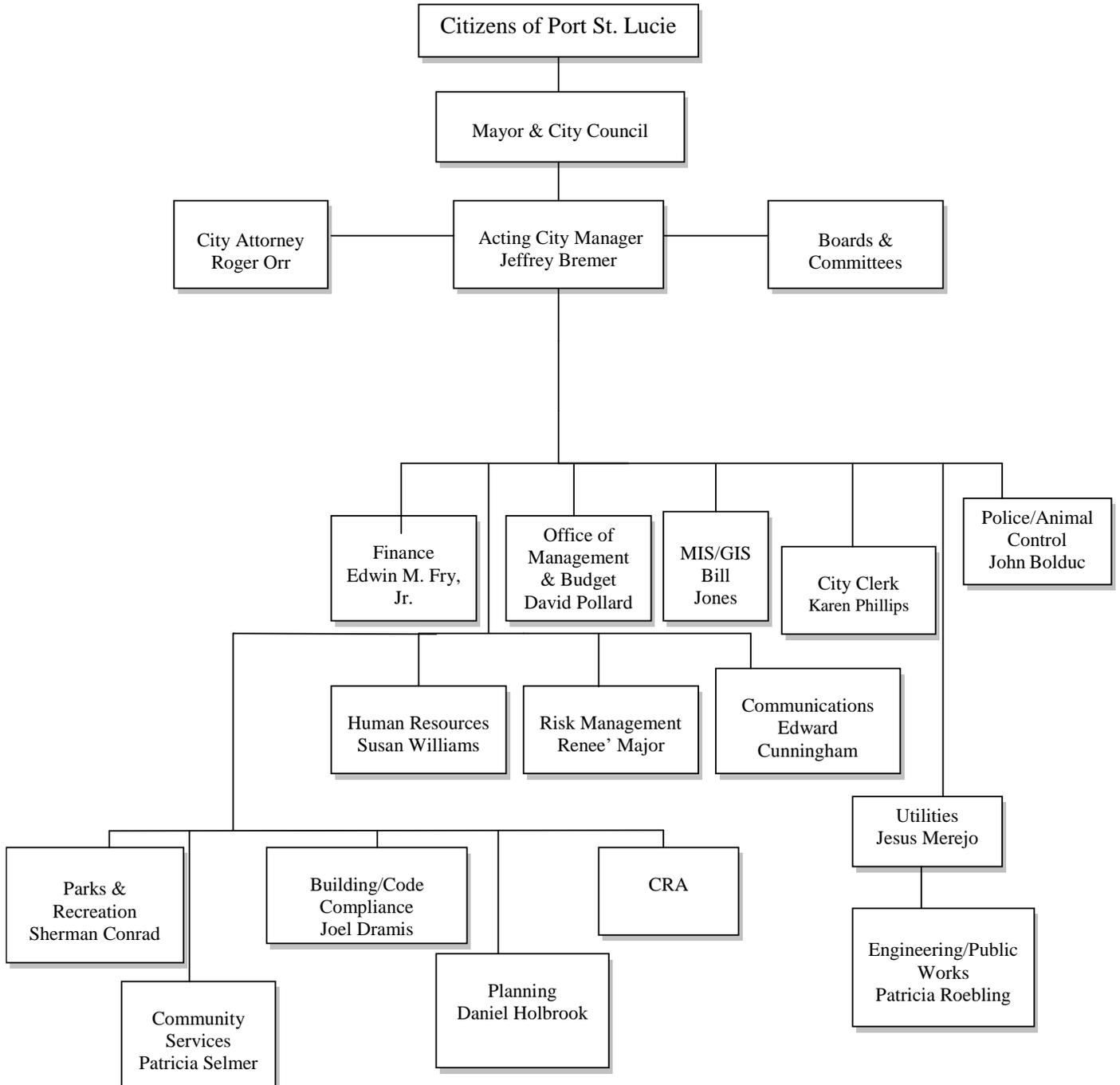
Respectfully Submitted,



Edwin M. Fry, Jr., CPA, CGFO
Finance Director/City Treasurer



"A City for All Ages"





Government Finance Officers Association

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

Presented to

**City of Port St. Lucie
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

Financial Section

Report of Independent Auditor

To the Honorable Mayor and Members of the City Council
City of Port St. Lucie, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port St. Lucie, Florida (the "City"), as of and for the year ended September 30, 2013, 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 Statements

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 did not audit the financial statements of the City of Port St. Lucie Municipal Police Officers' Retirement Trust Fund ("MPORT"), a component unit of the City, which represent 47% and 51%, respectively, of the assets and additions of the pension trust funds. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Port St. Lucie MPORT, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note IV.F to the financial statements, the September 30, 2012 financial statements have been restated to correct a misstatement related to the deferral of special assessment revenues on the Statement of Net Position. Our opinions are not modified with respect to that matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as provided 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries 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 statements and schedules and statistical section, as provided in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*, and is also not a required part of the basic financial statements.

The combining statements and schedules and the 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 basic financial statements or to the basic 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 statements and schedules and the schedule of

expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an 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 February 10, 2014 on our consideration of the City's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
February 10, 2014

Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis is a narrative overview and analysis of the financial activities of the City of Port St. Lucie for the fiscal year ended September 30, 2013. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal.

Financial Highlights

- At the end of fiscal year 2013, the City's assets and deferred outflows exceeded its liabilities by \$957,302,580 (*net position*).
- The City's total net position decreased by \$36,065,100 due to total expenses continuing to exceed total revenues.
- At September 30, 2013, the City's governmental funds reported combined ending fund balances of \$98,516,741, a minimal increase of \$184,431 compared to the prior year. Under GASB Statement 54, a segregation of fund balances is required. The City's fund balances are segregated as follows:
 - Non-spendable - \$1,006,707 inventory and prepaid items
 - Spendable:
 - Restricted - \$59,512,472 – debt service and grants
 - Committed - \$7,374,104 – encumbrance approved by City Council
 - Assigned - \$12,833,386 – intended for a specific purpose
 - Unassigned - \$17,790,072 – available for any purpose
- At September 30, 2013, the fund balance of the General Fund was \$24,265,147 or 37.4% of the total General Fund revenues and 40.5% of General Fund expenditures.
- During the year, the City issued bonds in the amount of \$15,130,000 and retired bonds and certificates of participation in the amount of \$54,937,102, for a net decrease of \$39,807,102. The debt service on the new debt issued, the 2012 Tesoro Refunding Bonds, resulted in a future cash flow savings of \$3,687,757 and a net present value savings of \$2,259,049 compared to the refunded 2003 Tesoro Bonds.

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 are comprised of 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.

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

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

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected assessments 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, physical environment, transportation, economic environment, human services and culture and recreation. The business-type activities include water and sewer, stormwater management and a golf course.

The government-wide financial statements include not only the City itself, which is the *primary government*, but also a legally separate Port St. Lucie Governmental Finance Corporation and a legally separate Community Redevelopment Agency (CRA) for which the City is financially accountable. They are both governed by the same board members; the City Council. Accordingly, the financial information for these *component units* has been *blended* with and included as an integral part of the primary government.

The government-wide financial statements can be found on pages 1-2 of this report.

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 City's funds can be divided into three categories: governmental, proprietary and fiduciary.

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 the City'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 the comparison between *governmental funds* and *governmental activities*.

The City maintains 36 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, Community Redevelopment Agency Fund, and Southwest Annexation District I Special Assessment Collection Fund, all of which are considered to be major funds. Data from the other 32 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 3-8 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the Water and Sewer Utility Operating Fund, the Stormwater Utility Fund and for the Golf Course Fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the Medical Trust Fund. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility Fund, the Stormwater Utility Fund and the Golf Course Fund as the City has elected to report all the enterprise funds as major funds in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 9-14 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported 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.

The basic fiduciary fund financial statements can be found on pages 15-16 of this report.

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.

The notes to the financial statements can be found on pages 17-66 of this report.

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, other major fund budgets and the City's progress in funding its obligation to provide pension and other post employment benefits to its employees.

Required supplementary information can be found on pages 67-73 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Combining and individual fund statements can be found on pages 74-99 of this report.

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 of Port St. Lucie, assets and deferred outflows exceeded liabilities by \$957,302,580 at the close of the most recent fiscal year. The City's decrease in net position for this fiscal year is \$36,065,100.

City of Port St Lucie Net Position on September 30, 2013 (In Thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	\$ 430,525	\$ 428,057	\$ 113,959	\$ 147,643	\$ 544,484	\$ 575,700
Capital assets	<u>700,897</u>	<u>745,553</u>	<u>695,065</u>	<u>696,317</u>	<u>1,395,962</u>	<u>1,441,870</u>
Total assets	1,131,422	1,173,610	809,024	843,960	1,940,446	2,017,570
Deferred outflows	2,992	3,067	9,348	10,200	12,340	13,267
Liabilities:						
Long-term liabilities outstanding	461,930	489,879	478,035	491,786	939,965	981,665
Other Liabilities	<u>29,768</u>	<u>27,874</u>	<u>25,751</u>	<u>24,634</u>	<u>55,519</u>	<u>52,508</u>
Total Liabilities	491,698	517,753	503,786	516,420	995,484	1,034,173
Deferred inflows	-	1,895	-	1,402	-	3,297
Net Position:						
Net investment in capital assets	230,882	248,107	219,405	273,700	450,287	521,807
Restricted	391,595	390,578	25,937	33,477	417,532	424,055
Unrestricted	<u>20,239</u>	<u>18,344</u>	<u>69,244</u>	<u>29,161</u>	<u>89,483</u>	<u>47,505</u>
Total net position	<u>\$ 642,716</u>	<u>\$ 657,029</u>	<u>\$ 314,586</u>	<u>\$ 336,338</u>	<u>\$ 957,302</u>	<u>\$ 993,367</u>

A portion of the City's total net position, approximately 43.6%, is restricted, consisting of \$28,303,304 in restricted capital project funds, \$348,249,439 in restricted debt service funds, \$40,886,609 in restricted other purposes and \$92,234 restricted for stormwater claims. The City has unspent bond

proceeds for capital projects and debt service reserve requirements in cash and investments that must be restricted.

The City's total net position also includes \$450,287,393, approximately 47%, invested in capital assets (e.g. land, utility plant and equipment, buildings, improvements, machinery and equipment and infrastructure), less any related debt used to acquire those assets still outstanding. The City uses these capital assets to provide services to 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 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. The remaining balance of \$89,483,601, approximately 9.3%, is *unrestricted*. This balance represents \$20,239,187 in the governmental activities and \$69,244,414 in the business-type activities. This balance represents available financial resources of the total government.

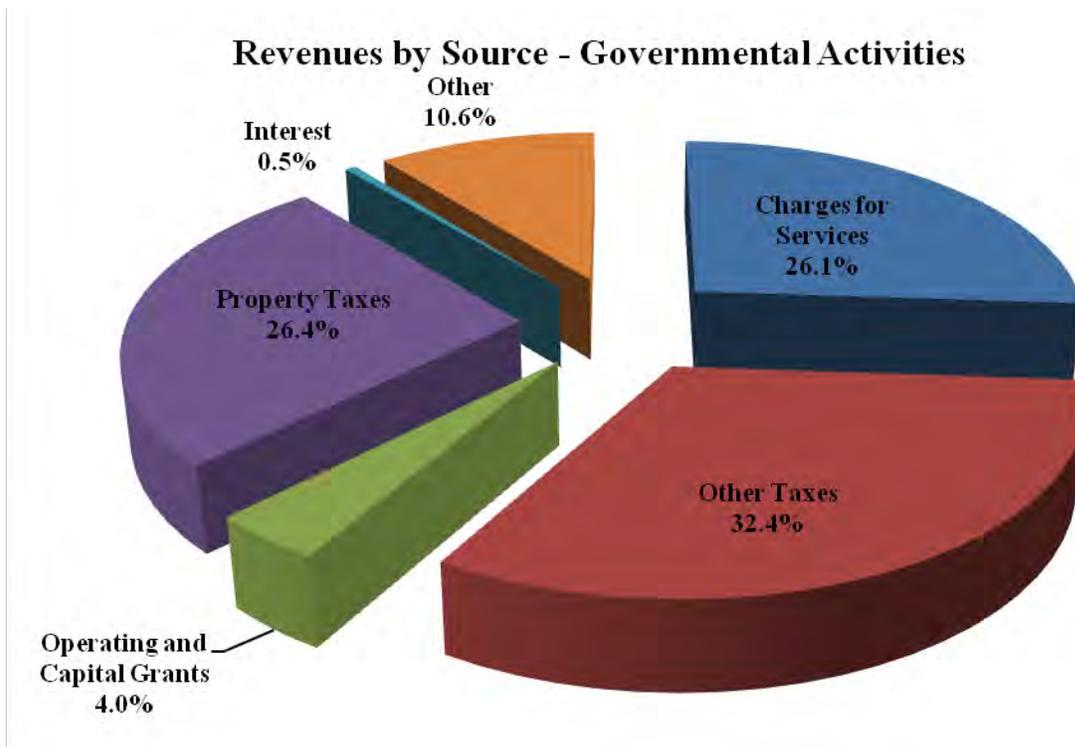
The City's net position decreased by \$36,065,100 from \$993,367,680 to \$957,302,580 during the current fiscal year as a result of current period expenses exceeding total revenues.

City of Port St Lucie Changes in Net Position on September 30, 2013 (In Thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Program revenues:						
Charges for services	\$ 33,500	\$ 15,313	\$ 82,751	\$ 79,404	\$ 116,251	\$ 94,717
Operating grants and contributions	3,743	5,087	739	1,560	4,482	6,647
Capital grants and contributions	1,653	148	3,778	4,316	5,431	4,464
General revenues:						
Property taxes	35,744	36,587	-	-	35,744	36,587
Other taxes	40,245	39,628	-	-	40,245	39,628
State revenue sharing	3,494	2,763	-	-	3,494	2,763
Interest income	722	19,352	1,617	2,196	2,339	21,548
Other revenues	10,419	5,653	-	438	10,419	6,091
Total revenues	129,520	124,531	88,885	87,914	218,405	212,445
Expenses:						
General government	19,645	15,740	-	-	19,645	15,740
Public safety	36,894	36,083	-	-	36,894	36,083
Physical environment	2,889	1,873	-	-	2,889	1,873
Transportation	30,034	29,637	-	-	30,034	29,637
Economic environment	12,577	15,447	-	-	12,577	15,447
Human Services	1,272	1,220	-	-	1,272	1,220
Culture and recreation	10,812	12,579	-	-	10,812	12,579
Interest on long-term debt	23,556	24,818	-	-	23,556	24,818
Water and wastewater	-	-	85,423	82,200	85,423	82,200
Stormwater	-	-	19,661	20,575	19,661	20,575
Golf course	-	-	1,787	1,718	1,787	1,718
Total expenses	137,679	137,397	106,871	104,493	244,550	241,890
Decrease in net position before transfers and Special items	(8,159)	(12,866)	(17,986)	(16,579)	(26,145)	(29,445)
Transfers	3,766	(4,163)	(3,766)	4,163	-	-
Special Item	(9,920)	-	-	-	(9,920)	-
Changes in net position	(14,313)	(17,029)	(21,752)	(12,416)	(36,065)	(29,445)
Net position - beginning	657,029	674,058	336,339	348,755	993,368	1,022,813
Net position - ending	\$ 642,716	\$ 657,029	\$ 314,587	\$ 336,339	\$ 957,303	\$ 993,368

Governmental activities. Governmental activities decreased the City's net position by \$14,313,145 which is 39.7% of the decrease in total net position.

Total revenues increased \$4,989,000. Significant changes in revenues are as follows:

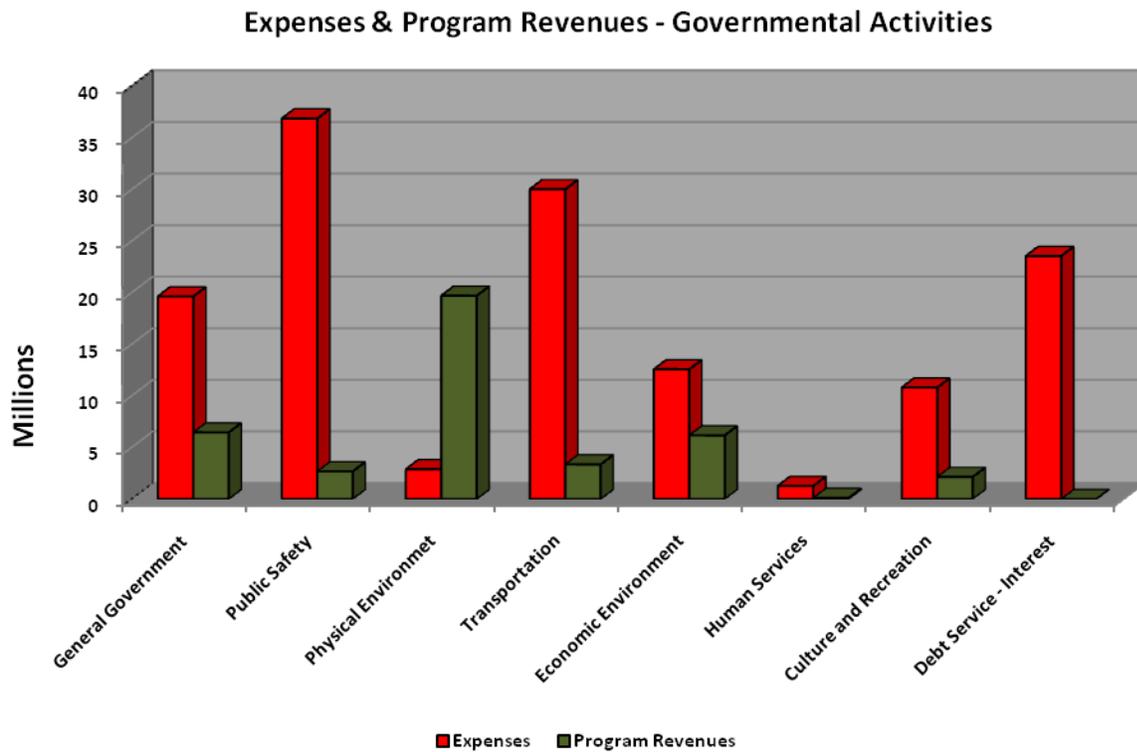
- Charges for services increased 118.8% and interest income decreased 96.3% as a result of recognizing interest on capital special assessments as Program revenues.
- Operating grants and contributions decreased 26.4% since the City received less Neighborhood Stabilization funds from the federal government for housing rehabilitation.
- Capital grants and contributions increased \$1,505,000 due to grants provided by the state in order to construct sidewalks and a transportation transit facility.
- State revenue sharing increased 26.5% as a result of a onetime payment to the City from the State for prior year under distributions and an upward adjustment to the current year distributions from the State.



Overall, governmental activity expenses remained the same and the net change was a slight decrease of \$283,000 (less than 1%). Even though total expenses were relatively flat, significant changes in expenses of some programs are as follows:

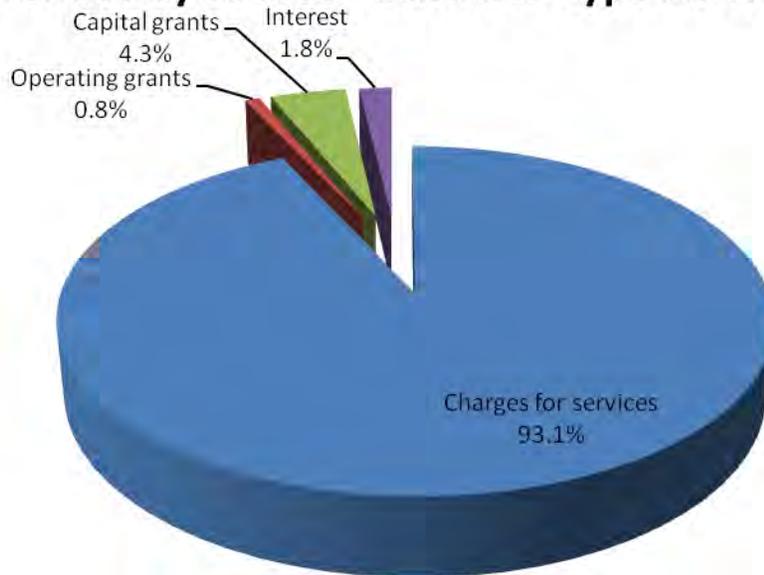
- General Government expenses increased 24.8% as a result of increased health insurance costs related to major claims that were under the stop loss limits.

- Physical environment expenses increased 54.2%. The primary cause of the significant change relates to the increased interest on special assessment debt issued to construct roads and water and sewer lines in the benefited areas.
- Economic Environment expenses decreased 18.6% due to the reduction of acquiring blighted houses with Neighborhood Stabilization grant funds.
- Culture and Recreation expenses decreased 14%. As the City reduced staff as a result of the severe economic downturn, it became obvious that staff would not be able to support the planned reconstruction of the Ravenswood Recreation Center. Write-off of the costs incurred since reconstruction was started after the 2004 and 2005 hurricanes resulted in a one-time charge of \$1,077,000 in the prior fiscal year.



Business-type activities. Business-type activities decreased the City’s net position by \$21,751,955 accounting for 60.3% of the total decline in the City’s net position.

Revenues by Source - Business Type Activities

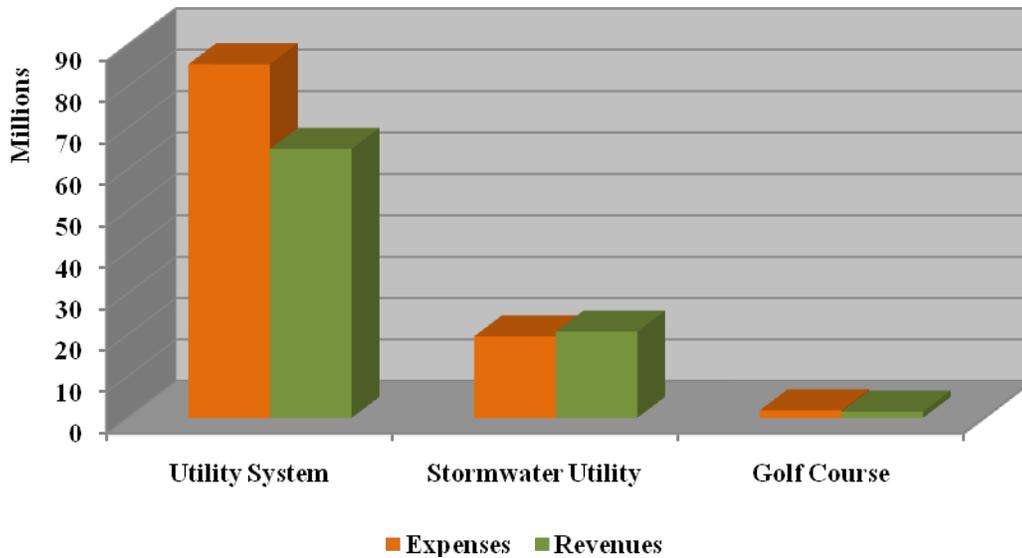


Key elements of the business-type activity net position increases and decreases are as follows:

- The City’s Water and Sewer Utility change in net position decreased by \$24,045,909. There was an increase in operating revenue of \$2,918,956 (5%) due to a 3% rate increase and new customer growth for the current fiscal year. The operating expense had an overall increase of \$4,255,656 (7%). Personal services increased by \$22,701 (0.1%) because the departments reduced staffing which offset the increase in salaries and benefits. Contractual services and operating supplies and expenses increased \$3,208,577 (27%) due to onetime outlays for energy conservation measures. Depreciation expense increased \$1,024,378 (3%) as a result of costs for expansion of the utility system. The Utility continues to increase assets and finds it more difficult to cash fund this line item from operating revenues.
- The City’s Stormwater Utility Fund had an increase in net position of \$2,168,474. Revenue increased \$779,110 (4%) due to increased collections of stormwater assessments and charges to outside entities for the use of stormwater facilities. The stormwater fees are collected annually on the County tax statement as an assessed fee and the City did not increase the fee this fiscal year. The overall decrease in operating expenses was \$2,084,739 (11.2%) from the prior year. Personal services decreased by \$31,454 (0.6%) due to the increase in salaries and benefits for all employees being offset by a decrease in positions. The large decrease in contractual services, \$1,882,893 (19%) was due to refurbishment of the E8 Canal and The St. Lucie North Drain Basin in the prior fiscal year. Operating supplies and expenses decreased \$584,577 (17.6%) because of the refurbishment projects completed in the previous fiscal year. The overall increase in net position has elevated the equity position to a positive balance equal to 28.6% of total operating expenses.
- The City’s Golf Course change in net position decreased by \$313,272. Revenues were about the same as last year with a slight increase of \$2,680. Operating expenses increased by

\$72,938 (4.2%) from the prior year. Personal Services increased by \$15,576 (3%) and Contractual Services increased by \$41,289 (16.4%) .

Expenses & Program Revenues - Business Type Activities



Financial Analysis of the City'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. This information is useful in assessing the City's financing requirements. In accordance with GASB Statement 54, fund balance is segregated between non-spendable and spendable components. The segregation of the equity section is designed to indicate the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the fund can be spent. The five components of fund balance are as follows:

- *Non-spendable:* Amounts not in spendable form such as inventory and pre-paid items.
- Spendable Fund balances:
- *Restricted:* Spendable resources which are restricted by external legal restrictions such as debt service and state and federal grants.
 - *Committed:* Spendable resources which are committed by ordinances of the City Council and contracts approved by the City Council.
 - *Assigned:* Spendable resources which are assigned by the City Council to specific uses such as capital projects and amounts to cover anticipated revenue shortfalls in the ensuing fiscal year.
 - *Unassigned:* Spendable resources which can be used for any City purpose. In the general fund, it represents the cash carry forward into the next year's budget.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$98,516,741, an increase of \$184,431 in comparison with the prior year. Although the overall change was minor there were significant changes to individual funds.

The *General Fund* is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the General Fund was \$24,265,147. As a measure of the General Fund's liquidity, it may be useful to compare total fund balances to total fund revenues and expenditures. The City feels it is a prudent financial policy to maintain at least a 15% fund balance. The City's total fund balance represents 37.4% of revenues and 40.5% of expenditures in the General Fund.

The fund balance of the City's General Fund increased by \$4,807,032 during the current fiscal year. Revenues increased by \$3,608,548 (5.9%) and expenditures increased by \$3,023,072 (5.3%) compared to the prior fiscal year.

- Revenues from taxes increased by \$128,852 (0.3%). Licenses and Permits decreased \$405,285 (4.4%) due to decreased collections of electric franchise fees. Intergovernmental revenues increased by \$869,845 (10.8%) because the City received an additional distribution of state shared revenues as a result of previous year's errors in the distribution formula. Charges for Services increased \$1,660,632 (78.3%) due to a payment of administrative fees on the solid waste assessment program for prior fiscal years. Fines and forfeitures increased by \$746,667 (70.5%) primarily as a result of increased collections of code enforcement fines. Impact Fees increased \$42,255 (41.2%) due to increased building activity in the city. Other revenues increased \$634,613 (64%) due to insurance reimbursements for property damage, increased recycling efforts and rebates for the use of the VISA purchasing card. The remaining revenues were generally unchanged from the prior year.
- General Government expenditures increased by \$1,925,505 (18.7%) from the prior year primarily as a result of the acquisition of computer equipment for an offsite disaster recovery center. Public Safety expenditures increased \$1,144,147 (3.3%) due to an increase of 11 police officers. Overall health insurance costs decreased \$187,665 (2.9%) due to higher usage of the city health clinic compared to last year.
- The increase of the General Fund balance was due to Taxes, Intergovernmental, Charges for Services, Fines and Forfeitures, and Other revenues exceeding expectations while General Government and Public Safety expenditures were much less than anticipated.
- The Debt Service Fund increased by \$1,904,991 in order to establish a reserve for future debt service payments.
- The Community Redevelopment Fund (CRA) balance decreased by \$2,264,556 since the Community Redevelopment Fund used its fund balance to pay the debt service requirement.
- The SW Annexation District 1 Collection Fund decreased its fund balance by \$461,793 since the excess fund balance from the prior year was used to call part of the outstanding SW Annexation District Special Assessment Bonds.

The Non-Major governmental funds decreased their fund balance by \$3,801,243 (6.8%) from the prior fiscal year. Major factors contributing to this decrease are as follows:

- Water & Sewer Assessment Collection Funds SAD I, Phase I and SAD I, Phase II had fund balance increases of \$455,665 and \$1,347,450 respectively as a result of assessment collections that were not used for debt service.
- USA 5, 6, &7A Special Assessment District had a fund balance increase of \$710,605 since assessment collections exceeded debt service requirements.
- An increase in building permits and other building related revenues due to a significant increase in building activity caused a \$668,587 increase to the fund balance of the Building Fund.
- The Road and Bridge Operating Fund and Capital Projects Fund had increases of \$1,037,028 and \$1,222,153 as a result of increased collections of gas taxes and shared revenues.
- The Economic Development Fund's fund balance decreased \$2,237,333 due to an economic incentive grant payment.
- The City Center SAD fund balance decreased \$1,015,929 since assessments collected were insufficient to pay debt service.
- The Neighborhood Stabilization Program Fund fund balance decreased \$3,956,410 for costs related to acquiring and rehabilitating houses. Federal grant funds will be received in the following fiscal year to cover those costs.
- The sale of the Rosser Building to the County by the Governmental Finance Corporation resulted in a \$2,188,883 increase to fund balance.
- Crosstown Parkway Capital Improvement Fund had a fund balance decrease of \$4,561,269 since the construction project is now underway.

The City has three proprietary funds; the Utility Water and Sewer Fund, the Stormwater Utility Fund and the Golf Course Fund.

- The Utility Water and Sewer Fund had a net operating loss of \$2,618,709 and a decrease in net position of \$24,045,909. Depreciation expense of \$32,647,355 was the main factor contributing to the net operating loss as the remaining operating expenses increased \$3,231,278 and revenue increased by \$2,918,956.
- The Stormwater Utility Fund had operating income of \$3,579,400 and an increase in net position of \$2,168,474. The increase in net position is a result of an ongoing effort to increase net position to provide funding for future needs of the stormwater system.
- The Golf Course Fund had a net operating loss of \$315,632 and a decrease in net position of \$313,272. The net operating loss is primarily due to depreciation expense. The trend of the net operating loss had been lower over the past two years but increased this year as a result of minimal growth in revenues.

General Fund Budgetary Highlights

The increase in the final revenue budget over the original budget was nominal, with a total increase, excluding unassigned fund balance, of 0.6% or \$379,957. Major increases in the revenue budget were as follows:

- \$205,181 in Police Department grant revenue.
- \$13,338 in Oktoberfest sponsorships.
- \$130,615 in code lien collections.
- \$18,255 in utilities rent.

The increase in the final expenditure budget over the original budget was modest, with a 10.4% or \$5,974,907 increase. The major budgetary adjustments resulting in this increase were:

- \$1,667,175 for equipment purchased from Digital Domain by the MIS Department.
- \$3,330,626 for Honeywell energy project.

The revenue variance from the final budget to actual revenues for the General Fund, excluding unassigned fund balance, was \$5,109,571 over budget or 8.5%. Major variances from budget to actual were as follows:

- Intergovernmental Revenue \$1,359,580 over budget, a 17.9% variance, as a result of higher than anticipated state shared revenues.
- Fines & Forfeitures \$1,008,044 over budget, a 126.4% variance, as a result of increased code lien collections.
- Charges for Services \$1,736,186 over budget, a 84.9% variance.
- Interest on Investments of \$67,716 over budget, a 94.0% variance, as a result of increased code lien collections.
- Impact Fees \$96,437 over budget, a 199.2% variance, as a result of Mann Medical Center.

Expenditures for all divisions within the General Fund were equal to or less than their final appropriated budget except for the following:

- Other Public Safety \$3,455 over budget, a 13.8% variance.
- Municipal Garage \$8,601 over budget, a 29.5% variance.
- Industry Development \$52 over budget, a 0.1% variance.

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013 amounted to \$1,395,962,460 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, machinery and equipment, plant, water and sewer system, intangible and construction in progress. Projects for major governmental capital assets during the current year that increased the city's investment in capital assets include the following:

- Port St. Lucie Boulevard landscape and irrigation improvements \$1,047,251.

Construction work in progress for major governmental capital assets during the current year includes the following:

- Crosstown Parkway Infrastructure (Segment 1) \$9,330,910.

Developers contributed infrastructure to the utility system totaling \$418,439. Major projects in the business-type activities include the following:

- Radio read meters replacement project \$6,392,272.
- Prineville administration facility improvements \$2,508,302.
- Prineville deep well injection system \$5,004,199.

Construction work in progress for major business-type capital assets during the current year includes the following:

- Bayshore water main replacement \$843,537.
- AC Pipe replacements \$14,642,526.

City of Port St Lucie Capital Assets (net of depreciation) (In Thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 115,349	\$ 115,258	\$ 44,332	\$ 34,157	\$ 159,681	\$ 149,415
Buildings	88,982	118,617	3,201	3,201	92,183	121,818
Improvements other than buildings	22,027	21,704	1,270	1,377	23,297	23,081
Machinery and equipment	6,099	1,547	11,941	6,351	18,040	7,898
Intangible	4	4	19	22	23	26
Infrastructure	457,734	481,436	19,886	19,208	477,620	500,644
Plant	-	-	246,397	249,282	246,397	249,282
Water and sewer system	-	-	351,697	367,433	351,697	367,433
Construction in progress	10,702	6,987	16,322	15,286	27,024	22,273
Total capital assets	<u>\$ 700,897</u>	<u>\$ 745,553</u>	<u>\$ 695,065</u>	<u>\$ 696,317</u>	<u>\$ 1,395,962</u>	<u>\$ 1,441,870</u>

Additional information on the City's capital assets can be found in note III-D on pages 35-36 of this report.

Bonded Debt. At the end of the current fiscal year, the City had total bonds and certificates outstanding (excluding discounts and premiums) of \$941,424,945. Of this amount, \$233,820,000 is special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment. The remainder of the City debt represents bonds and certificates secured solely by specified revenue sources.

City of Port St Lucie Outstanding Debt - General Obligation, Special Assessment and Revenue Bonds (In Thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 84,265	\$ 85,745	\$ -	\$ -	\$ 84,265	\$ 85,745
Special Assessment Bonds	233,820	250,375	-	-	233,820	250,375
Revenue Bonds	152,080	162,130	471,260	482,982	623,340	645,112
Total	<u>\$ 470,165</u>	<u>\$ 498,250</u>	<u>\$ 471,260</u>	<u>\$ 482,982</u>	<u>\$ 941,425</u>	<u>\$ 981,232</u>

During the current fiscal year, the City's bonds and certificates of participation outstanding decreased by \$54,937,102. The primary reason for this decrease is the early call of special assessment bonds.

One bond issue was advanced refunded during the fiscal year. Issuance of the \$15,130,000 Special Assessment Bonds (Tesoro Special Assessment District), Series 2012, provided funds to advance refund the \$14,550,000 outstanding balance of the Series 2003 Special Assessment Bonds (Tesoro Special Assessment District). The refunding resulted in a net present value savings of \$2,259,049, which equated to a 15.5% savings.

The City has obtained ratings from Moody's Investor Service, Standard & Poor's Ratings Services and Fitch Ratings on numerous bond issues. Moody's has assigned a rating of "Aa3" on the City's general obligation bonds and a rating of "A1" on the City's Water & Sewer Utility bonds, Special Assessment bonds, Lease Revenue bonds and Certificates of Participation. Standard & Poor's has assigned a rating of "AA-" on the City's general obligation bonds and a rating of "A" on the City's Stormwater utility bonds. Fitch has assigned a rating of "AA-" on the City's general obligation bonds and Water & Sewer Utility bonds.

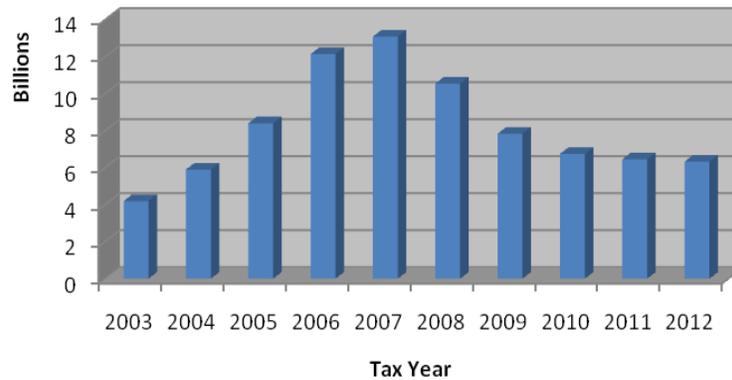
The City redeemed with early calls the following special assessment bonds: Utility Service Area 3 & 4 for \$4,200,000, Utility Service Area 5, 6 & 7A for \$1,900,000, USA 9 for \$220,000, Tesoro for \$750,000, Glassman for \$740,000, East Lake Village for \$340,000, St. Lucie Land Holdings for \$940,000, the combined Peacock and Lowry for \$240,000 and the Southwest Annexation for \$4,500,000. The total partial calls and redemption for the special assessment districts for the current fiscal year were \$17,135,000.

Additional information on the City's long-term debt can be found in Note III-G on pages 39-54 of this report.

Economic Factors and Next Year's Budget and Rates

Taxable Value – The total taxable value for all properties in the City of Port St. Lucie increased 1.71% to \$6,425,625,585 for the 2013 tax roll. This includes \$36,443,843 in new construction. This was the first year in six years taxable values have risen, although they are about half of the record peak value posted in 2007. The continuing loss in taxable value and related revenues over the past several years has posed serious challenges to balancing the City's budget. Maintaining an equal level of service with precipitously fewer available financial resources to operate and maintain the greatly expanded number of facilities and infrastructure added during the years of rapid growth, has required management to make significant changes in how the City carries out its mission in serving the citizens of Port St. Lucie. The most significant changes have ranged from reducing the overall level of staffing, consolidating and reorganizing departments, outsourcing functions previously performed in-house, automating previously manual functions, to freezing then subsequently slowing the growth in wages. Adjusting the millage rate and other major revenues such as the Communications Service Tax and Electric Utility Tax has also been done to smooth the sharp decline in year over year revenues and to help establish a base from which the City can reasonably recover. Beginning with the 2013 tax roll, it does appear the many years of declining property values and tax related revenues have finally passed as the City now looks toward a return to sustainable economic growth.

Taxable Values



Although the increase in taxable value is a welcome sign economic recovery is underway, long range planning models are using a 1% – 3% growth trend for taxable value and corresponding revenues into future years.

Millage Tax Rate – The City Council voted to maintain the total millage rate at 5.6289 mills. With the 1.71% growth in taxable value along with the addition of \$36 million in new construction, this had the impact of generating an estimated \$579,987 more in property tax revenue for the FY 2013-14 budget compared to FY 2012-13.

Economic Revenues –Utility taxes, franchise fees, communications service taxes, business licenses taxes and State revenue sharing are projected to continue to increase in FY 2014, albeit modestly, as the overall economy continues to gain strength.

Financial Contingencies – The City Council elected to amend its Budgetary Policy of holding a minimum contingency of 17% and lowered it slightly to 15% upon recommendation of the City Manager and in accordance with the Government Finance Officer’s Association (GFOA) Best Practices. The Medical Trust Fund, however, will maintain a 17% contingency and the Building Department Fund will continue maintaining a 50% contingency. These amounts of contingency have been factored into the FY 2013-14 budget. Management has worked hard over the past two years to re-establish appropriate levels of budgeted contingency equal to two months of appropriations. These contingencies have been reserved for future years to help offset any potential revenue shortfalls or demands for additional appropriations resulting from unanticipated emergency expenditures.

