

2018

Comprehensive Annual Finance Report

Fiscal Year
Ended
Sept 30, 2018



The Woodland Trails Park Grand Opening Ceremony took place on June 16, 2018 with its project budget funded through the City's waste recycling program. The park site is located on a 13.58-acre parcel located between Edinburgh Drive and SW Calmar Avenue. The park features recreation amenities consistent with other neighborhood parks found throughout the City including a playground, picnic facilities with pavilion, a dog park, fitness stations, restrooms, and open space play area.

Comprehensive Annual Financial Report

Year Ended September 30, 2018
City of Port St. Lucie, Florida



"A City for All Ages"

Prepared by:
The Finance Department

Listing of City Officials

ELECTED OFFICIALS

APPOINTED OFFICIALS

Russ Blackburn..... City Manager

James Stokes..... Interim City Attorney

ADMINISTRATION

Patricia RoebelingAssistant City Manager/City Engineer

David Graham Assistant City Manager

Jesus MerejoSpecial Projects Manager/Utility Systems Director

Roxanne Chesser Interim Director of Public Works

Jerome Post..... Director of Human Resources

Renee' Major Director of Risk Management

Joel A. Dramis Building Official

Karen Phillips City Clerk

William Jones Director of Management Information Systems

Roger JacobFacilities Director

Jeff Snyder..... Chief Financial Officer

Lenora Sevillian..... Procurement Management Division Director

Laura O'Brien..... Interim Civic Center Director

Sherman Conrad Parks and Recreation Director

John Bolduc Chief of Police

Patricia Tobin Planning & Zoning Director

Carmen Capezzuto.....Neighborhood Services Director

Kristina Ciuperger Communications Director

Wesley McCurry CRA Director



City of Port St. Lucie City Council

Mayor

Gregory J. Oravec



Vice Mayor

Shannon M. Martin
District 3



Councilwoman

Stephanie Morgan
District 1



Councilman

John Carvelli
District 2



Councilwoman

Jolien Caraballo
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

CITY OF PORT ST. LUCIE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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CITY OF PORT ST. LUCIE

**121 S.W. Port St. Lucie Boulevard
Port St. Lucie, Florida 34984**

April 27, 2019

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, 2018, 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 Financial Management 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 Carr, Riggs, & Ingram, LLC, 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, 2018.

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 unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is 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, 2017 was 185,843 (information supplied by the State of Florida Office of Economic & Demographic Research). In the early 2000's, the City was considered the fastest growing community in both the state and the country. The City is growing at a more sustainable pace and per the latest population estimates; the City is the 8th 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, and Keiser 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 end 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

Commercial Development

The City of Port St Lucie has experienced significant growth in new residential and commercial construction. New commercial permits continue to increase between 2017 and 2018 with a total of 363 permits issued in 2017 versus 541 permits issued in 2018 or a 49% increase. Single family residential permits increased by 32% between 2017 and 2018 with a total of 1,089 permits issued versus 1,455 permits issued respectively. The total value of all permits issued during 2017 was \$328 million versus \$807 million in 2018 or an incredible 146% increase. This will positively impact our ad valorem tax base over the next couple of years.

Housing Market

According to the Florida Realtors Association the median sales price of a single-family home in St Lucie County increased 8.0% from \$212,000 in 2017 to \$229,000 in 2018. Likewise, the median sales price of townhouses and condos in St Lucie County increased by 15.4% from \$130,000 in 2017 to \$150,000 in 2018. As noted above the building permits issued are increasing at very strong rates. The City's low crime rate, improved grades of local schools and affordable market rate housing are contributing factors leading to an increase in housing demand in Port St Lucie.

Strategic Plan

The Port St. Lucie City Council continues to utilize strategic planning to guide the future of the city. In July of 2018 the City Council adopted an updated Strategic Plan that identifies seven main goals along with strategic objectives and actions to support the overall goals:

- Safe, Clean and Beautiful;
- Vibrant Neighborhoods;
- Quality Education for All Residents;
- Diverse Economy and Employment Opportunities;
- High Quality Infrastructure and Facilities;
- Culture, Nature and Fun Activities and
- High Performing City Government Organization

The City Council adopted the following vision for our future:

Port St. Lucie has **Great Neighborhoods**; excellent **Educational Opportunities** for lifelong learning; a **Diverse Local Economy** and **Employment** options; **Convenient Transportation**; unique natural resources including the **St. Lucie River**; and **Leisure Opportunities** for an **Active Lifestyle**.

Port St. Lucie is a Safe, Beautiful, and Prosperous City for All People –Your Hometown.

The work of the City is centered in the City’s mission:

“to provide exceptional municipal services that are responsive to the community and to plan for smart and balanced growth while acting in a financially responsible manner.”

The City’s staff has embraced this strategic plan which drives our daily activities. From top to bottom we are committed to realizing these goals.

Budget Outlook

After many years of declining property values and less than favorable economic indicators, the local economy continues to show signs of recovery. For the sixth year in a row the City's taxable value has increased and the year-over-year percentage of increase has grown each year (from 1.7% in 2013 to 11.3% in 2018). This generates an additional \$5.1 million in property tax revenue for the 2018-2019 fiscal year over the prior year . As a result of the increase in assessed values and for the third year in a row, the City Council reduced tax rates by 0.1000 mills for Fiscal Year 2018-2019, reducing the total City tax rate from a high of 6.6289 to 6.3000.

In the General Fund, five major revenues (property taxes, sales taxes, 10% electric utility tax, 6% electric franchise fee, and communications services tax) make up 83% of the total general fund revenues and are anticipated to increase 4.5%, primarily due to the increase in property tax values.

The long range General Fund model assumes a modest level of taxable value increase going into future years and increases to other economic revenues. Fund Balance Contingencies are being budgeted at 20% or greater. This sound financial picture is allowing the City Council to enhance the level of service being provided and they are able to begin addressing the deferred maintenance issues which were largely ignored during the Great Recession. With the City continuing to be in a strong position to fund its financial obligations, it is anticipated that the City's credit ratings will achieve higher classifications.

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 are estimated to cost \$131.6 million in total and include:

- \$ 87 million Crosstown Parkway Extension and Bridge
- \$ 23.6 million Westport Wastewater Plant upgrades
- \$ 6.0 million New Sidewalks
- \$ 7.2 million Riverwalk Boardwalk Construction and other improvements
- \$ 12.3 million Street Resurfacing Projects

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, 2017. This was the twenty-seventh consecutive year that the City 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.

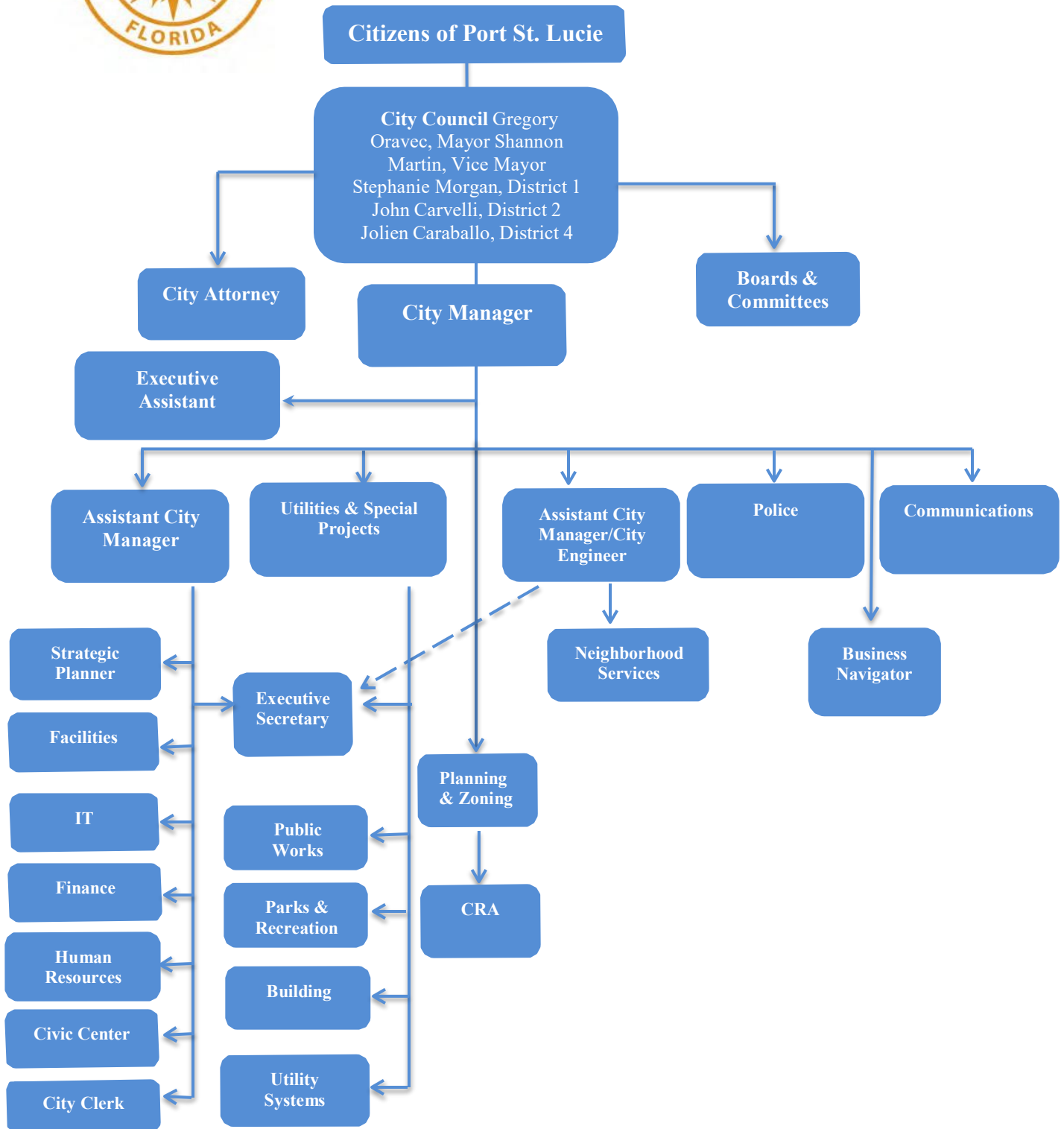
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2017. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

I want to thank the staff of the Financial Management Department for their efforts in preparing this report and all City departments for their cooperation and assistance throughout the past year. I also want to thank the City Manager and his staff, and the Mayor and City Council in providing leadership and taking necessary actions to continue a standard of financial excellence for the City.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'JA Snyder', is written over a faint, rectangular stamp. The signature is fluid and cursive.

Jeff Snyder, CPA
Chief Financial Officer





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, 2017

Christopher P. Morrell

Executive Director/CEO

Financial Section



Carr, Riggs & Ingram, LLC

215 Baytree Drive
Melbourne, Florida 32940

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(321) 259-8648 (fax)

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INDEPENDENT AUDITORS' REPORT

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, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Port St. Lucie, Florida'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.

Auditors' 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, a component unit of the City of Port St. Lucie, which represent 87 percent, 87 percent and 84 percent, respectively of the assets, net position and revenues of the fiduciary trust funds. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for City of Port St. Lucie Municipal Police Officers' Retirement Trust Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the City of Port St. Lucie Municipal Police Officers' Retirement Trust Fund, were not audited in accordance with *Government Auditing Standards*.

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 auditors, 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 of Port St. Lucie, Florida, as of September 30, 2018, 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.

Adjustments to Prior Period Financial Statements

The financial statements of the City of Port St. Lucie, Florida, as of September 30, 2017, were audited by other auditors whose opinion dated April 2, 2018, on those statements was unqualified. As discussed in Note IV F, the City of Port St. Lucie, Florida has restated its 2017 financial statements during the current year to accrue for additional receivables, remove debt issuance costs, include capital lease debt, and remove defined contribution plans from the fiduciary funds, in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the 2017 financial statements before the restatement.

As part of our audit of the 2018 financial statements, we also audited adjustments described in Note IV F that were applied to restate the 2017 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2017 financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements as a whole.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages MDA-1- MDA-13, and pages 79-93 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 of Port St. Lucie, Florida's basic financial statements. The introductory section, combining non-major fund financial statements, and budget to actual schedules, and statistical section 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 of Florida financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550 Rules of the Florida Auditor General is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budget to actual schedules and schedule of expenditures of federal awards and State of Florida financial assistance is the responsibility of management and was derived from and relates 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual non-major fund financial statements and schedule of expenditures of federal awards and State of Florida financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section 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 April 27, 2019 on our consideration of the City of Port St. Lucie, Florida'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 solely 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 City of Port St. Lucie, Florida's internal control over financial reporting and compliance.

Cam, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 27, 2019

Management's Discussion & Analysis

City of Port St. Lucie, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2018

As management of the City of Port St. Lucie, Florida we offer the following narrative overview and analysis of the financial activities of the City of Port St. Lucie, Florida (the City) for the fiscal year ended September 30, 2018. Readers are encouraged to consider this overview and analysis in combination with the traditional transmittal letter that can be found on pages v-ix of this report.

FINANCIAL HIGHLIGHTS

- The Government-Wide Financial Statements report the City as a whole. In fiscal year 2018, the City received a contribution of the Southern Grove Job Corridor valued at \$31.6 million from the Tradition Land Company. The City experienced increases in nearly all revenue sources during this fiscal year.
- Net pension liability and net other post-employment benefit (OPEB) liability both decreased due to better than expected experience, by nearly 10.0% or \$3.0 million.
- On the Government-Wide Financial Statements, the City's total cash and investments of \$186.8 million at September 30, 2018 may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$162.7 million, an increase of \$33.6 million from last fiscal year. Approximately 29.9% of the total governmental fund balance amount, or \$48.8 million, is designated as committed, assigned, and unassigned. The remaining 70.1% or \$113.9 million is designated as non-spendable or restricted. See Note II B for a detailed description of fund balance classifications per GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City Basic Financial Statements. The 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 themselves. Detail regarding the Basic Financial Statement follows.

1) Basic Financial Statements – Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City finances, in a manner similar to a private-sector business. They are presented on pages 1-2 of this report. Summarized version of these statements are included in this Management Discussion & Analysis (MD&A) and can be found on MDA-3 and MDA-6.

The *Statement of Net Position*, page 1, presents information on all of the City assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the components as net position. Over time increases or decreases in net position may serve as a useful indicator of changes in the City's financial position.

The *Statement of Activities*, page 2, presents information showing how the City net position changed during the 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. This is the accrual basis of accounting. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both the Statement of Net Position and the Statement of Activities divide the 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 cost 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 of the City include the utility system, the stormwater utility, and the golf course. See Note 1 for further discussion on the financial reporting entity.

Government-Wide Financial Statement Analysis

The following tables, graphs, and analysis discuss the financial position and changes to the financial position for the City as a whole and as of the year ended September 30, 2018.

Net Position. As noted above, net position may serve over time as a useful indicator of a government's financial position. The City's net position, the amount by which assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources, was \$959.3 million at the close of the fiscal year.