Staffing Levels and Costs – After a number of strategic reorganizations last fiscal year, staffing and the City-wide total FTE count is projected to be slightly less in FY 2013-14 than in FY 2012-13. Health insurance claims over the past year have been higher than anticipated, and employee contributions to the health insurance plan have been increased to more closely reflect the targeted benchmarks for insurance premium cost sharing thresholds by type of coverage. For the past three years General Fund revenues have exceeded disbursements. Continuing projected increases in overall revenues and flat growth in personnel and operating costs allowed the City Council for the second year in a row to include pay increases for all employees in the FY 2013-2014 budget.

Rates and Fees – The adopted budget for FY 2013-14 calls for all other fees and rates to remain unchanged with the exception of the fees charged by the Parks and Recreation Department that will be

adjusted by the CPI factor. Also, the Water and Sewer Utility rates will be increased by 3 to 3.5% over the next few years to enable the Utility to keep pace with inflation and fund future debt service levels. These rates are indicated in the bond covenants.

Digital Domain Bankruptcy – In December, 2012, the United States Bankruptcy Court for the District of Delaware approved the termination of lease payments by Digital Domain Media Group, Inc. (DDMG) to the City of Port Saint Lucie. Annual lease payments from DDMG were pledged for the payment of principal and interest on the \$39,900,000 Lease Revenue Bonds, Series 2010A & 2010B. The City has included funding in the FY 2013-2014 budget to make the necessary lease payments in accordance with the current payment schedule.

Request 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 provided in this report or requests for additional financial information should be addressed to the Finance Director, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida, 34984-5099.

Basic Financial Statements

CITY OF PORT ST. LUCIE, FLORIDA

**Statement of Net Position
September 30, 2013**

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 95,062,964	\$ 46,121,416	\$ 141,184,380
Receivables	305,059,557	17,671,987	322,731,544
Internal balances	(1,931,644)	1,931,644	-
Prepaid and other assets	25,072,473	8,308,802	33,381,275
Net pension assets	1,225,819	-	1,225,819
Restricted Assets:			
Restricted equity in pooled cash and investments	6,035,784	39,925,547	45,961,331
Capital assets, net of depreciation	574,845,628	634,411,111	1,209,256,739
Capital assets, not depreciated	126,051,914	60,653,807	186,705,721
Total assets	1,131,422,495	809,024,314	1,940,446,809
Deferred outflows			
Loss on bond defeasance	2,991,641	9,348,051	12,339,692
Total deferred outflows	2,991,641	9,348,051	12,339,692
Liabilities			
Accounts payable	6,805,699	11,184,008	17,989,707
Unearned revenue	1,340,664	1,349,048	2,689,712
Payable from restricted assets	4,641,744	-	4,641,744
Long-term debt due within one year	16,385,011	12,854,355	29,239,366
Long-term debt due in more than one year	461,929,587	478,035,028	939,964,615
Other post employment benefits	595,426	363,351	958,777
Total liabilities	491,698,131	503,785,790	995,483,921
Net Position			
Net investment in capital assets	230,882,015	219,405,378	450,287,393
Restricted for:			
Debt service	331,927,696	16,321,743	348,249,439
Capital projects	18,780,498	9,522,806	28,303,304
Other purposes	40,886,609	-	40,886,609
Claims	-	92,234	92,234
Unrestricted	20,239,187	69,244,414	89,483,601
Total net position	\$ 642,716,005	\$ 314,586,575	\$ 957,302,580

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

**Statement of Activities
Year Ended September 30, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Business-type Activities	Total
Primary government:							
General Government	\$ 19,644,896	\$ 6,285,870	\$ 165,709	\$ 9,400	\$(13,183,917)	\$ -	\$(13,183,917)
Public Safety	36,893,883	2,354,681	232,646	99,044	(34,207,512)	-	(34,207,512)
Physical Environment	2,888,717	19,712,162	-	-	16,823,445	-	16,823,445
Transportation	30,033,671	1,812,992	4,673	1,544,138	(26,671,868)	-	(26,671,868)
Economic Environment	12,577,499	1,153,777	3,267,772	-	(8,155,950)	-	(8,155,950)
Human Services	1,271,993	109,691	-	-	(1,162,302)	-	(1,162,302)
Culture and recreation	10,812,414	2,070,648	71,809	-	(8,669,957)	-	(8,669,957)
Debt service - Interest	23,556,204	-	-	-	(23,556,204)	-	(23,556,204)
Total governmental activities	<u>137,679,277</u>	<u>33,499,821</u>	<u>3,742,609</u>	<u>1,652,582</u>	<u>(98,784,265)</u>	<u>-</u>	<u>(98,784,265)</u>
Business-type activities:							
Utility System	85,423,145	61,181,993	2,983	3,778,130	-	(20,460,039)	(20,460,039)
Stormwater Utility	19,660,501	20,088,576	735,639	-	-	1,163,714	1,163,714
Golf Course	1,787,208	1,480,424	-	-	-	(306,784)	(306,784)
Total business-type activities	<u>106,870,854</u>	<u>82,750,993</u>	<u>738,622</u>	<u>3,778,130</u>	<u>-</u>	<u>(19,603,109)</u>	<u>(19,603,109)</u>
Total primary government	<u>\$ 244,550,131</u>	<u>\$ 116,250,814</u>	<u>\$ 4,481,231</u>	<u>\$ 5,430,712</u>	<u>(98,784,265)</u>	<u>(19,603,109)</u>	<u>(118,387,374)</u>
General revenues:							
Property Taxes					35,744,398	-	35,744,398
Franchise & Utility Taxes					18,407,514	-	18,407,514
Communications Service Tax					5,972,194	-	5,972,194
Local Business Tax					1,518,483	-	1,518,483
Half Cent Sales Tax					5,510,580	-	5,510,580
State Revenue Sharing-Unrestricted					3,493,945	-	3,493,945
Local Option Gas Tax					7,864,178	-	7,864,178
Insurance Premium Tax					972,481	-	972,481
Interest					722,180	1,617,595	2,339,775
Miscellaneous					10,545,742	-	10,545,742
(Loss) on sale of capital assets					(126,605)	-	(126,605)
Special Item - asset writedown					(9,920,411)	-	(9,920,411)
Transfers					3,766,441	(3,766,441)	-
Total general revenues, special item and transfers					<u>84,471,120</u>	<u>(2,148,846)</u>	<u>82,322,274</u>
Change in Net Position					<u>(14,313,145)</u>	<u>(21,751,955)</u>	<u>(36,065,100)</u>
Net position - beginning					<u>657,029,150</u>	<u>336,338,530</u>	<u>993,367,680</u>
Net position - ending					<u>\$ 642,716,005</u>	<u>\$ 314,586,575</u>	<u>\$ 957,302,580</u>

The notes to the financial statements are and integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

**Balance Sheet
Governmental Funds
September 30, 2013**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Community Redevelopment Fund</u>
Assets			
Equity in Pooled Cash and Investments	\$ 22,144,146	\$ 6,650,996	\$ 777,336
Receivables	2,615,847	-	-
Assessments Receivable	-	-	-
Due From Other Funds	329,710	-	-
Due From Other Governmental Units	1,293,298	14,152	-
Prepaid Items	731,345	-	47
Deposits	83,619	-	-
Inventories	70,177	-	-
Restricted Equity in Pooled Cash and Investments	-	-	-
Total assets	\$ 27,268,142	\$ 6,665,148	\$ 777,383
Liabilities, deferred inflows, and fund balances			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 989,895	\$ -	\$ 168
Accrued Salaries and Wages	842,875	-	-
Due To Other Funds	-	-	-
Unearned Revenue	1,122,733	-	-
Deposits Payable	47,492	-	-
Retainage Payable	-	-	-
Total liabilities	3,002,995	-	168
Deferred inflows:			
Unavailable Revenue	-	-	-
Total deferred inflows	-	-	-
Fund balance:			
Nonspendable	885,141	-	47
Restricted	-	6,665,148	777,168
Committed	41,707	-	-
Assigned	4,262,951	-	-
Unassigned	19,075,348	-	-
Total fund balances	24,265,147	6,665,148	777,215
Total liabilities, deferred inflows, and fund balance	\$ 27,268,142	\$ 6,665,148	\$ 777,383

The notes to the financial statements are an integral part of this statement.

SW Annexation District 1 Collection Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 14,355,940	\$ 44,782,486	\$ 88,710,904
-	656,774	3,272,621
157,000,832	140,903,586	297,904,418
-	21,975	351,685
95,085	1,738,399	3,140,934
-	110,727	842,119
-	10,792	94,411
-	3,987,369	4,057,546
-	6,035,784	6,035,784
<u>\$ 171,451,857</u>	<u>\$ 198,247,892</u>	<u>\$ 404,410,422</u>
\$ 1,028	\$ 2,821,260	\$ 3,812,351
-	119,317	962,192
-	1,774,019	1,774,019
-	137,231	1,259,964
-	118,261	165,753
-	14,984	14,984
<u>1,028</u>	<u>4,985,072</u>	<u>7,989,263</u>
<u>157,000,832</u>	<u>140,903,586</u>	<u>297,904,418</u>
<u>157,000,832</u>	<u>140,903,586</u>	<u>297,904,418</u>
-	121,519	1,006,707
14,449,997	37,620,159	59,512,472
-	7,332,397	7,374,104
-	8,570,435	12,833,386
-	(1,285,276)	17,790,072
<u>14,449,997</u>	<u>52,359,234</u>	<u>98,516,741</u>
<u>\$ 171,451,857</u>	<u>\$ 198,247,892</u>	<u>\$ 404,410,422</u>

The notes to the financial statements are an integral part of this statement.



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
September 30, 2013**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances: governmental funds balance sheet	\$ 98,516,741
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$997,569,143 and the accumulated depreciation is \$296,671,601	700,897,542
The net pension asset reported in the Municipal Police Retirement fund is required to be reported in the Statement of Net Position.	1,225,819
Long-term liabilities, including bonds payable, compensated absences, other post employment benefits are not due and payable and are not reported in the funds. Long-term liabilities at year end consist of:	(478,760,551)
Bonds Payable	\$470,165,000
Compensated Absences	8,000,125
Other Post Employment Benefits	595,426
Governmental funds record bond insurance costs as expenditures when these costs are first incurred. Unamortized bond insurance costs must be included as a prepaid item in the government-wide financial statements.	6,578,097
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.	(4,641,744)
Capital Assets no longer used for governmental purposes are reported as assets held for resale in the Statement on Net Position.	13,500,000
In fund financial statements, governmental fund types recognize discounts and premiums during the current period as other financing uses. In the government-wide statements, discounts and premiums are applied against bonds payable.	(149,473)
Liabilities for earned but unavailable revenues are not reported in the funds, but are reported in the statement of net position.	297,904,418
The difference between the amount required to repay previously issued debt in a refunding transaction and the amount of the old debt is reported as a deferred outflow of resources in the government-wide financial statements.	2,991,641
The internal service fund is used by management to charge the cost of employee health insurance. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	4,653,515
Net position of governmental activities	\$ 642,716,005

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2013**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Community Redevelopment Fund</u>	<u>SW Annexation District 1 Collection Fund</u>
Revenues				
Taxes	\$ 39,542,423	\$ 7,446,407	\$ -	\$ -
Licenses and Permits	8,759,309	-	-	-
Intergovernmental	8,959,825	-	753,686	-
Charges for Services	3,780,142	-	-	11,384,641
Human Services Fees	109,691	-	-	-
Fines and Forfeitures	1,805,559	-	-	-
Interest on Investments	139,717	26,319	47,196	80,131
Impact Fees	144,841	-	-	-
Developers Contributions	43,750	-	-	-
Rents	-	-	-	-
Other	1,626,965	-	20,060	-
Total revenues	<u>64,912,222</u>	<u>7,472,726</u>	<u>820,942</u>	<u>11,464,772</u>
Expenditures				
Current:				
General Government	12,244,637	-	-	-
Public Safety	35,960,719	-	-	-
Physical Environment	801,589	-	-	139,140
Transportation	37,777	2,022	-	-
Economic Environment	63,748	-	289,931	-
Human Services	1,149,117	-	-	-
Culture and Recreation	8,790,014	-	-	-
Principal	730,000	1,480,000	1,905,000	4,500,000
Interest	160,975	4,085,713	2,378,438	7,287,425
Total expenditures	<u>59,938,576</u>	<u>5,567,735</u>	<u>4,573,369</u>	<u>11,926,565</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,973,646</u>	<u>1,904,991</u>	<u>(3,752,427)</u>	<u>(461,793)</u>
Other financing sources (uses)				
Transfers In	3,234,913	-	487,871	-
Transfers Out	(5,701,527)	-	-	-
Proceeds from Sale of Assets	2,300,000	-	1,000,000	-
Issuance of Debt	-	-	-	-
Discount on Issuance of Debt	-	-	-	-
Payment to Escrow Agent	-	-	-	-
Total other financing sources (uses)	<u>(166,614)</u>	<u>-</u>	<u>1,487,871</u>	<u>-</u>
Net change in fund balances	4,807,032	1,904,991	(2,264,556)	(461,793)
Fund balance - beginning	<u>19,458,115</u>	<u>4,760,157</u>	<u>3,041,771</u>	<u>14,911,790</u>
Fund balance - ending	<u>\$ 24,265,147</u>	<u>\$ 6,665,148</u>	<u>\$ 777,215</u>	<u>\$ 14,449,997</u>

The notes to the financial statements are an integral part of this statement.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,565,772	\$ 52,554,602
3,244,882	12,004,191
14,102,094	23,815,605
18,687,921	33,852,704
-	109,691
301,527	2,107,086
428,817	722,180
3,634,637	3,779,478
80,868	124,618
9,000	9,000
3,146,218	4,793,243
<u>49,201,736</u>	<u>133,872,398</u>
3,744,199	15,988,836
140,648	36,101,367
465,318	1,406,047
15,601,636	15,641,435
9,175,190	9,528,869
25	1,149,142
1,886,928	10,676,942
20,050,000	28,665,000
9,662,768	23,575,319
<u>60,726,712</u>	<u>142,732,957</u>
<u>(11,524,976)</u>	<u>(8,860,559)</u>
13,111,107	16,833,891
(7,369,823)	(13,071,350)
1,751,157	5,051,157
15,130,000	15,130,000
(5,063)	(5,063)
<u>(14,893,645)</u>	<u>(14,893,645)</u>
<u>7,723,733</u>	<u>9,044,990</u>
(3,801,243)	184,431
<u>56,160,477</u>	<u>98,332,310</u>
<u>\$ 52,359,234</u>	<u>\$ 98,516,741</u>

The notes to the financial statements are an integral part of this statement.



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended September 30, 2013**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 184,431
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 and reported as depreciation expense. This is the amount of capital outlay recorded as expenditures in the current period.	7,660,458
The amount of depreciation expense associated with capital outlays is recorded as an expense in the current period.	(26,138,866)
In the governmental funds, revenues cannot be recognized until they are available to pay liabilities of the current period. In the statement of activities, revenue is recognized as soon as it is earned regardless of its availability.	(8,966,475)
The issuance of long-term debt provides current financial resources to governmental funds. These transactions, however, have no effect on net position. This is the proceeds from long-term debt issued in the current period.	(15,124,937)
The net change of the negative pension obligation reported in the Municipal Police Retirement Fund is required to be reported in the statement of activities.	42,022
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net position. This is the amount of repayment of principal of long-term debt recorded in the current period.	43,215,000
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount of the difference in treatment of unamortized bond premiums and discounts.	(1,833,684)
In governmental funds, proceeds of new bonds were used to redeem outstanding bonds. The difference between the proceeds from the new bonds and the amount paid to redeem the old bonds is recorded as a loss. In the Statement of Activities, that difference must be amortized over the life of the bonds.	343,645
Governmental funds report proceeds from the sale of assets as revenues. In the Statement of Activities, the difference between the amount received from the sale of the assets and the net book value of the assets is reported as a loss.	(1,920,151)
Issuance of refunding bonds to pay the outstanding balance of old debt provides an economic gain but frequently results in an accounting loss. The accounting loss must be amortized over the life of the refunded bonds in the Statement of Activities.	(418,760)
Governmental funds do not recognize expenditures for the long-term accrued liability associated with compensated absences and post-employment benefits. This is the net change in the current period.	(582,606)
A Capital Asset no longer used for governmental purposes and held for resale is treated as an asset held for resale. The difference between the net book value of the asset and the estimated net realizable value must be recorded in the Government-wide statement of activities as a loss.	(9,920,411)
Bond insurance for governmental debt is recorded as an expenditure in the governmental funds. In the government-wide statements bond insurance is recorded as a prepaid item and amortized over the life of the bonds.	(364,589)
Governmental funds do not recognize expenditures for the liability associated with accrued interest payable on long-term debt. This is the amount of accrued interest payable recorded in the current period.	(1,281,738)
The internal service fund is used by management to charge the costs of health insurance. The net revenue of certain activities of the internal service fund is reported with governmental activities.	793,516
Change in net position of governmental activities	<u><u>\$ (14,313,145)</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

Statement of Net Position
Proprietary Funds
September 30, 2013

	Enterprise Funds			Total Enterprise Funds	Governmental Activities - Internal Service Funds
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND		
Assets					
Current assets:					
Equity in pooled cash and investments	\$ 36,062,392	\$ 9,451,729	\$ 607,295	\$ 46,121,416	\$ 6,352,060
Receivables	9,344,832	163,590	-	9,508,422	741,584
Due from other funds	1,422,334	-	-	1,422,334	-
Due From Other Governmental Units	5,225	1,903,670	-	1,908,895	-
Prepaid items	5,100,176	844,419	7,333	5,951,928	300
Deposits	37,139	23,605	27	60,771	-
Inventories	2,100,631	167,050	28,422	2,296,103	-
Restricted equity in pooled cash and investments	34,299,142	5,626,405	-	39,925,547	-
Total current assets	88,371,871	18,180,468	643,077	107,195,416	7,093,944
Noncurrent assets:					
Noncurrent receivables	6,055,900	-	-	6,055,900	-
Advances to other funds	198,770	-	-	198,770	-
Capital assets (net of depreciation)	608,377,109	22,338,168	3,695,834	634,411,111	-
Capital assets (not depreciated)	42,939,089	14,927,776	2,786,942	60,653,807	-
Total noncurrent assets	657,570,868	37,265,944	6,482,776	701,319,588	-
Total assets	745,942,739	55,446,412	7,125,853	808,515,004	7,093,944
Deferred outflows					
Loss on bond defeasance	9,045,337	302,714	-	9,348,051	-
Total deferred outflows	9,045,337	302,714	-	9,348,051	-
Liabilities					
Current liabilities:					
Deposits	4,439,755	22,500	-	4,462,255	-
Accounts payable and accrued liabilities	3,533,869	2,293,315	71,912	5,899,096	1,850,419
Accrued salaries and wages	328,467	87,367	9,463	425,297	-
Unearned revenue	1,320,919	-	28,129	1,349,048	80,700
Current portion long term obligations	11,870,333	978,620	5,402	12,854,355	-
Retainage payable	75,000	123,589	-	198,589	-
Total current liabilities	21,568,343	3,505,391	114,906	25,188,640	1,931,119
Noncurrent liabilities:					
Long-term obligations	430,624,666	47,355,744	54,618	478,035,028	-
Advances from other funds	-	70,990	127,781	198,771	-
Other post employment benefits	266,066	90,252	7,033	363,351	-
Total noncurrent liabilities	430,890,732	47,516,986	189,432	478,597,150	-
Total liabilities	452,459,075	51,022,377	304,338	503,785,790	1,931,119
Net investment in capital assets	212,217,458	705,144	6,482,776	219,405,378	-
Restricted for debt service	12,983,157	3,338,586	-	16,321,743	-
Restricted for capital projects	7,151,600	2,371,206	-	9,522,806	-
Restricted for claims	-	92,234	-	92,234	-
Unrestricted	70,176,786	(1,780,421)	338,739	68,735,104	5,162,825
Total net position	\$ 302,529,001	\$ 4,726,749	\$ 6,821,515	\$ 314,077,265	\$ 5,162,825

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

**Reconciliation of the Statement of Net Position of Proprietary Funds
To the Statement of Net Position
September 30, 2013**

Total net position of Enterprise Funds on the statement of net position of proprietary funds	\$ 314,077,265
The internal service fund is used by management to charge the costs of employee health insurance. The net revenue of certain activities of the internal service fund is reported with governmental activities.	<u>509,310</u>
Net Position in business-type activities	<u>\$ 314,586,575</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended September 30, 2013

	Enterprise Funds			Total Enterprise Funds	Governmental Activities - Internal Service Funds
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND		
Operating revenues					
Charges for services:					
Charges for Services	\$ 61,627,907	\$ 20,094,776	\$ 1,480,424	\$ 83,203,107	\$ 75,000
Employer Contributions to Health Insurance	-	-	-	-	11,093,512
Employee Contributions to Health Insurance	-	-	-	-	1,305,703
Other Contributions	-	-	-	-	3,270,198
Total operating revenues	61,627,907	20,094,776	1,480,424	83,203,107	15,744,413
Operating expenses					
Personal Services	16,696,198	4,968,854	530,073	22,195,125	-
Contractual Services	779,086	7,946,538	293,552	9,019,176	804,872
Depreciation/Amortization Expense	32,647,355	869,909	259,625	33,776,889	-
Operating Supplies and Expense	14,123,977	2,730,075	712,806	17,566,858	142,831
Administrative Expenses	-	-	-	-	121,585
Insurance Premiums	-	-	-	-	1,175,427
Benefits Paid	-	-	-	-	12,291,269
Total operating expenses	64,246,616	16,515,376	1,796,056	82,558,048	14,535,984
Operating income (loss)	(2,618,709)	3,579,400	(315,632)	645,059	1,208,429
Nonoperating revenue (expense)					
Interest Income	519,792	1,095,443	2,360	1,617,595	19,939
Grants	2,983	735,639	-	738,622	-
Interest Expense	(21,515,750)	(3,089,248)	-	(24,604,998)	-
Gain (Loss) on Disposition of Equipment	(445,914)	(6,200)	-	(452,114)	-
Amortization	-	(36,210)	-	(36,210)	-
Other Non Operating Expense	-	(110,350)	-	(110,350)	-
Total nonoperating revenue (expense)	(21,438,889)	(1,410,926)	2,360	(22,847,455)	19,939
Income (loss) before transfers and contributions	(24,057,598)	2,168,474	(313,272)	(22,202,396)	1,228,368
Transfers and Contributions					
Capital Contributions	566,526	-	-	566,526	-
System Development Fees	1,008,603	-	-	1,008,603	-
Connection Fees	2,203,001	-	-	2,203,001	-
Transfers In	23,905	-	-	23,905	3,900
Transfers Out	(3,790,346)	-	-	(3,790,346)	-
Total transfers and contributions	11,689	-	-	11,689	3,900
Change in net position	(24,045,909)	2,168,474	(313,272)	(22,190,707)	1,232,268
Total net position - beginning	326,574,910	2,558,275	7,134,787	336,267,972	3,930,557
Total net position - ending	\$ 302,529,001	\$ 4,726,749	\$ 6,821,515	\$ 314,077,265	\$ 5,162,825

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

**Reconciliation of the Statement of Revenues, Expenses, and
Changes in Fund Net Position of Proprietary Funds
To the Statement of Activities
Year Ended September 30, 2013**

Changes in net position - Enterprise Funds	\$ (22,190,707)
The internal service fund is used by management to charge the costs of employee health insurance. The net revenue of certain activities of the internal service fund is reported with governmental activities.	<u>438,752</u>
Change in net position of business-type activities	<u>\$ (21,751,955)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2013

	Enterprise Funds			Total	Internal Service Funds
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND		
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 66,044,283	\$ 20,571,123	\$ 1,480,734	\$ 88,096,140	\$ 15,063,287
Cash Payments to Suppliers for Goods and Services	(11,468,509)	(9,186,734)	(1,008,977)	(21,664,220)	(15,436,961)
Cash Payments to Employees for Services	(16,639,339)	(4,813,164)	(529,067)	(21,981,570)	-
Net Cash Provided by (Used in) Operating Activities	37,936,435	6,571,225	(57,310)	44,450,350	(373,674)
Cash Flows from Noncapital Financing Activities					
Transfers In	23,905	-	-	23,905	3,900
Transfers Out	(3,790,346)	-	-	(3,790,346)	-
Interfund Borrowings	(1,016,575)	-	70,191	(946,384)	-
Operating Grants	2,983	625,289	-	628,272	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(4,780,033)	625,289	70,191	(4,084,553)	3,900
Cash Flows From Capital and Related Financing Activities					
System Development Fees	1,008,603	-	-	1,008,603	-
Connection Fees	2,203,001	-	-	2,203,001	-
Purchase of Capital Assets	-	(3,360,451)	(23,505)	(3,383,956)	-
Acquisition and Construction of Capital Assets	(34,047,002)	-	-	(34,047,002)	-
Principal paid on Capital Debt	(11,353,762)	(320,000)	-	(11,673,762)	-
Interest Paid on Capital Debt	(20,808,983)	(3,094,049)	-	(23,903,032)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(62,998,143)	(6,774,500)	(23,505)	(69,796,148)	-
Cash Flows From Investing Activities					
Interest and Dividends on Investments	519,792	1,024,228	2,360	1,546,380	19,939
Net Cash Provided by (Used in) Investing Activities	519,792	1,024,228	2,360	1,546,380	19,939
Net Increase (Decrease) in Cash and Cash Equivalents / Investments	(29,321,949)	1,446,242	(8,264)	(27,883,971)	(349,835)
Cash and Cash Equivalents/Investments Beginning of Year	99,683,483	13,631,892	615,559	113,930,934	6,701,895
End of Year	\$ 70,361,534	\$ 15,078,134	\$ 607,295	\$ 86,046,963	\$ 6,352,060
Reconciliation of Cash to Statement of Net Position					
Equity in Pooled Cash and Investments	\$ 36,062,392	\$ 9,451,729	\$ 607,295	\$ 46,121,416	\$ 6,352,060
Restricted Equity in Pooled Cash and Investments	34,299,142	5,626,405	-	39,925,547	-
Totals	\$ 70,361,534	\$ 15,078,134	\$ 607,295	\$ 86,046,963	\$ 6,352,060

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2013

	<u>Enterprise Funds</u>			<u>Total</u>	<u>Internal Service Funds</u>
	<u>UTILITY SYSTEM FUND</u>	<u>STORMWATER UTILITY FUND</u>	<u>GOLF COURSE FUND</u>		
Reconciliation of Operating Income (Loss) to net Cash Provided by (used in) Operating Activities					
Operating income (loss)	\$ (2,618,709)	\$ 3,579,400	\$ (315,632)	\$ 645,059	\$ 1,208,429
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation /Amortization	32,647,355	869,909	259,625	33,776,889	-
Changes in Assets and Liabilities:					
(Increase) decrease in Accounts Receivable	4,220,449	(70,905)	-	4,149,544	(740,976)
(Increase) decrease in Inventories	-	12,187	(160)	12,027	-
(Increase) decrease in Other Assets	1,111,578	4,863	-	1,116,441	-
(Increase) decrease in Prepaid Expense	206,246	38,301	(44)	244,503	(300)
(Increase) decrease in Due From Other Governments	22,432	560,797	-	583,229	9,117
Increase (decrease) in Deferred Revenues	(39,202)	(13,535)	310	(52,427)	50,733
Increase (decrease) in Accounts Payable	2,116,730	1,434,528	(2,415)	3,548,843	(345,041)
Increase (decrease) in Other Liabilities	243,778	17,814	-	261,592	(555,636)
Increase (decrease) in Other Accrued liability	25,778	137,866	1,006	164,650	-
Total adjustments	<u>40,555,144</u>	<u>2,991,825</u>	<u>258,322</u>	<u>43,805,291</u>	<u>(1,582,103)</u>
Net Cash Provided by (used in) Operating Activities	<u>\$ 37,936,435</u>	<u>\$ 6,571,225</u>	<u>\$ (57,310)</u>	<u>\$ 44,450,350</u>	<u>\$ (373,674)</u>
Noncash Capital and Related Financing Activities					
Contributed property, infrastructure, and equipment	\$ 566,526	-	-	\$ 566,526	-

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

**Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2013**

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and Equivalents	\$ 493	\$ -
Corporate Stocks	21,205,469	-
Corporate Bonds	9,817,201	-
US Government Obligations	567,702	-
Federal Agencies	3,918,742	-
Municipal Obligations	560,116	-
Mutual Funds	75,493,966	-
Money Market Funds	6,931,119	-
Cash Surrender Value of Life Insurance	212,281	-
Accrued Investment Income	161,442	-
Accounts Receivable	462,418	142,352
Prepaid Expenses	4,406	-
Total Assets	<u>119,335,355</u>	<u>142,352</u>
Liabilities		
Accounts Payable	140,448	-
Due to General Fund	-	142,352
Due to Broker	620,637	-
Total Liabilities	<u>761,085</u>	<u>142,352</u>
Net Position		
Restricted for Employees Retirement	118,574,270	-
Total Net Position	<u>118,574,270</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 119,335,355</u>	<u>\$ 142,352</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended September 30, 2013

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
City	\$ 7,739,264
State	972,481
Employee	1,239,292
Net Increase in Fair Value of Investments	12,118,422
Interest and Dividends	1,058,296
Miscellaneous Income	245,480
Investment Expense	(202,864)
Total Additions	<u>23,170,371</u>
Deductions	
Benefit Payments	5,958,807
Administrative Costs and Charges	144,426
Refunds	455,904
Total Deductions	<u>6,559,137</u>
Net Increase in Net Position	16,611,234
Total Net Position - beginning	<u>101,963,036</u>
Total Net Position - ending	<u>\$ 118,574,270</u>

The notes to the financial statements are an integral part of this statement.



"A City for All Ages"

Notes to the Financial Statements

CITY OF PORT ST. LUCIE, FLORIDA
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September 30, 2013

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CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Port St. Lucie, Florida (the City) was incorporated in 1961 and covers an area of approximately 120 square miles. The City derives authority from Article VIII, Section 2 of the Constitution of the State of Florida, and Chapter 166, Florida Statutes, "Municipal Home Rule Powers Act". The specific organizational governing authority of the City of Port St. Lucie is the City of Port St. Lucie City Charter as adopted in 1976 and as from time to time subsequently amended. The City operates under an elected City Council (5 members) and provides services to its more than 167,000 residents in the form of law enforcement, community enrichment and development, street maintenance, culture and recreation, planning and zoning, human services and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. SCOPE OF REPORTING ENTITY

The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Even though the component units are legally separate, they are so intertwined with the City that they are, in substance, the same as the City. The following component units are included in the City's financial statements as blended component units.

Port St. Lucie Governmental Finance Corporation – The Corporation is a not-for-profit corporation incorporated in 1990 for the sole purpose of assisting the City in acquiring and constructing various governmental projects consisting of real and/or personal property. The Corporation is included in the City's financial statements since the directors of the Corporation are the Mayor and members of the City Council and the lease payments by the City to the Corporation are the primary source of funds to pay the debt of the Corporation.

Community Redevelopment Agency – The Community Redevelopment Agency was organized to develop areas within the City for commercial purposes. Incremental property taxes collected within this area are remitted by the various taxing entities back to the Community Redevelopment Agency for enhancement within those boundaries. The Community Redevelopment Agency (CRA) is included in the City's financial statements since the directors are the Mayor and members of the City Council and the incremental property taxes received by the City are remitted to the CRA.

The activities of the Port St. Lucie Governmental Finance Corporation are included in the combined financial statements within the Special Revenue Funds. The activities of the Community Redevelopment Agency are included in the basic financial statements as a major fund.

Port St. Lucie Municipal Police Officers' Retirement Trust Fund – The Port St. Lucie Municipal Police Officers' Retirement Trust Fund is included in the financial statements as a pension trust fund. Activities of the Trust Fund are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The Trust Fund issues separate financial statements and are available by

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

A. SCOPE OF REPORTING ENTITY - (CONTINUED)

contacting Ms. Sandra Steele at City of Port St. Lucie Police Department, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida 34984.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities such as employee pension plans. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to their program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

An administrative service fee was charged by the General Fund to the other operating funds to cover the cost of General Fund services provided, such as finance, personnel, purchasing, legal, information technology, and certain management functions. The administrative service fee reduces the functional expense of the particular department at the fund-level statements.

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements. The government-wide statement of net position reports all assets and liabilities of the City, including long-term assets and long-term liabilities and other obligations. For the most part, the effect of interfund activity has been removed from these statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred. The City's fiduciary funds are presented in the fund financial statements by type (pension and OPEB, and agency). Since by definition these assets are being held for the benefit of a third party (plan participants and third party) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation. Totals on the business-type activity fund statements should directly reconcile to the business-type activity column presented in the government-wide statements.

The focus of the government-wide financial statements is on the City as a whole. The focus of the Fund Financial Statements is on the major funds of the governmental and business-type activities. Each presentation provides valuable information that can be analyzed to enhance the usefulness of the information.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund that include charges for services and user fees. Non-operating revenues are not related to the operations of the proprietary fund and include interest earnings and intergovernmental revenue. Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations such as interest expense.

Modified Accrual:

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end. Primary revenue sources that have been treated as susceptible to accrual include, where material, intergovernmental revenue, franchise taxes, communication taxes and charges for services.

Property taxes are accounted for when measurable and available. No accruals for the property tax levy becoming due in November 2013 are included in the accompanying financial statements since such taxes are levied for the subsequent fiscal year and are not considered available at September 30, 2013.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (continued)

Modified Accrual (continued):

In applying the "susceptible to accrual" concept to intergovernmental revenues (the City may act as either provider or recipient), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met; should, under most circumstances, be reported as advances by the provider and deferred revenue by recipient.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on general obligation long-term debt, expenditures related to compensated absences, and claims and judgments, which are recognized when due.

C. BASIS OF PRESENTATION

The financial transactions of the City are recorded in individual funds. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Resources are allocated to and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds

The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The following is a description of the major Governmental Funds of the City:

General Fund - The General Fund is the general operating fund of the City. All general tax revenue and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

General Obligation Debt Service Fund - to account for the revenues derived from the voter-approved ad valorem tax levy for the acquisition, improvement and expansion of the third east-west transportation corridor through the City.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

C. BASIS OF PRESENTATION (CONTINUED)

Governmental Funds (continued)

Port St. Lucie Community Redevelopment Agency Fund - to account for revenues and expenditures of the Community Redevelopment Agency established for the purpose of improving the economic and social conditions within a specific boundary. The fund receives the tax-increment revenues from the City and County for the various redevelopment districts.

SW Annexation Special Assessment District 1 Fund - to account for the revenues and expenditures associated with the City's program of assessing benefiting properties for the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the Southwest Annexation special assessment district.

Proprietary Funds

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The City electively chose to record all enterprise funds as major. The following is a description of the major Proprietary Funds of the City:

Utility System Fund - to account for the operations of a water and wastewater system.

Stormwater Utility Fund - to account for the operations of a program designed to maintain, replace and improve the City's stormwater-related infrastructure.

Golf Course Fund - to account for the operation of the Saints at Port St. Lucie Golf Course.

Other Fund Types

Additionally, the City reports the following Fund types:

Internal Service Fund - to account for the medical insurance provided to City employees and administered by the City.

Pension Trust/Employee Benefit Funds - to account for one defined benefit plan, three defined contribution plans, and other post employment benefits plan (OPEB) which accumulate resources for pension and other benefit payments to its employees/retirees.

Agency Fund - to account for the fund that holds monies in an agency capacity for other funds or entities. The City acts as a conduit for the collection of waste-hauling fees collected by the county tax collector which are remitted to the City who then passes these collections on to the service contract provider.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUFLOWS AND NET POSITION OR EQUITY, REVENUES, AND EXPENDITURES/ EXPENSES

1. Pooled Cash and Investments - The City's cash and cash equivalents are considered to be cash on hand and demand deposits. The City has established an investment policy in accordance with Section 218.415, State Statutes that allows the City to invest in relatively low risk securities, such as the Florida Local Government Surplus Fund and U. S. Government Securities and Agencies. Investments are stated at fair value. Resources of all funds, with the exception of the pension funds, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and dividends and realized and unrealized gains and losses on investments. Investment revenue on pooled investments is allocated monthly based upon equity balances of the respective funds. Accrued interest on pooled investments is grouped with investments on the balance sheet at year-end.
2. Accounts Receivable - All accounts receivable are shown net of an allowance for uncollectibles. Unbilled service revenues of the utility system are accrued at the end of the year by prorating actual subsequent billings.
3. Due To/Due From - Activity between funds that is 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 interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".
4. Prepaid and Other Assets - Inventories are composed of expendable supplies held for consumption, and are stated at cost using the first-in, first-out method. The governmental fund type inventories are recorded using the consumption method.

The Neighborhood Stabilization Program Fund has acquired various distressed improved properties with funding from the federal government grant programs. The City renovates these properties or, in some cases, demolishes the structure, and sells the property to qualified individuals in the City. These properties are accounted for within the fund as an item of inventory based on the acquisition price plus applicable carrying costs.

Tradition Studio, a building located in the Tradition area of Port St. Lucie and previously occupied by Digital Domain Media Group (DDMG), is include as an asset held for resale with a carrying value of \$13,500,000. The City is actively marketing the building.

5. Restricted Assets - Certain revenue bond proceeds of the various funds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by contracts or applicable bond covenants.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS AND NET POSITION OR EQUITY, REVENUES, AND EXPENDITURES/EXPENSES (CONTINUED)

6. Capital Assets - The City's property, plant, equipment, intangible assets and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed net of any interest income earned.

Estimated useful lives, in years, for depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	5 - 50
Improvements, other than buildings	2 - 50
Infrastructure	20 - 50
Mobile equipment	3 - 30
Furniture, machinery, and equipment	3 - 30
Intangible	5 - 10

7. Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from City service if they meet certain criteria. These benefits plus their related taxes are classified as compensated absences. The accumulated compensated absences are accrued when incurred in the government-wide financial statements and proprietary funds for both the current and long-term portions. The General Fund, Road and Bridge Fund, and Building Department Fund, typically are the governmental-type funds that liquidate the compensated absences liability.

Compensated absences are reported in the governmental funds only if they have matured and are due and payable as of September 30, 2013.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS AND NET POSITION OR EQUITY, REVENUES, AND EXPENDITURES/EXPENSES (CONTINUED)

8. Long-Term Debt, Prepaid Insurance, and Bond Discounts/Premiums - In the government-wide financial statements and the proprietary fund types in the fund financial statements, outstanding debt is reported as liabilities. Bond discounts or premiums are amortized over the terms of the respective bonds using the effective interest method. Prepaid insurance is amortized over the terms of the respective bonds using the straight line method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources and discounts as other financing uses of the current period. Issuance costs are reported as expenditures.

9. Deferred Inflows/Outflows - In the government-wide financial statements and the proprietary fund types in the fund financial statements, the difference between the reacquisition price and the net carrying value of refunded debt is amortized over the terms of the respective bonds using the effective interest method and reported as deferred outflows.

In the governmental-wide financial statements imposed nonexchange transactions that will be collected in future periods are reported as revenues in the statement of activities. The governmental fund financial statements report imposed nonexchange transactions that will be collected in future periods as deferred inflows.

10. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's estimates.