The largest portion of the City's net position, \$578.6 million, reflects its investment in capital assets, e.g., land, buildings, improvements, equipment, and infrastructure, less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The following table summarizes page 1, the detailed Statement of Net Position.

The restricted portion of the City's net position, \$331.8 million, represents resources that are subject to external restrictions on how they may be used. Such restrictions include debt service payments, development impact fees restricted to growth-related projects, other capital projects, and required reserves. The remaining unrestricted portion of the City's net position, \$49.0 million, may be used to meet current and ongoing obligations.

At the end of the fiscal year, the City had positive balances in all three categories of net positions, 1) net investment in capital assets, 2) restricted, and 3) unrestricted for the total government and the business-type activities, but the governmental activities had a deficient balance in unrestricted due to non-capital related debt.

City of Port St. Lucie, Florida
Net Position as of September 30,
(in thousands)

	Governmental Activities		Business-type Activites		Total Government	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$ 380,758	\$ 360,681	\$ 118,723	\$ 105,715	\$ 499,481	\$ 466,396
Capital assets	715,413	689,258	631,086	642,603	1,346,499	1,331,861
Total assets	1,096,171	1,049,939	749,809	748,318	1,845,980	1,798,257
Deferred outflows	32,478	35,198	16,599	16,564	49,077	51,762
Liabilities:						
Other liabilities	40,159	34,402	27,730	25,968	67,889	60,370
Long-term liabilities outstanding	436,624	467,642	412,037	426,581	848,661	894,223
Total liabilities	476,783	502,044	439,767	452,549	916,550	954,593
Deferred inflows	14,005	13,757	5,217	5,174	19,222	18,931
Net position:						
Net invested in capital assets	352,634	321,371	225,938	233,881	578,572	555,252
Restricted	287,398	312,051	44,362	24,836	331,760	336,887
Unrestricted (deficit)	(2,171)	(64,086)	51,124	48,442	48,953	(15,644)
Total net position	\$ 637,861	\$ 569,336	\$ 321,424	\$ 307,159	\$ 959,285	\$ 876,495

2017 is restated to reflect the prior period adjustments in Note IV (F)

Capital Assets. The City's capital assets for the fiscal year ended September 30, 2018, totaled \$1.3 billion, net of accumulated depreciation. This represents an increase of \$14.6 million from prior fiscal year, an increase of \$26.1 million for Governmental Activities and a decrease of \$11.5 million for Business-Type Activities.

The Crosstown Parkway bridge project resulted in the large increase in construction in progress. The completion of the bridge will finish a more than \$300 million project which began in 2005. This project will link the east and west portion of the City with a six-lane road to ease traffic delays within the City's other two major river crossings.

The following table provides a detailed listing of the City's capital assets, net of accumulated depreciation.

City of Port St. Lucie, Florida
Capital Assets (net of depreciation)
as of September 30,
(in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 123,309	\$ 123,483	\$ 55,694	\$ 55,694	\$ 179,003	\$ 179,177
Buildings	76,711	77,400	3,297	3,275	80,008	80,675
Improvements other than buildings	30,715	29,978	1,151	1,284	31,866	31,262
Machinery and equipment	12,486	11,109	12,686	12,525	25,172	23,634
Intangible	202	119	555	585	757	704
Infrastructure	372,124	390,333	22,860	23,592	394,984	413,925
Plant	-	-	211,357	218,431	211,357	218,431
Water and sewer system	-	-	319,664	324,573	319,664	324,573
Construction in progress	99,866	56,836	3,822	2,644	103,688	59,480
Total Capital Assets	<u>\$ 715,413</u>	<u>\$ 689,258</u>	<u>\$ 631,086</u>	<u>\$ 642,603</u>	<u>\$ 1,346,499</u>	<u>\$ 1,331,861</u>

Additional information regarding the City's capital assets can be found in Note III (D) of the financial statements.

Long-term Liabilities. As shown in the schedule below, the City experienced decreases in long-term debt of approximately 4.5% or \$41.2 million. The City has been concentrating on reducing outstanding debt as quickly as possible. Management has been refunding debt as present value savings warrant. The City's policy is to refund when the present value savings are 5% or greater and a present value of future cash flow savings are \$0.4 million or greater, unless it is in the City's best interest to refund.

General obligation (GO) bonds are backed by the full faith and credit of the City. In Florida, GO bonds can only be issued through a majority vote of our constituents. The current GO bonds are associated with the major capital project, Crosstown Parkway.

The special assessment debt was issued to aid in development of certain areas within the City by building the infrastructure: streets, electric, water, and sewer. Property owners pay for these improvements through assessments on their tax bill. Special assessment debt was reduced by 7.1% or \$10.5 million by required principal payments and utilizing excess special assessment collections for early call of outstanding principal.

Revenue bonds are backed by the specific revenue pledged and not the full faith and credit of the City. These bonds are largely related to water, sewer, and stormwater activities and will be paid from user fees. Revenue bonds decreased nearly 3.9% or \$19.9 million during the year. The decreases were a result of refinancing bonds as discussed above and the required principal payments.

The only area where the City's long-term liabilities increased during the year was in compensated absences.

As mentioned earlier in the MD&A both the City's net pension liability and net OPEB liability decreased by nearly 10% or \$3 million during the year due in a large part to better than expected experience.

City of Port St. Lucie, Florida
Long-Term Liabilities
as of September 30,
(in thousands)

	Governmental Activities		Business-type Activites		Total Government	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 101,605	\$ 104,940	\$ -	\$ -	\$ 101,605	\$ 104,940
Special assessment bonds	136,400	146,940	-	-	136,400	146,940
Revenue bonds	109,515	116,880	384,380	396,930	493,895	513,810
Compensated absences	9,669	9,237	3,686	3,688	13,355	12,925
Capital leases	1,037	1,284	-	-	1,037	1,284
Nonexchange financial guarantee	54,556	55,827	-	-	54,556	55,827
Unamortized bond premiums	15,882	19,142	31,913	32,493	47,795	51,635
Net pension liability	19,251	20,402	-	-	19,251	20,402
Net other post employment benefits	7,876	8,169	4,660	5,517	12,536	13,686
Total Long Term Liabilities	<u>\$ 455,791</u>	<u>\$ 482,821</u>	<u>\$ 424,639</u>	<u>\$ 438,628</u>	<u>\$ 880,430</u>	<u>\$ 921,449</u>

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements, Note III (G), Long-Term Liabilities.

All the City's outstanding bonds are rated by at least one of the nationally recognized rating agencies. As the City has been moving forward with the issuance of the refunding bonds, Standard & Poor's (S&P) Global provided ratings. Notable is an upgrade to the Utility Revenue bonds by S&P Global of AA- up from an A+ based in part upon both strong operational management and strong financial management.

Ratings on the City's bonds are as follows:

Bond Type	S&P	Moody's	Fitch
General Obligation	AA-	A1	AA-
Special Assessment	AA-	A2	No rating
Special Revenue	A+	A2	No rating
Public Service Tax	AA-	No rating	No rating
Community Redevelopment	A+	A2	No rating
Taxable Special Obligation	A+	No rating	No rating
Stormwater Revenue	A+	A2	No rating
Utility Revenue	AA-	A2	A+

Changes in Net Position. Details of the following summarized information can be found on page 2, the Statement of Activities.