11. Property Taxes - The City's property tax is levied annually on October 1 on the real and personal property located in the City on January 1 (the lien date) of the fiscal year. The assessed value on which the 2012 levy was based was approximately \$6.32 billion. The assessed values are established by the St. Lucie County Property Appraiser. Tax collections by the St. Lucie County Tax Collector begin normally in November of each year with a due date of March 31 of the following year. Discounts are allowed for early payment of 4% in November, 3% in December, 2% in January, and 1% in February. Unpaid property taxes become delinquent as of April 1. Current tax collections for the year ended September 30, 2013 were approximately 95.4% of the total tax levied. The City is permitted by state law to levy taxes up to 10 mills of assessed valuation. The tax rate for the year ended September 30, 2013 was 4.4096 mills for general operating purposes plus a voter-approved 1.2193 mill levy for debt service on general-obligation bonds.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS AND NET POSITION OR EQUITY, REVENUES, AND EXPENDITURES/EXPENSES (CONTINUED)

12. Capital Asset Reclassification - In April 2010, the City issued Lease Revenue Bonds, Series 2010A and 2010B. Proceeds from the bond issue were used to construct a digital production studio (Tradition Studio) for lease to Digital Domain Media Group (DDMG). Annual lease payments from DDMG were pledged for the payment of principal and interest on the Lease Revenue Bonds. On September 11, 2012, DDMG filed a Chapter 11 Bankruptcy case. The bankruptcy court granted DDMG's request to terminate the lease and the City took possession of the Studio in 2013. After unsuccessfully attempting to identify a potential new tenant for the Studio the City determined it was in its best interests to sell the Studio. Accordingly, the City has reclassified Tradition Studio as an asset held for resale. In the Statement of Activities the difference between the net book value of Tradition Studio and the estimated net realizable value (\$9,920,412) has been reported as a "Special Item - asset writedown".

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGET AND BUDGETARY ACCOUNTING

The City's Office of Management and Budget prepares an annual operating budget for the General, Debt Service, Special Revenue, and Enterprise Funds. Major capital facilities and improvements, which are accounted for within the Capital Projects Funds, are subject to budgetary control on a project basis whereas other capital outlay accounted for within these funds are subjected to the standard budgetary control.

The City includes anticipated cash carryforwards from the prior year as budgeted revenues in the formal budget. These amounts, however, are excluded from budgeted revenues in the accompanying financial statements in accordance with generally accepted accounting principles.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. The budget is legally enacted through the passage of an ordinance by City Council on or before the thirtieth day of September of the fiscal year currently ending.
- d. The level of budgetary control is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. Revisions that alter the budgeted totals of any department require approval of the City Council. Unencumbered appropriations lapse at year-end.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

A. BUDGET AND BUDGETARY ACCOUNTING (CONTINUED)

- e. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles, except encumbrances are presented as expenditures.
- f. Formal budget integration is not employed for proprietary, capital project or trust funds because effective budgetary control is achieved by alternate measures.
- g. Encumbrances - Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation in the governmental funds. Encumbrances outstanding at year-end are reported as committed fund balance for construction and long-term contracts and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

B. FUND BALANCE DISCLOSURE

Fund balance classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are not in spendable form, such as inventories and prepaid amounts.

Spendable Fund Balance

Restricted – fund balance amounts that are constrained for specific purposes which are externally imposed through debt covenants or amounts constrained by federal and state law.

Committed – fund balance amounts that can only be used for the specific purposes that are internally imposed by City Council Ordinances. Commitments may be changed by the City Council amending or repealing the Ordinance that imposed the constraint initially. Contractual obligations are included to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual obligations.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. FUND BALANCE DISCLOSURE (CONTINUED)

Assigned – fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. This indicates that resources in these funds are, at a minimum, intended to be used for the purposes of that fund. Fund balance may be assigned by City Council Resolution, by transfer to a special revenue or capital project fund as authorized by City Council, or an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.

Unassigned – the residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal requirements that prohibit this, such as grant agreements requiring local spending match. Also the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The fund balance classification at September 30, 2013 is as follows:

	General Fund	Debt Service Fund	Community Redevelopmen t Fund	SW Annexation District 1 Collection Fund	Other Governmental Funds	Total
FUND BALANCES						
Nonspendable:						
Prepaid Items	\$ 731,345	\$ -	\$ 47	\$ -	\$ 110,727	842,119
Deposits	83,619	-	-	-	10,792	94,411
Inventories	70,177	-	-	-	-	70,177
Restricted for:						
General Government	-	-	-	-	3,702,349	3,702,349
Public Safety	-	-	-	-	91,514	91,514
Transportation	-	-	-	-	122,305	122,305
Economic Environment	-	-	-	-	6,581,229	6,581,229
Culture and Recreation	-	-	-	-	10,705,142	10,705,142
Debt Service	-	6,665,148	777,168	14,449,997	16,417,620	38,309,933
Committed to:						
General Government	41,707	-	-	-	-	41,707
Public Safety	-	-	-	-	93,756	93,756
Transportation	-	-	-	-	3,181,671	3,181,671
Economic Environment	-	-	-	-	2,972,470	2,972,470
Culture and Recreation	-	-	-	-	1,084,500	1,084,500
Assigned to:						
General Government	4,262,951	-	-	-	308,049	4,571,000
Transportation	-	-	-	-	8,262,386	8,262,386
Unassigned:	19,075,348	-	-	-	(1,285,276)	17,790,072
	<u>24,265,147</u>	<u>6,665,148</u>	<u>777,215</u>	<u>14,449,997</u>	<u>52,359,234</u>	<u>98,516,741</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

C. COMPLIANCE AND ACCOUNTABILITY

The following funds had expenditures in excess of appropriations at September 30, 2013:

<u>Fund Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Non-major Funds:			
Tesoro	\$ 1,061,485	\$ 3,328,835	\$ 2,267,350
Local Housing Assistance	\$ 163,660	\$ 179,493	\$ 15,833

The cause for the Tesoro Fund variance was due to unanticipated early repayment of long-term debt obligations. The cause for the Local Housing Assistance Fund variance was due to unanticipated additional grant funds which were spent on housing assistance.

NOTE III – DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The City operates using pooled cash and investments and cash balances from all funds which are combined and invested to the extent available. Earnings are allocated monthly to each fund based on average daily balances of cash and investments. At fiscal year end, the carrying amount of the City's pooled cash and investments was \$176,294,297, which includes petty cash of \$34,060. Of the operating bank balance of \$9,424,198, \$1,061,897 is in an interest bearing account and \$8,362,301 is in a non-interest bearing account and was 100% insured by a combination of federal depository insurance and the Florida Public Deposit Security Trust Fund.

Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a "Qualified Public Depository," which is a state insurance pool for banks and other financial institutions. The pool requires each bank to render as collateral a percentage of all state and local monies on deposit. Upon default of a particular financial institution within the pool, the pooled collateral is used to reinstate the state and local government deposits. This pool is additional insurance above the federal depository insurance. The City has cash deposits only with qualifying institutions as of September 30, 2013. Cash and investments held separately or where contractual arrangements or bond covenants require otherwise, are classified as "restricted assets". When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. For purposes of the Statement of Cash Flows, cash equivalents are defined as all liquid investments with an original maturity of three months or less.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

A. CASH AND INVESTMENTS (CONTINUED)

Investment Risks

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of fixed income securities. Effective duration, a commonly used measure of interest rate risk, incorporates a security's yield, coupon, final maturity, call features and other imbedded options into one number expressed in years that indicates how price-sensitive a security or portfolio of securities is to changes in interest rates. The effective duration of a security or portfolio indicates the approximate percentage change in fair value expected for a one percent change in interest rates. The longer the duration, the more sensitive the security or portfolio is to changes in interest rates. The city's investment policy provides for a maximum maturity period of 5 years. The maturity periods are usually spread based on anticipated need for financial resources while balancing the rate of return with those needs.

Fixed income securities have inherent financial risks, including credit risk and interest rate risk. Credit risk for fixed income securities is the risk that the issuer will not fulfill its obligations. Nationally recognized statistical rating organizations ("NSROs"), such as Moody's and Standard and Poor's, assign credit ratings to security issuers and issues that indicate a measure of potential credit risk to investors. Fixed income securities considered investment grade are those rated at least Baa by Moody's and BBB by Standard and Poor's. The credit risk of the City is governed by the investment policies described above. The City guidelines also reference diversification within those investments that limit the maximum percentages that particular types of investments cannot exceed, ranging from 5% (State of Florida Local Government Surplus Funds Trust Fund – a.k.a. the SBA) to 90% (money markets and United States Treasury Notes and Bills).

State Board of Administration (SBA) Disclosures

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets and Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk. The City withdrew all of its funds from Pool A. Pool B participants are prohibited from withdrawing any amount from Pool B. As amounts become available in Pool B through maturities and settlements, they are transferred to Pool A and become available to participants for withdrawals. When City funds are transferred from frozen Pool B to Pool A, the City immediately withdraws those funds. During Fiscal Year 2012-13, the City withdrew \$4,341,571. The City had \$3,665,745 in Pool B as of September 30, 2013. The weighted average life (WAL) of Fund B at September 30, 2013, is estimated at 4.04 years.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

A. CASH AND INVESTMENTS (CONTINUED)

Investment Policies and Balances

The City's investment policy applies to all investment activity and shall include all available funds in excess of amounts needed to meet short-term expenses, but shall not apply to pension funds, trust funds, or funds related to the issuance of debt where there are other existing policies or indentures in effect. The policy objective is to invest funds in a manner with highest priority on preservation of principal and safety of liquidity with optimization of investment returns being secondary consideration. Treasury securities are the benchmark used for riskless investment transactions with a minimum standard for rate of return.

The investment guidelines allow the following investments:

- Negotiable obligations unconditionally guaranteed by the United States Government and its agencies
- Fully collateralized United States Agency obligations which carry an implied guarantee and the implied full faith and credit of the United States Government
- Other United States Agency obligations which carry an implied guarantee and the implied full faith and credit of the United States Government
- Interest-bearing savings accounts, money market accounts, certificates of deposit, or time deposits constituting direct obligations of any bank or savings and loan association certified as a Qualified Public Depository by the State of Florida
- Repurchase agreements collateralized by U.S. Treasury Bills or Notes.
- State of Florida Local Government Surplus Funds Trust Fund (F.S. Chapter 218)
- Local government investment pool shares organized under F.S. Chapter 163
- Money market mutual fund shares of any money market fund registered as an investment company under the federal "Investment Company Act of 1940", as amended.

The policy also establishes guidelines for diversification by the above classification varying from a maximum of 5% to 90% in each category and to maintain no more than 20% of available resources in any one financial institution.

Except for the investments held in mutual funds, the City's pooled investments are 100% insured through a combination of the implied guarantee of the United States Government, the Federal Depository Insurance Corporation (FDIC), and Florida's Qualified Public Depository coverage. United States Agency obligations are held for the City by a third-party safe-keeping custodian through a "delivery-versus-payment" (DVP) process.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

A. CASH AND INVESTMENTS (CONTINUED)

In the following chart, investments are stated at fair value based on market prices as of September 30, 2013. The market values are developed by the City's third-party safe-keeping custodian and reflect the most current assessments of market conditions. Short-term investments are stated at cost, which approximates fair value. The composition of fixed income securities at September 30, 2013, along with credit quality and effective duration measures, is summarized as follows:

	Maturity		S & P Rating
	Fair Value		
	1-2 years	2-5 years	
U.S. Government Agencies	\$ 45,161,513	\$ 2,522,334	AA
Certificates of Deposit (at Par)	\$ 14,000,000	\$ -	n/a

The following schedule reconciles the deposit and investment information above to the City's financial statements:

FUND TYPE	Equity in Pooled Cash and Investments	Restricted Equity in Pooled Cash and Investments	Total Cash and Investments
<u>Governmental Activities</u>			
General	\$ 22,144,146	\$ -	\$ 22,144,146
GO Bond Debt Service	6,650,996	-	6,650,996
Community Redevelopment	777,336	-	777,336
Capital SW Annexation			
District 1	14,355,940	-	14,355,940
Nonmajor Governmental Funds	44,782,486	6,035,784	50,818,270
Medical Trust Fund	6,352,060	-	6,352,060
Total Governmental	95,062,964	6,035,784	101,098,748
<u>Business Type Activities</u>			
Utility System Fund	36,062,392	34,299,142	70,361,534
Stormwater Utility Fund	9,451,729	5,626,405	15,078,134
Golf Course Fund	607,295	-	607,295
Total Business-Type	46,121,416	39,925,547	86,046,963
TOTAL	\$ 141,184,380	\$ 45,961,331	\$ 187,145,711

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

A. CASH AND INVESTMENTS (CONTINUED)

Pension Funds

The defined contribution pension trust funds' investments are maintained by an independent third party investment management firm that is permitted by the City to invest those monies in their managed mutual funds.

Defined Contribution and OPEB Retirement Funds

	<u>Fair Value</u>	<u>Rating S & P</u>	<u>Duration (in years)</u>
Mutual Funds	\$ 62,839,758	n/a	Daily
Corporate Stock	165,396	n/a	Daily
Cash and Equivalents	493	n/a	Daily
	<u>\$ 63,005,647</u>		

The Municipal Police Officers' Retirement Trust Fund is authorized to invest in:

- U.S. Government obligations and U.S. agencies
- High quality bonds, notes and fixed income securities
- General market common stocks and equity securities, preferred stocks and pooled equity funds (maximum investment of 70% of total assets and no one stock or equity-related security would exceed 5% of the total portfolio on the cost basis)

Municipal Police Officers' Retirement Trust

	<u>Fair Value</u>	<u>Rating S & P</u>	<u>Duration (in years)</u>
U.S. Government Obligations	\$ 567,702	AA	5
U.S. Government Agencies	3,918,742	AA	7
Municipal Obligations	560,116	AA-AAA	10
Corporate Obligations	9,817,201	BBB-AAA	5
Domestic Equity Exchange Traded Fund	6,914,116	n/a	Daily
Domestic Stocks	21,040,073	n/a	Daily
Foreign Equity Mutual Fund	5,740,092	n/a	Daily
Temporary Investment Funds	6,931,119	n/a	Daily
	<u>\$ 55,489,161</u>		

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. RECEIVABLES

At September 30, 2013, receivables for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts of \$2,627,094 for the nonmajor funds are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>SW Annexation</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Governmental Funds:					
Accounts Receivable	\$ 2,615,847	\$ -	\$ -	\$ 656,774	\$ 3,272,621
Assessments Receivable	-	-	157,000,832	140,903,586	297,904,418
Due From Other Governments	1,293,298	14,152	95,085	1,738,399	3,140,934
Internal Service Fund:					
Accounts Receivable					741,584
Total Governmental Activities					<u><u>\$ 305,059,557</u></u>

Accounts receivable for enterprise funds are net of allowance for uncollectible accounts of \$1,126,067 for the Utility System and \$260,988 for the Stormwater Utility System. In addition, the enterprise funds have long term accounts receivable for 10 year, non-interest bearing water and sewer connection fees loans. The following schedule summarizes the receivable balances in the following fund types at September 30, 2013:

	<u>Utility System</u>	<u>Stormwater Utility</u>	<u>Total Business-Type Activities</u>
Business-Type Activities:			
Accounts Receivable	\$ 9,344,832	\$ 163,590	\$ 9,508,422
Due From Other Gov't	5,225	1,903,670	1,908,895
Accounts Receivable - (Long Term)	6,055,900	-	6,055,900
Advance to Other Funds	198,770	-	198,770
	<u><u>\$ 15,604,727</u></u>	<u><u>\$ 2,067,260</u></u>	<u><u>\$ 17,671,987</u></u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

C. ASSESSMENTS RECEIVABLE

The City issued special assessment debt for the expansion of the Utility System (Water and Sewer). The expansion occurred in multiple phases and projects at various times in the City. The levy's have occurred in prior years and are reflected as special revenue funds. The City is assessing property owners for the expansion of the water and sewer system. Property owners were given the option of prepaying the full assessment amount or financing the amount over 20 years. The City issued special assessment debt to fund the construction for property owners who elected not to prepay. When financed, the payment is included within the property-owners annual real property tax bill and includes interest and an amount to cover the additional costs of financing. Property owners may pay off their assessment at any time plus accrued interest.

The City also issued special assessment debt for funding infrastructure improvements of roads, drainage, and water and sewer within particular benefited areas. These have been implemented at the request of those property-owners. The benefited properties are assessed annually for the necessary amounts to fund the current debt service requirements on the applicable debts.

The following schedule summarizes the current year transactions and balances at September 30, 2013

	<u>SW Annexation</u>	<u>Other Governmental</u>	<u>Total Governmental Activities</u>
Assessments Receivable Balance, October 1, 2012	\$ 159,473,195	\$ 150,504,333	\$ 309,977,528
Collections and Credits During the Year Ended September 30, 2012	(2,472,363)	(11,216,305)	(13,688,668)
Interest on Delinquent Assessments	-	1,615,558	1,615,558
Assessments Receivable Balance, September 30, 2013	<u>\$ 157,000,832</u>	<u>\$ 140,903,586</u>	<u>\$ 297,904,418</u>

Delinquent special assessments and interest on delinquent special assessments in the amount of \$6,981,317 are included in the assessments receivable yearend balance reported in the above schedule.

In accordance with governmental accounting standards, the assessments are reported as "deferred inflows - unavailable revenues" on the Governmental Funds Balance Sheet since the assessments will be billed and collected in future years and are unavailable to pay current obligations. In the Statement of Net Position, the special assessments were recorded as revenues at the time of the assessment and are a component of Net Position.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

D. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 115,257,973	\$ 91,652	\$ -	\$ -	\$ 115,349,625
Construction in Progress	<u>6,986,535</u>	<u>6,057,983</u>	<u>-</u>	<u>(2,342,229)</u>	<u>10,702,289</u>
Total Capital Assets, Not Being Depreciated	<u>122,244,508</u>	<u>6,149,635</u>	<u>-</u>	<u>(2,342,229)</u>	<u>126,051,914</u>
Capital Assets, Being Depreciated/Amortized:					
Buildings	145,042,489	34,414	(27,813,810)	-	117,263,093
Improvements Other Than Buildings	35,057,000	11,082	(156,378)	1,902,342	36,814,046
Machinery and Equipment	29,527,035	1,447,203	(979,775)	(81,401)	29,913,062
Intangible	4,018	-	-	-	4,018
Infrastructure	<u>686,931,106</u>	<u>296,710</u>	<u>-</u>	<u>295,194</u>	<u>687,523,010</u>
Total Capital Assets, Being Depreciated	<u>896,561,648</u>	<u>1,789,409</u>	<u>(28,949,963)</u>	<u>2,116,135</u>	<u>871,517,229</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	26,425,635	3,839,080	(1,883,874)	(99,728)	28,281,113
Improvements Other Than Buildings	13,352,730	1,347,853	(13,683)	99,728	14,786,628
Machinery and Equipment	27,979,601	2,019,337	(772,370)	(5,412,547)	23,814,021
Intangible	101	402	-	-	503
Infrastructure	<u>205,494,761</u>	<u>18,932,194</u>	<u>-</u>	<u>5,362,381</u>	<u>229,789,336</u>
Total Accumulated Depreciation	<u>273,252,828</u>	<u>26,138,866</u>	<u>(2,669,927)</u>	<u>(50,166)</u>	<u>296,671,601</u>
Total Capital Assets, Being Depreciated - Net	<u>623,308,820</u>	<u>(24,349,457)</u>	<u>(26,280,036)</u>	<u>2,166,301</u>	<u>574,845,628</u>
Governmental Activities Capital Assets - Net	<u>\$ 745,553,328</u>	<u>\$ (18,199,822)</u>	<u>\$ (26,280,036)</u>	<u>\$ (175,928)</u>	<u>\$ 700,897,542</u>
 Governmental Activities:					
General Government					\$ 1,054,605
Public Safety					1,212,539
Physical Environment					438,033
Transportation					18,886,760
Economic Environment					3,036,940
Human Services					37,336
Culture & Recreation					<u>1,472,653</u>
Total Governmental Activities Depreciation Expense					<u>\$ 26,138,866</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

D. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Increase	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets, Not Being					
Depreciated/Amortized:					
Land	\$ 34,156,787	\$ 10,175,337	\$ -	\$ -	\$ 44,332,124
Construction in Progress	15,285,991	8,120,869	-	(7,085,177)	16,321,683
Total Capital Assets, Not Being					
Depreciated	49,442,778	18,296,206	-	(7,085,177)	60,653,807
Capital Assets, Being					
Depreciated/Amortized:					
Plant	310,504,318	1,133,162	-	4,975,276	316,612,756
Water and Sewer System	549,198,230	5,537,058	(5,134,810)	2,103,483	551,703,961
Machinery and Equipment	24,609,894	6,629,047	(252,262)	89,204	31,075,883
Buildings	4,161,328	117,100	-	-	4,278,428
Improvements Other					
Than Buildings	2,698,995	40,847	-	(4,781)	2,735,061
Intangibles	24,500	-	-	-	24,500
Infrastructure	19,395,643	1,187,654	-	-	20,583,297
Traffic	-	-	-	-	-
Total Capital Assets, Being					
Depreciated/Amortized	910,592,908	14,644,868	(5,387,072)	7,163,182	927,013,886
Less Accumulated					
Depreciation/Amortization for:					
Plant	61,222,279	9,000,350	-	(6,522)	70,216,107
Water and Sewer System	181,765,109	22,938,989	(4,696,338)	(1,280)	200,006,480
Machinery and Equipment	18,258,662	1,065,452	(246,779)	57,968	19,135,303
Buildings	960,593	115,978	-	-	1,076,571
Improvements Other					
Than Buildings	1,322,035	143,215	-	-	1,465,250
Intangibles	2,654	2,450	-	-	5,104
Infrastructure	187,505	510,455	-	-	697,960
Total Accumulated					
Depreciation/Amortization	263,718,837	33,776,889	(4,943,117)	50,166	292,602,775
Total Capital Assets, Being					
Depreciated/Amortized - Net	646,874,071	(19,132,021)	(443,955)	7,113,016	634,411,111
Business-Type Activities Capital					
Assets - Net	\$ 696,316,849	\$ (835,815)	\$ (443,955)	\$ 27,839	\$ 695,064,918
 Business-Type Activities:					
Water and Sewer					\$ 32,647,356
Stormwater Utility					869,908
Golf Course					259,625
Total Business-Type Activities Depreciation Expense					\$ 33,776,889

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

E. CONSTRUCTION COMMITMENTS

The City has outstanding commitments for engineering and construction projects in process. Those commitments are approximated for the respective funds at September 30, 2013:

General Fund	\$ 41,707
Nonmajor Governmental Funds	3,277,862
Stormwater Utility	889,084
Utility System	2,310,407
	\$ 6,519,060

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of amounts due from and due to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 329,710
Nonmajor Governmental Funds	Nonmajor Governmental Funds	21,975
Utility System Fund	Nonmajor Governmental Funds	1,422,334
		\$ 1,774,019

All remaining balances, except between utility system fund and capital improvements road & bridge, a nonmajor governmental fund, resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made and adjustments recorded subsequent to year end. The balance between utility system fund and capital improvements fund is a loan to repay the utility contingency fund to cover shortfalls.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The following is a summary of interfund transfers:

<u>Transfers In Fund</u>	<u>Transfers Out Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 10,000
General Fund	Utility System Fund	3,224,913
Community Redevelopment Fund	General Fund	386,095
Community Redevelopment Fund	Nonmajor Governmental Funds	101,776
Nonmajor Governmental Funds	General Fund	5,315,432
Nonmajor Governmental Funds	Nonmajor Governmental Funds	7,234,142
Nonmajor Governmental Funds	Utility System Fund	561,533
Utility System Fund	Nonmajor Governmental Funds	23,905
Internal Service Fund	Utility System Fund	3,900
		<u>\$ 16,861,696</u>

The City's routine transfers include transfers made to move unrestricted revenues or balances that have been collected or accumulated in the General Fund to other funds based on budgetary authorization, and the transfer of revenues from a fund that by statute or budgetary authority must collect them to a fund that by statute or budgetary authority to expend them. Additionally, several funds transferred to the Road & Bridge Fund their allocable share of construction project expenditures.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT

Governmental Activities Debt:

The following is a summary of transactions of notes payable, bonds payable, and certificates of participation for the year ended September 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Local Option Gas Tax Bonds, Series 2004	\$ 9,295,000	\$ -	\$ 3,265,000	\$ 6,030,000	\$ 3,430,000
Sales Tax Improvement Revenue Bonds, Series 2003	625,000	-	625,000	-	-
Certificates of Participation, Series 2004	3,465,000	-	135,000	3,330,000	280,000
Certificates of Participation, Series 2008	40,240,000	-	1,845,000	38,395,000	1,935,000
CRA Tax Increment Bonds, Series 2004	8,235,000	-	605,000	7,630,000	630,000
CRA Tax Increment Bonds, Series 2006	44,000,000	-	1,300,000	42,700,000	1,400,000
General Obligation Bonds, Series 2005	42,975,000	-	745,000	42,230,000	825,000
General Obligation Bonds, Series 2006	42,770,000	-	735,000	42,035,000	820,000
Sales Tax Refunding Bonds, Series 2008	4,200,000	-	730,000	3,470,000	780,000
Lease Revenue Bonds, Series 2010 A & B	38,400,000	-	1,545,000	36,855,000	1,605,000
Sales Tax Refunding Bonds, Series 2011	13,670,000	-	-	13,670,000	655,000
Special Assessment District Bonds:					
Series 2001A, South Lennard Road	840,000	-	260,000	580,000	-
Series 2002 A & B, River Point	3,085,000	-	230,000	2,855,000	-
Series 2003 A & B, Tesoro	14,550,000	-	14,550,000	-	-
Series 2003 C, Glassman	4,750,000	-	740,000	4,010,000	-
Series 2003 D, East Lake Village	6,055,000	-	340,000	5,715,000	-
Series 2005 A, St Lucie Land Holdings	13,655,000	-	940,000	12,715,000	-
Series 2005 B, USA #9	2,220,000	-	220,000	2,000,000	-
Series 2007A, Combined SAD	2,485,000	-	240,000	2,245,000	-
Series 2007B, SW Annexation District 1	147,840,000	-	4,500,000	143,340,000	-
Series 2008A, City Center	30,115,000	-	660,000	29,455,000	690,000
Series 2011A, USA #3&4 Refunding	6,585,000	-	4,200,000	2,385,000	-
Series 2011B, USA #5,6,7A Refunding	18,195,000	-	1,900,000	16,295,000	1,285,000
Series 2012A, Tesoro Refunding	-	15,130,000	2,905,000	12,225,000	1,330,000
	498,250,000	15,130,000	43,215,000	470,165,000	15,665,000
Compensated Absences	7,475,209	4,145,172	3,620,256	8,000,125	720,011
Unamortized Bond Premium/(Discount)	592,411	(5,063)	437,875	149,473	-
Due Within One Year	(15,042,769)	16,385,011	15,042,769	(16,385,011)	-
	491,274,851	35,655,120	62,315,900	461,929,587	16,385,011
Other Post Employment Benefits	537,736	595,426	537,736	595,426	-
	<u>\$ 491,812,587</u>	<u>\$ 36,250,546</u>	<u>\$ 62,853,636</u>	<u>\$ 462,525,013</u>	<u>\$ 16,385,011</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Governmental Activities Debt (continued):

Compensated Absences:	<u>10/1/2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2013</u>	<u>Current Portion</u>
General	\$ 6,294,223	\$ 3,623,857	\$ 3,078,971	\$ 6,839,109	\$ 615,520
Road & Bridge	565,568	176,933	248,429	494,072	44,466
Building	576,181	306,974	254,316	628,839	56,596
NSP	27,526	23,310	23,301	27,535	2,478
CDBG	3,334	6,018	6,446	2,906	262
Housing	291	2,216	1,716	791	71
Crosstown	8,086	5,864	7,077	6,873	619
	<u>\$ 7,475,209</u>	<u>\$ 4,145,172</u>	<u>\$ 3,620,256</u>	<u>\$ 8,000,125</u>	<u>\$ 720,012</u>

\$19,100,000 Local Option Gas Tax Refunding and Improvement Revenue Bonds, Series 2004 – payable from and collateralized by a lien upon and pledge of the Local Option Gas Tax Revenues, due in annual principal installments ranging from \$2,600,000 to \$3,430,000 plus interest semiannually at a rate of 5.0% through March 2015. Proceeds used for the construction of a six-lane highway and bridge overpass and refund outstanding bonds.

\$20,000,000 Sales Tax Improvement Revenue Bonds, Series 2003 – payable from and collateralized by a lien upon and pledge of the state shared Sales Tax Revenues - One final annual principal installment of \$625,000 plus interest at 4% is due September 2013. Proceeds used for roadway improvements.

\$5,860,000 Certificate of Participation, Florida Master Lease Project, Series 2004 (Public Buildings Project) – obligations of the Port St. Lucie Governmental Finance Corporation which are payable from the limited and special obligation of the City to make rent payments on the multiple public buildings subject to annual appropriation, due in annual principal installments ranging from \$90,000 to \$395,000 plus interest semiannually at a rate ranging from 4.125% to 4.25% through September 2023. Due to the early call of certain bonds, no principal payment is due until September 2020. Proceeds used to finance the construction of a police building, animal shelter, and administration complex.

\$45,600,000 Refunding Certificates of Participation, Series 2008 – obligations of the Port St. Lucie Governmental Finance Corporation which are payable from the limited and special obligation of the City to make rent payments on the multiple public buildings subject to annual appropriation, due in annual principal installments ranging from \$1,845,000 to \$3,865,000 plus interest semiannually at a rate ranging from 4.0% to 6.25% through September 2027. Proceeds were used to refund the \$44,560,000 Certificates of Participation, Series 2007, which were issued for construction and improvements related to the medical research facility area of the City.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Governmental Activities Debt (continued):

\$11,870,000 Redevelopment Trust Fund Revenue Bonds, Series 2004 – payable from and collateralized by a lien upon and pledge of the net tax increment revenues generated in the Community Redevelopment Area, due in annual principal installments ranging from \$605,000 to \$915,000 plus interest semiannually at a rate ranging from 3.5% to 5.0% through January 2023. Proceeds used to finance infrastructure improvements in the CRA.

\$46,450,000 Redevelopment Trust Fund Revenue Bonds, Series 2006 – payable from and collateralized by a lien upon and pledge of the net tax increment revenues generated in the Community Redevelopment Area, due in annual principal installments ranging from \$1,300,000 to \$6,285,000 plus interest semiannually at a rate ranging from 3.904% to 5.0% through January 2026. To finance property acquisition and construction related to the Civic Center located within the Community Redevelopment Area.

\$49,285,000 General Obligation Bonds, Series 2005 – due in annual principal installments ranging from \$745,000 to \$3,140,000 plus interest ranging from 4.0% to 5.0% through July 2035. Proceeds used to finance a portion of the construction of the Cross Town Parkway.

\$44,545,000 General Obligation Bonds, Series 2006 – due in annual principal installments ranging from \$735,000 to \$3,155,000 plus interest semiannually at a rate ranging from 4.25% to 5.0% through July 2035. To finance additional phase of Cross Town Parkway.

\$5,015,000 Sales Tax Refunding Bonds, Series 2008 – payable from and collateralized by a lien upon and a pledge of the state shared sales tax revenues, due in annual principal installments ranging from \$730,000 to \$955,000 plus interest ranging from 3.5% to 4.0% through September, 2017. Proceeds were used to refund the balance of the outstanding 1998 Sales Tax Refunding and Improvement Revenue Bonds.

\$39,900,000 Lease Revenue Bonds, Series 2010A & 2010B – this issue is comprised of \$18,040,000 Series 2010A and \$21,860,000 Series 2010B (Recovery Zone Facility Bonds) – payable from and secured by a lien upon and pledge of the Trust Estate which consists of the right, title, and interest of the City to the lease payments under the lease of facilities to Digital Domain Holdings Corporation, due in annual principal installments ranging from \$1,545,000 to \$2,640,000 plus interest semiannually at rates ranging from 2.25% to 6.19% through September, 2031. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming payment.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Governmental Activities Debt (continued):

\$13,915,000 Sales Tax Refunding Revenue Bonds, Series 2011 – payable from and collateralized by a lien upon and a pledge of the state shared Sales Tax Revenues, due in annual principal installments ranging from \$640,000 to \$2,070,000 plus interest ranging from 2.0% to 5.0% through September 2023. Proceeds used to refund a majority portion of the \$20,000,000 Sales Tax Improvement Revenue Bonds, Series 2003, which proceeds were used for roadway improvements.

Special Assessment Debt with Government Commitment:

\$3,545,000 Special Assessment Bonds, Series 2001A (South Lennard Road Special Assessment District) - payable from assessments levied on subject properties within the service area, due in annual principal installments ranging from \$240,000 to \$310,000 plus interest at a rate of 7.125% through September 2021. Due to the early call of certain bonds, no principal payments are due until September, 2020.

\$7,880,000 Special Assessment District Bonds, Series 2002B – Tax Exempt; Series 2002B – Taxable (River Point Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$355,000 to \$595,000 plus interest ranging from 4.4% to 4.75% through January 2023. Due to the early call of certain bonds, no principal payments are due until January, 2018. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment. Proceeds are for infrastructure improvements.

\$9,500,000 Special Assessment Bonds, Series 2003C (Glassman Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$480,000 to \$835,000 plus interest at a rate of 6.75% through July 2023. Due to the early call of certain bonds, no principal payments are due until July, 2018. The bonds carry a “due-on-sale” clause requiring the applicable amount of principal outstanding be paid when various encumbered properties are sold by the developer.

\$10,350,000 Special Assessment Bonds, Series 2003D (East Lake Village Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$200,000 to \$775,000 plus interest ranging from 4.25% to 4.625% through July 2023. Due to the early call of certain bonds, no principal payments are due until July, 2015. The bonds carry a “due-on-sale” clause requiring the applicable amount of principal outstanding be paid when various encumbered properties are sold by the developer. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Special Assessment Debt with Government Commitment (continued):

\$18,725,000 Special Assessment District Bonds, Series 2005A – (St. Lucie Land Holdings Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$700,000 to \$1,365,000 plus interest ranging from 3.75% to 4.625% through July 2027. Due to the early call of certain bonds, no principal payments are due until July, 2016. Proceeds used to finance a portion of the cost of acquisition and improvements of roadway and drainage system additions, improvements and extensions and the potable water distribution and wastewater collection system within the SAD. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.

\$4,765,000 Special Assessment District Bonds, Series 2005B – (Utility Service Area 9 – Water and Wastewater Expansion Project) – payable from assessments levied on subject properties within the service area, due in annual principal installments beginning in 2018, ranging from \$105,000 to \$345,000 plus interest ranging from 4.125% to 4.5% through July 2025. Due to the early call of certain bonds, no principal payments are due until July, 2019. Proceeds used for water and wastewater system expansion within the SAD. The City has a secondary obligation to budget sufficient net income of the Utility System to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.

\$6,635,000 Combined Special Assessment District Bonds, Series 2007A – (Peacock and Lowry Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$175,000 to \$525,000 plus interest semiannually at a rate of 5.35% through July 2027. Due to the early call of certain bonds, no principal payments are due until July, 2022. Proceeds used for the construction of roadway and drainage system additions, improvements and extensions and the potable water distribution and wastewater collection system within the SAD.

\$155,840,000 Combined Special Assessment District Bonds, Series 2007B – (Southwest Annexation Special Assessment District) – payable from and secured by a lien upon Southwest pledged revenues, due in annual principal installments ranging from \$2,420,000 to \$9,735,000 plus interest semiannually ranging from 4.0% to 5.0% through July 2040. Due to the early call of certain bonds, no principal payments are due until July, 2015. Proceeds used for the construction of roadway and drainage system additions, improvements and extensions and the potable water distribution and wastewater collection system within the SAD. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Special Assessment Debt with Government Commitment (continued):

\$31,360,000 Special Assessment Refunding Bonds, Series 2008A – (City Center Special Assessment District) – payable from and secured by a lien upon and pledge of the City’s covenant to budget and appropriate non-ad valorem revenues sufficient to meet current debt service, due in annual principal installments ranging from \$660,000 to \$2,400,000 plus interest semiannually ranging from 4.0% to 6.5% through July 2035. Proceeds used to refund the \$25,185,000 Special Assessment District Bonds, Series 2006A, which had been issued for the construction of roadway and drainage system additions, improvements and extensions and the potable water distribution and wastewater collection system within the City Center SAD. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.

\$10,910,000 Water and Sewer Special Assessment Refunding Bonds, Series 2011A (Utilities Service Area 3 & 4) - payable from assessments levied on subject properties within the service area, due in annual principal installments ranging from \$950,000 to \$2,840,000 plus interest ranging from 1.5% to 2.0% through September, 2015. Due to the early call of certain bonds, no principal payments are due until July, 2015. The City has a secondary obligation to budget sufficient net revenues of the Utility System to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming payment. Proceeds were used to refund the balance of the outstanding \$65,455,000 Special Assessment bonds, Series 1998A (Utilities Service Area 3 & 4).

\$20,665,000 Water and Sewer Special Assessment Refunding Bonds, Series 2011B (Utilities Service Area 5, 6 & 7A) – payable from assessments levied on subject properties within the service area, due in annual principal installments ranging from \$1,230,000 to \$2,330,000 plus interest ranging from 1.5% to 3.25% through September 2021. The City has a secondary obligation to budget sufficient net revenues of the Utility System to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming payment. Proceeds were used to refund the balance of the outstanding \$54,390,000 Special Assessment Bonds, Series 2001D (Utilities Services Area 5, 6 & 7A).

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Special Assessment Debt with Government Commitment (continued):

\$15,130,000 Special Assessment Refunding Bonds, Series 2012A – Tax Exempt (Tesoro Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$2,080,000 to \$2,260,000 plus interest of 2.250% through January 2019. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment. Proceeds were used to refund the balance of the outstanding \$31,245,000 Special Assessment Bonds, Series 2003B (Tesoro Special Assessment District).