City of Port St. Lucie, Florida
Changes in Net Position for the year ended September 30,
(in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2018	2017	2018	2017	2018	2017
Program revenues:						
Charges for services	\$ 55,849	\$ 52,787	\$ 97,889	\$ 94,655	\$ 153,738	\$ 147,442
Operating grants & contributions	4,252	4,182	13	-	4,265	4,182
Capital grants & contributions	22,999	18,982	24,894	15,821	47,893	34,803
General revenues:						
Property taxes	56,103	51,159	-	-	56,103	51,159
Other taxes	49,715	47,595	-	-	49,715	47,595
State revenue sharing	5,685	5,390	-	-	5,685	5,390
Interest income	1,276	1,547	1,660	1,827	2,936	3,374
Other revenues	39,031	17,052	-	-	39,031	17,052
Total revenues	<u>234,910</u>	<u>198,694</u>	<u>124,456</u>	<u>112,303</u>	<u>359,366</u>	<u>310,997</u>
Expenses:						
General government	19,548	19,262	-	-	19,548	19,262
Public safety	53,319	50,403	-	-	53,319	50,403
Physical environment	18,941	40,849	-	-	18,941	40,849
Transportation	33,659	32,962	-	-	33,659	32,962
Economic environment	8,409	14,516	-	-	8,409	14,516
Human services	1,248	1,157	-	-	1,248	1,157
Culture & recreation	17,177	14,123	-	-	17,177	14,123
Interest on Long-term debt	12,239	13,576	-	-	12,239	13,576
Water & wastewater	-	-	87,774	79,677	87,774	79,677
Stormwater	-	-	22,370	22,313	22,370	22,313
Golf course	-	-	1,892	1,826	1,892	1,826
Total expenses	<u>164,540</u>	<u>186,848</u>	<u>112,036</u>	<u>103,816</u>	<u>276,576</u>	<u>290,664</u>
Change in net position before transfers	70,370	11,846	12,420	8,487	82,790	20,333
Transfers	(1,845)	(1,521)	1,845	1,521	-	-
Changes in net position	68,525	10,325	14,265	10,008	82,790	20,333
Net position - beginning						
before restatement	566,493	575,519	310,330	310,922	876,823	886,441
Restatement - for GASB 75	-	(19,351)	-	(10,600)	-	(29,951)
Restatement- Note IV F	-	2,843	-	(3,171)	-	(328)
Net position - beginning, restated	<u>566,493</u>	<u>559,011</u>	<u>310,330</u>	<u>297,151</u>	<u>876,823</u>	<u>856,162</u>
Net position - ending	<u>\$ 637,861</u>	<u>\$ 569,336</u>	<u>\$ 321,424</u>	<u>\$ 307,159</u>	<u>\$ 959,285</u>	<u>\$ 876,495</u>

The City's results of operations were positive in both the governmental activities and the business-type activities. The City experiences an increase in the changes in net position of more than three times the prior year. This is due in part to the contribution of land from Tradition Land Co.

During the year the City received a contribution of approximately 1,200 acres of unsold nonresidential properties in Southern Grove from Tradition Land Company. With this gift, the Tradition Land Co. paid \$1.2 million of the tax year 2017 taxes owed on these parcels. If the City had not accepted the unsold property, the broker had indicated that Tradition Land Co. would have defaulted on the property taxes due and owing. This would have caused this property to go through an extensive foreclosure process resulting in the City's jobs corridor from being off the market for many years. The City accepted the gift worth approximately \$31.6 million, the amount the contribution, inventory for resale, was valued by the St. Lucie County property appraiser.

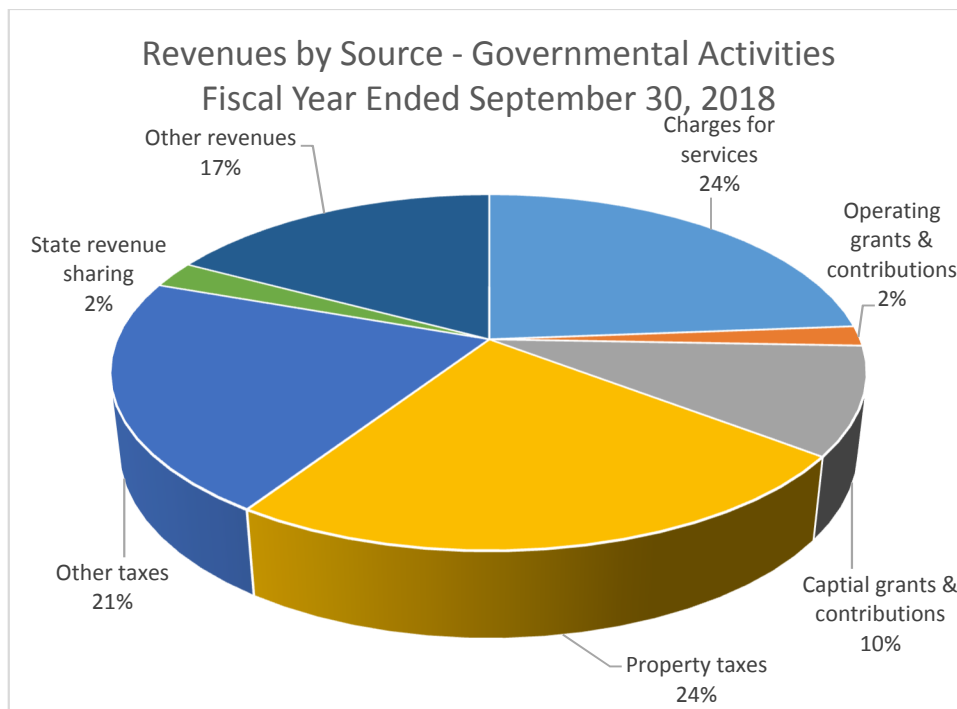
Failure by Tradition Land Co. to pay the tax year 2017 taxes would have triggered the Covenant to Budget and Appropriate provisions of the special assessments (SAD) on the unsold properties. The City is obligated to pay the SAD debt service on the unsold lands (approximately \$4.3 million annually) until the property is sold to new owners. Non-payment of taxes and specials assessments could interrupt the substantial momentum of economic development and job creation in the Southern Grove jobs corridor.

Significant interest and activity continue to be generated in this large tract of land which is shovel ready with access to I-95. The property is situated strategically between Miami, Orlando, and Jacksonville. Martin Health Care has been acquired by the Cleveland Clinic which the City believes will spark further medical related development.

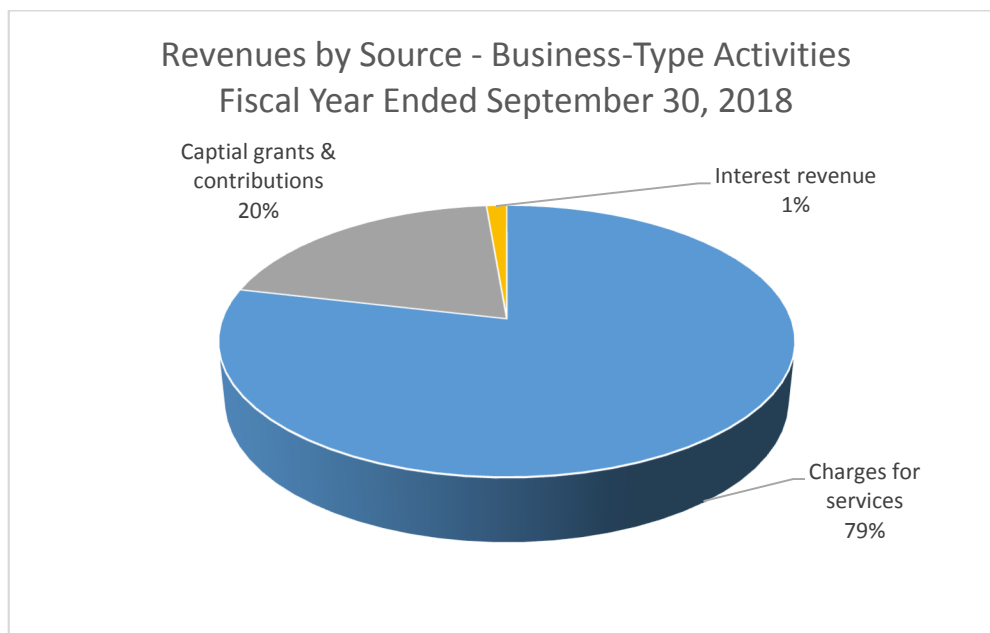
Revenues are up approximately 15.6% in a large part to this contribution. But nearly all categories of revenues increased year over year with the only exception being interest income, which declined by 12.9% or \$0.4 million.