Long-term debt service requirements for each of the years subsequent to September 30, 2013 are:

<u>September 30,</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total</u>
2014	\$ 15,665,000	\$ 22,585,112	\$ 38,250,112
2015	20,425,000	21,898,452	42,323,452
2016	19,280,000	21,216,925	40,496,925
2017	20,380,000	20,457,102	40,837,102
2018	22,045,000	19,605,198	41,650,198
2019	23,870,000	18,646,759	42,516,759
2020	23,305,000	17,531,331	40,836,331
2021	25,425,000	16,392,296	41,817,296
2022	23,420,000	15,136,195	38,556,195
2023	24,655,000	14,974,300	39,629,300
2024	22,025,000	12,633,294	34,658,294
2025	23,260,000	11,608,581	34,868,581
2026	24,070,000	10,442,688	34,512,688
2027	18,730,000	9,363,081	28,093,081
2028	13,650,000	8,363,612	22,013,612
2029	14,360,000	7,662,050	22,022,050
2030	15,110,000	6,919,675	22,029,675
2031	15,905,000	6,138,150	22,043,150
2032	13,965,000	5,315,150	19,280,150
2033	14,710,000	4,587,275	19,297,275
2034	15,475,000	3,834,525	19,309,525
2035	16,280,000	3,042,050	19,322,050
2036	7,970,000	2,207,750	10,177,750
2037	8,380,000	1,809,250	10,189,250
2038	8,810,000	1,390,250	10,200,250
2039	9,260,000	949,750	10,209,750
2040	9,735,000	486,750	10,221,750
	<u>\$ 470,165,000</u>	<u>\$ 285,197,551</u>	<u>\$ 755,362,551</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Business-Type Activity Debt:

The following summary reflects the transactions of long-term obligations in the enterprise funds for the year ended September 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Stormwater Utility System Fund					
Revenue Bonds, Series 2010 A & B	\$ 36,000,000	\$ -	\$ -	\$ 36,000,000	\$ -
Revenue Bonds, Series 2011	11,220,000	-	320,000	10,900,000	900,000
Utility System Fund					
Revenue Bonds, Series 2001	4,269,818	-	1,172,103	3,097,715	1,100,670
Revenue Bonds, Series 2003	7,985,000	-	795,000	7,190,000	-
Revenue Bonds, Series 2004	13,720,000	-	715,000	13,005,000	745,000
Revenue Bonds, Series 2004A	51,645,000	-	-	51,645,000	-
Revenue Bonds, Series 2006	76,750,000	-	1,760,000	74,990,000	1,835,000
Revenue Bonds, Series 2006A	34,967,230	-	-	34,967,230	715,000
Revenue Bonds, Series 2007	114,850,000	-	5,315,000	109,535,000	5,530,000
Revenue Bonds, Series 2009	110,200,000	-	1,645,000	108,555,000	1,720,000
Revenue Bonds, Series 2012	21,375,000	-	-	21,375,000	-
	482,982,048	-	11,722,103	471,259,945	12,545,670
Compensated Absences	3,238,579	2,051,574	1,860,319	3,429,834	308,685
Add Accreted Interest on Utility System					
Revenue Bonds	6,456,555	917,258	987,898	6,385,915	-
Unamortized Bond (Discount)/Premium	11,122,220	-	1,308,531	9,813,689	-
Current Portion Payable	(12,013,575)			(12,854,355)	-
Total Proprietary Fund Long-Term Obligations	491,785,827	2,968,832	15,878,851	478,035,028	12,854,355
Other Post Employment Benefits	328,146	363,351	328,146	363,351	-
	<u>\$ 492,113,973</u>	<u>\$ 3,332,183</u>	<u>\$ 16,206,997</u>	<u>\$ 478,398,379</u>	<u>\$ 12,854,355</u>

The Stormwater Utility Revenue Bonds are collateralized by a lien upon and a pledge of the stormwater revenues derived from the operation of the stormwater utility system, the franchise revenues derived from the electric franchise fees collected from Florida Power & Light Company, and income earned on bond related investment accounts.

\$36,000,000 Stormwater Utility Revenue Bonds, Taxable Series 2010 A & B – comprised of the Taxable Series 2010A (Build America Bonds – Direct Payment) for \$26,895,000 and the Taxable Series 2010B (Recovery Zone Economic Development Bonds) – due in annual principal and sinking fund installments of \$1,285,000 to \$3,630,000, plus interest of 7.376% on Series A subject to a 35% subsidy and 6.516% and 7.176% on Series B subject to a 45% subsidy. Principal payments begin May, 2024.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Business-Type Activity Debt (continued):

\$11,325,000 Stormwater Utility Refunding Revenue Bonds, Series 2011 – due in annual principal installments of \$320,000 to \$1,325,000, plus interest ranging from 2% - 5% through May, 2023. The proceeds of this issue were used to advance refund \$11,610,000 of the outstanding balance of the Series 2002 Stormwater bonds.

The Utility System Revenue Bonds are payable solely from and secured by a lien upon and pledge of the net revenues derived from the operation of the water and sewer system and the Capital Facilities Charges (limited to the debt service component) of the Utility System.

\$52,654,418 Utility System Revenue Bonds, Series 2001 - due in annual principal installments of \$970,704 to \$1,248,458 plus interest semiannually ranging from 4.94% to 5.32% through September 2016; all remaining bonds are of the capital appreciation series.

\$61,431,495 Utility System Revenue Bonds, Series 2003 - due in annual principal installments of \$770,000 to \$3,675,000 plus interest semiannually ranging from 3.5% to 5.0% through September 2031.

\$29,165,000 Utility System Revenue Bonds, Series 2004 - due in annual principal installments of \$690,000 to \$1,890,000 plus interest semiannually ranging from 3.6% to 5.00% through September 2034.

\$51,645,000 Utility System Refunding Revenue Bonds, Series 2004A - due in annual principal installments of \$495,000 to \$12,155,000 plus interest semiannually ranging from 4.375% to 5.00% through September 2031. Principal payments begin September, 2017.

\$78,435,000 Utility System Revenue Bonds, Series 2006 – due in annual principal installments of \$1,685,000 to \$27,385,000 plus interest semiannually of ranging from 4.5% to 5.063% through September 2036. Principal payments begin September, 2012.

\$35,197,230 Utility System Refunding Revenue Bonds, Series 2006A – due in annual principal installments of \$715,000 to \$5,186,344 plus interest semiannually of ranging from 4.0% to 5.0% through September 2033. Principal payments begin September, 2017.

\$119,445,000 Utility System Refunding Revenue Bonds, Series 2007 – due in annual principal installments of \$670,000 to \$10,675,000 plus interest semiannually ranging from 4.0% to 5.25% through September 2027.

\$110,200,000 Utility System Refunding Revenue Bonds, Series 2009 – due in annual principal installments beginning in 2013, ranging from \$1,645,000 to \$16,570,000 plus interest semiannually ranging from 4.125% to 5.25% through September 2035.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT(CONTINUED)

Business-Type Activity Debt (continued):

\$21,375,000 Utility System Refunding Revenue Bonds, Series 2012 – due in annual principal installments beginning in 2016, ranging from \$770,000 to \$3,300,000 plus interest semiannually ranging from 3.75% to 5.00% through September 2029.

Long-term debt service requirements for each of the years subsequent to September 30, 2013 are:

<u>September 30,</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total</u>
2014	\$ 12,545,671	\$ 24,682,634	\$ 37,228,305
2015	13,011,340	24,202,690	37,214,030
2016	13,400,704	23,681,226	37,081,930
2017	14,650,000	21,887,630	36,537,630
2018	15,345,000	21,173,549	36,518,549
2019	16,070,000	20,421,430	36,491,430
2020	16,815,000	19,613,637	36,428,637
2021	17,630,000	18,761,724	36,391,724
2022	18,485,000	17,896,349	36,381,349
2023	19,350,000	16,998,924	36,348,924
2024	20,240,000	16,044,468	36,284,468
2025	21,240,000	15,008,250	36,248,250
2026	22,285,000	13,920,218	36,205,218
2027	25,025,000	12,768,348	37,793,348
2028	24,700,000	11,456,682	36,156,682
2029	25,825,000	10,188,989	36,013,989
2030	27,030,000	8,903,969	35,933,969
2031	28,405,000	7,522,162	35,927,162
2032	18,686,344	17,747,366	36,433,710
2033	14,050,886	17,255,353	31,306,239
2034	23,300,000	4,810,234	28,110,234
2035	22,700,000	3,563,371	26,263,371
2036	30,315,000	2,351,506	32,666,506
2037	3,145,000	749,033	3,894,033
2038	3,380,000	517,058	3,897,058
2039	3,630,000	267,749	3,897,749
	<u>\$ 471,259,945</u>	<u>\$ 352,394,549</u>	<u>\$ 823,654,494</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Utility System Fund

A summary of significant bond ordinance terms and covenants for the Utility System Revenue Bonds are as follows:

1. Principal and interest are payable from and secured by a pledge of the net revenues from the operation of the system. Pledged revenues may include ad valorem taxes, special assessments, capital facilities charges, and certain investment earnings thereon, or any combination thereof. Currently, ad valorem taxes and special assessments are not pledged as a Pledged Revenue for the bonds. The bonds do not constitute a lien on the system.
2. Depository funds will be established for the deposit of various revenues. These funds will include:
 - Revenue Fund - For deposit of the gross revenue derived from the operation of the Utility System. Monies in the trust fund are used to make deposits to the sinking fund and to pay the current operating expenses.
 - Sinking Fund - For deposit of amounts sufficient to pay the debt service requirement during the current bond year.
 - Reserve Account - For deposit of amounts equal to the reserve account requirement, which is an amount equal to the maximum annual debt service requirement. The City may substitute a reserve account credit facility for the requirements of the reserve account or a portion thereof.
 - Capital Facilities Charges Fund - for deposit of amounts collected for connection fees for new connections to the System which may be used only to pay the cost of Expansion Facilities or debt service on Bonds for which Capital Facilities Charges have been pledged.
 - Renewal and Replacement Fund - For deposit of an amount equal to 5% of the gross revenues collected during the preceding fiscal year, with a minimum of \$1,000,000 on deposit in this fund. Monies in the renewal and replacement fund may be used only for the purpose of paying the cost of emergency repairs, extensions, enlargements or additions to, or the replacement of capital assets of the Utility System.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Utility System Fund (continued)

3. The City has covenanted to establish and maintain rates at a level sufficient to provide net revenues equal to 100% of the current debt service requirement plus the required deposits into the Reserve account and the Renewal and Replacement Fund, and equal to 110% of the current debt service requirement and the required deposits, when including the investment income from the Project Fund, a calculated percentage of the capital facilities charges, and any transfers from the Rate Stabilization fund.
4. The City will not issue additional debt on the system without meeting certain parity requirements for debt coverage.
5. The 2007 bonds are not subject to redemption prior to maturity. Redemption provisions allow for the Series 2009 bonds maturing in 2019 to be redeemed after September 1, 2018 as a whole or in part at any time thereafter without premium. The bonds maturing in 2025 and 2029 are subject to mandatory redemption prior to maturity at a redemption price equal to the unpaid principal portion outstanding plus accrued interest through amortization installments.
6. In September 2000, the City entered into a Debt Service Forward Delivery Agreement with Chase Manhattan Bank regarding the debt service payments on the Series 1997A Bonds. Under that agreement the City will transfer the required monthly debt service accruals to the custodian bank rather than semi-annual payments. In consideration thereof, the City received \$2.4 million, which is being amortized over the remaining amortization period of the issue. Subsequent to that agreement, and at various times, the City defeased and/or early-called various portions of the 1997A issue on which the payments were based. By mutual agreement, the underlying debt service obligations were replaced even though the monthly payments to the debt service account maintenance by the custodian, Chase Manhattan Bank, remained the same.

Stormwater Utility Fund

A summary of significant bond ordinance terms and covenants for the Stormwater Utility Revenue Bonds, Series 2010 and 2011 is as follows:

1. Depository Funds - The bond ordinance establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of these funds, including their purpose, in order of priority of revenue transfers, are as follows:
 - Stormwater Utility Revenue Bonds Sinking Fund - For deposit of amounts sufficient to pay the debt service requirement during the current bond year.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Stormwater Utility Fund (continued)

- Stormwater Utility Trust Fund - For deposit of the gross revenue derived from the operation of the Stormwater Utility. Monies in the trust fund are used to make deposits to the sinking fund and to pay the current operating expenses.
 - Stormwater Utility Revenue Bonds Renewal and Replacement Fund - For deposit of an amount equal to 10% of the stormwater revenues collected during the preceding fiscal year, with a maximum of \$500,000 on deposit in this fund. Monies in the renewal and replacement fund may be used only for the purpose of paying the cost of emergency repairs, extensions, enlargements or additions to, or the replacement of capital assets of the stormwater utility system.
 - Electric Franchise Fee Fund - For deposit of the franchise revenues. Monies in the franchise fee fund are first used for deposit into the sinking fund of amounts necessary to ensure that there will be on deposit sufficient amounts to pay the debt service requirement or to make payments to the provider of the reserve account credit facility.
2. Stormwater Utility Rates - The City must enact utility rates adequate to provide total pledged revenues net of operating expenses, to meet the bond reserve requirements, plus 120% of debt service requirements in each bond year.
3. Sale or Disposal - Provisions are made for the sale, mortgage, lease or disposal of the system only as a whole or substantially as a whole and only if net proceeds realized from such disposal are sufficient to retire all bond obligations in accordance with provisions of the ordinance.
4. Optional Redemption - The Series 2010 A & B bonds may be redeemed prior to their stated maturities on May 1, 2020 or any date thereafter at par plus any accrued interest. The Series 2011 bonds maturing after May 1, 2021 may be redeemed prior to their stated dates of maturity, at the option of the City, in whole or in part, on May 1, 2021 or any date thereafter at par plus accrued interest to date.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

G. LONG-TERM DEBT (CONTINUED)

Stormwater Utility Fund (continued)

5. The 2010A bonds are subject to mandatory redemption prior to maturity on May 1, 2039 from amortization installments which are due beginning May 1, 2030 through May 1, 2039. The 2010B bonds maturing on May 1, 2026 are subject to mandatory redemption prior to their maturity by annual amortization installments which are due from May 1, 2024 through May 1, 2026. The 2010B bonds maturing on May 1, 2029 are subject to mandatory redemption prior to their maturity by annual amortization installments which are due beginning on May 1, 2027 through May 1, 2029.

6. Extraordinary Option Redemption – The Series 2010 A & B bonds are subject to redemption on any date prior to maturity at the option of the City upon the occurrence of an extraordinary event which is when a material adverse change has occurred to the applicable Section of the Internal Revenue Code pertaining to the “Build America Bonds” and the “Recovery Zone Economic Development Bonds” pursuant to which the City's subsidy payment is reduced or eliminated.

Refunded Debt

Refunding provides for an irrevocable deposit with an escrow agent of sufficient funds to pay principal and interest, when due, on the refunded bonds to the earliest call date. These obligations are no longer considered a liability of the City. The City has the following refunded debt issues.

Issue	Series	Date Refunded	Outstanding as of	
			Refund Date	9/30/2013
Stormwater Utility Bonds	1988	10/9/1990	\$ 13,770,000	\$ 1,150,000
City Center Special Assessment District Bonds	2006A	12/3/2008	\$ 24,330,000	\$ 19,570,000
Utility System Revenue Bonds	2004	8/15/2012	\$ 12,535,000	\$ 12,535,000

In November 2012 the City advance refunded and defeased the Special Assessment Bonds, Tax Exempt Series 2003B (Tesoro Special Assessment District), maturing January 1, 2017 through January 1, 2023 amounting to \$14,550,000. The City deposited net proceeds of \$14,893,644 from the Special Assessment Refunding Bonds, Series 2012A (Tesoro Special Assessment District) issue in an irrevocable trust account invested in U.S. Treasury Securities- State and Local Government Series and cash in sufficient amounts for future principal and interest payments until the early redemption date of January 1, 2013 at the redemption price of par. The transaction resulted in an accounting loss of \$343,645. The difference in cash flows of the old debt service compared to the new issue was a reduction of \$3,687,757. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$2,259,049. The City advance refunded the issue to reduce its annual debt service requirements.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

H. CRA TRUST FUND

The Community Redevelopment Agency has responsibility for the tax increment districts. Pursuant to Section 163.387, Florida Statutes, a Redevelopment Trust Fund serves to process the transactions relating to the tax increment district. The following schedule shows the amount and source of deposits into, and the amount and purpose of withdrawals from, the trust fund during the fiscal year ended September 30, 2013, as well as principal and interest paid during the year on the debt which is pledged with tax increment revenues. The balance of the debt remaining, which is presented as part of governmental activities debt, is shown in the subsequent schedule.

<u>Source of Deposits</u>	<u>Date</u>	<u>Amount</u>
City of Port St. Lucie	12/26/2012	\$ 487,871
St. Lucie County	12/26/2012	753,686
Sale of Fixed Assets	5/14/2013	1,000,000
City of Port St. Lucie Utility Department	Monthly	20,060
Interest Earnings	Monthly	47,196
Total Deposits		<u><u>\$ 2,308,813</u></u>

<u>Purpose of Withdrawals</u>	<u>Date</u>	<u>Amount</u>
Debt Service - Principal	12/31/2011	\$ 1,905,000
Debt Service - Interest	Semi-annual	2,378,438
Special Assessment District Payment	11/23/2010	278,293
Stormwater Utility Payment	6/9/2011	8,439
CRA Operating Expenses	Various	3,199
Total Withdrawals		<u><u>\$ 4,573,369</u></u>

<u>Principal and Interest on Indebtedness</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2004 Bonds	\$ 7,630,000	\$ 1,728,538	\$ 9,358,538
Series 2006 Bonds	<u>42,700,000</u>	<u>16,465,150</u>	<u>59,165,150</u>
Totals	<u><u>\$ 50,330,000</u></u>	<u><u>\$ 18,193,688</u></u>	<u><u>\$ 68,523,688</u></u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

NOTE IV – OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a member of the Treasure Coast Risk Management Program (TRICO, a cooperative of local governments created under Florida Statute 163). As a participant in the risk pool, the City may be assessed for any deficits of the pool, which would be required to be funded. Presently, an actuarially projected amount is being assessed to the members of the pool on an annual basis.

The City has commercial property, automobile physical damage liability, and flood coverage through the TRICO which also carries various reinsurance policies through different carriers. The property coverage is subject to a \$100,000 deductible per occurrence except wind, flood and earthquake. The City is a qualified self insurer in the State of Florida and granted sovereign immunity under Florida Statute 768.28. Liability is limited to \$200,000 per claimant/\$300,000 per occurrence. An excess general and automobile liability policy is in force which is subject to \$1,000,000 self-insured retention and tracks Florida Statute 768.28. The Workers Compensation liability policy is statutory per Florida Statute 440, including employer’s liability of \$1,000,000 occurrence, and is subject to a self-insured retention of \$1,000,000. The limits for Public Officials and Employment Practices Liability are \$1,000,000 per claim/per member/\$1,000,000 aggregate per member, subject to a TRICO pool aggregate limit of \$4,000,000, with a \$100,000 self-insured retention, except for sexual molestation which is \$225,000.

The City is self-insured for health benefits provided to employees. The various departments fund the Medical Insurance Fund (Internal Service Fund) based on the experience rate of the prior year on a per employee basis for total claims and expenses paid. The City has contracted with Florida Blue to provide administration services for the plan. Administrative fees are based upon a flat rate per employee per month and are paid out of this fund. The City purchased stop-loss insurance from Symetra Life Insurance Company. The individual stop-loss limit is \$225,000 with an additional aggregate deductible of \$168,000 and a maximum stop loss limit of \$14,543,763 in paid claims. Stop-loss payments for the past year were \$1,895,884.

The following claims incurred but not reported (IBNR) liability, estimated based on claims payment activity for two months subsequent to year end, is included in accounts payable for the Medical Trust Fund. Changes in the IBNR claims liability for the past two years are as follows:

Balance at September 30, 2011	\$ 386,881
Current Year Claims	10,006,671
Current Year Payments	<u>(9,351,051)</u>
Balance at September 30, 2012	1,042,501
Current Year Claims	11,085,866
Current Year Payments	<u>(11,641,502)</u>
Balance at September 30, 2013	<u><u>\$ 486,865</u></u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. EMPLOYEE RETIREMENT SYSTEMS

The City has three defined contribution pension plans and one defined-benefit pension plan:

- General Employees Retirement Plan
- Police Officers Retirement 401A Plan
- Employees Retirement 401A Plan
- Municipal Police Officers' Retirement Trust Fund

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

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

Combining Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2013

	General Employees'	Police Officers' Retirement 401 A	Employees' Retirement 401 A	Total
Assets				
Investments:				
Corporate Stocks	\$ 165,396	\$ -	\$ -	\$ 165,396
Mutual Funds	2,544,529	7,752,158	45,226,199	55,522,886
Cash Surrender Value of Life Insurance	212,281	-	-	212,281
Accounts Receivable	2,001	27,110	65,501	94,612
Total assets	<u>2,924,207</u>	<u>7,779,268</u>	<u>45,291,700</u>	<u>55,995,175</u>
Net Position				
Held in Trust for:				
Pension Benefits	2,924,207	7,779,268	45,291,700	55,995,175
Total Liabilities and Net Position	<u>\$ 2,924,207</u>	<u>\$ 7,779,268</u>	<u>\$ 45,291,700</u>	<u>\$ 55,995,175</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended September 30, 2013

	General Employees'	Police Officers' Retirement 401 A	Employees' Retirement 401 A	Total
Additions				
Contributions:				
City	\$ 90,229	\$ 237,160	\$ 2,943,159	\$ 3,270,548
Employee	-	-	-	-
Other Sources	5,213	120	185,607	190,940
Total Contributions	<u>95,442</u>	<u>237,280</u>	<u>3,128,766</u>	<u>3,461,488</u>
Investment Income:				
Net Appreciation in Fair Value of Investments	264,866	880,455	4,927,634	6,072,955
Total Additions	<u>360,308</u>	<u>1,117,735</u>	<u>8,056,400</u>	<u>9,534,443</u>
Deductions				
Benefit Payments	-	315,625	2,980,086	3,295,711
Administrative Costs and Charges	-	2,416	13,153	15,569
Refunds	-	-	41,914	41,914
Total Deductions	<u>-</u>	<u>318,041</u>	<u>3,035,153</u>	<u>3,353,194</u>
Change in Net Position	360,308	799,694	5,021,247	6,181,249
Total Net Position - beginning	2,563,899	6,979,574	40,270,453	49,813,926
Total Net Position - ending	<u>\$ 2,924,207</u>	<u>\$ 7,779,268</u>	<u>\$ 45,291,700</u>	<u>\$ 55,995,175</u>

General Employees' Retirement System

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amounts of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

The General Employees' Retirement System, sponsored and administered by the City, is a defined contribution plan available to all employees of the City prior to October 1, 1991. Presently, there are 10 active participants in the plan. The City is the sole contributor to the General Employees' Retirement System.

The plan requires City contributions of 10.5% of employee compensation. The funds are invested in life insurance, annuity contracts and a variable rate investment plan. The City pays the plan administrative fee; however, the contract maintenance fee is deducted from the individual contracts where applicable.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

General Employees' Retirement System (continued)

Total pension contributions for the year ended September 30, 2013 were approximately \$90,048 on covered payroll of \$857,600. The City's total payroll was \$50,178,681.

No pension provision changes occurred during the year that affected the City's required contribution. The vesting schedule allows 100% vesting after five years within the plan. At September 30, 2013 there were 17 employees vested in the plan with vested benefits of approximately \$2,922,206.

The plan held no securities of the City or other related parties as of and for the year ended September 30, 2013.

Police Officers' Retirement Plan 401A

The plan is sponsored and administered by the City as a defined contribution plan available to the eligible employees after three months of service. Presently, there are 150 active participants in the plan. At September 30, 2013 there were 150 employees vested in the plan with vested benefits of approximately \$7,752,158.

Contributions to the plan are at the rate of 10.5% for those members who are not directing the City contribution to the Municipal Police Officers' Retirement Trust Fund (MPORT).

Pension contributions for the year were \$203,969 on a covered payroll of \$1,942,567. The plan held no securities of the City or other related parties as of and for the year ended September 30, 2013.

Employees' Retirement Plan 401A

The Employees' Retirement Plan 401A is sponsored and administered by the City as a defined contribution plan available to all employees after three months of service. Presently, there are 796 active participants in the plan.

The plan allows City contributions of 10.5% of employee compensation. The participant has a choice of multiple investment options within the fund with each account bearing the cost of the annual maintenance charge, if applicable.

Pension contributions for the year ended September 30, 2013 were approximately \$2,871,258 on covered payroll of \$27,186,367 for those employees directing their pension contribution to the fund. At September 30, 2013 there were 721 employees vested in the plan with vested benefits of approximately \$44,124,543.

There were no pension provision changes to this plan during the year that affected the required contribution. The vesting schedule on this plan allows 100% vesting after five years service with the City.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Employees' Retirement Plan 401A (continued)

The plan held no securities of the City or other related parties as of and for the year ended September 30, 2013.

The three defined contribution pension plans do not issue a stand-alone financial statement.

Municipal Police Officers' Retirement Trust Fund

Plan Description and Contributions

The Municipal Police Officers' Retirement Trust Fund (plan), which is a single-employer defined benefit public employees retirement system (PERS), was established under the provisions of Chapter 185 of the Statutes of the State of Florida, and is accounted for in the Municipal Police Officers' Retirement Trust Fund. The plan is managed and administered by the five-member Retirement Board, which includes two Council appointees, two members of the department elected by the membership, and a fifth member elected by the other four and appointed by the Council. There are presently 194 active participants in the plan of which 174 are vested for normal retirement.

The total payroll of the police department is \$18,656,245 with a covered payroll of \$13,730,646. Covered payroll refers to all compensation paid by the City to active employees covered by the plan on which contributions are based. Total contributions to the plan for the year amounted to \$5,293,328, of which \$1,235,567 were employee contributions, \$3,085,280 were City contributions, and \$972,481 were state contributions. The state contributions are recorded as revenue and personnel fringe benefit expenditures in the City's general fund before being recorded as a contribution in this plan. Employee contributions averaged 9% of covered payroll. The City contributes the actuarial required amount (\$3,085,280) to the plan which was at the rate of 22.47% of pensionable payroll derived from member contributions. The funding policy for the plan is actuarially determined in that an annual actuarial valuation performed each year to determine the required contribution to the Plan. The contribution requirements to cover normal cost, as of the October 1, 2011, actuarial report, for the Plan's year ending September 30, 2013 were total contributions of \$2,706,598 (19.92% of anticipated covered payroll) of which \$1,343,628 were estimated member contributions, \$717,100 were the State contributions, and the balance of \$645,870 in employer contributions.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Municipal Police Officers' Retirement Trust Fund (continued)

Plan Description and Contributions (continued)

The plan provides for normal retirement at age 55 with 10 years of service or age 52 with 25 years of service. Normal retirement benefits are calculated at 3.09% per service year based on the participant's compensation of the highest 5 years during the past 10 years of employment. In the current valuation, the assumed mortality rates use the RP2000 Combined Healthy Mortality Table. Previously, the entry age actuarial cost method was used to determine all benefits under the 1983 Group Annuity Mortality Table with the level percentage of payroll method (closed) used for amortizing unfunded actuarial liability. Under the provisions of the plan, pension benefits vest fully after 5 years of full-time employment as a sworn police officer; however, if an employee terminates with the City, funds must remain in the plan until normal retirement age to realize that vesting. The actuarial assumptions include an inflation rate of 3.0%, an investment rate of return of 8.0%, and projected salary increases of 5.0% with no post retirement benefit increases. The plan liabilities are systematically funded as a level percentage of anticipated payroll over the average future working lifetime of the plan participants and a remaining amortization period of 22 years. The plan is funded by employee contributions of 9% of salary, the annual actuarial required employer contribution, \$3,085,280, and the proceeds of the .85% tax on casualty insurance premiums on property within the municipal limits of the City. Currently, all new sworn officers are required to participate in the plan upon gaining employment by the City. The plan has no allowances for post employment benefit increases subsequent to retirement date calculations.

The plan issues a stand-alone financial report. That report may be obtained by contacting the Plan Administrator, Ms. Sandra Steele at the Port St. Lucie Police Department, 121 S.W. Port St. Lucie Blvd, Port St. Lucie, Florida.

Plan Membership

At September 30, 2013, membership of the plan consisted of the following:

	Number of Participants
Retirees and Beneficiaries Currently Receiving Benefits	39
DROP Retirees	7
Terminated Employees not yet Receiving Benefits	19
Total	65
Current Employees:	
Employer-Financed Vested	174
Employer-Financed Non vested	20
Total	194

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Funding Status and Progress

The development of the Net Pension Asset to date is as follows:

	2011	2012	2013
Actuarially Determined			
Contribution (A)	\$ 2,927,316	\$ 3,173,837	\$ 3,802,380
Interest on NPA	(112,938)	(111,144)	(101,427)
Adjustment to (A)	134,050	150,877	143,449
Annual Pension Costs	2,948,428	3,213,570	3,844,402
Contributions Made	2,927,316	3,173,837	3,802,380
Increase in NPA	21,112	39,733	42,022
NPA Beginning of Year	(1,328,686)	(1,307,574)	(1,267,841)
NPA End of Year	\$ (1,307,574)	\$ (1,267,841)	\$ (1,225,819)
% of APC Contributed	100%	100.0%	100.0%

The funded status of the plan is as follows:

SCHEDULE OF FUNDING PROGRESS

	(1)	(2)	(3)	(4)	(5)	(6)
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) Entry Age	FUNDED RATIO (%) (1)/(2)	UNFUNDED AAL (UAAL) (2)-(1)	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL (%) (4)/(5)
10/1/13	\$ 52,046,961	\$ 70,159,260	74.18	\$ 18,112,299	\$ 14,577,758	124.25

The total contributions for the plan for the past three years was in excess of the annual pension cost. The current years actuarial analysis reflected actual contributions exceeding the required contributions for the year ended September 30, 2013. Detailed information regarding the funding of the plan is contained in the Supplementary Information accompanying the financial statements. The General Fund carries the funding responsibility for the plan and has made the contributions in the past to liquidate the net pension obligation.

Currently an annual actuarial evaluation is performed for and funded by the Plan. The most recent actuarial valuation was performed for the year ended September 30, 2013. Other information regarding contributions and funding progress is included as supplementary information to this report. The method used in determining valuation of assets is based on a four year moving weighted average of the ratio of market value to cost value. This technique has the effect of smoothing short-term market fluctuations. The amortization method used in the calculations is based on a level payment of payroll-closed, with a recovery amortization period of 21 years.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Florida Retirement System Plan

Plan Description: The City's elected officials (mayor and four council members) participate in the Elected Officers Class of the Florida Retirement System (FRS), a cost sharing, multiple-employer public employee retirement system, administered by the Florida Department of Management Services. Effective July 1, 2011, the FRS became a contributory plan for all members whereby members contribute 3% and employers pay a rate based upon each member's employment class.

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). The mayor and council members elected to participate in the Pension Plan. If the employee enrolled in the FRS prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age. Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement.

Florida Statutes Chapter 121, as may be amended from time to time by the state legislature, determines contribution rates for the Elected Officers' Class of the FRS. The FRS issues a publicly available financial report that includes financial statements, ten-year historical trend information and other required supplementary information. That report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, Attention: Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the web site at www.dms.myflorida.com.

Funding Policy: The FRS Elected Officers Class contribution rates in effect during the period ended September 30, 2012, are as follows (contribution rates are in agreement with the actuarially determined rates):

	07/01/11 to <u>06/30/12</u>	07/01/12 to <u>06/30/13</u>	07/01/13 to <u>09/30/13</u>
Elected Officers Class	14.14%	13.23%	36.03%

Contributions to the FRS for the fiscal years ended September 30, 2011, 2012, and 2013, were equal to 14.14%, 13.23% and 36.03% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2011, 2012, and 2013 were \$25,662, \$18,250 and \$28,026 respectively, which are equal to 100% of the required contribution for each year. Employee contributions for the fiscal years ended September 30, 2011, 2012 and 2013 were \$1,337, \$5,025 and \$5,138 respectively.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

C. 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 claims are paid. The actuarial valuation as of October 1, 2012 for the year ended September 30, 2013, the date of the most recent actuarial valuation available, those costs totaled approximately \$1,564,245.

Premiums paid by retirees for the year total approximately \$383,531.

Section 112.0801, Florida Statutes, requires all public employers to allow their retirees to participate in the same health group plan or self-insurance plan offered to their active employees. There are currently 115 City retirees, spouses and other dependents participating in the health insurance plan. There are a total of 818 active participants in the plan of which 461 are not yet eligible to receive benefits.

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. The funding of the plan is from the various funds in the City that incur payroll-related expenses such as the General Fund, Road & Bridge Fund, and Utility System Fund as being the primary obligors. These funds have expended money in the past to liquidate the OPEB net benefit obligation.

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Normal Cost(service cost for one year)	\$ 767,489	\$ 733,928	\$ 785,303
Amortization of Unfunded Actuarial	803,463	884,736	778,942
Annual Required Contribution	<u>1,570,952</u>	<u>1,618,664</u>	<u>1,564,245</u>
Interest on prior year Net OPEB	136,426	94,888	60,612
Adjustment to ARC	(154,018)	(109,239)	(69,778)
Contributions and accrued contributions	<u>(2,016,819)</u>	<u>(2,093,980)</u>	<u>(1,462,185)</u>
Increase (Decrease) in Net OPEB Obligation	(463,459)	(489,667)	92,894
Net OPEB Obligation-beginning of year	<u>1,819,008</u>	<u>1,355,549</u>	<u>865,882</u>
Net OPEB Obligation-end of year	<u><u>\$ 1,355,549</u></u>	<u><u>\$ 865,882</u></u>	<u><u>958,776</u></u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

The City's annual OPEB cost, employer contributions toward that cost, percentage of OPEB cost contributed, and the net OPEB obligation for 2013 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions Toward OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2013	\$ 1,555,079	\$ 1,462,185	94.03%	\$ 958,776
9/30/2012	\$ 1,604,313	\$ 2,093,980	130.52%	\$ 865,882
9/30/2011	\$ 1,553,360	\$ 2,016,819	129.84%	\$ 1,355,549

The funded status of the plan is as follows:

SCHEDULE OF FUNDING PROGRESS

(1)	(2)	(3)	(4)	(5)	(6)	
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	% FUNDED RATIO (1)/(2)	UNFUNDED AAL (UAAL) (2)-(1)	COVERED PAYROLL (4)/(5)	% UAAL AS A PERCENTAGE OF COVERED PAYROLL (4)/(5)
10/1/2010	\$ 2,805,355	\$ 12,294,558	22.8	9,489,203	\$ 44,737,535	21.2
10/1/2011	\$ 4,098,640	\$ 15,077,358	27.2	10,978,718	\$ 43,623,651	25.2
10/1/2012	\$ 6,338,100	\$ 16,004,025	39.6	9,665,925	\$ 43,356,379	22.3

The amortization of the Actuarial Liability was calculated using the level dollar of projected payroll method on the maximum open period of 30 years. The actuarial calculations were based on the Projected Unit Credit Actuarial Cost Method.

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

The schedule of funding progress included as supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over the course of time. The OPEB plan does not issue a separate, stand-alone audited financial statement.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Funding Policy

The City instituted a cost sharing agreement with retired employees for individual coverage only. The contribution requirements of plan members and the City are established and may be amended by the City Council. These contributions are neither mandated nor guaranteed. The City has retained the right to unilaterally modify its payment for retiree health care benefits. Administrative costs are financed through investment earnings. As of September 30, 2013, the most recent actuarial valuation date, the plan was funded by the City in addition to the implicit contribution subsidy. Retiree members contribute approximately \$492 per month for individual coverage. Spousal, family and additional rates are also part of the plan which are also based on rates charged of employees. The plan pays up to 80% of the individual premium for each insured according to the age/service formula factor of the retiree. Spouses and other dependents are eligible for coverage, but the retiree is responsible for the entire cost, there is no direct plan subsidy. The unfunded actuarial accrued liability was \$9,665,925.

Actuarial Methods and Assumption

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

In the October 1, 2012 actuarial valuation, the Projected Unit Credit Actuarial Cost Method was used. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The unit credit method then provides a systematic funding for the anticipated payments. The yearly Annual Required Contribution (ARC) is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. The initial unfunded actuarial accrued liability is being amortized as a level dollar amount over an open period of 30 years and changes in the UAAL are amortized over the remaining portion of the 30 year period.

The demographic assumptions are based on assumptions used in the Florida Retirement System and adopted by the Florida Retirement System Board except for Police Officers which are consistent with those used by the City of Port St. Lucie Municipal Police Officers' Retirement Trust Fund. The actuarial assumptions have been adjusted to reflect a 7.0% discount rate, compounded annually, net of investment expenses and a 2.75% inflation rate. In the most recent actuarial valuation, the annual healthcare cost trend rate has been set at 6.1%, reduced in multi-year increments to an ultimate rate of 4.7%.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

D. CONTINGENCIES

The City is a defendant in various lawsuits arising in the normal course of business, including claims for property damages, personal injuries, and personnel practices. In the opinion of management, the ultimate outcome of these lawsuits, some of which are covered by insurance, will not have a material adverse effect on the City's financial position.

E. CONDUIT DEBT

The City issued conduit debt of \$64,035,000 (Research Facilities Revenue Bonds, Series 2010) in May 2010 to provide financial assistance in the form of a loan to a non-profit private sector entity for the acquisition and construction of land, building, furniture and equipment for biomedical research, development, training and educational facilities located within the City. Bond proceeds were also used to fund capitalized interest until November, 2012, the Debt Service Reserve Fund, and pay costs of issuance. Although conduit debt bears the name of the City as issuer, it is collateralized by the resources provided by the loan with the third party on whose behalf they are issued. The City acts solely as a conduit issuer with respect to the debt. The City's only obligation is a covenant to budget and appropriate when and, if necessary, amounts needed to replenish the Debt Service Reserve Fund, if that fund is ever accessed under terms of the indenture for debt service requirements. Neither the City nor the State, or any political subdivision thereof, are obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as a liability in the accompanying financial statement. At September 30, 2013, the Industrial Revenue bonds outstanding principal balance was \$63,020,000.

F. RESTATEMENT OF BEGINNING NET POSITION

Statement No. 34 of the Governmental Accounting Standards Board requires the statement of net position and the statement of activities to be prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues resulting from nonexchange transactions should be recognized when the government has an enforceable legal claim to the resources. The City imposes special assessments on properties that benefit from capital improvements constructed by the City. Property owners have the option to pay the assessment in full or make installment payments over twenty years. In previous fiscal years the balance of the unpaid assessments was reported as deferred revenues on the statement of net position. However, the assessments should have been reported as revenues in the statement of activities at the time the assessments were imposed. Accordingly, the balances of unpaid assessments as of September 30, 2012, have been recognized as revenue and beginning net position as of October 1, 2012, has been restated as follows:

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

F. RESTATEMENT OF BEGINNING NET POSITION (CONTINUED)

Statement of Net Position	
	Governmental Activities
Beginning Net Position, Previously reported	\$ 349,185,512
Add: 9/30/2012 Unpaid Assessments	\$ 307,843,638
Beginning Net Position, Restated	\$ 657,029,150

For the fiscal year ending September 30, 2012, beginning net position for governmental activities should have been \$674,057,642 and the change in net position for governmental activities should have been (\$17,028,492). As a result, the fiscal year 2012 change in net position for governmental activities should have been reduced by \$13,846,158 from what was previously presented.