Expenses declined by nearly 4.8% or \$14.1 million due in a large part to the City's cost experience with two hurricanes, Irma and Matthew, during the previous year as well as early implementation of Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*.

The sources of the revenues shown previously are portrayed in the following charts by percentage for Governmental Activities and then the Business Type Activities:



As shown above, property taxes and other taxes are the City's largest sources of revenue for the Governmental Activities comprising 45% of the total. Additional information about tax revenues is provided in the Revenue Capacity section of the Statistical Section of this report.



As shown in this chart, charges for services account for the majority of the Business-Type Activities revenues which is to be expected for these types of activities.

2) Basic Financial Statements - 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 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 37 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, Crosstown Parkway Fund, and Southwest Annexation District 1 Special Assessment Collection Fund, all of which are major funds. Data from the other 32 governmental funds are combined into a single, aggregated presentation.

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 bond covenants 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 \$162.7 million, an increase of \$33.6 million from the prior year. The primary cause of the increase was the \$31.6 million gift from the Tradition Land Co. as discussed earlier in the MD&A to the Government Finance Corporation.

The following summarizes information found on pages 4-5 in the following financial statements:

City of Port St. Lucie, Florida
Changes in Governmental Fund Balances
Fiscal Year Ended September 30, 2018
(in thousands)

	Fund Balances September 30, 2017	Net Changes in Fund Balances	Fund Balances September 30, 2018
General Fund	\$ 24,951	\$ 4,826	\$ 29,777
Debt Service Fund	2,530	176	2,706
Community Redevelopment Fund	82	166	248
Crosstown Parkway Fund	23,548	(12,445)	11,103
SW Annexation District 1 Collection Fund	9,803	391	10,194
Nonmajor Governmental Funds	68,193	40,511	108,704
Totals	<u>\$ 129,107</u>	<u>\$ 33,625</u>	<u>\$ 162,732</u>
Total Nonspendable	\$ 233	\$ 31,502	\$ 31,735
Spendable-Restricted	76,477	5,716	82,193
Spendable - Committed, Assigned, Unassigned	52,397	(3,592)	48,805
Total Governmental Fund Balances	<u>\$ 129,107</u>	<u>\$ 33,626</u>	<u>\$ 162,733</u>

General Fund and Nonmajor Funds beginning balance is restated as described in Note IV (F).

The Crosstown Parkway fund had a decrease in fund balance of \$12.4 million due to a planned spend down as the project nears completion.

The non-major governmental funds had the large increase in fund balance due to the contribution from Tradition Land Co. as previously discussed.

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 \$29.7 million. Of this amount approximately \$28.1 million is unassigned. 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 20.0% fund balance. The City's total fund balance in the general fund represents 31.2% of revenues and 34.8% of expenditures in the General Fund.

Governments have an option of including the budgetary comparison statements for the General Fund and the major special revenue funds as either part of the Fund Financial Statements within the Basic Financials

Statements, or as required supplementary information (RSI) after the Notes to the Financial Statements. The City has chosen to present the budgetary statements in the RSI following the Notes to the Financial Statements.

The following summarizes the General Fund Budgetary Comparison Statement as presented on pages 79-80:

City of Port St. Lucie, Florida
General Fund
Budgetary Comparison Statement
Fiscal Year Ended September 30, 2018
(in thousands)

	Final Amended Budget	Actuals	Variance
Revenues	\$ 89,611	\$ 95,173	\$ 5,562
Expenditures and Encumbrances	<u>92,031</u>	<u>85,449</u>	<u>6,582</u>
Deficiency of Revenues Under Expenditures	(2,420)	9,724	12,144
Other Financing Sources (Uses)	<u>(5,196)</u>	<u>(4,897)</u>	<u>299</u>
Net Change in Fund Balance	<u><u>(7,616)</u></u>	<u>4,827</u>	<u><u>12,443</u></u>
Fund Balance October 1		24,951	
Fund Balance September 30		<u><u>\$ 29,778</u></u>	

General Fund beginning balance is restated as described in Note IV (F).

The total revenues in the General Fund were within 6.2% of the final amended budget and total expenditures were less than the final amended budget. The actual revenues included FEMA reimbursement of more than \$2.0 million which was a result of Hurricane Matthew which impacted the state and the City in early October 2016. Due to the uncertainty of receiving reimbursement for eligible expenditures we have chosen not to budget for these funds. Removing these payments, the total actual revenues were less than 4% of more than budgeted.

The actual general fund expenditures were \$6.5 million less than the Final Amended Budget. The actual General Fund expenditures reflect department efficiencies, controlling costs, and only spending what is necessary during the fiscal year for operations.

Enterprise Funds. The Enterprise Fund Financial Statements are prepared and presented using the same accounting basis and measurement focus as the Government-Wide Financial Statements, but in more detail. The following table summarizes the statements presented on pages 11-14:

City of Port St. Lucie, Florida
Changes in Enterprise Fund Net Position
Fiscal Year Ended September 30, 2018
(in thousands)

	Net Position (Deficit) September 30, 2017	Change in Net Position	Net Position (Deficit) September 30, 2018
Utility System Fund	\$ 289,090	\$ 11,966	\$ 301,056
Stormwater Utility Fund	11,894	2,198	14,092
Golf Course Fund	5,729	(369)	5,360
Totals	<u>\$ 306,713</u>	<u>\$ 13,795</u>	<u>\$ 320,508</u>

Utility System Fund beginning balance is restated as described in Note IV (F)

The Utility System Fund increased the net position by nearly \$12.0 million which is largely due to an increase in the capital contributions, system development fees, and connection fees (due to rapid growth in the City) which increased more than 52% or \$9.1 million. The remaining increase came as a result of increasing the utility rates by 1.5% and the explosive growth in building. Expenses have been increasing also but not as rapidly.

The Stormwater Utility Fund increased fees in the prior year and this impacted the revenues by 5.0% or \$1.1 million. The fund maintained their expenses level increasing by less than 1% which also helped increase the net position.

The Golf Course Fund was negatively impacted by an unusual amount of rain during the winter months which resulted in a nearly 4.0% decline in revenues or \$59,000. At the same time expenses increased by 3.6% or \$66,000. Without the rain events during season, the golf course would have been able to cover the cost of operations not including depreciation of \$250,000. The City may be considering supplementing operations from the General Fund in the future, but the evaluation is in the early stages.

3) Basic Financial Statements – 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 Basic Financial Statements can be found beginning on page 21 of this report. Additionally, governments are required to disclose certain information about employee pension funds. The City has provided this information in Note IV (B) to the financial statements and as required supplemental information.

ECONOMIC FACTORS

- The 1990 census recorded Port St. Lucie's population at 55,866 and the 2010 census recorded Port St. Lucie's population at 164,850, nearly 2000% increase. As of July 2018, the City covers approximately 120 square miles and has an estimated population of just under 200,000.
- Unemployment rates in the US, Florida, and Port St. Lucie metropolitan statistical area (MSA) respectively for December 2018 are 3.9%, 3.3%, and 3.8%. This compares well to the national and state rates.

- The fiscal year 2017-18 assessed valuation of property increased 11.3% to \$9.8 billion. On September 24, 2018 the Port St. Lucie City Council voted to decrease the City total millage rate to 6.3 from 6.4 mills per \$1,000 of assessed valuation.
- Data produced by the Relators of the Palm Beaches and Greater Fort Lauderdale indicates that the average median sales price for an existing single-family home in Port St. Lucie has increased 8% over December 2017.

Budget Outlook.

After many years of declining property values and less than favorable economic indicators, the local economy continues to show signs of recovery. For the fifth year in a row the City's taxable value has increased and the year-over-year percentage of increase has grown each year (from 1.7% in 2013-2014 to 11.1% in 2017-2018). This generates an additional \$3.2 million in property tax revenue for the 2017-2018 fiscal year over the prior year. As a result of the increase in assessed values, the City Council reduced tax rates by 0.1000 mills for Fiscal Year 2017-2018, reducing the total City tax rate from 6.5000 to 6.4000.

In the General Fund, five major revenues (property taxes, sales taxes, 10% electric utility tax, 6% electric franchise fee, and communications services tax) make up 83% of the total general fund revenues and are anticipated to increase 4.5%, primarily due to the increase in property tax values.

Over the past year, the Port St. Lucie area has seen a positive trend in the commercial building permits issued and the permits are up 62.0% over the prior year. There are an additional 254 new businesses that opened during the Fiscal Year 2017-18. Building permits are at their highest level in the past 9 years, certificates of occupancy are up 26.6% compared to last year, and the median sales price for a traditional sale was up 7%. Existing businesses such as Tradition Medical Center has completed a major addition and City Electric Supply is in the process of substantial expansions. These all will provide additional revenue and employment opportunities in the City.

The long range General Fund model assumes a modest level of taxable value increase going into future years and increases to other economic revenues. Fund Balance Contingencies are being budgeted at 17% or greater. This sound financial picture is allowing the City Council to enhance the level of service being provided and they are able to begin addressing the deferred maintenance issues which were largely ignored during the Great Recession. With the City continuing to be in a strong position to fund its financial obligations, it is anticipated that the City's credit ratings will achieve higher classifications.

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 Chief Financial Officer, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida, 34984-5099.

Basic Financial Statements



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA

Statement of Net Position September 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 132,587,186	\$ 54,208,826	\$ 186,796,012
Receivables	196,127,976	17,648,983	213,776,959
Internal balances	-	-	-
Prepaid and other assets	43,925,495	2,410,213	46,335,708
Restricted:			
Restricted equity in pooled cash and investments	8,118,307	44,454,765	52,573,072
Capital assets, net of depreciation	492,237,753	571,570,525	1,063,808,278
Capital assets, not depreciated	223,175,114	59,515,949	282,691,063
Total assets	<u>1,096,171,831</u>	<u>749,809,261</u>	<u>1,845,981,092</u>
Deferred outflows			
Loss on bond defeasance	20,321,507	14,437,614	34,759,121
Pensions	8,279,354	-	8,279,354
Other post employment benefits	3,876,906	2,161,688	6,038,594
Total deferred outflows	<u>32,477,767</u>	<u>16,599,302</u>	<u>49,077,069</u>
Liabilities			
Accounts payable	16,291,669	3,836,569	20,128,238
Unearned revenues	1,535,805	2,598,644	4,134,449
Payable from restricted assets	3,164,934	8,692,735	11,857,669
Long-term liabilities due within one year	19,166,888	12,601,736	31,768,624
Long-term liabilities due in more than one year	409,497,231	407,377,301	816,874,532
Net other post employment benefits	7,875,730	4,659,665	12,535,395
Net pension liability	19,251,210	-	19,251,210
Total liabilities	<u>476,783,467</u>	<u>439,766,650</u>	<u>916,550,117</u>
Deferred inflows			
Pensions	4,629,267	-	4,629,267
Other post employment benefits	9,375,964	5,217,332	14,593,296
Total deferred inflows	<u>14,005,231</u>	<u>5,217,332</u>	<u>19,222,563</u>
Net Position			
Net investment in capital assets	352,634,371	225,938,288	578,572,659
Restricted for:			
Debt service	205,921,841	11,114,892	217,066,733
Capital projects	49,029,018	33,124,890	82,153,908
Protective inspections	13,597,411	-	13,597,411
Housing assistance	2,616,696	-	2,616,696
Economic development	1,992,717	-	1,992,717
Other purposes	14,239,439	-	14,239,439
Claims	-	92,234	92,234
Unrestricted (deficit)	(2,170,593)	51,124,277	48,953,684
Total net position	<u>\$ 637,860,900</u>	<u>\$ 321,424,581</u>	<u>\$ 959,285,481</u>

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, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
General Government	\$ 19,548,119	\$ 3,775,680	\$ 89,800	\$ -	\$ (15,682,639)	\$ -	\$ (15,682,639)
Public Safety	53,318,868	12,412,115	308,124	9,102	(40,589,527)	-	(40,589,527)
Physical Environment	18,941,202	30,632,602	2,247,486	-	13,938,886	-	13,938,886
Transportation	33,658,002	4,474,742	-	22,990,326	(6,192,934)	-	(6,192,934)
Economic Environment	8,409,053	209,807	1,546,574	-	(6,652,672)	-	(6,652,672)
Human Services	1,248,190	51,135	-	-	(1,197,055)	-	(1,197,055)
Culture and recreation	17,176,893	4,292,661	59,697	-	(12,824,535)	-	(12,824,535)
Debt service - Interest	12,239,304	-	-	-	(12,239,304)	-	(12,239,304)
Total governmental activities	164,539,630	55,848,742	4,251,681	22,999,428	(81,439,780)	-	(81,439,780)
Business-type activities:							
Utility System	87,773,899	72,767,625	13,098	24,768,487	-	9,775,311	9,775,331
Stormwater Utility	22,370,166	23,422,661	-	125,000	-	1,177,495	1,177,495
Golf Course	1,891,771	1,525,214	-	-	-	(366,557)	(366,844)
Total business-type activities	112,035,836	97,715,500	13,098	24,893,487	-	10,586,249	10,586,249
Total primary government	\$ 276,575,467	\$ 153,564,242	\$ 4,264,779	\$ 47,892,915	(81,439,780)	10,586,249	(70,853,531)
General revenues:							
Property Taxes					56,102,941	-	56,102,941
Franchise & Utility Taxes					22,978,502	-	22,978,502
Communications Service Tax					4,967,361	-	4,967,361
Local Business Tax					2,010,299	-	2,010,299
Half Cent Sales Tax					8,096,469	-	8,096,469
State Revenue Sharing-Unrestricted					5,684,964	-	5,684,964
Local Option Gas Tax					10,222,601	-	10,222,601
Insurance Premium Tax					1,439,785	-	1,439,785
Interest					1,276,096	1,660,439	2,936,535
Miscellaneous					39,030,821	173,328	39,204,149
Transfers					(1,845,056)	1,845,056	-
Total general revenues and transfers					149,964,783	3,678,823	153,643,606
Change in Net Position					68,525,003	14,265,072	82,790,075
Net position - beginning, restated, Note IVF					569,335,897	307,159,509	876,495,406
Net position - ending					\$ 637,860,900	\$ 321,424,581	\$ 959,285,481