Required
Supplemental
Information

CITY OF PORT ST. LUCIE, FLORIDA

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2013**

	Original Budget	Final Budget	Actual	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Positive (Negative)
REVENUES							
Taxes	\$ 38,973,637	\$ 38,973,637	\$ 39,542,423	\$ -	\$ -	\$ 39,542,423	\$ 568,786
Licenses and Permits	9,206,661	9,206,661	8,759,309	-	-	8,759,309	(447,352)
Intergovernmental	7,395,064	7,600,245	8,959,825	-	-	8,959,825	1,359,580
Charges for Services	2,030,618	2,043,956	3,780,142	-	-	3,780,142	1,736,186
Human Services Fees	100,750	100,750	109,691	-	-	109,691	8,941
Fines and Forfeitures	666,900	797,515	1,805,559	-	-	1,805,559	1,008,044
Interest on Investments	72,001	72,001	139,717	-	-	139,717	67,716
Impact Fees	48,404	48,404	144,841	-	-	144,841	96,437
Developers Contributions	28,700	31,459	43,750	-	-	43,750	12,291
Other	899,959	928,023	1,626,965	-	-	1,626,965	698,942
Total Revenues	59,422,694	59,802,651	64,912,222	-	-	64,912,222	5,109,571
EXPENDITURES							
General Government							
Legislative	418,470	436,723	419,050	-	-	419,050	17,673
Executive - City Manager	364,951	374,587	312,994	-	-	312,994	61,593
Executive - City Clerk	509,182	515,401	468,331	-	-	468,331	47,070
Financial and Administrative	642,478	671,248	600,332	-	-	600,332	70,916
Human Resources	420,794	430,755	280,295	-	-	280,295	150,460
Communications	425,791	466,508	380,949	-	-	380,949	85,559
Community Services	156,762	165,323	151,454	-	-	151,454	13,869
Risk Management	118,194	119,665	66,405	-	-	66,405	53,260
Information Services	1,332,820	2,999,995	2,681,075	-	-	2,681,075	318,920
Office of Management and Budget	654,705	656,705	632,910	-	-	632,910	23,795
Legal Counsel	744,427	824,685	709,969	-	-	709,969	114,716
Comprehensive Planning	761,920	781,810	762,353	1,104	-	761,249	20,561
Other General Government	1,717,090	5,062,998	4,778,520	-	-	4,778,520	284,478
Total General Government	8,267,584	13,506,403	12,244,637	1,104	-	12,243,533	1,262,870
Public Safety:							
Community Services	5,088,258	4,852,027	4,178,019	8,250	-	4,169,769	682,258
Law Enforcement - Administrative	3,364,579	3,926,968	3,844,150	-	41,707	3,885,857	41,111
Special Investigations	1,449,523	1,490,236	1,444,918	-	-	1,444,918	45,318
Criminal Investigations	3,569,135	3,608,254	3,310,647	-	-	3,310,647	297,607
Drug Abuse Resistance Education	-	2,088	1,352	-	-	1,352	736
Voca/Domestic Violence Grant	74,813	74,813	73,457	-	-	73,457	1,356
Neighborhood Policing	20,158,854	20,289,784	19,928,090	-	-	19,928,090	361,694
Occupational Licenses	481,184	481,184	471,920	-	-	471,920	9,264
Code Compliance	1,472,012	1,495,042	1,372,784	-	-	1,372,784	122,258
Police Services	580,347	580,347	532,111	-	-	532,111	48,236
Emergency and Disaster Relief	49,782	81,642	60,749	-	-	60,749	20,893
School Crossing Guards	440,687	462,287	437,181	-	-	437,181	25,106
Nuisance Abatement Program	218,009	298,009	276,886	-	-	276,886	21,123
Other Public Safety	25,000	25,000	28,455	-	-	28,455	(3,455)
Total Public Safety	36,972,183	37,667,681	35,960,719	8,250	41,707	35,994,176	1,673,505

CITY OF PORT ST. LUCIE, FLORIDA

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2013**

	Original Budget	Final Budget	Actual	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Positive (Negative)
Physical Environment:							
Building Maintenance	723,469	723,469	696,714	-	-	696,714	26,755
Air Conditioning Maintenance	138,828	138,828	104,875	-	-	104,875	33,953
Total Physical Environment	862,297	862,297	801,589	-	-	801,589	60,708
Transportation:							
Municipal Garage	29,176	29,176	37,777	-	-	37,777	(8,601)
Economic Environment:							
Employment Opportunity and Development	27,402	27,402	13,696	-	-	13,696	13,706
Industry Development	50,000	50,000	50,052	-	-	50,052	(52)
Total Economic Environment	77,402	77,402	63,748	-	-	63,748	13,654
Human Services							
Animal Control	1,220,315	1,220,315	1,149,117	-	-	1,149,117	71,198
Culture and Recreation:							
Recreation	780,536	763,841	682,927	-	-	682,927	80,914
Administration	545,615	549,740	519,421	-	-	519,421	30,319
Parks	3,592,081	3,569,372	3,416,619	-	-	3,416,619	152,753
Airoso Community Center	730,450	767,380	710,670	-	-	710,670	56,710
Ravenswood Recreation Center	6,250	6,250	1,996	-	-	1,996	4,254
Gymnasium	365,655	365,655	294,234	-	-	294,234	71,421
Turf Maintenance Division	638,641	657,141	599,926	-	-	599,926	57,215
Civic Center	662,802	676,080	639,964	-	-	639,964	36,116
Fitness Center	229,487	230,787	260,454	-	-	260,454	(29,667)
Botanical Gardens	120,056	109,056	94,819	-	-	94,819	14,237
Village Square Garage	600,679	618,793	605,334	-	-	605,334	13,459
Civic Center-Recreation	489,352	495,934	510,616	-	-	510,616	(14,682)
Civic Center-Hospitality	449,398	445,423	423,295	-	-	423,295	22,128
Special Events	40,800	37,020	29,739	-	-	29,739	7,281
Total Culture and Recreation	9,251,802	9,292,472	8,790,014	-	-	8,790,014	502,458
Capital Outlay							
Capital Outlay	2,000	1,920	-	-	-	-	1,920
Principal	707,737	730,000	730,000	-	-	730,000	-
Interest	183,238	160,975	160,975	-	-	160,975	-
Total Debt Service	892,975	892,895	890,975	-	-	890,975	1,920
Total Expenditures and Encumbrances	57,573,734	63,548,641	59,938,576	9,354	41,707	59,970,929	3,577,712
Excess Revenues over (under) expenditures	1,848,960	(3,745,990)	4,973,646	(9,354)	(41,707)	4,941,293	8,687,283
OTHER FINANCING SOURCES (USES)							
Transfers In	1,018,893	1,279,205	3,234,913	-	-	3,234,913	1,955,708
Transfers Out	(2,780,113)	(6,094,159)	(5,701,527)	-	-	(5,701,527)	392,632
Proceeds from Sale of Assets	-	2,300,000	2,300,000	-	-	2,300,000	-
Issuance of Debt	-	3,462,894	-	-	-	-	(3,462,894)
Total Other Financing Sources (uses)	(1,761,220)	947,940	(166,614)	-	-	(166,614)	(1,114,554)
Net change in fund balance	87,740	(2,798,050)	4,807,032	(9,354)	(41,707)	4,774,679	7,572,729
Fund Balance - beginning			19,458,115				
Fund Balance - ending			<u>\$ 24,265,147</u>				

CITY OF PORT ST. LUCIE, FLORIDA
Required Supplementary Information
Community Redevelopment Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013

	Original Budgeted Amount	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES							
Intergovernmental	\$ 755,014	\$ 753,648	\$ 753,686	\$ -	\$ -	\$ 753,686	\$ 38
Interest on Investments	17,200	17,200	47,196	-	-	47,196	29,996
Other	11,404	21,400	20,060	-	-	20,060	(1,340)
Total revenues	<u>783,618</u>	<u>792,248</u>	<u>820,942</u>	<u>-</u>	<u>-</u>	<u>820,942</u>	<u>28,694</u>
EXPENDITURES							
Economic Environment	340,973	346,252	289,931	5,279	-	284,652	61,600
Principal	1,600,000	1,600,000	1,905,000	-	-	1,905,000	(305,000)
Interest	2,683,438	2,683,438	2,378,438	-	-	2,378,438	305,000
Total expenditures	<u>4,624,411</u>	<u>4,629,690</u>	<u>4,573,369</u>	<u>5,279</u>	<u>-</u>	<u>4,568,090</u>	<u>61,600</u>
Excess (deficiency) of revenues over (under) expenditures	(3,840,793)	(3,837,442)	(3,752,427)	(5,279)	-	(3,747,148)	90,294
OTHER FINANCING SOURCES (USES)							
Transfers In	1,488,720	1,487,871	487,871	-	-	487,871	(1,000,000)
Proceeds from Sale of Assets	-	-	1,000,000	-	-	1,000,000	1,000,000
Total other financing sources (uses)	<u>1,488,720</u>	<u>1,487,871</u>	<u>1,487,871</u>	<u>-</u>	<u>-</u>	<u>1,487,871</u>	<u>-</u>
Net change in fund balance	(2,352,073)	(2,349,571)	(2,264,556)	(5,279)	-	(2,259,277)	90,294
Fund balance - beginning	-	-	3,041,771	-	-	3,041,771	3,041,771
Fund balance - ending	<u>\$ (2,352,073)</u>	<u>\$ (2,349,571)</u>	<u>\$ 777,215</u>	<u>\$ (5,279)</u>	<u>\$ -</u>	<u>\$ 782,494</u>	<u>\$ 3,132,065</u>

CITY OF PORT ST. LUCIE, FLORIDA
Required Supplementary Information
SW Annexation District 1 Collection Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013

	Original Budgeted Amount	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES							
Charges for Services	\$ 10,869,184	\$ 10,869,184	\$ 11,384,641	\$ -	\$ -	\$ 11,384,641	\$ 515,457
Interest on Investments	286,000	286,000	80,131	-	-	80,131	(205,869)
Total revenues	<u>11,155,184</u>	<u>11,155,184</u>	<u>11,464,772</u>	<u>-</u>	<u>-</u>	<u>11,464,772</u>	<u>309,588</u>
EXPENDITURES							
Physical Environment	229,000	235,693	139,140	-	-	139,140	96,553
Principal	3,000,000	5,673,307	4,500,000	-	-	4,500,000	1,173,307
Interest	7,032,425	7,287,425	7,287,425	-	-	7,287,425	-
Total expenditures	<u>10,261,425</u>	<u>13,196,425</u>	<u>11,926,565</u>	<u>-</u>	<u>-</u>	<u>11,926,565</u>	<u>1,269,860</u>
Net change in fund balance	893,759	(2,041,241)	(461,793)	-	-	(461,793)	1,579,448
Fund balance - beginning	-	-	14,911,790	-	-	14,911,790	14,911,790
Fund balance - ending	<u>\$ 893,759</u>	<u>\$ (2,041,241)</u>	<u>\$ 14,449,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,449,997</u>	<u>\$ 16,491,238</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO SCHEDULES OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
September 30, 2013

The City's Office of Management and Budget prepares an annual operating budget for all governmental funds except Capital Project Funds which are subject to budgetary control on a project basis. The level of budgetary control is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. Revisions that alter the budgeted totals of any department require approval of the City Council. Unencumbered appropriations lapse at year-end.

Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles, except encumbrances are presented as expenditures.

Encumbrances – under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation in the governmental funds. Encumbrances outstanding at year-end are reported as fund balance - committed and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year when the corresponding expenditure will be recorded as paid.

CITY OF PORT ST. LUCIE, FLORIDA
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
September 30, 2013

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

FISCAL YEAR	EMPLOYER CONTRIBUTIONS	STATE CONTRIBUTIONS	TOTAL	ANNUAL REQUIRED CONTRIBUTION	% FUNDED
2013	\$ 3,085,280	\$ 717,100	\$ 3,802,380	\$ 3,802,380	100.0
2012	\$ 2,456,737	\$ 717,100	\$ 3,173,837	\$ 3,173,837	100.0
2011	\$ 2,210,216	\$ 717,100	\$ 2,927,316	\$ 2,927,316	100.0

SCHEDULE OF FUNDING PROGRESS

(1)	(2)	(3)	(4)	(5)	(6)
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) Entry Age	% FUNDED RATIO (1)/(2)	UNFUNDED AAL (UAAL) (2)-(1)	% UAAL AS A PERCENTAGE OF COVERED PAYROLL (4)/(5)
10/1/2013	\$ 52,046,961	\$ 70,159,260	74.18	\$ 18,112,299	124.25
10/1/2012	\$ 45,213,211	\$ 64,829,083	69.74	\$ 19,615,872	144.39
10/1/2011	\$ 39,521,170	\$ 62,430,871	63.30	\$ 22,909,701	170.38

Source: City of Port St. Lucie Police Officers' Retirement Trust Fund Actuarial Valuation as of 10/1/13.

CITY OF PORT ST. LUCIE, FLORIDA
OTHER POST EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTAL INFORMATION
September 30, 2013

SCHEDULE OF FUNDING PROGRESS

	(1)	(2)	(3)	(4)	(5)	(6)
						%
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	% FUNDED RATIO (1)/(2)	UNFUNDED AAL (UAAL) (2)-(1)	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL (4)/(5)
October 1, 2010	\$ 2,805,355	\$ 12,294,558	23.0	\$ 9,489,203	\$ 44,737,535	21.2
October 1, 2011	\$ 4,098,640	\$ 15,077,358	27.2	\$ 10,978,718	\$ 43,623,651	25.2
October 1, 2012	\$ 6,338,100	\$ 16,004,025	39.6	\$ 9,665,925	\$ 43,356,379	22.3

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FISCAL YEAR ENDED	ANNUAL OPEB COST	EMPLOYER CONTRIBUTIONS	% OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATION
9/30/2011	1,553,360	2,016,819	129.84%	1,355,549
9/30/2012	1,604,313	2,093,980	130.52%	865,882
9/30/2013	1,555,079	1,462,185	94.03%	958,776

Source: Actuarial Valuation of Postretirement Benefits under GASB 45 for City of Port St. Lucie, Florida

Combining Statements and Schedules

NonMajor Government Funds

NONMAJOR GOVERNMENT FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The City maintains the following Special Revenue Funds:

Road and Bridge Fund – to account for expenditures associated with the maintenance and repair of the City's roads, bridges and right of way. Revenues are provided by gas taxes, an assignment of ad valorem taxes, charges for services and interfund transfers.

Street Lighting Fund – to account for expenditures of residential street lighting districts. Revenues are provided by assessments on all benefiting properties as authorized by Ordinance 09-64.

Law Enforcement Impact Fee Fund – to account for the receipt of law enforcement impact fees authorized by Ordinance 89-134 (as amended by Ordinance 13-27). Proceeds must be used for expenditures associated with law enforcement capital improvements and capital needs of new police officers required as a result of community growth.

Governmental Finance Corporation Fund- to account for lease payments from the City and public building impact fees authorized by Ordinance 06-64 (as amended by Ordinance 13-24) which are used to pay the principal and interest on the Certificates of Participation issued by the Governmental Finance Corporation.

Building Department Fund – Section 553.80(7), Florida Statutes, requires all revenues and expenditures associated with the protective inspections provided by the building department to be accounted for in a separate fund.

Water & Sewer Assessment Collection Fund – SAD I, Phase I- to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of water and sewer extensions and improvements in Special Assessment District I, Phase I.

Water & Sewer Assessment Collection Fund – SAD I, Phase II – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of water and sewer extensions and improvements in Special Assessment District I, Phase II.

Water & Sewer Assessment Collection Fund – USA 3-4 – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of water and sewer extensions and improvements in Special Assessment District 3-4.

Water & Sewer Assessment Collection Fund – USA 5-6-7A – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of water and sewer extensions and improvements in Special Assessment District 5-6-7A.

Water & Sewer Assessment Collection Fund – USA 9 – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of water and sewer extensions and improvements in Special Assessment District USA 9.

South Lennard Road Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of roadway, drainage and water and sewer extensions and improvements in the South Lennard Road project.

River Point Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the River Point Special Assessment District project.

Tesoro Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities, communications, public safety, re-use irrigation and water and sewer extensions and improvements within the Tesoro Special Assessment District project.

Glassman Special Assessment District Collection Fund - to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the Glassman Special Assessment District project.

East Lake Village Special Assessment District Collection Fund - to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the East Lake Village Special Assessment District project.

St. Lucie Land Holding Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the St. Lucie Land Holding Special Assessment District project.

City Center Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the City Center Special Assessment District project.

Peacock and Lowry Combined Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the Peacock and Lowry Combined Special Assessment District project.

Economic Development Fund – to account for developer contributions dedicated to expenditures associated with development that stimulates the economy.

Wyndercrest DDMG Fund – to account for the lease payments from Digital Domain Media Group pledged for the payment of principal and interest on the 2010 Lease Revenue Bonds.

Community Development Block Grant (CDBG) Entitlement Fund – to account for the revenues and expenditures of the Federal Community Development Block Grant Funds which are used for the purpose of financing services and improvements beneficial to the moderate-to-low income earners of the community.

Local Housing Assistance Trust Fund – to account for the proceeds and expenditures of the funds provided by the State of Florida under the State Housing Initiative Partnership (SHIP) program. The source of these funds is from the documentary stamp tax and is used to provide financing for affordable housing to individuals in certain income ranges to assist in making repairs to their homes or in purchasing a new or existing home.

Neighborhood Stabilization Program NSP I and NSP III Grant Funds – to account for Federal Grant program revenues and expenditures to acquire, rehabilitate, demolish and redevelop foreclosed and abandoned residential properties in order to help stabilize neighborhoods.

National Pollution NPDES Fund – to account for the revenues and expenditures to comply with the state and federal regulation placed upon the City by EPA with the clean water act.

Law Enforcement Trust Fund – to account for revenues from confiscated property in accordance with the "Florida Contraband Forfeiture Act" and expenditures for the support of special crime fighting activities.

Conversation Trust Fund – to account for revenues from developers as required by Ordinance 92-30 (as amended by Ordinance 96-90) and interest income used for conservation programs of the City.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

The City maintains the following Capital Projects Funds:

Parks Capital Improvement Fund – to account for the receipt of parks and recreation impact fees authorized by Ordinance 05-86 (as amended by Ordinance 13-25). Proceeds must be used for the acquisition of land and construction of major capital parks improvements.

Capital Improvement Fund – to account for the revenues and expenditures associated with general major capital improvements and acquisitions. The funding resources include general tax revenue, interest income, bond proceeds, and transfers from other funds.

Becker Road Capital Improvement Fund – to account for developer contributions used for expenditures associated with the acquisition of property and construction of Becker Road.

Crosstown Parkway Improvement Fund – to account for the expenditures associated with the acquisition of land and construction of the Crosstown Parkway. Funding is provided by the issuance of ad valorem tax supported bonds and federal and state grants.

Road and Bridge Capital Improvement Fund – to account for revenues and expenditures associated with major road and culvert improvements, including the annual street resurfacing program. The funding resources include general tax revenues, road impact fees authorized by Ordinance 05-87 (as amended by Ordinance 13-26), interest income, and transfers from other funds.

Parks MSTU Capital Improvement Fund – to account for the use of specific voter approved ad valorem taxes and expenditures associated with the Parks and Recreation improvement projects.

Southwest Annexation Special Assessment District No. 1 Fund – to account for proceeds of the special assessment bond proceeds used to pay the cost of constructing roadways, drainage facilities and water and sewer extensions and improvements within the Southwest Annexation area.

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013**

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 24,739,143	\$ 20,043,343	\$ 44,782,486
Receivables	656,774	-	656,774
Assessments Receivable	140,903,586	-	140,903,586
Due From Other Funds	21,975	-	21,975
Due From Other Governmental Units	1,173,160	565,239	1,738,399
Prepaid Items	110,727	-	110,727
Deposits	10,792	-	10,792
Inventories	3,987,369	-	3,987,369
Restricted Equity in Pooled Cash and Investments	6,035,784	-	6,035,784
Total assets	\$ 177,639,310	\$ 20,608,582	\$ 198,247,892
Liabilities, deferred inflows, and fund balances			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 1,218,446	\$ 1,602,814	\$ 2,821,260
Accrued Salaries and Wages	118,068	1,249	119,317
Due To Other Funds	351,685	1,422,334	1,774,019
Unearned Revenue	96,855	40,376	137,231
Deposits Payable	74,001	44,260	118,261
Retainage Payable	12,657	2,327	14,984
Total liabilities	1,871,712	3,113,360	4,985,072
Deferred inflows:			
Unavailable Revenue	140,903,586	-	140,903,586
Total deferred inflows	140,903,586	-	140,903,586
Fund balances:			
Nonspendable	121,519	-	121,519
Restricted	26,915,017	10,705,142	37,620,159
Committed	3,862,347	3,470,050	7,332,397
Assigned	3,965,129	4,605,306	8,570,435
Unassigned	-	(1,285,276)	(1,285,276)
Total fund balances	34,864,012	17,495,222	52,359,234
Total liabilities, deferred inflows, and fund balances	\$ 177,639,310	\$ 20,608,582	\$ 198,247,892



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2013

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 2,187,828	\$ 3,377,944	\$ 5,565,772
Licenses and Permits	3,244,882	-	3,244,882
Intergovernmental	7,723,151	6,378,943	14,102,094
Charges for Services	18,687,921	-	18,687,921
Fines and Forfeitures	301,527	-	301,527
Interest on Investments	148,746	280,071	428,817
Impact Fees	2,411,515	1,223,122	3,634,637
Developers Contributions	80,868	-	80,868
Rents	9,000	-	9,000
Other	3,146,071	147	3,146,218
Total revenues	<u>37,941,509</u>	<u>11,260,227</u>	<u>49,201,736</u>
Expenditures			
Current:			
General Government	3,616,622	127,577	3,744,199
Public Safety	140,648	-	140,648
Physical Environment	465,318	-	465,318
Transportation	7,640,385	7,961,251	15,601,636
Economic Environment	9,175,190	-	9,175,190
Human Services	-	25	25
Culture and Recreation	20,000	1,866,928	1,886,928
Principal	20,050,000	-	20,050,000
Interest	9,564,338	98,430	9,662,768
Total expenditures	<u>50,672,501</u>	<u>10,054,211</u>	<u>60,726,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,730,992)</u>	<u>1,206,016</u>	<u>(11,524,976)</u>
Other financing sources (uses)			
Transfers In	13,101,927	9,180	13,111,107
Transfers Out	(2,320,007)	(5,049,816)	(7,369,823)
Proceeds from Sale of Assets	1,751,157	-	1,751,157
Issuance of Debt	15,130,000	-	15,130,000
Discount on Issuance of Debt	(5,063)	-	(5,063)
Payment to Escrow Agent	(14,893,645)	-	(14,893,645)
Total other financing sources (uses)	<u>12,764,369</u>	<u>(5,040,636)</u>	<u>7,723,733</u>
Net change in fund balances	<u>33,377</u>	<u>(3,834,620)</u>	<u>(3,801,243)</u>
Fund balance - beginning	<u>34,830,635</u>	<u>21,329,842</u>	<u>56,160,477</u>
Fund balance - ending	<u>\$ 34,864,012</u>	<u>\$ 17,495,222</u>	<u>\$ 52,359,234</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2013**

	Road and Bridge Fund	Street Lighting Fund	Law Enforcement Impact Fund	Governmental Finance Fund	Building Department Fund	Phase I
Assets						
Equity in Pooled Cash and Investments	\$ 3,872,721	\$ 127,295	\$ 93,756	\$ 208,157	\$ 4,449,764	\$ 2,450,570
Receivables	-	-	-	-	-	-
Assessments Receivable	-	-	-	-	-	351,075
Due From Other Funds	-	-	-	-	-	-
Due From Other Governmental Units	536,071	2,690	-	-	-	3,958
Prepaid Items	71,740	-	-	-	35,852	-
Deposits	8,178	-	-	-	1,694	-
Inventories	-	-	-	-	-	-
Restricted Equity in Pooled Cash and Investments	-	-	-	2,113,716	-	-
Total assets	\$ 4,488,710	\$ 129,985	\$ 93,756	\$ 2,321,873	\$ 4,487,310	\$ 2,805,603
Liabilities, deferred inflows, and fund balances						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 332,192	\$ 32,848	\$ -	\$ -	\$ 599,528	\$ -
Accrued Salaries and Wages	58,184	-	-	-	51,032	-
Due To Other Funds	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	96,855	-
Deposits Payable	53,287	-	-	-	-	-
Retainage Payable	-	-	-	-	-	-
Total liabilities	443,663	32,848	-	-	747,415	-
Deferred inflows:						
Unavailable Revenue	-	-	-	-	-	351,075
Total deferred inflows	-	-	-	-	-	351,075
Fund balances:						
Nonspendable	79,918	-	-	-	37,546	-
Restricted	-	-	-	2,321,873	3,702,349	2,454,528
Committed	-	97,137	93,756	-	-	-
Assigned	3,965,129	-	-	-	-	-
Total fund balances	4,045,047	97,137	93,756	2,321,873	3,739,895	2,454,528
Total liabilities, deferred inflows, and fund balances	\$ 4,488,710	\$ 129,985	\$ 93,756	\$ 2,321,873	\$ 4,487,310	\$ 2,805,603

Phase II	USA 3 and 4	USA 5 6 7A	USA 9	S Lennard Rd	Riverpoint	Tesoro	Glassman
\$ 1,819,759	\$ 283,124	\$ 866,335	\$ 124,472	\$ 381,353	\$ 1,209,485	\$ 515,585	\$ 1,064,828
-	-	-	-	-	-	-	-
3,508,057	18,129,911	19,062,708	2,781,557	1,446,352	5,465,382	19,799,212	7,085,368
-	-	-	-	-	-	-	-
12,415	50,872	35,711	2,745	2,058	5,953	24,189	7,404
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 5,340,231</u>	<u>\$ 18,463,907</u>	<u>\$ 19,964,754</u>	<u>\$ 2,908,774</u>	<u>\$ 1,829,763</u>	<u>\$ 6,680,820</u>	<u>\$ 20,338,986</u>	<u>\$ 8,157,600</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	20,714
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	20,714
<u>3,508,057</u>	<u>18,129,911</u>	<u>19,062,708</u>	<u>2,781,557</u>	<u>1,446,352</u>	<u>5,465,382</u>	<u>19,799,212</u>	<u>7,085,368</u>
<u>3,508,057</u>	<u>18,129,911</u>	<u>19,062,708</u>	<u>2,781,557</u>	<u>1,446,352</u>	<u>5,465,382</u>	<u>19,799,212</u>	<u>7,085,368</u>
-	-	-	-	-	-	-	-
1,832,174	333,996	902,046	127,217	383,411	1,215,438	539,774	1,051,518
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,832,174</u>	<u>333,996</u>	<u>902,046</u>	<u>127,217</u>	<u>383,411</u>	<u>1,215,438</u>	<u>539,774</u>	<u>1,051,518</u>
<u>\$ 5,340,231</u>	<u>\$ 18,463,907</u>	<u>\$ 19,964,754</u>	<u>\$ 2,908,774</u>	<u>\$ 1,829,763</u>	<u>\$ 6,680,820</u>	<u>\$ 20,338,986</u>	<u>\$ 8,157,600</u>

(Continued)

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2013**

	East Lake Village Fund	St Lucie Land Holdings	City Center Fund	Combined SAD Fund	Economic Development Fund	Wyndcrest DDMG Fund
Assets						
Equity in Pooled Cash and Investments	\$ 191,317	\$ 129,651	\$ 31,928	\$ 693,796	\$ 2,972,470	\$ 269
Receivables	-	-	-	-	-	-
Assessments Receivable	8,322,640	16,385,328	34,338,855	4,227,141	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governmental Units	12,776	13,622	240,577	19,641	-	-
Prepaid Items	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Restricted Equity in Pooled Cash and Investments	-	-	-	-	-	3,922,068
Total assets	\$ 8,526,733	\$ 16,528,601	\$ 34,611,360	\$ 4,940,578	\$ 2,972,470	\$ 3,922,337
Liabilities, deferred inflows, and fund balances						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Salaries and Wages	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Deposits Payable	-	-	-	-	-	-
Retainage Payable	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Deferred inflows:						
Unavailable Revenue	8,322,640	16,385,328	34,338,855	4,227,141	-	-
Total deferred inflows	8,322,640	16,385,328	34,338,855	4,227,141	-	-
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	204,093	143,273	272,505	713,437	-	3,922,337
Committed	-	-	-	-	2,972,470	-
Assigned	-	-	-	-	-	-
Total fund balances	204,093	143,273	272,505	713,437	2,972,470	3,922,337
Total liabilities, deferred inflows, and fund balances	\$ 8,526,733	\$ 16,528,601	\$ 34,611,360	\$ 4,940,578	\$ 2,972,470	\$ 3,922,337

CDBG Entitlement Fund	Local Housing Assistance Trust Fund	Neighborhood Stabilization Funds	National Pollution NPDES Fund	Law Enforcement Forfeiture Trust Fund	Conservation Trust Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ 433,694	\$ 1,884,141	\$ 122,305	\$ 113,384	\$ 698,984	\$ 24,739,143
-	-	656,774	-	-	-	656,774
-	-	-	-	-	-	140,903,586
21,975	-	-	-	-	-	21,975
200,578	1,900	-	-	-	-	1,173,160
221	-	2,914	-	-	-	110,727
-	-	-	920	-	-	10,792
-	-	3,987,369	-	-	-	3,987,369
-	-	-	-	-	-	6,035,784
<u>\$ 222,774</u>	<u>\$ 435,594</u>	<u>\$ 6,531,198</u>	<u>\$ 123,225</u>	<u>\$ 113,384</u>	<u>\$ 698,984</u>	<u>177,639,310</u>
\$ 83,080	\$ 3,415	\$ 145,513	\$ -	\$ 21,870	\$ -	\$ 1,218,446
1,725	558	6,569	-	-	-	118,068
112,041	21,975	217,669	-	-	-	351,685
-	-	-	-	-	-	96,855
-	-	-	-	-	-	74,001
12,657	-	-	-	-	-	12,657
<u>209,503</u>	<u>25,948</u>	<u>369,751</u>	<u>-</u>	<u>21,870</u>	<u>-</u>	<u>1,871,712</u>
-	-	-	-	-	-	140,903,586
-	-	-	-	-	-	140,903,586
221	-	2,914	920	-	-	121,519
13,050	409,646	6,158,533	122,305	91,514	-	26,915,017
-	-	-	-	-	698,984	3,862,347
-	-	-	-	-	-	3,965,129
<u>13,271</u>	<u>409,646</u>	<u>6,161,447</u>	<u>123,225</u>	<u>91,514</u>	<u>698,984</u>	<u>34,864,012</u>
<u>\$ 222,774</u>	<u>\$ 435,594</u>	<u>\$ 6,531,198</u>	<u>\$ 123,225</u>	<u>\$ 113,384</u>	<u>\$ 698,984</u>	<u>177,639,310</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Capital Project Funds
September 30, 2013**

	<u>Parks Capital Improvement Fund</u>	<u>Capital Improvement Fund</u>	<u>Crosstown Parkway Fund</u>	<u>Road and Bridge Capital Improvement Fund</u>	<u>Parks MSTU Fund</u>
Assets					
Equity in Pooled Cash and Investments	\$ 385,516	\$ 308,049	\$ 1,361,394	\$ 7,337,178	\$ 8,669,343
Due From Other Governmental Units	-	-	20,049	444,883	100,307
Total assets	<u>\$ 385,516</u>	<u>\$ 308,049</u>	<u>\$ 1,381,443</u>	<u>\$ 7,782,061</u>	<u>\$ 8,769,650</u>
Liabilities, deferred inflows, and fund balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 1,030,373	\$ 526,070	\$ 46,371
Accrued Salaries and Wages	-	-	1,249	-	-
Due To Other Funds	-	-	-	1,422,334	-
Unearned Revenue	-	-	-	40,376	-
Deposits Payable	-	-	-	44,260	-
Retainage Payable	-	-	-	2,327	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,031,622</u>	<u>2,035,367</u>	<u>46,371</u>
Fund balances:					
Restricted	-	-	-	-	8,723,279
Committed	385,516	-	1,635,097	1,449,437	-
Assigned	-	308,049	-	4,297,257	-
Unassigned	-	-	(1,285,276)	-	-
Total fund balances	<u>385,516</u>	<u>308,049</u>	<u>349,821</u>	<u>5,746,694</u>	<u>8,723,279</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 385,516</u>	<u>\$ 308,049</u>	<u>\$ 1,381,443</u>	<u>\$ 7,782,061</u>	<u>\$ 8,769,650</u>

SW Annexation District 1 Capital Fund	Total Nonmajor Capital Projects Funds
\$ 1,981,863	\$ 20,043,343
-	565,239
<u>\$ 1,981,863</u>	<u>\$ 20,608,582</u>
\$ -	\$ 1,602,814
-	1,249
-	1,422,334
-	40,376
-	44,260
-	2,327
<u>-</u>	<u>3,113,360</u>
1,981,863	10,705,142
-	3,470,050
-	4,605,306
-	(1,285,276)
<u>1,981,863</u>	<u>17,495,222</u>
<u>\$ 1,981,863</u>	<u>\$ 20,608,582</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2013**

	Road and Bridge Fund	Street Lighting Fund	Law Enforcement Impact Fund	Governmental Finance Fund	Building Department Fund	Phase I
Revenues						
Taxes	\$ 2,187,828	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	3,244,882	-
Intergovernmental	5,726,552	-	-	-	-	-
Charges for Services	74,444	316,815	-	-	600	450,289
Fines and Forfeitures	-	-	-	-	211,786	-
Interest on Investments	22,242	687	275	7,663	14,230	10,677
Impact Fees	-	-	81,778	2,288,379	41,358	-
Developers Contributions	-	-	-	-	80,868	-
Rents	-	-	-	-	-	-
Other	169,837	-	-	-	364,181	-
Total revenues	<u>8,180,903</u>	<u>317,502</u>	<u>82,053</u>	<u>2,296,042</u>	<u>3,957,905</u>	<u>460,966</u>
Expenditures						
Current:						
General Government	-	-	-	3,040	3,613,582	-
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	3,000	-	5,301
Transportation	7,352,636	281,588	-	-	-	-
Economic Environment	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Principal	3,890,000	-	-	1,980,000	-	-
Interest	1,077,463	-	-	2,403,819	-	-
Total expenditures	<u>12,320,099</u>	<u>281,588</u>	<u>-</u>	<u>4,389,859</u>	<u>3,613,582</u>	<u>5,301</u>
Excess (deficiency) of revenues over expenditures	<u>(4,139,196)</u>	<u>35,914</u>	<u>82,053</u>	<u>(2,093,817)</u>	<u>344,323</u>	<u>455,665</u>
Other financing sources (uses)						
Transfers In	5,216,231	-	-	4,282,700	324,264	-
Transfers Out	(40,007)	-	(20,000)	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-
Discount on Issuance of Debt	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-
Total other financing sources (uses)	<u>5,176,224</u>	<u>-</u>	<u>(20,000)</u>	<u>4,282,700</u>	<u>324,264</u>	<u>-</u>
Net change in fund balances	1,037,028	35,914	62,053	2,188,883	668,587	455,665
Fund balance - beginning	<u>3,008,019</u>	<u>61,223</u>	<u>31,703</u>	<u>132,990</u>	<u>3,071,308</u>	<u>1,998,863</u>
Fund balance - ending	<u>\$ 4,045,047</u>	<u>\$ 97,137</u>	<u>\$ 93,756</u>	<u>\$ 2,321,873</u>	<u>\$ 3,739,895</u>	<u>\$ 2,454,528</u>

Phase II	USA 3 and 4	USA 5 6 7A	USA 9	S Lennard Rd	Riverpoint	Tesoro	Glassman
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,359,084	4,461,214	3,104,598	328,756	246,382	702,523	2,886,293	899,215
-	-	-	-	-	-	-	-
4,670	386	5,886	739	2,184	5,267	7,547	5,775
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,363,754	4,461,600	3,110,484	329,495	248,566	707,790	2,893,840	904,990
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
16,304	53,774	37,666	4,409	4,686	9,836	265,142	12,365
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,200,000	1,900,000	220,000	260,000	230,000	2,905,000	740,000
-	104,910	462,213	94,727	52,131	139,918	158,693	319,388
16,304	4,358,684	2,399,879	319,136	316,817	379,754	3,328,835	1,071,753
1,347,450	102,916	710,605	10,359	(68,251)	328,036	(434,995)	(166,763)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	15,130,000	-
-	-	-	-	-	-	(5,063)	-
-	-	-	-	-	-	(14,893,645)	-
-	-	-	-	-	-	231,292	-
1,347,450	102,916	710,605	10,359	(68,251)	328,036	(203,703)	(166,763)
484,724	231,080	191,441	116,858	451,662	887,402	743,477	1,218,281
\$ 1,832,174	\$ 333,996	\$ 902,046	\$ 127,217	\$ 383,411	\$ 1,215,438	\$ 539,774	\$ 1,051,518

(Continued)

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2013**

	East Lake Village Fund	St Lucie Land Holdings	City Center Fund	Combined SAD Fund	Economic Development Fund	Wyndcrest DDMG Fund
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	646,644	1,631,026	988,178	335,934	-	-
Fines and Forfeitures	-	-	-	-	-	-
Interest on Investments	2,467	2,413	16,527	7,203	12,667	2,389
Impact Fees	-	-	-	-	-	-
Developers Contributions	-	-	-	-	-	-
Rents	-	-	-	-	-	9,000
Other	-	-	-	-	-	-
Total revenues	<u>649,111</u>	<u>1,633,439</u>	<u>1,004,705</u>	<u>343,137</u>	<u>12,667</u>	<u>11,389</u>
Expenditures						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Physical Environment	9,216	19,746	18,096	5,777	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	909,737
Culture and Recreation	-	-	-	-	-	-
Principal	340,000	940,000	660,000	240,000	-	1,545,000
Interest	267,000	584,444	1,832,538	129,738	-	1,937,356
Total expenditures	<u>616,216</u>	<u>1,544,190</u>	<u>2,510,634</u>	<u>375,515</u>	<u>-</u>	<u>4,392,093</u>
Excess (deficiency) of revenues over expenditures	<u>32,895</u>	<u>89,249</u>	<u>(1,505,929)</u>	<u>(32,378)</u>	<u>12,667</u>	<u>(4,380,704)</u>
Other financing sources (uses)						
Transfers In	-	-	490,000	-	-	2,788,732
Transfers Out	-	-	-	-	(2,250,000)	-
Proceeds from Sale of Assets	-	-	-	-	-	1,751,157
Issuance of Debt	-	-	-	-	-	-
Discount on Issuance of Debt	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>490,000</u>	<u>-</u>	<u>(2,250,000)</u>	<u>4,539,889</u>
Net change in fund balances	32,895	89,249	(1,015,929)	(32,378)	(2,237,333)	159,185
Fund balance - beginning	<u>171,198</u>	<u>54,024</u>	<u>1,288,434</u>	<u>745,815</u>	<u>5,209,803</u>	<u>3,763,152</u>
Fund balance - ending	<u>\$ 204,093</u>	<u>\$ 143,273</u>	<u>\$ 272,505</u>	<u>\$ 713,437</u>	<u>\$ 2,972,470</u>	<u>\$ 3,922,337</u>

CDBG Entitlement Fund	Local Housing Assistance Trust Fund	Neighborhood Stabilization Funds	National Pollution NPDES Fund	Law Enforcement Forfeiture Trust Fund	Conservation Trust Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,187,828
-	-	-	-	-	-	3,244,882
778,038	375,187	843,374	-	-	-	7,723,151
-	-	-	35,913	-	220,013	18,687,921
-	-	-	-	89,741	-	301,527
-	2,086	6,455	453	668	7,190	148,746
-	-	-	-	-	-	2,411,515
-	-	-	-	-	-	80,868
-	-	-	-	-	-	9,000
-	89,203	2,519,760	-	3,090	-	3,146,071
<u>778,038</u>	<u>466,476</u>	<u>3,369,589</u>	<u>36,366</u>	<u>93,499</u>	<u>227,203</u>	<u>37,941,509</u>
-	-	-	-	-	-	3,616,622
-	-	-	-	140,648	-	140,648
-	-	-	-	-	-	465,318
-	-	-	6,161	-	-	7,640,385
769,535	169,919	7,325,999	-	-	-	9,175,190
-	-	-	-	-	20,000	20,000
-	-	-	-	-	-	20,050,000
-	-	-	-	-	-	9,564,338
<u>769,535</u>	<u>169,919</u>	<u>7,325,999</u>	<u>6,161</u>	<u>140,648</u>	<u>20,000</u>	<u>50,672,501</u>
<u>8,503</u>	<u>296,557</u>	<u>(3,956,410)</u>	<u>30,205</u>	<u>(47,149)</u>	<u>207,203</u>	<u>(12,730,992)</u>
-	-	-	-	-	-	13,101,927
-	-	-	-	(10,000)	-	(2,320,007)
-	-	-	-	-	-	1,751,157
-	-	-	-	-	-	15,130,000
-	-	-	-	-	-	(5,063)
-	-	-	-	-	-	(14,893,645)
-	-	-	-	(10,000)	-	12,764,369
8,503	296,557	(3,956,410)	30,205	(57,149)	207,203	33,377
<u>4,768</u>	<u>113,089</u>	<u>10,117,857</u>	<u>93,020</u>	<u>148,663</u>	<u>491,781</u>	<u>34,830,635</u>
<u>\$ 13,271</u>	<u>\$ 409,646</u>	<u>\$ 6,161,447</u>	<u>\$ 123,225</u>	<u>\$ 91,514</u>	<u>\$ 698,984</u>	<u>\$ 34,864,012</u>