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



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA

**Balance Sheet
Governmental Funds
September 30, 2018**

	General Fund	Debt Service Fund	Community Redevelopment Fund
Assets			
Equity in Pooled Cash and Investments	\$ 27,021,605	\$ 2,705,890	\$ 253,533
Accounts Receivable	5,203,448	-	-
Assessments Receivable	-	-	-
Due From Other Funds	367,550	-	-
Due From Other Governmental Units	3,940,913	-	-
Prepaid Items	10,733	-	-
Deposits	64,630	-	-
Inventories	75,765	-	-
Restricted Equity in Pooled Cash and Investments	-	-	-
Total assets	\$ 36,684,644	\$ 2,705,890	\$ 253,533
Liabilities, deferred inflows, and fund balances			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 2,312,414	\$ -	\$ 320
Accrued Salaries and Wages	1,780,567	-	4,738
Due To Other Funds	-	-	-
Due To Other Governments	-	-	-
Unearned Revenue	1,394,948	-	-
Deposits Payable	419,084	-	-
Retainage Payable	-	-	-
Total liabilities	5,907,013	-	5,058
Deferred inflows:			
Unavailable Revenue	999,846	-	-
Total deferred inflows	999,846	-	-
Fund balance:			
Nonspendable	151,128	-	-
Restricted	-	2,705,890	248,475
Committed	1,479,894	-	-
Unassigned	28,146,763	-	-
Total fund balances	29,777,785	2,705,890	248,475
Total liabilities, deferred inflows, and fund balance	\$ 36,684,644	\$ 2,705,890	\$ 253,533

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

Crosstown Parkway Fund	SW Annexation District 1 Collection Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 13,227,425	\$ 3,364,517	\$ 78,211,820	\$ 124,784,790
-	-	597,747	5,801,195
-	122,353,963	59,302,182	181,656,145
-	-	-	367,550
1,692,236	40,495	2,994,588	8,668,232
-	-	254	10,987
-	-	13,159	77,789
-	-	31,570,720	31,646,485
-	6,795,113	1,323,194	8,118,307
<u>\$ 14,919,661</u>	<u>\$ 132,554,088</u>	<u>\$ 174,013,664</u>	<u>\$ 361,131,480</u>
\$ 3,816,770	\$ 6,081	\$ 4,850,601	\$ 10,986,186
-	-	306,882	2,092,187
-	-	367,550	367,550
-	-	288	288
-	-	104,669	1,499,617
-	-	185,111	604,195
-	-	192,558	192,558
<u>3,816,770</u>	<u>6,081</u>	<u>6,007,659</u>	<u>15,742,581</u>
-	122,353,963	59,302,181	182,655,990
-	122,353,963	59,302,181	182,655,990
-	-	31,584,133	31,735,261
11,102,891	10,194,044	57,941,883	82,193,3183
-	-	19,178,740	20,658,634
-	-	(932)	28,145,831
<u>11,102,891</u>	<u>10,194,044</u>	<u>108,703,824</u>	<u>162,732,909</u>
<u>\$ 14,919,661</u>	<u>\$ 132,554,088</u>	<u>\$ 174,013,664</u>	<u>\$ 361,131,480</u>



"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, 2018**

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

Total fund balances: governmental funds balance sheet	\$ 162,732,909
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$1,135,345,955 and the accumulated depreciation is \$419,933,088	715,412,867
Assets held for resale are not reported in governmental funds. This is the estimated net value of the Research facility recorded as an asset held for resale.	12,000,000
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds. Long-term liabilities at year end consist of:	(439,909,067)
Bonds Payable	\$347,520,000
Capital Leases	\$1,037,419
Compensated Absences	\$9,668,724
Nonexchange financial guarantee	\$54,555,984
Net Other Post Employment Benefits	\$7,875,730
Net pension liability	\$19,251,210
Governmental funds record bond insurance costs as expenditures when these costs are first incurred. Unamortized bond insurance costs must be included as an prepaid item in the government-wide financial statements.	191,987
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.	(3,025,022)
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.	(15,881,992)
Deferred inflows related to pensions and other post employment benefits are not financial resources and therefore are not reported in the governmental funds.	(14,005,231)
Liabilities for earned but unavailable revenues are not reported in the funds, but are reported in the statement of net position.	182,655,990
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.	20,321,507
Deferred outflows related to pensions and other post-employment benefits are not financial resources and therefore are not reported in the governmental funds.	12,156,260
The internal service fund is used by management to charge the cost of employee health insurance. The current assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	5,210,692
Net position of governmental activities	<u>\$ 637,860,900</u>

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, 2018**

	General Fund	Debt Service Fund	Community Redevelopment Fund	Crosstown Parkway Fund
Revenues				
Taxes	\$ 61,711,826	\$ 10,327,392	\$ -	\$ -
Licenses and Permits	10,613,738	-	-	-
Intergovernmental	15,491,877	-	1,508,324	22,476,586
Charges for Services	3,828,803	-	-	-
Human Services Fees	51,135	-	-	-
Fines and Forfeitures	961,624	-	-	-
Interest on Investments	341,545	75,499	197	158,364
Interest on Special Assessments	2,138	502	-	-
Impact Fees	804,284	-	-	-
Developers Contributions	50,884	-	-	-
Other	1,314,822	-	20,064	126,065
Total revenues	<u>95,172,676</u>	<u>10,403,393</u>	<u>1,528,585</u>	<u>22,761,015</u>
Expenditures				
Current:				
General Government	13,966,732	-	-	-
Public Safety	47,340,615	-	-	-
Physical Environment	317,904	-	-	-
Transportation	59,458	2,150	-	38,008,811
Economic Environment	5,816,176	-	403,435	-
Human Services	1,369,967	-	-	-
Culture and Recreation	16,578,008	-	-	-
Debt service:				
Principal	-	3,335,000	2,540,000	-
Interest	-	4,590,609	1,698,350	-
Total expenditures	<u>85,448,860</u>	<u>7,927,759</u>	<u>4,641,785</u>	<u>38,008,811</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,723,816</u>	<u>2,475,634</u>	<u>(3,113,200)</u>	<u>(15,247,796)</u>
Other financing sources (uses)				
Transfers In	10,000	-	1,393,137	2,802,880
Transfers Out	(4,907,359)	(2,300,000)	-	-
Inventory Contribution	-	-	-	-
Proceeds from Sale of Assets	-	-	1,886,805	-
Total other financing sources (uses)	<u>(4,897,359)</u>	<u>(2,300,000)</u>	<u>3,279,942</u>	<u>2,802,880</u>
Net change in fund balances	4,826,457	175,634	166,742	(12,444,916)
Fund balance - beginning, restated (Note IVF)	24,951,328	2,530,256	81,733	23,547,807
Fund balance - ending	<u>\$ 29,777,785</u>	<u>\$ 2,705,890</u>	<u>\$ 248,475</u>	<u>\$ 11,102,891</u>

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
\$ -	\$ 3,055,289	\$ 75,094,507
19,653	9,536,064	20,169,455
-	16,488,214	55,965,001
7,679,760	33,701,729	45,210,292
-	-	51,135
-	359,635	1,321,259
81,504	618,987	1,276,096
344	1,608	4,592
-	11,573,025	12,377,309
-	30,840	81,724
-	1,300,980	2,761,931
<u>7,781,261</u>	<u>76,666,371</u>	<u>214,313,301</u>
-	-	13,966,732
-	7,565,008	54,905,623
124,476	17,931,178	18,373,558
-	19,180,976	57,251,395
-	3,639,757	9,859,368
-	304,860	1,674,827
-	4,797,507	21,375,515
3,055,000	12,556,768	21,486,768
3,740,113	3,572,424	13,601,496
<u>6,919,589</u>	<u>69,548,478</u>	<u>212,495,282</u>
<u>861,672</u>	<u>7,117,893</u>	<u>1,818,019</u>
-	5,633,067	9,839,084
(470,315)	(4,006,466)	(11,684,140)
-	31,766,800	31,766,800
-	-	1,886,805
<u>(470,315)</u>	<u>33,393,401</u>	<u>31,808,549</u>
391,357	40,511,294	33,626,568
<u>9,802,687</u>	<u>68,192,530</u>	<u>129,106,341</u>
<u>\$ 10,194,044</u>	<u>\$ 108,703,824</u>	<u>\$ 162,732,909</u>