CITY OF PORT ST. LUCIE, FLORIDA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Project Funds Year Ended September 30, 2013

	Parks Capital Improvement Fund	Capital Improvement Fund	Becker Road Improvement Fund	Crosstown Parkway Fund	Road and Bridge Capital Improvement Fund	Parks MSTU Fund
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,377,944	\$ -
Intergovernmental	-	-	-	44,224	4,968,984	1,365,735
Interest on Investments	3,287	3,546	298	47,060	187,794	31,629
Impact Fees	108,495	-	-	-	1,114,627	-
Other	-	147	-	-	-	-
Total revenues	111,782	3,693	298	91,284	9,649,349	1,397,364
Expenditures						
Current:						
General Government	-	127,577	-	-	-	-
Transportation	-	-	6,440	3,427,341	4,522,522	-
Human Services	-	25	-	-	-	-
Culture and Recreation	-	147	-	-	-	1,866,781
Interest	-	-	-	-	98,430	-
Total expenditures	-	127,749	6,440	3,427,341	4,620,952	1,866,781
Excess (deficiency) of revenues (under) expenditures	over 111,782	(124,056)	(6,142)	(3,336,057)	5,028,397	(469,417)
Other financing sources (uses)						
Transfers In	-	-	-	-	9,180	-
Transfers Out	-	-	(9,180)	(1,225,212)	(3,815,424)	-
Total other financing sources (uses)	-	-	(9,180)	(1,225,212)	(3,806,244)	-
Net change in fund balances	111,782	(124,056)	(15,322)	(4,561,269)	1,222,153	(469,417)
Fund balance - beginning	273,734	432,105	15,322	4,911,090	4,524,541	9,192,696
Fund balance - ending	\$ 385,516	\$ 308,049	\$ -	\$ 349,821	\$ 5,746,694	\$ 8,723,279

<u>SW Annexation District 1 Capital Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ 3,377,944
6,457	6,378,943
-	280,071
-	1,223,122
-	147
<u>6,457</u>	<u>11,260,227</u>
-	127,577
4,948	7,961,251
-	25
-	1,866,928
-	98,430
<u>4,948</u>	<u>10,054,211</u>
<u>1,509</u>	<u>1,206,016</u>
-	9,180
-	(5,049,816)
-	(5,040,636)
1,509	(3,834,620)
<u>1,980,354</u>	<u>21,329,842</u>
<u>\$ 1,981,863</u>	<u>\$ 17,495,222</u>

CITY OF PORT ST. LUCIE, FLORIDA

**General Obligation Bonds Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ 7,358,519	\$ 7,446,407	\$ -	\$ -	\$ 7,446,407	\$ 87,888
Interest on Investments	18,100	26,319	-	-	26,319	8,219
Total revenues	<u>7,376,619</u>	<u>7,472,726</u>	<u>-</u>	<u>-</u>	<u>7,472,726</u>	<u>96,107</u>
EXPENDITURES						
Transportation	5,000	2,022	-	-	2,022	2,978
Principal	1,480,000	1,480,000	-	-	1,480,000	-
Interest	4,085,713	4,085,713	-	-	4,085,713	-
Total expenditures	<u>5,570,713</u>	<u>5,567,735</u>	<u>-</u>	<u>-</u>	<u>5,567,735</u>	<u>2,978</u>
Net change in fund balance	<u>1,805,906</u>	<u>1,904,991</u>	<u>-</u>	<u>-</u>	<u>1,904,991</u>	<u>99,085</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Road and Bridge Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ 2,181,705	\$ 2,187,828	\$ -	\$ -	\$ 2,187,828	\$ 6,123
Intergovernmental	5,293,250	5,726,552	-	-	5,726,552	433,302
Charges for Services	56,700	74,444	-	-	74,444	17,744
Interest on Investments	6,000	22,242	-	-	22,242	16,242
Other	60,000	169,837	-	-	169,837	109,837
Total revenues	<u>7,597,655</u>	<u>8,180,903</u>	<u>-</u>	<u>-</u>	<u>8,180,903</u>	<u>583,248</u>
EXPENDITURES						
Transportation	7,883,805	7,352,636	90,556	-	7,262,080	621,725
Principal	3,890,000	3,890,000	-	-	3,890,000	-
Interest	1,064,963	1,077,463	-	-	1,077,463	(12,500)
Total expenditures	<u>12,838,768</u>	<u>12,320,099</u>	<u>90,556</u>	<u>-</u>	<u>12,229,543</u>	<u>609,225</u>
Excess (deficiency) of revenues over (under) expenditures	(5,241,113)	(4,139,196)	(90,556)	-	(4,048,640)	1,192,473
OTHER FINANCING SOURCES (USES)						
Transfers In	4,954,962	5,216,231	-	-	5,216,231	261,269
Transfers Out	(40,007)	(40,007)	-	-	(40,007)	-
Issuance of Debt	280,549	-	-	-	-	(280,549)
Total other financing sources (uses)	<u>5,195,504</u>	<u>5,176,224</u>	<u>-</u>	<u>-</u>	<u>5,176,224</u>	<u>(19,280)</u>
Net change in fund balance	<u>\$ (45,609)</u>	<u>1,037,028</u>	<u>\$ (90,556)</u>	<u>\$ -</u>	<u>\$ 1,127,584</u>	<u>\$ 1,173,193</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Street Lighting Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 314,727	\$ 316,815	\$ -	\$ -	\$ 316,815	\$ 2,088
Interest on Investments	650	687	-	-	687	37
Total revenues	<u>315,377</u>	<u>317,502</u>	<u>-</u>	<u>-</u>	<u>317,502</u>	<u>2,125</u>
EXPENDITURES						
Transportation	<u>301,427</u>	<u>281,588</u>	<u>-</u>	<u>-</u>	<u>281,588</u>	<u>19,839</u>
Total expenditures	<u>301,427</u>	<u>281,588</u>	<u>-</u>	<u>-</u>	<u>281,588</u>	<u>19,839</u>
Net change in fund balance	<u>\$ 13,950</u>	<u>35,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,914</u>	<u>\$ 21,964</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Law Enforcement Impact Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Interest on Investments	\$ -	\$ 275	\$ -	\$ -	\$ 275	\$ 275
Impact Fees	25,000	81,778	-	-	81,778	56,778
Total revenues	<u>25,000</u>	<u>82,053</u>	<u>-</u>	<u>-</u>	<u>82,053</u>	<u>57,053</u>
EXPENDITURES						
Public Safety	3,035	-	-	-	-	3,035
Total expenditures	<u>3,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,035</u>
Excess (deficiency) of revenues over (under) expenditures	21,965	82,053	-	-	82,053	60,088
OTHER FINANCING SOURCES (USES)						
Transfers Out	(20,000)	(20,000)	-	-	(20,000)	-
Total other financing sources (uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,965</u>	<u>62,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,053</u>	<u>\$ 60,088</u>

CITY OF PORT ST. LUCIE, FLORIDA
Governmental Finance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Interest on Investments	\$ 13,440	\$ 7,663	\$ -	\$ -	\$ 7,663	\$ (5,777)
Impact Fees	2,025,000	2,288,379	-	-	2,288,379	263,379
Total revenues	<u>2,038,440</u>	<u>2,296,042</u>	<u>-</u>	<u>-</u>	<u>2,296,042</u>	<u>257,602</u>
EXPENDITURES						
General Government	3,062	3,040	-	-	3,040	22
Physical Environment	20,000	3,000	-	-	3,000	17,000
Principal	1,845,000	1,980,000	-	-	1,980,000	(135,000)
Interest	4,838,819	2,403,819	-	-	2,403,819	2,435,000
Total expenditures	<u>6,706,881</u>	<u>4,389,859</u>	<u>-</u>	<u>-</u>	<u>4,389,859</u>	<u>2,317,022</u>
Excess (deficiency) of revenues over (under) expenditures	(4,668,441)	(2,093,817)	-	-	(2,093,817)	2,574,624
OTHER FINANCING SOURCES (USES)						
Transfers In	4,668,983	4,282,700	-	-	4,282,700	(386,283)
Total other financing sources (uses)	<u>4,668,983</u>	<u>4,282,700</u>	<u>-</u>	<u>-</u>	<u>4,282,700</u>	<u>(386,283)</u>
Net change in fund balance	<u>\$ 542</u>	<u>2,188,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,188,883</u>	<u>\$ 2,188,341</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Building Department Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Licenses and Permits	\$ 2,362,900	\$ 3,244,882	\$ -	\$ -	\$ 3,244,882	\$ 881,982
Charges for Services	80	600	-	-	600	520
Fines and Forfeitures	100,000	211,786	-	-	211,786	111,786
Interest on Investments	8,000	14,230	-	-	14,230	6,230
Impact Fees	10,000	41,358	-	-	41,358	31,358
Developers Contributions	200,000	80,868	-	-	80,868	(119,132)
Other	369,864	364,181	-	-	364,181	(5,683)
Total revenues	<u>3,050,844</u>	<u>3,957,905</u>	<u>-</u>	<u>-</u>	<u>3,957,905</u>	<u>907,061</u>
EXPENDITURES						
General Government	4,290,201	3,613,582	-	27,300	3,640,882	649,319
Total expenditures	<u>4,290,201</u>	<u>3,613,582</u>	<u>-</u>	<u>27,300</u>	<u>3,640,882</u>	<u>649,319</u>
Excess (deficiency) of revenues over (under) expenditures	(1,239,357)	344,323	-	(27,300)	317,023	1,556,380
OTHER FINANCING SOURCES (USES)						
Transfers In	24,000	324,264	-	-	324,264	300,264
Issuance of Debt	322,422	-	-	-	-	(322,422)
Total other financing sources (uses)	<u>346,422</u>	<u>324,264</u>	<u>-</u>	<u>-</u>	<u>324,264</u>	<u>(22,158)</u>
Net change in fund balance	<u>\$ (892,935)</u>	<u>668,587</u>	<u>\$ -</u>	<u>\$ (27,300)</u>	<u>\$ 641,287</u>	<u>\$ 1,534,222</u>

CITY OF PORT ST. LUCIE, FLORIDA

Phase I

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 436,419	\$ 450,289	\$ -	\$ -	\$ 450,289	\$ 13,870
Interest on Investments	2,500	10,677	-	-	10,677	8,177
Total revenues	<u>438,919</u>	<u>460,966</u>	<u>-</u>	<u>-</u>	<u>460,966</u>	<u>22,047</u>
EXPENDITURES						
Physical Environment	12,000	5,301	-	-	5,301	6,699
Total expenditures	<u>12,000</u>	<u>5,301</u>	<u>-</u>	<u>-</u>	<u>5,301</u>	<u>6,699</u>
Net change in fund balance	<u>\$ 426,919</u>	<u>455,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 455,665</u>	<u>\$ 28,746</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Phase II
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 1,289,766	\$ 1,359,084	\$ -	\$ -	\$ 1,359,084	\$ 69,318
Interest on Investments	3,200	4,670	-	-	4,670	1,470
Total revenues	<u>1,292,966</u>	<u>1,363,754</u>	<u>-</u>	<u>-</u>	<u>1,363,754</u>	<u>70,788</u>
EXPENDITURES						
Physical Environment	36,000	16,304	-	-	16,304	19,696
Total expenditures	<u>36,000</u>	<u>16,304</u>	<u>-</u>	<u>-</u>	<u>16,304</u>	<u>19,696</u>
Net change in fund balance	<u>\$ 1,256,966</u>	<u>1,347,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,347,450</u>	<u>\$ 90,484</u>

CITY OF PORT ST. LUCIE, FLORIDA

USA 3 and 4

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 4,109,719	\$ 4,461,214	\$ -	\$ -	\$ 4,461,214	\$ 351,495
Interest on Investments	8,070	386	-	-	386	(7,684)
Total revenues	<u>4,117,789</u>	<u>4,461,600</u>	<u>-</u>	<u>-</u>	<u>4,461,600</u>	<u>343,811</u>
EXPENDITURES						
Physical Environment	112,051	53,774	-	-	53,774	58,277
Principal	4,200,000	4,200,000	-	-	4,200,000	-
Interest	104,911	104,910	-	-	104,910	1
Total expenditures	<u>4,416,962</u>	<u>4,358,684</u>	<u>-</u>	<u>-</u>	<u>4,358,684</u>	<u>58,278</u>
Net change in fund balance	<u>\$ (299,173)</u>	<u>102,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,916</u>	<u>\$ 402,089</u>

CITY OF PORT ST. LUCIE, FLORIDA

USA 5 6 7A

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 2,881,268	\$ 3,104,598	\$ -	\$ -	\$ 3,104,598	\$ 223,330
Interest on Investments	10,000	5,886	-	-	5,886	(4,114)
Total revenues	<u>2,891,268</u>	<u>3,110,484</u>	<u>-</u>	<u>-</u>	<u>3,110,484</u>	<u>219,216</u>
EXPENDITURES						
Physical Environment	89,000	37,666	-	-	37,666	51,334
Principal	1,906,462	1,900,000	-	-	1,900,000	6,462
Interest	500,000	462,213	-	-	462,213	37,787
Total expenditures	<u>2,495,462</u>	<u>2,399,879</u>	<u>-</u>	<u>-</u>	<u>2,399,879</u>	<u>95,583</u>
Net change in fund balance	<u>\$ 395,806</u>	<u>710,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 710,605</u>	<u>\$ 314,799</u>

CITY OF PORT ST. LUCIE, FLORIDA

USA 9

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 311,467	\$ 328,756	\$ -	\$ -	\$ 328,756	\$ 17,289
Interest on Investments	1,100	739	-	-	739	(361)
Total revenues	<u>312,567</u>	<u>329,495</u>	<u>-</u>	<u>-</u>	<u>329,495</u>	<u>16,928</u>
EXPENDITURES						
Physical Environment	7,157	4,409	-	-	4,409	2,748
Principal	220,000	220,000	-	-	220,000	-
Interest	137,511	94,727	-	-	94,727	42,784
Total expenditures	<u>364,668</u>	<u>319,136</u>	<u>-</u>	<u>-</u>	<u>319,136</u>	<u>45,532</u>
Net change in fund balance	<u>\$ (52,101)</u>	<u>10,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,359</u>	<u>\$ 62,460</u>

CITY OF PORT ST. LUCIE, FLORIDA

S Lennard Rd

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 243,396	\$ 246,382	\$ -	\$ -	\$ 246,382	\$ 2,986
Interest on Investments	7,000	2,184	-	-	2,184	(4,816)
Total revenues	<u>250,396</u>	<u>248,566</u>	<u>-</u>	<u>-</u>	<u>248,566</u>	<u>(1,830)</u>
EXPENDITURES						
Physical Environment	25,969	4,686	-	-	4,686	21,283
Principal	263,900	260,000	-	-	260,000	3,900
Interest	70,000	52,131	-	-	52,131	17,869
Total expenditures	<u>359,869</u>	<u>316,817</u>	<u>-</u>	<u>-</u>	<u>316,817</u>	<u>43,052</u>
Net change in fund balance	<u>\$ (109,473)</u>	<u>(68,251)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,251)</u>	<u>\$ 41,222</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Riverpoint
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 673,534	\$ 702,523	\$ -	\$ -	\$ 702,523	\$ 28,989
Interest on Investments	12,500	5,267	-	-	5,267	(7,233)
Total revenues	<u>686,034</u>	<u>707,790</u>	<u>-</u>	<u>-</u>	<u>707,790</u>	<u>21,756</u>
EXPENDITURES						
Physical Environment	16,600	9,836	-	-	9,836	6,764
Principal	484,295	230,000	-	-	230,000	254,295
Interest	139,918	139,918	-	-	139,918	-
Total expenditures	<u>640,813</u>	<u>379,754</u>	<u>-</u>	<u>-</u>	<u>379,754</u>	<u>261,059</u>
Net change in fund balance	<u>\$ 45,221</u>	<u>328,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,036</u>	<u>\$ 282,815</u>

CITY OF PORT ST. LUCIE, FLORIDA

Tesoro

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 2,547,331	\$ 2,886,293	\$ -	\$ -	\$ 2,886,293	\$ 338,962
Interest on Investments	22,100	7,547	-	-	7,547	(14,553)
Total revenues	<u>2,569,431</u>	<u>2,893,840</u>	<u>-</u>	<u>-</u>	<u>2,893,840</u>	<u>324,409</u>
EXPENDITURES						
Physical Environment	61,485	265,142	-	-	265,142	(203,657)
Principal	1,000,000	2,905,000	-	-	2,905,000	(1,905,000)
Interest	-	158,693	-	-	158,693	(158,693)
Total expenditures	<u>1,061,485</u>	<u>3,328,835</u>	<u>-</u>	<u>-</u>	<u>3,328,835</u>	<u>(2,267,350)</u>
Excess (deficiency) of revenues over (under) expenditures	1,507,946	(434,995)	-	-	(434,995)	(1,942,941)
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	15,130,000	-	-	15,130,000	15,130,000
Discount on Issuance of Debt	-	(5,063)	-	-	(5,063)	(5,063)
Payment to Escrow Agent	<u>(1,495,565)</u>	<u>(14,893,645)</u>	<u>-</u>	<u>-</u>	<u>(14,893,645)</u>	<u>(13,398,080)</u>
Total other financing sources (uses)	<u>(1,495,565)</u>	<u>231,292</u>	<u>-</u>	<u>-</u>	<u>231,292</u>	<u>1,726,857</u>
Net change in fund balance	<u>\$ 12,381</u>	<u>(203,703)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (203,703)</u>	<u>\$ (216,084)</u>

CITY OF PORT ST. LUCIE, FLORIDA

Glassman

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 931,762	\$ 899,215	\$ -	\$ -	\$ 899,215	\$ (32,547)
Interest on Investments	3,200	5,775	-	-	5,775	2,575
Total revenues	<u>934,962</u>	<u>904,990</u>	<u>-</u>	<u>-</u>	<u>904,990</u>	<u>(29,972)</u>
EXPENDITURES						
Physical Environment	27,000	12,365	-	-	12,365	14,635
Principal	888,600	740,000	-	-	740,000	148,600
Interest	390,000	319,388	-	-	319,388	70,612
Total expenditures	<u>1,305,600</u>	<u>1,071,753</u>	<u>-</u>	<u>-</u>	<u>1,071,753</u>	<u>233,847</u>
Net change in fund balance	<u>\$ (370,638)</u>	<u>(166,763)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (166,763)</u>	<u>\$ 203,875</u>

CITY OF PORT ST. LUCIE, FLORIDA

**East Lake Village Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 732,362	\$ 646,644	\$ -	\$ -	\$ 646,644	\$ (85,718)
Interest on Investments	1,700	2,467	-	-	2,467	767
Total revenues	<u>734,062</u>	<u>649,111</u>	<u>-</u>	<u>-</u>	<u>649,111</u>	<u>(84,951)</u>
EXPENDITURES						
Physical Environment	20,000	9,216	-	-	9,216	10,784
Principal	502,713	340,000	-	-	340,000	162,713
Interest	300,000	267,000	-	-	267,000	33,000
Total expenditures	<u>822,713</u>	<u>616,216</u>	<u>-</u>	<u>-</u>	<u>616,216</u>	<u>206,497</u>
Net change in fund balance	<u>\$ (88,651)</u>	<u>32,895</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,895</u>	<u>\$ 121,546</u>

CITY OF PORT ST. LUCIE, FLORIDA

**St Lucie Land Holdings
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 1,614,036	\$ 1,631,026	\$ -	\$ -	\$ 1,631,026	\$ 16,990
Interest on Investments	6,000	2,413	-	-	2,413	(3,587)
Total revenues	<u>1,620,036</u>	<u>1,633,439</u>	<u>-</u>	<u>-</u>	<u>1,633,439</u>	<u>13,403</u>
EXPENDITURES						
Physical Environment	33,869	19,746	-	-	19,746	14,123
Principal	940,000	940,000	-	-	940,000	-
Interest	598,468	584,444	-	-	584,444	14,024
Total expenditures	<u>1,572,337</u>	<u>1,544,190</u>	<u>-</u>	<u>-</u>	<u>1,544,190</u>	<u>28,147</u>
Net change in fund balance	<u>\$ 47,699</u>	<u>89,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,249</u>	<u>\$ 41,550</u>

CITY OF PORT ST. LUCIE, FLORIDA

**City Center Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 835,720	\$ 988,178	\$ -	\$ -	\$ 988,178	\$ 152,458
Interest on Investments	7,000	16,527	-	-	16,527	9,527
Total revenues	<u>842,720</u>	<u>1,004,705</u>	<u>-</u>	<u>-</u>	<u>1,004,705</u>	<u>161,985</u>
EXPENDITURES						
Physical Environment	22,650	18,096	-	-	18,096	4,554
Principal	660,000	660,000	-	-	660,000	-
Interest	<u>1,847,888</u>	<u>1,832,538</u>	<u>-</u>	<u>-</u>	<u>1,832,538</u>	<u>15,350</u>
Total expenditures	<u>2,530,538</u>	<u>2,510,634</u>	<u>-</u>	<u>-</u>	<u>2,510,634</u>	<u>19,904</u>
Excess (deficiency) of revenues over (under) expenditures	(1,687,818)	(1,505,929)	-	-	(1,505,929)	181,889
OTHER FINANCING SOURCES (USES)						
Transfers In	<u>490,000</u>	<u>490,000</u>	<u>-</u>	<u>-</u>	<u>490,000</u>	<u>-</u>
Total other financing sources (uses)	<u>490,000</u>	<u>490,000</u>	<u>-</u>	<u>-</u>	<u>490,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,197,818)</u>	<u>(1,015,929)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,015,929)</u>	<u>\$ 181,889</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Combined SAD Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 418,298	\$ 335,934	\$ -	\$ -	\$ 335,934	\$ (82,364)
Interest on Investments	45,000	7,203	-	-	7,203	(37,797)
Total revenues	<u>463,298</u>	<u>343,137</u>	<u>-</u>	<u>-</u>	<u>343,137</u>	<u>(120,161)</u>
EXPENDITURES						
Physical Environment	9,600	5,777	-	-	5,777	3,823
Principal	408,995	240,000	-	-	240,000	168,995
Interest	139,000	129,738	-	-	129,738	9,262
Total expenditures	<u>557,595</u>	<u>375,515</u>	<u>-</u>	<u>-</u>	<u>375,515</u>	<u>182,080</u>
Net change in fund balance	<u>\$ (94,297)</u>	<u>(32,378)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,378)</u>	<u>\$ 61,919</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Economic Development Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Interest on Investments	\$ -	\$ 12,667	\$ -	\$ -	\$ 12,667	\$ 12,667
Total revenues	-	12,667	-	-	12,667	12,667
OTHER FINANCING SOURCES (USES)						
Transfers Out	(2,250,000)	(2,250,000)	-	-	(2,250,000)	-
Total other financing sources (uses)	(2,250,000)	(2,250,000)	-	-	(2,250,000)	-
Net change in fund balance	\$ (2,250,000)	(2,237,333)	\$ -	\$ -	\$ (2,237,333)	\$ 12,667

CITY OF PORT ST. LUCIE, FLORIDA

**Wyndcrest DDMG Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Interest on Investments	\$ 1,000	\$ 2,389	\$ -	\$ -	\$ 2,389	\$ 1,389
Rents	-	9,000	-	-	9,000	9,000
Other	-	-	-	-	-	-
Total revenues	<u>1,000</u>	<u>11,389</u>	<u>-</u>	<u>-</u>	<u>11,389</u>	<u>10,389</u>
EXPENDITURES						
Economic Environment	1,249,807	909,737	-	-	909,737	340,070
Principal	1,432,356	1,545,000	-	-	1,545,000	(112,644)
Interest	<u>2,050,050</u>	<u>1,937,356</u>	<u>-</u>	<u>-</u>	<u>1,937,356</u>	<u>112,694</u>
Total expenditures	<u>4,732,213</u>	<u>4,392,093</u>	<u>-</u>	<u>-</u>	<u>4,392,093</u>	<u>340,120</u>
Excess (deficiency) of revenues over (under) expenditures	(4,731,213)	(4,380,704)	-	-	(4,380,704)	350,509
OTHER FINANCING SOURCES (USES)						
Transfers In	2,795,081	2,788,732	-	-	2,788,732	(6,349)
Proceeds from Sale of Assets	<u>1,750,156</u>	<u>1,751,157</u>	<u>-</u>	<u>-</u>	<u>1,751,157</u>	<u>1,001</u>
Total other financing sources (uses)	<u>4,545,237</u>	<u>4,539,889</u>	<u>-</u>	<u>-</u>	<u>4,539,889</u>	<u>(5,348)</u>
Net change in fund balance	<u>\$ (185,976)</u>	<u>159,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,185</u>	<u>\$ 345,161</u>

CITY OF PORT ST. LUCIE, FLORIDA
CDBG Entitlement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Intergovernmental	\$ 1,306,497	\$ 778,038	\$ -	\$ -	\$ 778,038	\$ (528,459)
Total revenues	1,306,497	778,038	-	-	778,038	(528,459)
EXPENDITURES						
Economic Environment	1,429,640	769,535	121,779	62,162	709,918	719,722
Total expenditures	1,429,640	769,535	121,779	62,162	709,918	719,722
Excess (deficiency) of revenues over (under) expenditures	(123,143)	8,503	(121,779)	(62,162)	68,120	191,263
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	\$ (123,143)	8,503	\$ (121,779)	\$ (62,162)	\$ 68,120	\$ 191,263

CITY OF PORT ST. LUCIE, FLORIDA
Local Housing Assistance Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Intergovernmental	\$ 74,688	\$ 375,187	\$ -	\$ -	\$ 375,187	\$ 300,499
Interest on Investments	-	2,086	-	-	2,086	2,086
Other	-	89,203	-	-	89,203	89,203
Total revenues	<u>74,688</u>	<u>466,476</u>	<u>-</u>	<u>-</u>	<u>466,476</u>	<u>391,788</u>
EXPENDITURES						
Economic Environment	163,660	169,919	-	9,574	179,493	(15,833)
Total expenditures	<u>163,660</u>	<u>169,919</u>	<u>-</u>	<u>9,574</u>	<u>179,493</u>	<u>(15,833)</u>
Excess (deficiency) of revenues over (under) expenditures	(88,972)	296,557	-	(9,574)	286,983	375,955
OTHER FINANCING SOURCES (USES)						
Transfers In	10,500	-	-	-	-	(10,500)
Total other financing sources (uses)	<u>10,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,500)</u>
Net change in fund balance	<u>\$ (78,472)</u>	<u>296,557</u>	<u>\$ -</u>	<u>\$ (9,574)</u>	<u>\$ 286,983</u>	<u>\$ 365,455</u>

CITY OF PORT ST. LUCIE, FLORIDA
Neighborhood Stabilization Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Intergovernmental	\$ 968,343	\$ 843,374	\$ -	\$ -	\$ 843,374	\$ (124,969)
Interest on Investments	2,898	6,455	-	-	6,455	3,557
Other	2,709,738	2,519,760	-	-	2,519,760	(189,978)
Total revenues	<u>3,680,979</u>	<u>3,369,589</u>	<u>-</u>	<u>-</u>	<u>3,369,589</u>	<u>(311,390)</u>
EXPENDITURES						
Economic Environment	7,096,950	7,325,999	6,485	1,251	7,320,765	(223,815)
Total expenditures	<u>7,096,950</u>	<u>7,325,999</u>	<u>6,485</u>	<u>1,251</u>	<u>7,320,765</u>	<u>(223,815)</u>
Excess (deficiency) of revenues over (under) expenditures	(3,415,971)	(3,956,410)	(6,485)	(1,251)	(3,951,176)	(535,205)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (3,415,971)</u>	<u>(3,956,410)</u>	<u>\$ (6,485)</u>	<u>\$ (1,251)</u>	<u>\$ (3,951,176)</u>	<u>\$ (535,205)</u>

CITY OF PORT ST. LUCIE, FLORIDA

**National Pollution NPDES Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 23,000	\$ 35,913	\$ -	\$ -	\$ 35,913	\$ 12,913
Interest on Investments	-	453	-	-	453	453
Total revenues	<u>23,000</u>	<u>36,366</u>	<u>-</u>	<u>-</u>	<u>36,366</u>	<u>13,366</u>
EXPENDITURES						
Transportation	15,309	6,161	-	-	6,161	9,148
Total expenditures	<u>15,309</u>	<u>6,161</u>	<u>-</u>	<u>-</u>	<u>6,161</u>	<u>9,148</u>
Net change in fund balance	<u>\$ 7,691</u>	<u>30,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,205</u>	<u>\$ 22,514</u>

CITY OF PORT ST. LUCIE, FLORIDA
Law Enforcement Forfeiture Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2013

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Fines and Forfeitures	\$ 36,012	\$ 89,741	\$ -	\$ -	\$ 89,741	\$ 53,729
Interest on Investments	-	668	-	-	668	668
Other	500	3,090	-	-	3,090	2,590
Total revenues	<u>36,512</u>	<u>93,499</u>	<u>-</u>	<u>-</u>	<u>93,499</u>	<u>56,987</u>
EXPENDITURES						
Public Safety	143,024	140,648	-	-	140,648	2,376
Capital Outlay	12,965	-	-	-	-	12,965
Total expenditures	<u>155,989</u>	<u>140,648</u>	<u>-</u>	<u>-</u>	<u>140,648</u>	<u>15,341</u>
Excess (deficiency) of revenues over (under) expenditures	(119,477)	(47,149)	-	-	(47,149)	72,328
OTHER FINANCING SOURCES (USES)						
Transfers Out	(10,000)	(10,000)	-	-	(10,000)	-
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (129,477)</u>	<u>(57,149)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57,149)</u>	<u>\$ 72,328</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Conservation Trust Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2013**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Charges for Services	\$ -	\$ 220,013	\$ -	\$ -	\$ 220,013	\$ 220,013
Interest on Investments	33,000	7,190	-	-	7,190	(25,810)
Total revenues	<u>33,000</u>	<u>227,203</u>	<u>-</u>	<u>-</u>	<u>227,203</u>	<u>194,203</u>
EXPENDITURES						
Culture and Recreation	20,000	20,000	-	-	20,000	-
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 13,000</u>	<u>207,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,203</u>	<u>\$ 194,203</u>



"A City for All Ages"

Fiduciary Funds

PENSION TRUST FUNDS

Pension Trust Funds are used to account for public employee retirement systems.

The City maintains the following Pension Trust Funds:

General Employees' Pension Fund – to account for the accumulation of resources to be used for pension payments to participants of the City's Employee Pension Plan.

Employees' Retirement Trust Fund – 401 A – to account for the accumulation of resources to provide employees with defined contribution benefits through a plan adopted under the provision of the Internal Revenue Code Section 401-A.

Municipal Police Officers' Retirement Trust Fund – to account for the accumulation of resources to provide a defined benefit pension plan for City Police Officers established under the provision of Chapter 185 of the Statutes of the State of Florida.

Police Officers' Retirement Trust Fund 401-A – to account for the accumulation of resources to provide sworn police officers with defined contribution benefits through a plan adopted under the provision of Internal Revenue Code Section 401-A.

Other Post Employment Benefits Fund (OPEB) – to account for retirees benefits as mandated by GASB #45.

AGENCY FUND

Agency Funds are used to account for assets held by the government in purely custodial capacity.

The City maintains one Agency Fund:

Solid Waste Collection Fund – to account for funds collected by the Tax Collector for solid waste services assessment to be remitted to the waste collection company.

CITY OF PORT ST. LUCIE, FLORIDA
Combining Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2013

	Municipal Police Officers	General Employees	Police Officers Retirement 401 A	Employees Retirement 401 A	Other Post Employment Benefits	Total
Assets						
Cash and Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 493	\$ 493
Corporate Stocks	21,040,073	165,396	-	-	-	21,205,469
Corporate Bonds	9,817,201	-	-	-	-	9,817,201
US Government Obligations	567,702	-	-	-	-	567,702
Federal Agencies	3,918,742	-	-	-	-	3,918,742
Municipal Obligations	560,116	-	-	-	-	560,116
Mutual Funds	12,654,208	2,544,529	7,752,158	45,226,199	7,316,872	75,493,966
Money Market Funds	6,931,119	-	-	-	-	6,931,119
Cash Surrender Value of Life Insurance	-	212,281	-	-	-	212,281
Accrued Investment Income	161,442	-	-	-	-	161,442
Accounts Receivable	367,806	2,001	27,110	65,501	-	462,418
Prepaid Expenses	4,406	-	-	-	-	4,406
Total assets	56,022,815	2,924,207	7,779,268	45,291,700	7,317,365	119,335,355
Liabilities and Net Position						
Liabilities						
Accounts Payable	140,448	-	-	-	-	140,448
Due to Broker	620,637	-	-	-	-	620,637
Total liabilities	761,085	-	-	-	-	761,085
Net Position						
Restricted for Employees Retirement	55,261,730	2,924,207	7,779,268	45,291,700	7,317,365	118,574,270
Total Net Position	55,261,730	2,924,207	7,779,268	45,291,700	7,317,365	118,574,270
Total Liabilities and Net Position	\$ 56,022,815	\$ 2,924,207	\$ 7,779,268	\$ 45,291,700	\$ 7,317,365	\$ 119,335,355

CITY OF PORT ST. LUCIE, FLORIDA

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended September 30, 2013

	Municipal Police Officers'	General Employees'	Police Officers' Retirement 401 A	Employees' Retirement 401 A	Other Post Employment Benefits	Totals
Additions						
Contributions:						
City	\$ 3,085,933	\$ 90,229	\$ 237,160	\$ 2,943,159	\$ 1,382,783	\$ 7,739,264
State	972,481	-	-	-	-	972,481
Employee	1,239,292	-	-	-	-	1,239,292
Miscellaneous Income	54,540	5,213	120	185,607	-	245,480
Total Contributions	<u>5,352,246</u>	<u>95,442</u>	<u>237,280</u>	<u>3,128,766</u>	<u>1,382,783</u>	<u>10,196,517</u>
Investment Income:						
Net Increase in Fair Value of Investments	5,625,834	264,866	880,455	4,927,634	419,633	12,118,422
Interest and Dividends	1,058,296	-	-	-	-	1,058,296
	6,684,130	264,866	880,455	4,927,634	419,633	13,176,718
Investment Expense	(202,864)	-	-	-	-	(202,864)
	<u>6,481,266</u>	<u>264,866</u>	<u>880,455</u>	<u>4,927,634</u>	<u>419,633</u>	<u>12,973,854</u>
Total Additions	<u>11,833,512</u>	<u>360,308</u>	<u>1,117,735</u>	<u>8,056,400</u>	<u>1,802,416</u>	<u>23,170,371</u>
Deductions						
Benefit Payments	1,859,096	-	315,625	2,980,086	804,000	5,958,807
Administrative Costs and Charges	109,361	-	2,416	13,153	19,496	144,426
Refunds	413,990	-	-	41,914	-	455,904
Total Deductions	<u>2,382,447</u>	<u>-</u>	<u>318,041</u>	<u>3,035,153</u>	<u>823,496</u>	<u>6,559,137</u>
Net Increase in Net Position	9,451,065	360,308	799,694	5,021,247	978,920	16,611,234
Total Net Position - beginning	<u>45,810,665</u>	<u>2,563,899</u>	<u>6,979,574</u>	<u>40,270,453</u>	<u>6,338,445</u>	<u>101,963,036</u>
Total Net Position - ending	<u>\$ 55,261,730</u>	<u>\$ 2,924,207</u>	<u>\$ 7,779,268</u>	<u>\$ 45,291,700</u>	<u>\$ 7,317,365</u>	<u>\$ 118,574,270</u>

CITY OF PORT ST. LUCIE, FLORIDA
Statement in Changes of Assets and Liabilities
Agency Fund
Year Ended September 30, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets				
Cash and Investments	\$ 1,137,481	\$ 16,382,983	\$ 17,520,464	\$ -
Accounts Receivable	<u>131,724</u>	<u>142,352</u>	<u>131,724</u>	<u>142,352</u>
Total Assets	<u>\$ 1,269,205</u>	<u>\$ 16,525,335</u>	<u>\$ 17,652,188</u>	<u>\$ 142,352</u>
Liabilities				
Due to General Fund	\$ -	\$ 142,352	\$ -	\$ 142,352
Due to Contractor	<u>1,269,205</u>	<u>16,382,983</u>	<u>17,652,188</u>	<u>-</u>
Total Liabilities	<u>\$ 1,269,205</u>	<u>\$ 16,525,335</u>	<u>\$ 17,652,188</u>	<u>\$ 142,352</u>

Statistical Section

- ◆ Financial Trends
- ◆ Revenue Capacity
- ◆ Debt Capacity
- ◆ Demographic and Economic
- ◆ Operating Information

STATISTICAL SECTION

This part of the City of Port St. Lucie Comprehensive Annual Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Port St. Lucie's overall financial health.

Contents	Page
Financial Trends	118
These schedules contain trend information to help the reader understand how the City of Port St. Lucie's financial performance has changed over time.	
Revenue Capacity.....	124
These schedules present information to help the reader assess the affordability of the City of Port St. Lucie's most significant local revenue source, property taxes.	
Debt Capacity.....	129
These schedules present information to help the reader assess the affordability of the City of Port St. Lucie's current levels of outstanding debt and its ability to issue debt in the future.	
Demographic and Economic Information.....	135
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Port St. Lucie's financial activities take place.	
Operating Information.....	139
These schedules contain service and infrastructure data to help the reader understand how the information in the City of Port St. Lucie's financial report relates to the Services provided and the activities performed.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

◆ Financial Trends



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 230,882,015	\$ 248,106,726	\$ 304,237,769	\$ 304,349,119	\$ 274,326,677	\$ 182,323,648	\$ 128,428,730	\$ 162,179,509	\$121,599,256	\$124,925,102
Restricted for:										
Debt service	331,927,696	32,709,532	33,228,306	32,943,811	33,701,454	41,869,409	11,523,253	5,022,931	2,102,036	2,839,881
Capital Projects	18,780,498	21,329,842	15,944,067	69,068,167	82,313,027	177,634,060	175,066,944	118,456,889	102,999,808	82,722,486
Other Purposes	40,886,609	28,694,820	-	-	-	-	-	-	-	-
Unrestricted	20,239,187	18,344,592	5,877,718	(39,034,499)	(18,536,063)	(20,289,118)	45,749,167	24,400,427	(22,829,394)	(36,448,704)
Total Governmental Activities										
Net Position	<u><u>642,716,005</u></u>	<u><u>349,185,512</u></u>	<u><u>359,287,860</u></u>	<u><u>367,326,598</u></u>	<u><u>371,805,095</u></u>	<u><u>381,537,999</u></u>	<u><u>360,768,094</u></u>	<u><u>310,059,756</u></u>	<u><u>203,871,706</u></u>	<u><u>174,038,765</u></u>
Business-Type Activities:										
Invested in capital assets, net of related debt	219,405,378	273,699,819	271,708,907	250,895,014	242,948,835	253,466,538	178,231,620	74,773,083	50,546,492	92,183,265
Restricted for:										
Debt service	16,321,743	14,426,218	30,780,127	30,343,954	29,369,142	4,970,848	10,554,030	13,002,625	10,859,562	3,451,606
Capital Projects	9,522,806	18,959,566	42,265,855	59,409,352	56,424,137	78,224,450	124,364,685	181,792,938	154,544,263	79,310,627
Claims	92,234	92,234	92,105	91,989	97,094	96,048	-	-	-	-
Unrestricted	69,244,414	29,160,693	11,419,956	25,338,255	58,878,758	55,259,182	65,332,791	65,178,932	75,005,304	45,902,925
Total Business-Type Activities										
Net Position	<u><u>314,586,575</u></u>	<u><u>336,338,530</u></u>	<u><u>356,266,950</u></u>	<u><u>366,078,564</u></u>	<u><u>387,717,966</u></u>	<u><u>392,017,066</u></u>	<u><u>378,483,126</u></u>	<u><u>334,747,578</u></u>	<u><u>290,955,621</u></u>	<u><u>220,848,423</u></u>
Total Primary Government:										
Invested in capital assets, net of related debt	450,287,393	521,806,545	575,946,676	555,244,133	517,275,512	435,790,186	306,660,350	236,952,592	172,145,748	217,108,367
Restricted for:										
Debt service	348,249,439	47,135,750	64,008,433	63,287,765	63,070,596	46,840,257	22,077,283	18,025,556	12,961,598	6,291,487
Capital Projects	28,303,304	40,289,408	58,209,922	128,477,519	138,737,164	255,858,510	299,431,629	300,249,827	257,544,071	162,033,113
Other Purposes	40,886,609	28,694,820	-	-	-	-	-	-	-	-
Claims	92,234	92,234	92,105	91,989	97,094	96,048	-	-	-	-
Unrestricted	89,483,601	47,505,285	17,297,674	(13,696,244)	40,342,695	34,970,064	111,081,958	89,579,359	52,175,910	9,454,221
Total Primary Government										
Net Position	<u><u>957,302,580</u></u>	<u><u>685,524,042</u></u>	<u><u>715,554,810</u></u>	<u><u>733,405,162</u></u>	<u><u>759,523,061</u></u>	<u><u>773,555,065</u></u>	<u><u>739,251,220</u></u>	<u><u>644,807,334</u></u>	<u><u>494,827,327</u></u>	<u><u>394,887,188</u></u>

CITY OF PORT ST. LUCIE, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses										
Governmental Activities:										
General Government	\$ 19,644,896	\$ 15,739,679	\$ 13,219,799	\$ 11,206,338	\$ 11,992,504	\$ 10,854,288	\$ 12,676,106	\$ 14,518,096	\$ 12,637,482	\$ 10,893,280
Public Safety	36,893,883	36,082,798	37,291,748	40,257,753	43,401,330	40,580,087	37,547,880	36,916,934	35,914,196	28,815,698
Physical Environment	2,888,717	1,873,234	2,219,525	3,242,320	5,176,460	3,225,934	6,320,507	6,150,229	18,576,131	32,283,435
Transportation	30,033,671	29,637,387	37,504,058	32,711,192	38,904,334	33,233,136	25,931,572	18,560,311	15,479,487	19,843,926
Economic Environment	12,577,499	15,446,646	9,607,066	20,236,156	5,454,266	9,030,746	5,401,082	3,659,295	1,244,721	616,513
Human Services	1,271,993	1,220,258	1,380,647	1,647,555	1,650,621	1,677,914	1,654,325	1,400,755	1,116,410	859,290
Culture and Recreation	10,812,414	12,578,781	10,305,797	10,505,959	11,985,206	8,949,054	8,588,477	7,842,973	5,932,484	5,501,970
Debt Service - Interest	23,556,204	24,817,890	27,331,315	26,867,419	25,861,845	24,785,700	16,814,543	12,266,349	10,828,653	12,236,150
Total Governmental Activities	137,679,277	137,396,673	138,859,955	146,674,692	144,426,566	132,336,859	114,934,492	101,314,942	101,729,564	111,050,262
Business-Type Activities:										
Utility System	85,423,145	82,200,546	83,213,376	85,545,020	85,475,608	77,017,150	84,350,513	62,476,904	48,175,382	39,646,199
Stormwater Utility	19,660,501	20,575,005	19,788,150	17,691,171	17,807,203	19,641,308	20,513,660	22,543,488	16,138,384	11,960,126
Golf Course	1,787,208	1,718,028	1,914,059	1,871,671	2,016,046	2,002,696	1,878,537	2,167,967	2,038,491	2,038,513
Total Business-Type Activities	106,870,854	104,493,579	104,915,585	105,107,862	105,298,857	98,661,154	106,742,710	87,188,359	66,352,257	53,644,838
Total Primary Government Expenses	<u>\$ 244,550,131</u>	<u>\$ 241,890,252</u>	<u>\$ 243,775,540</u>	<u>\$ 251,782,554</u>	<u>\$ 249,725,423</u>	<u>\$ 230,998,013</u>	<u>\$ 221,677,202</u>	<u>\$ 188,503,301</u>	<u>\$ 168,081,821</u>	<u>\$ 164,695,100</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 6,285,870	\$ 3,778,020	\$ 3,283,174	\$ 3,818,952	\$ 3,899,070	\$ 6,139,417	\$ 7,326,470	\$ 12,469,580	\$ 16,934,085	\$ 13,228,710
Public Safety	2,354,681	1,288,824	777,330	1,106,384	1,897,530	1,975,247	2,081,511	2,606,249	2,532,322	2,261,115
Physical Environment	19,712,162	17,380,828	16,391,563	13,230,372	12,313,424	11,378,793	10,147,853	8,910,438	15,348,351	13,195,946
Transportation	1,812,992	1,580,211	1,831,410	1,443,788	1,844,263	7,281,726	8,830,728	16,559,692	11,689,481	9,120,506
Economic Environment	1,153,777	3,082,295	5,344	280,580	19,069	18,942	16,214	14,307	50,892	16,840
Human Services	109,691	106,485	99,098	115,435	104,965	108,017	116,300	109,338	97,193	80,770
Culture and Recreation	2,070,648	1,941,883	1,748,878	1,619,362	1,523,523	1,473,245	1,570,998	4,548,606	3,063,611	2,802,729
Operating Grants and Contributions	3,742,609	5,087,105	5,972,276	17,251,452	10,881,292	12,326,924	11,577,099	15,504,530	20,012,385	22,828,707
Capital Grants and Contributions	1,652,582	147,960	131,533	6,966,976	11,823,281	1,519,375	12,922,416	61,638,982	-	-
Total Governmental Activities	38,895,012	34,393,611	30,240,606	45,833,301	44,306,417	42,221,686	54,589,589	122,361,722	69,728,320	63,535,323
Business-Type Activities:										
Charges for Services:										
Utility System	61,181,993	58,613,804	56,115,457	52,535,104	52,688,326	50,991,171	50,346,537	44,992,671	36,486,829	30,785,007
Stormwater Utility	20,088,576	19,335,600	19,223,254	19,019,552	16,480,343	15,132,862	14,606,760	13,933,709	13,587,223	12,487,786
Golf Course	1,480,424	1,454,957	1,564,828	1,462,364	1,569,018	1,612,831	1,567,303	1,414,370	1,149,602	1,219,691
Operating Grants and Contributions	738,622	1,560,253	819,547	534,784	409,157	1,708,899	4,550,000	2,808,489	4,042,203	266,205
Capital Grants and Contributions	3,778,130	4,315,875	13,280,071	12,967,911	18,235,887	29,910,492	53,878,856	45,940,475	67,581,460	74,903,220
Total Business-Type Activities	87,267,745	85,280,489	91,003,157	86,519,715	89,382,731	99,356,255	124,949,456	109,089,714	122,847,317	119,661,909
Total Primary Government Program Revenues	<u>\$ 126,162,757</u>	<u>\$ 119,674,100</u>	<u>\$ 121,243,763</u>	<u>\$ 132,353,016</u>	<u>\$ 133,689,148</u>	<u>\$ 141,577,941</u>	<u>\$ 179,539,045</u>	<u>\$ 231,451,436</u>	<u>\$ 192,575,637</u>	<u>\$ 183,197,232</u>

CITY OF PORT ST. LUCIE, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense) Revenue										
Governmental Activities	\$ (98,784,265)	\$ (103,003,062)	\$ (108,619,349)	\$(100,841,391)	\$ (100,120,149)	\$ (90,115,173)	\$ (60,344,903)	\$ 21,046,780	\$ (32,001,244)	\$ (47,514,939)
Business-type Activities	(19,603,109)	(19,213,090)	(13,912,428)	(18,588,147)	(15,916,126)	695,101	18,206,746	21,901,355	56,495,060	66,017,071
Total Primary Government										
Net (Expense) Revenue	<u>\$ (118,387,374)</u>	<u>\$ (122,216,152)</u>	<u>\$ (122,531,777)</u>	<u>\$(119,429,538)</u>	<u>\$ (116,036,275)</u>	<u>\$ (89,420,072)</u>	<u>\$ (42,138,157)</u>	<u>\$ 42,948,135</u>	<u>\$ 24,493,816</u>	<u>\$ 18,502,132</u>
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 35,744,398	\$ 36,586,795	\$ 37,123,864	\$ 37,220,611	\$ 44,888,912	\$ 55,770,653	\$ 54,690,318	\$ 37,885,819	\$ 26,557,977	\$ 19,972,886
Franchise and Utility Taxes	18,407,514	18,175,496	17,252,881	13,451,549	13,582,701	13,241,608	12,979,422	11,641,662	9,303,467	8,065,253
Communication Services Taxes	5,972,194	6,004,344	5,997,244	6,152,086	3,078,658	1,841,963	1,640,072	1,569,843	1,370,998	1,125,882
Local Business Tax	1,518,483	1,498,031	1,560,385	1,514,507	1,570,426	1,584,424	-	-	-	-
Half Cent Sales Tax	5,510,580	5,245,628	4,928,954	4,729,330	4,908,774	5,357,939	5,709,452	5,979,895	5,581,577	4,706,805
State Revenue Sharing	3,493,945	2,763,213	2,485,700	2,296,514	2,273,713	2,640,114	2,841,228	2,896,598	2,739,362	2,157,442
Local Option Gas Tax	7,864,178	7,820,761	7,614,567	7,602,956	7,456,766	7,579,396	7,420,536	7,467,955	6,835,166	5,883,647
Insurance Premium Tax	972,481	883,809	826,267	885,563	851,595	708,340	703,789	664,464	611,975	526,917
Interest	722,180	19,352,363	20,967,944	12,689,391	11,380,172	18,982,423	26,467,649	18,623,245	13,537,921	13,221,651
Gain on Sale of Capital Assets	(126,605)	213,323	374,823	209,549	218,532	244,487	1,134,962	614,401	102,073	910,100
Miscellaneous	10,545,742	5,439,928	1,683,820	1,278,550	1,244,683	1,743,022	1,109,207	1,029,444	1,747,064	870,083
Special Item - asset writedown	(9,920,411)	-	-	-	-	-	-	-	-	-
Transfers	3,766,441	(4,162,963)	(235,878)	8,332,288	(1,067,687)	1,190,709	(3,643,396)	(3,232,056)	(6,553,395)	(613,320)
Total Governmental Activities	84,471,120	99,820,728	100,580,571	96,362,894	90,387,245	110,885,078	111,053,239	85,141,270	61,834,185	56,827,346
Business-Type Activities:										
Franchise and Utility Taxes	-	162,570	163,729	-	-	-	-	-	-	-
Interest	1,617,595	2,196,128	2,518,139	3,422,215	3,739,124	7,804,382	12,791,943	10,451,211	4,724,930	2,437,425
Swap	-	-	-	10,000	5,124,500	2,344,000	4,944,612	5,914,273	1,309,273	763,742
Gain on Sale of Capital Assets	-	(882,568)	63,211	377,592	35,621	16,639	51,204	70,862	58,257	18,262
Miscellaneous	-	1,157,549	1,119,857	1,471,226	1,650,094	3,864,527	4,097,647	2,222,200	966,283	1,173,647
Transfers	(3,766,441)	4,162,963	235,878	(8,332,288)	1,067,687	(1,190,709)	3,643,396	3,232,056	6,553,395	613,320
Total Business-Type Activities	(2,148,846)	6,796,642	4,100,814	(3,051,255)	11,617,026	12,838,839	25,528,802	21,890,602	13,612,138	5,006,396
Total Primary Government-Other	<u>\$ 82,322,274</u>	<u>\$ 106,617,370</u>	<u>\$ 104,681,385</u>	<u>\$ 93,311,639</u>	<u>\$ 102,004,271</u>	<u>\$ 123,723,917</u>	<u>\$ 136,582,041</u>	<u>\$ 107,031,872</u>	<u>\$ 75,446,323</u>	<u>\$ 61,833,742</u>
Changes in Net Position										
Governmental Activities	\$ (14,313,145)	\$ (3,182,334)	\$ (8,038,778)	\$ (4,478,497)	\$ (9,732,904)	\$ 20,769,905	\$ 50,708,336	\$ 106,188,050	\$ 29,832,941	\$ 9,312,407
Business-Type Activities	(21,751,955)	(12,416,448)	(9,811,614)	(21,639,402)	(4,299,100)	13,533,940	43,735,548	43,791,957	70,107,198	71,023,467
Total Primary Government	<u>\$ (36,065,100)</u>	<u>\$ (15,598,782)</u>	<u>\$ (17,850,392)</u>	<u>\$ (26,117,899)</u>	<u>\$ (14,032,004)</u>	<u>\$ 34,303,845</u>	<u>\$ 94,443,884</u>	<u>\$ 149,980,007</u>	<u>\$ 99,940,139</u>	<u>\$ 80,335,874</u>



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:										
Nonspendable	\$ 885,141	\$ 835,559	\$ 826,414	\$ 127,457	\$ 133,948	\$ 129,525	\$ 1,017,295	\$ 107,443	\$ 117,903	\$ 121,349
Committed	41,707	9,354	29,307	12,707	-	136,632	73,230	95,347	1,096,142	1,885,713
Assigned	4,262,951	-	11,120,370	9,641,078	11,588,706	17,495,124	8,325,498	1,634,652	9,514,289	9,301,376
Unassigned	19,075,348	18,613,202	3,084,366	2,792,600	3,945,345	3,511,825	6,378,060	11,185,756	1,463,846	1,452,032
Total General Fund	24,265,147	19,458,115	15,060,457	12,573,842	15,667,999	21,273,106	15,794,083	13,023,198	12,192,180	12,760,470
All Other Governmental Funds:										
Nonspendable	121,566	8,606,852	175,419	23,129	1,716,365	26,291	247,227	125,304	234,004	106,729
Restricted	59,512,472	4,760,157	12,558,416	11,559,530	130,068	493,528	725,911	54,109	-	-
Committed	7,332,397	2,784,242	6,171,180	9,157,747	23,272,047	107,138,026	141,171,584	44,835,254	58,087,042	66,176,037
Assigned	8,570,435	62,840,365	70,483,809	113,688,325	117,039,252	142,389,896	147,255,420	174,211,665	106,168,907	63,271,694
Unassigned	(1,285,276)	(117,421)	(1,052,783)	(945,600)	(2,190,732)	(7,845,472)	(390,326)	(761,354)	-	-
Total All Other Governmental Funds	74,251,594	78,874,195	88,336,041	133,483,131	139,967,000	242,202,269	289,009,816	218,464,978	164,489,953	129,554,460
Total Governmental Funds	<u>\$ 98,516,741</u>	<u>\$ 98,332,310</u>	<u>\$ 103,396,498</u>	<u>\$ 146,056,973</u>	<u>\$ 155,634,999</u>	<u>\$ 263,475,375</u>	<u>\$ 304,803,899</u>	<u>\$ 231,488,176</u>	<u>\$ 176,682,133</u>	<u>\$ 142,314,930</u>

CITY OF PORT ST. LUCIE, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues:				
Taxes	\$ 52,554,602	\$ 52,664,169	\$ 52,516,922	\$ 48,481,802
Licenses and Permits	12,004,191	11,857,491	11,022,562	11,452,024
Intergovernmental	23,815,605	24,842,507	26,608,782	32,424,409
Charges for Services	33,852,704	17,463,400	15,917,455	13,282,633
Human Services Fees	109,691	106,485	99,098	115,435
Fines and Forfeitures	2,107,086	1,298,268	756,683	1,121,170
Interest on Investments	722,180	1,999,832	2,387,683	3,884,779
Interest on Special Assessments	-	17,352,531	18,257,389	8,462,472
Impact Fees	3,779,478	3,070,948	2,553,496	3,170,986
Developers Contributions	124,618	237,778	198,230	515,417
Rents	9,000	2,739,707	-	-
Other	4,793,243	1,788,598	2,971,833	2,779,960
Total Revenues	133,872,398	135,421,714	133,290,133	125,691,087
Expenditures:				
Current:				
General Government	15,988,836	14,061,451	12,173,872	12,201,341
Public Safety	36,101,367	34,889,571	34,743,405	39,380,020
Physical Environment	1,406,047	1,226,884	2,582,236	1,409,355
Transportation	15,641,435	16,621,657	12,774,026	11,899,324
Economic Environment	9,528,869	9,259,342	8,989,001	17,129,859
Human Services	1,149,142	1,226,221	1,297,163	1,610,095
Culture and Recreation	10,676,942	9,954,625	9,228,267	9,662,874
Capital Outlay	-	-	41,935,095	43,983,462
Intangibles	-	-	723,493	14,850
Debt Service				
Principal	28,665,000	27,710,000	25,380,000	23,664,213
Interest	23,575,319	26,117,519	27,331,315	26,867,419
Total Expenditures	142,732,957	141,067,270	177,157,873	187,822,812
Excess (deficiency) of revenues over (under) expenditures	(8,860,559)	(5,645,556)	(43,867,740)	(62,131,725)
Other Financing Sources (Uses) (1)				
Transfers in	16,833,891	8,748,742	27,405,304	63,544,144
Transfers Out	(13,071,350)	(12,911,705)	(27,641,182)	(55,211,856)
Proceeds from Sale of Assets	5,051,157	-	-	-
Issuance of Debt	15,124,937	18,509,331	31,575,000	39,900,000
Premium on Issuance of Debt	-	-	-	-
Discount on Issuance of Debt	-	-	(176,857)	(678,589)
Credit Enhancement Fee	-	-	-	5,000,000
Payment to Escrow Agent	(14,893,645)	(13,765,000)	(29,955,000)	-
Total Other Financing Sources (Uses)	9,044,990	581,368	1,207,265	52,553,699
Net Change in Fund Balances	\$ 184,431	\$ (5,064,188)	\$ (42,660,475)	\$ (9,578,026)
Debt Service as a percentage of non-capital expenditures	38.64 %	40.03 %	36.77 %	34.30 %

(1) Other Sources and Uses reallocated for 2007

2009	2008	2007	2006	2005	2004
\$ 52,136,148	\$ 61,086,578	\$ 67,267,830	\$ 51,761,788	\$ 37,844,417	\$ 29,690,938
12,427,201	13,177,960	5,747,294	8,525,628	13,058,345	9,933,478
28,899,528	34,464,721	28,569,107	28,498,714	29,525,221	23,084,389
11,985,186	12,501,201	13,409,488	12,530,657	19,413,929	16,432,840
104,965	108,017	116,300	109,338	97,193	80,770
1,009,035	970,097	1,150,631	889,044	849,059	1,062,819
1,937,732	7,693,158	17,208,824	8,861,164	3,816,186	2,758,107
9,137,147	10,988,686	8,886,909	9,459,364	9,704,565	10,476,511
3,051,214	5,316,188	10,720,007	20,894,212	14,942,169	11,923,402
2,817,079	1,861,358	12,253,243	55,493,467	5,463,283	10,625,000
-	-	-	-	-	-
2,354,435	3,137,429	3,468,900	2,717,489	3,331,803	4,885,690
125,859,670	151,305,393	168,798,533	199,740,865	138,046,170	120,953,944
10,859,846	12,072,175	12,862,379	13,376,409	11,534,911	10,080,721
39,746,373	37,171,553	34,160,143	34,610,167	33,890,702	27,117,155
3,529,369	1,195,176	1,277,461	913,514	988,870	767,560
15,103,623	21,165,446	13,979,979	11,706,250	8,078,585	6,190,778
3,598,068	8,034,727	6,472,106	3,234,282	981,864	1,257,098
1,529,441	1,585,256	1,546,693	1,309,706	1,060,103	820,008
10,591,211	7,570,299	7,384,388	6,861,866	5,343,601	4,959,781
106,373,286	201,807,935	104,864,122	86,801,669	66,986,769	72,613,797
-	-	-	-	-	-
20,732,188	34,554,557	31,136,159	21,766,909	31,332,787	21,127,397
25,861,845	24,785,700	16,814,543	12,266,349	10,828,653	12,236,150
237,925,250	349,942,824	230,497,973	192,847,121	171,026,845	157,170,445
(112,065,580)	(198,637,431)	(61,699,440)	6,893,744	(32,980,675)	(36,216,501)
37,123,250	118,819,303	93,958,526	16,652,123	33,604,948	37,435,828
(38,190,937)	(121,584,621)	(97,601,922)	(19,884,179)	(40,281,097)	(38,299,148)
-	-	-	-	-	-
76,960,000	163,155,000	136,830,000	49,744,900	72,775,000	64,680,000
532,697	60,999	2,212,530	1,399,455	1,421,844	1,887,959
(859,195)	(3,141,774)	(383,971)	-	(172,818)	(170,013)
-	-	-	-	-	-
(71,340,606)	-	-	-	-	(10,435,000)
4,225,209	157,308,907	135,015,163	47,912,299	67,347,877	55,099,626
\$ (107,840,371)	\$ (41,328,524)	\$ 73,315,723	\$ 54,806,043	\$ 34,367,202	\$ 18,883,125
35.14 %	37.01 %	35.27 %	33.66 %	34.24 %	26.69 %

◆ Revenue Capacity

CITY OF PORT ST. LUCIE, FLORIDA
Assessed Value of Taxable Property
Last Ten Fiscal Years

<u>Tax Roll Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Centrally Assessed</u>	<u>Combined Exemptions</u>	<u>Taxable Value</u>	<u>Total Millage</u>
2003	\$ 4,977,036,929	\$ 316,487,655	\$ 299,944	\$ 1,096,240,271	\$ 4,197,584,257	4.9399
2004	6,791,568,073	344,247,634	324,003	1,233,949,272	5,902,190,438	4.6899
2005	9,416,966,696	437,940,172	326,912	1,454,998,314	8,400,235,466	4.6899
2006	13,355,784,368	483,044,056	369,665	1,698,952,045	12,140,246,044	4.4399
2007	14,357,933,121	592,885,837	451,868	1,859,917,943	13,091,352,883	4.2172
2008	12,779,489,552	647,192,155	610,423	2,880,690,124	10,546,602,006	4.2172
2009	9,945,285,528	658,937,776	406,311	2,769,978,059	7,834,651,556	4.6866
2010	8,787,692,591	645,199,358	397,988	2,689,788,860	6,743,501,077	5.4723
2011	8,495,592,739	631,827,590	410,912	2,674,949,192	6,452,882,049	5.7289
2012	8,366,988,790	632,742,480	329,021	2,673,400,190	6,326,660,101	5.6289

SOURCE: St. Lucie County Property Appraiser.

NOTE: Tax Roll Year is January 1 to December 31.
City's Fiscal Year is October 1 to September 30.
(Example: Tax Roll Year 2012 = Fiscal Year 2012-13)

**CITY OF PORT ST. LUCIE, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

TAX ROLL YEAR	CITY of PORT ST. LUCIE			ST. LUCIE COUNTY			SCHOOLS			OTHER AGENCIES	TOTAL City-Wide Millage
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Capital Improv. Millage	Total Schools Millage	Operating Millage	
2003	4.9399	0	4.9399	8.1951	0.1620	8.3571	6.3550	2.2280	8.5830	4.0076	25.8876
2004	4.6899	0	4.6899	8.0583	0.1490	8.2073	6.1310	2.1820	8.3130	4.0076	25.2178
2005	3.6899	1.0000	4.6899	7.8583	0.1370	7.9953	5.9220	2.0000	7.9220	3.9832	24.5904
2006	3.4399	1.0000	4.4399	7.2112	0.0977	7.3089	5.7370	2.0000	7.7370	3.6832	23.1690
2007	3.2172	1.0000	4.2172	6.6833	0.0920	6.7753	5.4900	2.0000	7.4900	3.3368	21.8193
2008	3.2172	1.0000	4.2172	6.6833	0.0613	6.7446	5.9350	1.7500	7.6850	3.3368	21.9836
2009	3.6866	1.0000	4.6866	6.6833	0.0613	6.7446	6.4760	1.5000	7.9760	3.4382	22.8454
2010	4.3098	1.1625	5.4723	7.4024	0.0613	7.4637	6.6770	1.5000	8.1770	3.7221	24.8351
2011	4.5096	1.2193	5.7289	7.4538	0.0154	7.4692	6.3780	1.5000	7.8780	3.7005	24.7766
2012	4.4096	1.2193	5.6289	7.4538	0.0154	7.4692	6.2710	1.5000	7.7710	3.6931	24.5622

SOURCE: Typical Tax Bill - St. Lucie County Tax Collector.

NOTES: Rate based on per \$1,000 of taxable property value.

Tax Roll Year is January 1 to December 31.

Municipality's Fiscal Year is October 1 to September 30.

(Example: Tax Roll Year 2012 = Fiscal Year 2012-13)

**CITY of PORT ST. LUCIE, FLORIDA
Principal Property Taxpayers
Current Year and Ten Years Ago**

	<u>2013 Tax Roll</u>			<u>2003 Tax Roll</u>		
	Total Taxable Value (1)	Rank	Percentage of Total Taxable Taxable Value	Total Taxable Value (1)	Rank	Percentage of Total Taxable Taxable Value
Florida Power and Light Co	\$ 86,914,629	1	1.36%	\$ 44,808,138	1	1.07 %
Wal-Mart Stores East LP	73,593,936	2	1.15	21,419,786	7	0.51
Inland Diversified PSL Landing	59,019,660	3	0.92			
Southern Bell Tel and Tel	41,164,730	4	0.64	33,253,696	4	0.79
Florida Gas Transmission Co LLC	39,226,630	5	0.61			
HCA	37,029,029	6	0.58	38,209,602	3	0.91
Sandpiper Resort Prop Inc	36,760,606	7	0.57	21,850,005	6	0.52
Scripps Media Inc	23,165,602	8	0.36			
Federal National Mortgage Assoc	22,762,912	9	0.35			
Liberty Medical Supply Inc	20,006,903	10	0.31			
GINN-LA				38,661,095	2	0.92
St. Lucie West Development Corp				28,922,437	5	0.69
Brisben Family LTD PTNSHP				18,041,534	8	0.43
Levitt Homes, Inc				17,709,600	9	0.42
Port St. Lucie Retirement Invest				16,491,730	10	0.39
Taxable Value of 10 Largest Taxpayers	439,644,637		6.85	279,367,623		6.65
Taxable Value of Other Taxpayers	5,972,921,665		93.15	3,918,216,634		93.35
Taxable Value of All Taxpayers	<u><u>\$ 6,412,566,302</u></u>		<u><u>100.00 %</u></u>	<u><u>\$ 4,197,584,257</u></u>		<u><u>100.00 %</u></u>

(1) Includes both Real and Personal Property

NOTE: Tax Roll Year is January 1 to December 31.

SOURCES: St. Lucie County Property Appraiser, St. Lucie County Tax Collector and City of Port St. Lucie GIS Department

**City of Port St. Lucie, Florida
Special Assessment Districts
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Special Assessments Billed</u>	<u>Special Assessments Collected</u>	<u>Delinquent Payments Collected</u>	<u>Prepayments, Partial Payments and Payoffs Collected</u>
2003-04	\$ 15,101,417	\$ 14,718,094	\$ 127,327	\$ 1,707,473
2004-05	15,854,688	15,461,428	93,578	2,557,872
2005-06	16,053,204	15,721,524	9,816	1,831,369
2006-07	15,977,882	15,602,406	54	1,050,935
2007-08	20,209,498	19,545,433	18,480	829,289
2008-09	18,065,227	17,289,511	13,123	1,378,760
2009-10	17,818,605	16,873,137	129,031	1,226,490
2010-11 (1)	31,619,450	29,216,274	(23,730)	719,693
2011-12	31,511,275	28,553,832	636,766	478,509
2012-13	31,426,747	28,593,227	229,240	575,142
Ten Year Totals	<u><u>\$ 213,637,993</u></u>	<u><u>\$ 201,574,866</u></u>	<u><u>\$ 1,233,685</u></u>	<u><u>\$ 12,355,532</u></u>

(1) The negative delinquent collections is due to a 2006 tax certificate refund.

The above data is combined for fifteen (15) existing assessment districts.

Sources: City of Port St. Lucie Finance Department
St. Lucie County Tax Collector

CITY OF PORT ST. LUCIE, FLORIDA
Property Tax Levies and Collections
Last Ten Years

<u>Fiscal Year</u>	<u>Tax Roll Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections (per Collection Year)</u>	<u>Subsequent Year Collections (per Levy Year)</u>	<u>Total Collections to Date</u>	
							<u>Amount</u>	<u>Percent of Levy (2)</u>
03-04	2003	\$ 20,679,133	\$ 19,926,317	96.4 %	\$ 42,870	\$ 28,068	\$ 19,954,385	96.5 %
04-05	2004	27,481,070	26,498,822	96.4	37,447	37,781	26,536,603	96.6
05-06	2005	39,291,125	37,845,564	96.3	28,835	66,927	37,912,491	96.5
06-07	2006	53,751,893	51,861,616	96.5	82,931	(25,769)	51,835,847	96.4
07-08	2007	55,001,379	53,076,166	96.5	(61,810)	99,978	53,176,144	96.7
08-09	2008	44,658,353	42,433,724	95.0	190,965	398,120	42,831,844	95.9
09-10	2009	36,841,021	35,107,786	95.3	304,047	283,710	35,391,496	96.1
10-11	2010	37,003,023	35,188,029	95.1	310,838	90,799	35,278,828	95.3
11-12	2011	37,036,486	35,064,715	94.7	137,587	286,677	35,351,392	95.5
12-13	2012	35,683,010	34,057,127	95.4	325,825	n/a	34,057,127	95.4

(1) Current Tax Collections presented herein are through the County Tax Collector's Recapitulation date of June 30th.
- Includes Operating and Debt Service starting with the 2005 Tax Roll Year.
-Tax Roll Year is January 1st to December 31st.
-Municipality's Fiscal Year is October 1st to September 30th.

(2) Does not include Delinquent Tax Collections per Collection Year column.

SOURCE: St. Lucie County Tax Collector Records.



"A City for All Ages"

◆ Debt Capacity

CITY OF PORT ST. LUCIE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Governmental Activities					Business-Type Activities			Utility Debt Only Per Utility Customers	Utility Debt Per Utility Customer	(1) Total Bond Debt Citywide	Total Debt Per Capita	(2) Total Debt Per Total Personal Income
	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Special Assessment District	Tax Increment Financing	Stormwater Bonds	Golf Course Bonds	Utility Revenue Bonds					
2004 115,155	\$ -	\$ 66,210,000	\$ 8,260,000	\$ 155,270,000	\$ 11,870,000	\$ 17,310,000	\$ 6,385,000	\$ 278,847,162	48,156	\$ 5,790	\$ 544,152,162	\$ 4,725	4.19 %
2005 129,135	49,285,000	62,170,360	7,905,000	152,160,000	11,690,000	16,730,000	6,120,000	380,902,162	57,841	6,585	686,962,522	5,320	4.88
2006 144,159	89,325,000	57,986,881	7,525,000	139,940,000	16,380,000	16,125,000	-	451,607,162	65,010	6,947	778,889,043	5,403	5.03
2007 155,315	89,125,000	49,590,832	49,410,000	160,525,000	57,415,000	15,495,000	-	455,237,688	67,790	6,715	876,798,520	5,645	5.38
2008 157,896	88,925,000	45,526,346	49,170,000	301,880,000	56,940,000	12,380,000	-	431,987,736	68,906	6,269	986,809,082	6,250	6.00
2009 155,251	88,725,000	41,052,910	48,040,000	296,640,000	56,400,000	12,130,000	-	447,939,040	69,417	6,453	990,926,950	6,383	6.55
2010 156,392	88,025,000	75,820,000	47,180,000	283,400,000	55,145,000	47,875,000	-	444,871,195	69,884	6,366	1,042,316,195	6,665	6.65
2011 166,041	87,075,000	72,205,000	45,475,000	267,230,000	53,825,000	47,600,000	-	441,645,505	70,164	6,294	1,015,055,505	6,113	6.22
2012 167,252	85,745,000	66,190,000	43,705,000	250,375,000	52,235,000	47,220,000	-	435,762,047	70,432	6,187	981,232,047	5,867	5.80
2013 167,914	86,097,580	61,000,250	41,999,842	229,859,857	51,356,944	47,471,004	-	439,988,545	70,905	6,205	957,774,022	5,704	n/a
		<u>Governmental</u>	<u>Total</u>	<u>\$ 470,314,473</u>		<u>Enterprise</u>	<u>Total</u>	<u>\$ 487,459,549</u>					

NOTE: Premiums, discounts, and accreted interest are included in debt amounts starting with Fiscal Year 2013.

(1) Bond debt excludes bank loans and anticipation notes.

(2) See the Demographic and Economic Statistics worksheet in the Demographic and Economic section of the Statistical Section for Personal Income detail. Prior year detail revised each year by the BEA.

CITY OF PORT ST. LUCIE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Year</u>	<u>Population</u>	<u>Taxable Value</u>	<u>General Obligation Bonds Outstanding (1)</u>	<u>G.O. Percentage of Taxable Value</u>	<u>General Obligation Debt per Capita</u>	<u>Total Voter Approved General Obligation Debt</u>	<u>Total General Obligation Debt Amount</u>	<u>Remaining Approved General Obligation Debt</u>
2004	115,155	\$ 5,902,190,438	\$ -	- %	\$ -	\$ -	\$ -	\$ -
2005	129,135	8,400,235,466	49,285,000	0.59	382	165,000,000	50,706,844	114,293,156
2006	144,159	12,140,246,044	89,325,000	0.74	620	165,000,000	96,651,199	68,348,801
2007	155,315	13,091,352,883	89,125,000	0.68	574	165,000,000	96,651,199	68,348,801
2008	157,896	10,546,602,006	88,925,000	0.84	563	165,000,000	96,651,199	68,348,801
2009	155,251	7,834,651,556	88,725,000	1.13	571	165,000,000	96,651,199	68,348,801
2010	156,392	6,743,501,077	88,025,000	1.31	563	165,000,000	96,651,199	68,348,801
2011	166,041	6,452,882,049	87,075,000	1.35	524	165,000,000	96,651,199	68,348,801
2012	167,252	6,326,660,101	85,745,000	1.36	513	165,000,000	96,651,199	68,348,801
2013	167,914	6,412,566,302	86,097,580	1.34	513	165,000,000	96,651,199	68,348,801

(1) Premiums and discounts are included in outstanding debt amounts starting in 2013.

NOTE: A June, 2005 voter referendum was approved at 89% for the issuance of general obligation bonds, not to exceed \$165,000,000. for the construction of an East- West corridor through the City. The first bond series was issued in 2005 and the second series was issued in 2006. The remaining authorized issuance balance is shown above.

CITY OF PORT ST. LUCIE, FLORIDA
Computation of Direct and Overlapping Bonded Debt
Governmental Bonds
September 30, 2013

<u>Jurisdiction</u>	<u>Governmental Bonded Debt Outstanding</u>	<u>Percent Applicable To City (1)</u>	<u>Dollar Amount</u>	
			<u>Total Applicable To City</u>	<u>Per Capita Applicable To City</u> <small>(population = 167,914)</small>
<u>Overlapping Debt :</u>				
ST. LUCIE COUNTY	\$ 119,266,690	42.25	\$ 50,390,177	\$ 300
ST. LUCIE COUNTY				
DISTRICT SCHOOL BOARD (2)	<u>314,289,000</u>	38.48	<u>120,938,407</u>	<u>720</u>
Overlapping Debt Totals	433,555,690		171,328,584	1,020
<u>Direct Debt :</u>				
CITY OF PORT ST. LUCIE	<u>470,314,473</u>	100.00	<u>470,314,473</u>	<u>2,801</u>
TOTAL OVERLAPPING AND DIRECT DEBT	<u>\$ 903,870,163</u>		<u>641,643,057</u>	<u>3,821</u>

(1) The percent applicable to the City is calculated using property taxable value ratios.

(2) Exemptions for Economic Development and Additional Homestead are not included.

Sources: St. Lucie County Clerk of Circuit Court
St. Lucie County School Board
St. Lucie County Property Appraiser,
City of Port St. Lucie Finance Department

CITY OF PORT ST. LUCIE, FLORIDA
Revenue Bond Coverage's
September 30, 2013

Local Option Gas Tax Refunding and Improvement Revenue Bonds, Series 2004

Fiscal Year Ending	Total Local Option Gas Tax Revenue	Maximum Annual Debt Service Requirement	Debt Service Coverage
2004	\$ 5,883,647	\$ 3,733,465	1.58
2005	6,835,166	3,733,465	1.83
2006	7,467,955	3,733,465	2.00
2007	7,420,536	3,733,465	1.99
2008	7,579,396	3,731,980	2.03
2009	7,456,766	3,731,980	2.00
2010	7,602,956	3,731,980	2.04
2011	7,614,566	3,731,500	2.04
2012	7,820,760	3,731,500	2.10
2013	7,864,177	3,731,500	2.11

Sales Tax Refunding Bonds, Series 2008 and Series 2011

Fiscal Year Ending	Local Government Half-Cent Sales Tax Revenue	Maximum Annual Debt Service Requirement	Debt Service Coverage
2004	\$ 4,706,805	\$ 2,223,750	2.12
2005	5,581,577	2,223,750	2.51
2006	5,979,895	2,223,750	2.69
2007	5,709,452	2,223,750	2.57
2008	5,357,939	2,223,750	2.41
2009	4,908,774	2,223,750	2.21
2010	4,729,330	2,223,750	2.13
2011	4,928,954	2,223,750	2.22
2012	5,245,628	2,181,113	2.41
2013	5,510,580	2,181,113	2.53

CITY OF PORT ST. LUCIE, FLORIDA
Revenue Bond Coverage
Stormwater Utility System

Fiscal Year Ending September 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Stormwater Revenues:	\$ 20,094,776	\$ 19,315,669	\$ 19,219,609	\$ 19,019,552	\$ 16,480,343	\$ 15,132,862	\$ 14,606,760	\$ 13,933,709	\$ 13,587,223	\$ 12,487,786
Franchise Revenues:	<u>7,755,163</u>	<u>8,161,246</u>	<u>7,656,194</u>	<u>7,987,044</u>	<u>8,627,252</u>	<u>8,363,948</u>	<u>8,176,844</u>	<u>7,370,278</u>	<u>5,451,820</u>	<u>4,727,297</u>
Total Pledged Revenues:	27,849,939	27,476,915	26,875,803	27,006,596	25,107,595	23,496,810	22,783,604	21,303,987	19,039,043	17,215,083
Less: Operating Expenses: (1)	<u>15,645,467</u>	<u>18,001,709</u>	<u>15,726,612</u>	<u>14,467,667</u>	<u>14,193,932</u>	<u>15,173,434</u>	<u>13,384,262</u>	<u>13,203,540</u>	<u>13,585,080</u>	<u>9,777,377</u>
Total Net Pledged Revenues:	<u>\$ 12,204,472</u>	<u>\$ 9,475,206</u>	<u>\$ 11,149,191</u>	<u>\$ 12,538,929</u>	<u>\$ 10,913,663</u>	<u>\$ 8,323,376</u>	<u>\$ 9,399,342</u>	<u>\$ 8,100,447</u>	<u>\$ 5,453,963</u>	<u>\$ 7,437,706</u>
Stormwater Revenues less Operating Expenses: (1)	\$ 4,449,309	\$ 1,313,960	\$ 3,492,997	\$ 4,551,885	\$ 2,286,411	\$ (40,572)	\$ 1,222,498	\$ 730,169	\$ 2,143	\$ 2,710,409
Annual Debt Service Requirements on Series 2010 A&B and Series 2011 Bonds:	\$ 3,409,248	\$ 3,988,449	\$ 3,988,449	\$ 4,046,274	\$ 1,436,250	\$ 1,436,250	\$ 1,436,250	\$ 1,436,250	\$ 1,436,250	\$ 1,436,250
Debt Service Coverage Based on Total Pledged Revenues:	8.17	6.89	6.74	6.67	17.48	16.36	15.86	14.83	13.26	11.99
Debt Service Coverage Based on Total Net Pledged Revenues:	3.58	2.38	2.80	3.10	7.60	5.80	6.54	5.64	3.80	5.18

(1) Excludes depreciation expense.

CITY OF PORT ST. LUCIE, FLORIDA
Revenue Bond Coverage
Water and Sewer Utility System Revenue Bonds

Fiscal Year Ending September, 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating Revenues										
Charges for Services	\$ 61,237,657	\$ 58,708,951	\$ 56,168,504	\$ 52,535,104	\$ 52,688,326	\$ 50,991,171	\$ 50,346,537	\$ 44,449,989	\$ 36,188,051	\$ 30,499,629
Misc. Revenues	1,163,867	398,903	2,476,104	2,598,709	508,160	455,370	1,054,405	1,237,803	916,616	653,652
Total Operating Revenues	62,401,524	59,107,854	58,644,608	55,133,813	53,196,486	51,446,541	51,400,942	45,687,792	37,104,667	31,153,281
Operating Expenses (1)	28,489,427	28,127,327	29,069,871	31,393,224	30,892,393	29,345,994	27,463,736	22,741,704	17,847,709	13,961,731
Net Operating Revenues	33,912,097	30,980,527	29,574,737	23,740,589	22,304,093	22,100,547	23,937,206	22,946,088	19,256,958	17,191,550
Other Revenues										
Interest Income	425,139	716,172	1,133,271	1,275,227	6,378,889	3,172,308	4,314,301	3,656,046	4,357,929	2,233,631
Guaranteed Revenues	390,250	193,163	264,225	504,500	645,888	858,106	1,329,259	1,106,939	765,891	333,097
Total Other Revenues	815,389	909,335	1,397,496	1,779,727	7,024,777	4,030,414	5,643,560	4,762,985	5,123,820	2,566,728
Total Net Revenue Available	<u>\$ 34,727,486</u>	<u>\$ 31,889,862</u>	<u>\$ 30,972,233</u>	<u>\$ 25,520,316</u>	<u>\$ 29,328,870</u>	<u>\$ 26,130,961</u>	<u>\$ 29,580,766</u>	<u>\$ 27,709,073</u>	<u>\$ 24,380,778</u>	<u>\$ 19,758,278</u>
Debt Service Coverage										
Net Revenues	\$ 34,727,486	\$ 31,889,862	\$ 30,972,233	\$ 25,520,316	\$ 29,328,870	\$ 26,130,961	\$ 29,580,766	\$ 27,709,073	\$ 24,380,778	\$ 19,758,278
Current Sub Accounts (2)	16,833,058	25,045,734	23,240,079	23,112,616	23,386,952	22,151,707	22,744,994	17,884,138	12,922,695	10,953,756
Debt Service Requirement	32,917,853	27,150,475	25,307,749	25,129,341	26,232,845	25,288,540	25,638,320	20,807,291	15,873,410	14,066,324
Coverage Test (3)										
Test 1a	1.05	1.17	1.22	1.02	1.12	1.03	1.15	1.33	1.54	1.40
Test 1b	1.57	2.10	2.14	1.94	2.01	1.91	2.04	2.19	2.35	2.18

Note: (1) Excludes Depreciation / Amortization Expense.

(2) The Capital Facilities Charge balances in the Connection Fee Fund, maxed at the debt service expansion component.

(3) Per standard Utility bond resolution terms, the Utility Bond Coverage Test 1a is Net Revenue / Debt Service and should be 1.00 or greater, or the Utility Bond Coverage Test 1b is Net Revenue + either Pledged CFCs or Current Sub Accounts / Debt Service and should be 1.10 or greater.

◆ Demographic and Economic

CITY OF PORT ST. LUCIE, FLORIDA

Population Statistics

Last Ten Years

<u>Year</u>	<u>City of Port St. Lucie, Florida</u>			<u>County of St. Lucie, Florida</u>			<u>City Population as a Percent of County</u>
	<u>Population Number</u>	<u>Number Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>Population Number</u>	<u>Number Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	
2003	103,072			211,898			
2004	115,155	12,083	11.7	226,216	14,318	6.8	50.9
2005	129,135	13,980	12.1	240,039	13,823	6.1	53.8
2006	144,159	15,024	11.6	259,315	19,276	8.0	55.6
2007	155,315	11,156	7.7	271,961	12,646	4.9	57.1
2008	157,902	2,587	1.7	276,585	4,624	1.7	57.1
2009	155,251	(2,651)	(1.7)	272,864	(3,721)	(1.3)	56.9
2010	164,603	9,352	6.0	277,789	4,925	1.8	59.3
2011	166,041	1,438	0.9	279,696	1,907	0.7	59.4
2012	167,252	1,211	0.7	280,355	659	0.2	59.7
2013	167,914	662	0.4	281,151	796	0.3	59.7
Ten Year Growth	<u><u>64,842</u></u>	62.9		<u><u>69,253</u></u>	32.7		City Growth as a Percent of County Growth <u>93.6</u>

SOURCES: University of Florida Bureau of Economic and Business Research.
Population data is estimated as of April 1st for each year listed except for year 2010 which used actual census figures.

CITY OF PORT ST. LUCIE, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	(1) <u>Personal Income</u> (000's)	(1) <u>Per Capita Income</u>	(2) <u>Public School Enrollment</u>	(1) <u>Unemployment Percentage</u>
2004	\$ 12,979,244	\$ 35,243	18,253	7.6
2005	14,085,281	36,692	19,989	4.6
2006	15,489,343	39,011	24,232	4.4
2007	16,311,012	39,744	25,530	6.2
2008	16,454,125	39,409	24,176	9.6
2009	15,124,834	36,024	23,968	13.8
2010	15,680,584	36,874	26,352	13.7
2011	16,320,413	38,095	25,543	12.5
2012	16,908,368	39,078	25,929	10.4
2013	n/a	n/a	26,045	8.7

(1) Prior year revisions included per U.S. Department of Labor.

(2) Starting in 2010, includes Savanna Ridge, Renaissance, and Nau Charter schools. Starting in 2011, includes Palm Point Charter.

NOTE: Public school figures include Port St. Lucie only. All other figures cover the Port St. Lucie Metropolitan Statistical Area (MSA).

SOURCES: St. Lucie County Public School System
U.S. Department of Labor

CITY OF PORT ST. LUCIE, FLORIDA
Principal Employers in St. Lucie County
1st Quarter 2013 and 1st Quarter 2004

	<u>1st Quarter 2013</u>			<u>1st Quarter 2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total Jobs</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total Jobs</u>
St. Lucie School Board	4,478	1	6.58	4,144	1	6.43
Lawnwood / HCA Medical	2,200	2	3.23	1,106	7	1.72
Indian River State College	1,884	3	2.77	1,538	4	2.39
St. Lucie County	1,594	4	2.34	1,832	2	2.84
Wal-Mart Retail and Distribution	1,569	5	2.30	1,749	3	2.71
Publix	1,327	6	1.95	1,214	5	1.88
City of Port St. Lucie	1,075	7	1.58	943	8	1.46
Florida Power & Light	1,000	8	1.47	--	--	--
Q V C	994	9	1.46	888	9	1.38
Liberty Healthcare Group, Inc.	920	10	1.35	1,211	6	1.88
Riverside Bank	--	--	--	859	10	1.33
Total Top Ten	<u>17,041</u>		<u>25.02</u>	<u>15,484</u>		<u>24.04</u>
Total Jobs Available	68,098			64,420		

SOURCES: Economic Development Council (EDC) of St. Lucie County
City of Port St. Lucie Payroll Department

NOTE: State and Federal employers not ranked.
Information is for St. Lucie County. Specific City only information not available.
Actual number of employees used, not full time equivalents (FTEs).
This information was only available starting in 2004 and uses most recent EDC data available.

**CITY OF PORT ST LUCIE, FLORIDA
Construction Values
Last Ten Fiscal Years**

<u>Year</u>	<u>Construction</u>			
	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>
2004	7,026	\$ 789,390,815	168	\$ 37,595,308
2005	7,341	1,001,637,632	348	89,036,036
2006	4,183	512,461,746	381	144,886,669
2007	1,289	185,825,190	449	148,693,443
2008	609	74,176,293	407	95,398,929
2009	197	14,978,683	290	61,687,034
2010	198	15,955,030	322	72,674,854
2011	188	20,315,132	245	52,119,534
2012	162	20,568,540	279	96,402,278
2013	430	50,306,661	292	59,575,324
<u>Current Year Increase (Decrease) over Prior Year</u>				
Amount	268	29,738,121	13	(36,826,954)
Percent	165.4	144.6	4.7	(38.2)

Source: City of Port St. Lucie Building Department.
The construction permit data switched from calendar year
(January 1 - December 31) to fiscal year (October 1 - September 30)
starting with Year 2011 figures.

◆ Operating Information

CITY OF PORT ST. LUCIE, FLORIDA

Employees - Full Time Equivalents by Function / Program

Last Ten Fiscal Years

Budgeted Full Time Equivalent Employees per Fiscal Year

<u>Function / Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Government	137.22	132.97	127.16	144.26	166.61	169.14	196.90	207.95	189.85	169.24
Public Safety	312.72	300.72	308.63	364.55	393.46	398.08	388.08	338.84	293.58	262.33
Physical Environment	14.00	14.00	14.00	16.00	16.00	15.75	12.75	11.75	10.00	9.00
Transportation	51.65	65.50	68.50	80.00	89.00	91.00	96.00	95.00	78.38	67.38
Economic Environment	6.82	10.04	10.02	9.38	8.58	8.58	8.38	8.58	7.68	7.68
Human Services	11.00	13.00	14.00	16.00	18.00	20.00	20.00	19.00	16.00	14.00
Culture and Recreation	113.79	114.84	112.77	138.25	151.59	130.09	98.32	94.71	89.83	84.77
Utility Systems	249.60	250.10	250.00	272.00	305.50	306.31	306.50	292.50	260.00	237.00
Stormwater Utility	67.00	61.25	60.50	66.00	66.00	65.00	67.00	67.00	62.00	61.00
Golf Course	9.33	9.33	17.33	20.33	22.76	22.76	22.13	22.13	21.75	20.75
Totals	<u>973.13</u>	<u>971.75</u>	<u>982.91</u>	<u>1,126.77</u>	<u>1,237.50</u>	<u>1,226.71</u>	<u>1,216.06</u>	<u>1,157.46</u>	<u>1,029.07</u>	<u>933.15</u>

SOURCE: Annual Budget

CITY OF PORT ST. LUCIE, FLORIDA

Departmental Operating Indicators

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
City Council										
Council Meetings	52	40	44	52	60	60	60	60	60	42
County Boards & Committee Mtgs.	185	180	180	180	180	180	180	180	180	108
Citizen Mtgs. with Mayor or Council	150	150	150	150	150	150	150	150	150	250
City Clerk										
Records Requests	1,560	1,779	1,196	1,309	2,200	2,200	2,200	1,600	1,350	1,300
Ordinances & Resolutions	203	210	193	249	315	315	290	259	261	234
Legal Notices Posted	325	330	354	328	375	375	575	550	348	370
Finance Department (1)										
Accounts Payable Checks	15,957	14,640	11,774	12,246	13,876	13,876	16,593	18,425	17,788	15,136
Wire Transfers	582	471	586	742	696	696	626	730	710	818
Journal Entries	13,589	13,759	15,504	16,834	18,145	18,145	15,146	17,012	16,925	13,741
Human Resources										
Employment Applications Processed	3,500	3,000	2,500	3,000	2,000	6,000	5,500	4,500	6,300	6,070
Employment Applicants Interviewed	350	300	250	500	600	1,000	880	873	878	600
Community Services (1)										
Housing Assistance (# of families)	96	58	68	34	38	64	78	78	30	122
Water/Sewer Assistance (# of families)	-	20	20	20	20	20	20	10	26	50
Information Systems (1)										
Servers Maintained	62	62	45	45	45	52	52	36	39	18
Workstations Maintained	1,017	1,092	870	870	836	1,300	1,222	1,154	1,055	1,000
Work Orders Completed	4,200	4,023	2,500	2,500	2,411	2,500	2,418	2,960	3,388	2,576
Office of Management & Budget										
Requests for Proposals (2)	30	14	28	45	38	38	130	114	72	24
Budget Amendments	3	3	3	3	2	2	2	3	2	3
Contracts Maintained	1,680	1,500	1,140	1,152	900	900	870	862	511	347
Code Enforcement										
Code Cases	12,946	10,000	8,499	10,182	16,230	12,849	10,692	8,199	6,500	6,300
Code Board Hearings	1,162	300	213	656	915	1,065	677	778	425	400
Animal Control										
Animal Cases	6,776	7,529	7,528	8,231	7,843	8,093	7,754	7,167	3,275	3,200
Animal Licenses	10,626	10,301	10,027	11,996	11,952	11,601	11,704	8,840	4,385	4,350
Planning Department										
Plans and Petitions Reviewed	79	88	91	91	86	156	195	190	235	242
Comprehensive Plan Amendments	5	6	7	11	11	25	19	16	35	33
Occupational Licenses										
Number of Licenses	8,200	7,587	7,649	9,000	9,300	9,800	9,300	8,500	7,300	6,000
Special Event Permits	70	43	60	70	100	100	34	150	125	100

CITY OF PORT ST. LUCIE, FLORIDA

Departmental Operating Indicators

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police Department (1)										
Arrests	2,652	3,284	2,452	4,869	4,869	4,692	4,692	4,838	3,600	3,545
Traffic Citations Issued	8,621	10,371	8,864	20,054	20,054	28,600	28,600	27,231	26,000	23,222
Calls for Service	168,390	151,745	154,749	151,376	151,376	160,400	160,400	145,852	80,000	77,167
Parking Tickets	399	544	275	1,135	1,135	1,900	1,900	1,800	1,100	1,085
Municipal Garage (1)										
Vehicles / Equipment Maintained	5,100	5,770	5,490	4,315	5,151	4,273	4,230	5,055	4,300	3,300
Vehicle Accidents	83	97	90	136	152	144	152	160	120	152
Parks & Recreation Department										
Parks Maintained	36	34	34	34	34	34	32	32	n/a	n/a
Recreation Programs	1,900	1,812	1,051	901	924	901	894	875	813	1,048
Acres Maintained	897	797	797	797	797	400	309	310	308	261
Engineering Department										
Residential Plot Plans Reviewed	734	359	371	338	369	949	1,500	3,920	7,623	7,144
Site Plans Reviewed	144	113	132	23	22	120	150	545	497	493
Mark & Locates	3,015	1,794	1,758	2,968	3,757	4,554	5,000	8,814	9,520	9,730
Public Works										
Drainage Improvements (linear feet)	126,590	149,880	151,105	126,160	159,300	135,117	150,110	152,510	160,605	n/a
Drainage Right-of-Way Maint. (miles)	31	39	26	27	30	19	20	20	20	n/a
Street Paving (overlay miles)	5	17	18	20	21	29	35	34	35	n/a
Building Department										
Permits Issued	10,609	3,753	8,112	8,138	8,241	13,851	21,313	40,545	54,490	28,425
Plans Reviewed and Approved	7,956	1,429	7,449	7,150	8,241	13,851	21,313	40,545	9,000	8,000
Total Dwelling Units	491	54	188	255	450	682	1,847	4,700	7,285	4,130
Utility Department										
Underground Locates	10,950	6,756	7,176	10,372	11,241	65,000	64,000	60,889	57,343	43,342
Water Mains Maintained (miles)	1,220	1,219	1,214	1,204	1,193	1,148	1,125	1,106	1,064	974
Sewer Mains Maintained (miles)	1,036	975	1,035	1,023	1,021	1,017	1,000	976	953	844
Water Treatment Capacity (mgd)	41.65	41.65	41.65	41.65	41.65	41.65	25.15	25.15	19.15	18.00
Sewer Treatment Plant Capacity (mgd)	18.00	18.00	18.00	16.93	19.07	13.07	13.04	11.07	10.80	6.68

(1) Some previous year's values revised.

(2) Formal bid threshold increased to \$25,000 in 2008 and to \$35,000 in 2009.

SOURCE:

Annual Budget

CITY OF PORT ST. LUCIE, FLORIDA

Capital Asset Statistics

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police Department										
Stations	2	3	3	3	3	2	2	2	2	1
Police / Public Safety Vehicles	307	290	293	300	285	305	307	252	247	208
Average Total Mileage per Veh.	84,482	78,211	68,755	65,452	55,883	49,071	42,044	49,356	56,028	64,344
Municipal Garage										
Non-Public Safety Vehicles	362	374	372	387	409	416	424	412	371	313
Average Total Mileage per Veh.	77,591	71,786	65,500	60,474	58,736	52,611	47,981	41,866	52,842	59,013
Parks & Recreation Department										
Parks Maintained	36	34	34	34	34	34	32	32	n/a	n/a
Acres Maintained	897	797	797	797	797	400	309	310	308	304
Square Feet of Buildings	982,317	1,003,769	999,954	999,954	999,954	999,954	494,095	384,725	n/a	n/a
Engineering										
Traffic Signals	157	150	146	146	130	114	100	88	88	88
Street Lights	5,968	5,534	5,185	4,692	4,380	3,331	2,331	2,223	2,148	2,043
Public Works										
Streets (miles)	887.4	887.4	887.4	887.4	878.8	876.7	876.0	876.0	854.6	854.6
Utility Department										
Water Mains (miles)	1,220	1,219	1,214	1,204	1,193	1,148	1,125	1,106	1,064	974
Water Treatment Plants	2	2	2	2	2	2	2	2	2	1
Water Treatment Capacity (million gallons per day)	41.65	41.65	41.65	41.65	41.65	41.65	25.15	25.15	25.15	18.00
Wastewater Mains (miles)	1,036	975	1,035	1,023	1,021	1,017	1,000	976	953	844
Wastewater Treatment Plants	2	2	2	3	3	3	3	3	3	3
Wastewater Treatment Capacity (million gallons per day)	18.00	18.00	18.00	16.93	19.07	13.07	13.04	11.07	10.80	6.68
Golf Course										
Municipal Golf Courses	1	1	1	1	1	1	1	1	1	1

SOURCE: Annual Budget ; Public Works and Finance Departments

**City of Port St. Lucie, Florida
Utility System Statistics
Ten Largest Accounts FY 12-13**

	<u>Customer</u>	<u>Account Type</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Percentage</u>
1.	Tropicana Products, Inc.	Industrial	\$ 957,147	\$ 14,188	\$ 971,335	1.83 %
2.	Wynne Building Corp.	Residential	232,049	460,487	692,536	1.31
3.	St. Lucie County School Board	Institutional	204,354	390,693	595,047	1.12
4.	FL Dept. of Corrections	Institutional	480,887	-	480,887	0.91
5.	Allied New Technologies	Industrial	431,425	-	431,425	0.81
6.	Holiday Village of Sandpiper	Residential	142,303	277,091	419,394	0.79
7.	Midport Place Condominiums	Residential	106,864	219,711	326,575	0.62
8.	Sanctuary at Winterlakes	Residential	112,418	186,106	298,524	0.56
9.	KMJ Apartments LLC	Residential	88,105	177,853	265,958	0.50
10	Farash Florida Corporation	Residential	70,194	157,814	228,008	0.43
	Total of top ten		<u>\$ 2,825,746</u>	<u>\$ 1,883,943</u>	4,709,689	8.88
	Total of others				48,340,596	91.12
	Total of all customers				<u>\$ 53,050,285</u>	<u>100.00 %</u>

Source - City of Port St. Lucie Utilities for the 12 months period ended September 30, 2013.

Single Audit Section

**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 Honorable Mayor and Members of City Council
City of Port St. Lucie, Florida

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port St. Lucie, Florida, (the “City”) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated February 10, 2014. Our report includes a reference to another auditor who audited the financial statements of the City of Port St. Lucie Municipal Police Officer’s Retirement Trust Fund, as described in our report on the City’s financial statements. This report does not include the results of the other auditor’s testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditor.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’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’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a deficiency in internal control that we consider a significant deficiency, described as Finding 2013-001 in Attachment A to the Schedule of Findings and Questioned Costs.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questions costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cheryl Behrman LLP".

Orlando, Florida
February 10, 2014

CITY OF PORT ST. LUCIE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2013

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures
<u>FEDERAL PROGRAMS:</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Community Development Block Grant			
Entitlement (10/11)	14.218	B-10-MC-12-0038	\$ 47,419
Entitlement (11/12)	14.218	B-11-MC-12-0038	\$ 629,758
Entitlement (12/13)	14.218	B-12-MC-12-0038	\$ 86,886
Neighborhood Stabilization Program (NSP-1)	14.218	B-08-MN-12-0025	\$ 1,674,068
Neighborhood Stabilization Program (NSP-3)	14.218	B-11-MN-12-0025	\$ 1,893,946
			<u>\$ 4,332,077</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through the Executive Office of the Governor:			
Disaster Relief - Hurricane Isaac (DR-4084)	97.036	13-IS-3S-10-66-01-515	\$ 6,584
Passed Through Florida Division of Emergency Management			
Hazard Mitigation Grant Program - North St. Lucie River Drainage Improvements - Phase II	97.039	12HM-2Y-10-66-02-002	\$ 615,499
<u>U.S. Department of Justice</u>			
Direct Program via Office of Justice Programs			
Community Oriented Policing Services (COPS) - Secure our Schools	16.710	2011-CK-WX-0062	\$ 25,652
Edward Byrne Memorial Justice Assistance Grant (JAG) - BJA FY 12	16.738	2012-DJ-BX-0157	\$ 26,645
Edward Byrne Memorial Justice Assistance Grant (JAG) - Smart Policing Initiative - Institutionalization of Evidence Based Practices	16.738	2012-DB-BX-0002	\$ 109,701
Pass-Through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant (JAG) - Improving Local Law Enforcement Technology	16.738	2011-JAGC-STLU-2-D7-138	\$ 42,397
	Total CFDA 16.738		<u>\$ 178,743</u>
Pass-Through Florida Office of the Attorney General Victimes of Crime Act (VOCA)	16.575	V12163	\$ 52,995
<u>Federal Highway Administration (FHWA)</u>			
Pass-Through Florida Department of Transportation (FDOT)			
Marion Ave. Sidewalk Local Agency Participation Agreement (LAP)	20.205	AQM-29	\$ 365,395
Port St. Lucie Blvd. Landscape Improvement Local Agency Participation Agreement (LAP) - Petunia Ave. to Bayshore Blvd.	20.205	AQK-52	\$ 789,827
Savona Blvd. Sidewalk Improvements Local Agency Participation Agreement (LAP)	20.205	AQX-96	\$ 23,281
Maleluca Blvd. Sidewalk Improvements - Phase I Local Agency Participation Agreement (LAP)	20.205	AQW-53	\$ 71,746
Maleluca Blvd. Sidewalk Improvements - Phase II Local Agency Participation Agreement (LAP)	20.205	AQW-54	\$ 3,731
	Total CFDA 20.205		<u>\$ 1,253,980</u>
<u>U.S. Department of Agriculture (USDA)</u>			
Direct Program via Natural Resource Conservation Service (NRCS)			
E-8 Waterway Canal Embankment Stabilization Improvements	10.923	69-4209-13-1787	\$ 120,140
			<u>\$ 6,585,670</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 6,585,670</u>

CITY OF PORT ST. LUCIE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2013

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures
<u>STATE FINANCIAL ASSISTANCE:</u>			
<u>Florida Housing Finance Corporation:</u>			
Direct Program			
State Housing Initiatives Partnership Program	52.901	n/a	\$ 169,803
<u>Executive Office of the Governor</u>			
Direct Program			
Disaster Relief - Hurricane Isaac (DR-4084)	97.036	13-IS-3S-10-66-01-515	1,072
<u>Florida Department of Transportation</u>			
Direct Program			
Port St. Lucie Intermodal Transit Facility - Join Participation Agreement (JPA)	55.014	AQM-06	290,158
Transportation Regional Incentive Program (TRIP)	55.026	APG-01	43,602
TOTAL STATE FINANCIAL ASSISTANCE			504,635
TOTAL FEDERAL AWARDS & STATE FINANCIAL ASSISTANCE			\$ 7,090,305

CITY OF PORT ST. LUCIE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2013

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance was prepared to summarize the activity of all federal and state awards of the City of Port St. Lucie, Florida for the year ended September 30, 2013. For purposes of this schedule, federal programs and state financial assistance included all grants and contracts entered into directly between the City and agencies and departments of the federal or state government with expenditures during the fiscal year. Federal programs and state financial assistance passed through from other government agencies are also included in the schedule. The schedule also includes reimbursements in the current year for qualifying expenditures which were incurred by the City in prior years' but determined to be qualifying for reimbursement and received in the current year. The schedule is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE B – PROGRAM INCOME

The federal expenditures presented in the Schedule of Expenditures of Federal Awards and State Financial Assistance for the City of Port St. Lucie, Florida include expenditures funded by program income. The following schedule shows total grant-related expenditures and their funding source for HUD grants, as these are the only grants with program income.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
Neighborhood Stabilization Program (NSP 1)	14.218	
Federal expenditures funded by program income		<u>1,674,068</u>
Total grant-related expenditures reported on SEFA		<u>\$ 1,674,068</u>
Neighborhood Stabilization Program (NSP 3)	14.218	
Federal expenditures funded by grant revenue		843,574
Federal expenditures funded by program income		<u>1,050,372</u>
Total grant-related expenditures reported on SEFA		<u>\$ 1,893,946</u>

NOTE C – CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as a result of such audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

Independent Auditor's Report on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General

To the Honorable Mayor and Members of the City Council
City of Port St. Lucie, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited the City of Port St. Lucie, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and state financial assistance projects for the year ended September 30, 2013. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state financial assistance 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes 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 audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the City 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's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Orlando, Florida
February 10, 2014

CITY OF PORT. ST. LUCIE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2013

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no
 Significant deficiency(ies) identified? x yes none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards and State Projects Section

Internal control over major programs:

Material weakness(es) identified? yes x no
 Significant deficiency(ies) identified? yes x none reported

Type of auditor's report on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 and/or Chapter 10.550? yes x no

CITY OF PORT. ST. LUCIE, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -

FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2013

Part I - Summary of Auditor's Results (continued)

Federal Awards and State Projects Section (continued)

Identification of major federal programs and state projects:

Federal Programs:

Name of Program or Cluster	CFDA Numbers
Department of Housing and Urban Development Community Development Block Grants/Entitlement Grants	14.218
Federal Highway Administration Highway Planning and Construction	20.205

State Projects:

Name of Project	CSFA Numbers
Florida Housing Finance Corporation State Housing Initiatives Partnership Program	52.901
Florida Department of Transportation Intermodal Development Program	55.014

Dollar threshold used to determine Type A programs:

Federal	\$ 300,000
State	\$ 151,391

Auditee qualified as low-risk auditee for federal purposes?

 x yes no

CITY OF PORT. ST. LUCIE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2013

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*, other than as identified on Attachment A as Finding 2013-001.

Part III - Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by Section 510(a) of OMB Circular A-133.

There were no findings required to be reported by Section 510(a) of OMB Circular A-133.

Part IV - State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*.

There were no findings required to be reported by Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*.

CITY OF PORT. ST. LUCIE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - ATTACHMENT A
SECTION II - FINANCIAL STATEMENT FINDINGS

YEAR ENDED SEPTEMBER 30, 2013

Financial Reporting

Finding 2013-001

Condition:

The City was required to record a number of adjustments in fiscal 2013 to correct errors in fiscal 2012 amounts presented. Corrections necessary were related to recording of particular items in accordance with generally accepted accounting principles and were not reflective of ongoing transaction processing.

Cause:

Governmental accounting requirements contain many complexities in presentation of transactions and balances. The particular items noted were isolated in nature to specific requirements of generally accepted accounting principles.

Effect:

A prior period adjustment was recorded and certain less significant adjustments were recorded to correct financial statement presentation.

Recommendation:

We recommend corrections to account balances in the current year be monitored for continuing recording requirements in future years and that future complexities be carefully evaluated as they arise.

CITY OF PORT. ST. LUCIE, FLORIDA

SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2013

Prior Audit Findings:

There were no audit findings in the prior year.

Corrective Action Plan:

The current year audit finding that requires corrective action is as follows:

Financial Reporting

Finding 2013-001

Condition:

The City was required to record a number of adjustments in fiscal 2013 to correct errors in fiscal 2012 amounts presented. Corrections necessary were related to recording of particular items in accordance with generally accepted accounting principles and were not reflective of ongoing transaction processing.

Management response:

Implementation of new accounting standards can be challenging and on rare occasions errors are made in applying new standards. As the City is required to implement new standards in the future, Finance staff will review requirements and seek assistance, as appropriate, to ensure proper implementation. This should eliminate the need to make corrections to account balances subsequent to the end of the fiscal period.

Independent Auditor's Management Letter

To the Honorable Mayor and Members of the City Council
City of Port St. Lucie, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port St. Lucie, Florida (the "City") as of and for the year ended September 30, 2013, and have issued our report thereon dated February 10, 2014. We did not audit the financial statements of the Port St. Lucie Municipal Police Officers' Retirement Trust Fund ("MPORT"), a component unit of the City, which represent 47% and 51%, respectively, of the assets and additions of the pension trust funds. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Port St. Lucie MPORT, is based solely on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Florida Auditor General*. We have issued our 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*, Independent Auditor's Report on Compliance for each Major Federal Awards Program and State Financial Assistance Project and on Internal Control over Compliance Required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 10, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, nothing came to our attention that would cause us to believe that the County was in noncompliance with Section 218.415 regarding the investment of public funds.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, such recommendations are disclosed in Appendix A. We did not audit the City's responses to the recommendations, which are also included in Appendix A, and, accordingly, we express no opinion on them.

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., *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. Refer to Note I in the notes to the financial statements regarding the creation of the City of Port St. Lucie. The City of Port St. Lucie included the following component units: the Port St. Lucie Governmental Finance Corporation was incorporated as a not for profit corporation on September 25, 1990 under the laws of the State of Florida under Chapter 617, Florida Statutes and as approved by the City Council by ordinance on August 23, 1990; the Community Redevelopment Agency was created by the City on February 12, 2001, pursuant to Part III, Chapter 163, Florida Statutes, which is classified as a dependent special district by the State of Florida; and the Municipal Police Officers' Retirement Trust Fund was originally established by the City in 1982 under the provisions of Chapter 185, Florida Statutes and more fully addressed in the City Charter under Section 32.77.

Section 10.554(1)(i)6.a., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit of the financial statements of the City, the results of our tests did not indicate the City met any of the specified conditions of a financial emergency contained in Section 218.503(1). However, our audit does not provide a legal determination on the City's compliance with this requirement.

Section 10.554(1)(i)6.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. Our comparison of the financial report filed with the Florida Department of Financial Services to the City's 2013 audited financial statements resulted in no material differences.

Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City'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.

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, *Rules of the Auditor General*. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cheryl Behrman CPA".

Orlando, Florida
February 10, 2014

CITY OF PORT ST. LUCIE, FLORIDA
APPENDIX A - MANAGEMENT LETTER COMMENTS

YEAR ENDED SEPTEMBER 30, 2013

FINANCE DEPARTMENT

Review and Approval

Comment 2013-01:

Criteria: Journal entries and other prepared documents such as bank reconciliations should be reviewed by another individual within Finance other than the preparer and the review formally documented.

Condition: We noted that cash bank reconciliations were prepared and reviewed in a timely manner; however, neither the preparer nor the reviewer formally documented the completion of their work with a documented signoff. We also noted that multiple people in the department have the ability to make journal entries and there is no review or approval of those journal entries. As a consequence, we noted two journal entries made in error.

Effect: Journal entries could be improperly or incorrectly posted without detection.

Cause: Absence of formal, documented review of bank reconciliations and journal entries.

Recommendation: We recommend the Finance Department formally implement policies and procedures for formal and documented review of bank reconciliations and journal entries.

Management's Response: Currently the Finance Department has one person prepare the bank reconciliation and another individual review the bank reconciliation. Management will prepare a written policy to document the process and document the preparation and review of the bank reconciliation. Management will establish a policy separating the preparation and approval of all journal entries to ensure that a review of all journal entries is performed prior to posting the journal entries.

Payroll Department Processing

Comment 2013-02:

Criteria: The Payroll Department should not have access to pay rates and other pay information that is to be determined by Human Resources, and the regular payroll should be reviewed by someone independent of the Payroll Department prior to processing.

Condition: During our review of internal controls, we noted that payroll personnel have access to change pay rates and salary information in addition to processing payroll, thus allowing for unreviewed pay changes. Additionally, there are two individuals in the payroll department responsible for collecting timesheets and running the payroll; however, there is no individual independent of the payroll function that reviews the payroll before it is released and paychecks run and direct deposits made.

Effect: An employee in the payroll department could change an individual's pay rate without timely discovery due to the absence of independent review of payroll before processing.

Cause: A lack of segregation of duties, computer access, and an absence of independent review of payroll prior to processing.

Recommendation: We recommend that the Finance Department segregate pay rate and salary changes to individuals in the Human Resources Department. Additionally, we recommend that an individual in the Finance

CITY OF PORT ST. LUCIE, FLORIDA
APPENDIX A - MANAGEMENT LETTER COMMENTS

YEAR ENDED SEPTEMBER 30, 2013

Department independent of the payroll function review the payroll register and signoff before payroll is finalized and processed.

Management Response: Management will work with the Payroll Department and the Human Resources Department to develop a process for accessing pay rates and pay changes. Management will institute a process for review of the payroll by an individual that is independent of the payroll processing function.

INFORMATION TECHNOLOGY

Information Technology Entity Level Controls

Comment 2013-03:

Criteria: The City should have a formal Management of Information Sciences (“MIS”) Steering Committee that oversees the preparation of long-term plans of the Information Technology (“IT”) Department and integration of such with the long-term strategic plans of the City. The Steering Committee should also oversee such items as formalization and regular updates of IT policies and procedures.

Condition: During our review of the City’s MIS Department, we noted that the City does not have a formal Steering Committee. In addition, we noted that while the City does develop an annual project list for the MIS Department based upon the budget and approved funding, no formal Information Technology Strategic Plan is currently in place.

Effect: Without a formal Steering Committee and IT strategic plan, IT projects the City undertakes may not integrate with the long-term plans of the City, and various departments and functions of the City may not be as integrated and efficient as possible. Additionally, certain IT policies and procedures may not be formally documented and updated on a regular basis.

Cause: The City does not have a formal IT Steering Committee or IT strategic plan.

Recommendation: We recommend that the City create a formal Steering Committee, which could be assigned the tasks of developing a long-term IT project listing that aligns the strategies of the City. This plan should be evaluated annually. Additionally, the Steering Committee could handle other necessary tasks, such as creating a formal change management policy for financially significant applications and reviewing out-of-date policies and procedures. The Telecommunications Policy, Information Securities Policy and backup procedures policy are among such policies to review for adequacy.

Management Response: Management agrees with the need for a formal MIS Steering Committee. This Committee would help ensure that the MIS Department’s direction integrates with the long range plans of the City.

CITY OF PORT ST. LUCIE, FLORIDA

APPENDIX A - MANAGEMENT LETTER COMMENTS

YEAR ENDED SEPTEMBER 30, 2013

Backup and Disaster Recovery

Comment 2013-04:

Criteria: The City should have a formal backup policy, and perform formally scheduled, full-system restorations of the backups to test the integrity of the data being saved.

Condition: During our review of the City's MIS Department, we noted that while the City does perform regular backups of data according to a backup schedule, no formal backup policy is currently in place. Additionally, the City performs data file restoration on an as-needed basis. However, a formally scheduled, full-system, periodic restoration is not currently being performed to test the propriety of the data backups.

Effect: Without a formal backup policy, routine backups may not be performed. Additionally, without periodic restoration to routinely test the backups, the saved data may be corrupted or otherwise unusable if a situation arose where data backups were required to be used.

Cause: The City does not have a formal backup policy, and does not perform formally scheduled, full-system restorations of the backups to test the integrity of the data being saved.

Recommendation: We recommend that the City create a formal backup policy. Additionally, we recommend that the City periodically perform data file restoration from the backups to test the propriety of the data backups.

Management Response: MIS will establish a formal backup policy concurrent with the implementation of the updated Enterprise Backup Solution. The system was approved for purchase in December 2013 and the solutions target implementation date is March, 2014. This new system will consolidate the 6 current backup mechanisms in place to facilitate central management and scheduling.

MUNIS Financial Application Access and Administration

Comment 2013-05:

Criteria: The City should have a formal systems administrator for its MUNIS financial software application, and this individual should regularly review access levels of users and ensure that former employees do not have access to the system.

Condition: During our review of the City's MIS Department, we noted the City could enhance segregation of duties regarding its MUNIS financial software application. Currently, a Senior Accountant is responsible for administering security of the MUNIS financial application, which provides an end user of the system who is also responsible for the security administration function, resulting in inappropriate access. Additionally, we noted that the City does not perform a regular review of access privileges to MUNIS. As a result, there are currently active MUNIS users who are not currently employed by the City. Access to MUNIS should be regularly reviewed by the users' management to verify that the level of access for all users remains appropriate to their assigned functions, accurately reflects an appropriate level of segregation of duties, and all of those who should no longer have access to the system are purged in a timely manner.

Effect: Without a systems administrator for MUNIS who is independent of the use and data entry into the MUNIS software and who regularly reviews access and privileges to the system, individuals may have inappropriate access to the system.

Cause: The City does not have a MUNIS systems administrator who is independent of the use and data entry into the MUNIS software and who regularly reviews systems access and privileges.

CITY OF PORT ST. LUCIE, FLORIDA
APPENDIX A - MANAGEMENT LETTER COMMENTS

YEAR ENDED SEPTEMBER 30, 2013

Recommendation: We recommend that the City assign the administration of MUNIS to an appropriate systems administrator. Additionally, the City should develop a plan to formally review MUNIS access on a regular basis.

Management Response: Management recognizes that a formal systems administrator for the MUNIS system should be independent of the daily processing functions in MUNIS. An individual was hired in December 2013 and, after appropriate training, will assume the responsibilities of the system administration for the MUNIS system.



"A City for All Ages"