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, 2018**

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

Net changes in fund balances - total governmental funds	\$ 33,626,568
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.	53,007,441
The amount of depreciation expense associated with capital outlays is recorded as an expense in the current period.	(26,847,096)
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.	(17,645,865)
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.	21,486,768
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.	3,259,876
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.	(977,709)
Governmental funds do not recognize expenditures for the change in the Net OPEB liability from year-to-year. This is the change of the Net OPEB liability for the current period.	923,939
Governmental funds do not recognize expenditures for the change of the Net Pension Liability from year-to-year. This is the change in the Net Pension Liability for the current fiscal year.	(203,736)
Governmental funds do not recognize expenditures for the long-term liabilities associated with nonexchange financial guarantees. This is the amount of the nonexchange financial guarantee to be liquidated in future years.	1,270,938
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 for the current period.	(431,513)
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.	(46,131)
Governmental funds do not recognize expenditures for the liability associated with accrued interest payable on long-term debt. This is the reduction in accrued interest payable recorded in the current period.	131,742
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.	<u>969,781</u>
Change in net position of governmental activities	<u>\$ 68,525,003</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, 2018**

	Enterprise Funds				
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Assets					
Current assets:					
Equity in pooled cash and investments	\$ 40,272,207	\$ 12,867,536	\$ 152,215	\$ 53,291,958	\$ 8,719,264
Receivables	10,104,906	566,137	-	10,671,043	2,404
Due from other governmental units	7,932	115,403	-	123,335	-
Prepaid items	306	510,622	-	510,928	-
Deposits	47,299	37,785	-	85,084	-
Inventories	1,527,484	238,353	48,364	1,814,201	-
Restricted equity in pooled cash and investments	41,450,330	3,004,435	-	44,454,765	-
Total current assets	93,410,464	17,340,271	200,579	110,951,314	8,721,668
Noncurrent assets:					
Noncurrent receivables	6,854,605	-	-	6,854,605	-
Advances to other funds	135,797	-	-	135,797	-
Capital assets (net of depreciation)	541,443,649	27,250,495	2,876,381	571,570,525	92,333
Capital assets (not depreciated)	40,020,725	16,708,282	2,786,942	59,515,949	253,459
Total noncurrent assets	588,454,775	43,958,777	5,663,323	638,076,875	345,792
Total assets	681,865,239	61,299,048	5,863,902	749,028,189	9,067,460
Deferred outflows					
Loss on bond defeasance	14,363,603	74,011	-	14,437,614	-
Other post employment benefits	1,567,452	546,166	48,070	2,161,688	-
Total deferred outflows	15,931,055	620,177	48,070	16,599,302	-
Liabilities					
Current liabilities:					
Deposits	-	27,500	-	27,500	-
Accounts payable and accrued liabilities	2,191,478	739,394	87,539	3,018,411	2,557,920
Accrued salaries and wages	618,011	153,920	18,727	790,658	-
Unearned revenue	2,495,047	75,976	27,621	2,598,644	36,188
Current portion long term liabilities	11,418,488	1,173,039	10,209	12,601,736	-
Payable from restricted assets	7,485,329	1,207,406	-	8,692,735	-
Total current liabilities	24,208,352	3,377,235	144,096	27,729,683	2,594,108
Noncurrent liabilities:					
Long-term liabilities	365,398,079	41,875,998	103,224	407,377,301	-
Advances from other funds	-	48,499	87,298	135,797	-
Net other post employment benefits	3,349,770	1,208,533	101,362	4,659,665	-
Total noncurrent liabilities	368,747,849	43,133,030	291,884	412,172,763	-
Total liabilities	392,956,201	46,510,265	435,980	439,902,446	2,594,108
Deferred inflows					
Other post employment benefits	3,784,502	1,316,700	116,130	5,217,332	-
Total deferred inflows	3,784,502	1,316,700	116,130	5,217,332	-
Net position					
Net investment in capital assets	215,530,364	4,744,601	5,663,323	225,938,288	345,792
Restricted for debt service	8,232,691	2,912,201	-	11,144,892	-
Restricted for capital projects	33,124,890	-	-	33,124,890	-
Restricted for claims	-	92,234	-	92,234	-
Unrestricted	44,167,646	6,343,224	(303,461)	50,207,409	6,127,560
Total net position	\$ 301,055,591	\$ 14,092,260	\$ 5,359,862	\$ 320,507,713	\$ 6,473,352

The internal service fund is used by management to charge the costs of employee health insurance. This is the net position of the internal service fund reported with business-type activities.

916,868

Total net position of business-type activities

\$ 321,424,581

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, 2018**

Total net position of Enterprise Funds on the statement of net position of proprietary funds	\$ 320,507,713
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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.

916,868

Net Position in business-type activities

\$ 321,424,581

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, 2018**

	Enterprise Funds				Governmental Activities - Internal Service Funds
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND	Total Enterprise Funds	
Operating revenues					
Charges for services:					
Charges for Services	\$ 72,767,625	\$ 23,422,661	\$ 1,525,214	\$ 97,715,500	\$ 100,475
Employer Contributions to Health Insurance	-	-	-	-	15,183,042
Employee Contributions to Health Insurance	-	-	-	-	2,921,907
Other Contributions	-	-	-	-	1,459,296
Total operating revenues	<u>72,767,625</u>	<u>23,422,661</u>	<u>1,525,214</u>	<u>97,715,500</u>	<u>19,664,720</u>
Operating expenses					
Personal Services	19,610,057	5,430,882	686,838	25,727,777	402,553
Contractual Services	1,648,353	9,686,623	251,567	11,586,543	1,033,034
Depreciation/Amortization Expense	35,154,685	1,231,892	249,716	36,636,293	6,322
Operating Supplies and Expense	15,669,072	3,228,682	717,487	19,615,241	1,018,917
Administrative Expenses	4,692	-	-	4,692	804,603
Insurance Premiums	-	-	-	-	1,974,998
Benefits Paid	-	-	-	-	13,020,350
Total operating expenses	<u>72,086,859</u>	<u>19,578,079</u>	<u>1,905,608</u>	<u>93,570,546</u>	<u>18,260,777</u>
Operating income (loss)	<u>680,766</u>	<u>3,844,582</u>	<u>(380,394)</u>	<u>4,144,954</u>	<u>1,403,943</u>
Nonoperating revenue (expense)					
Interest Income	584,375	1,072,434	3,630	1,660,439	38,755
Grants	227,848	125,000	-	352,848	-
Interest Expense	(16,042,582)	(2,892,121)	(918)	(18,935,621)	-
Gain (Loss) on Disposition of Equipment	4,996	-	-	4,996	-
Miscellaneous	111,124	48,495	8,713	168,332	(2,586)
Total nonoperating revenue (expense)	<u>(15,114,239)</u>	<u>(1,646,192)</u>	<u>11,425</u>	<u>(16,749,006)</u>	<u>36,169</u>
Income (loss) before transfers and contributions	<u>(14,433,473)</u>	<u>2,198,390</u>	<u>(368,969)</u>	<u>(12,604,052)</u>	<u>1,440,112</u>
Transfers and Contributions					
Capital Contributions	6,484,505	-	-	6,484,505	-
System Development Fees	6,206,558	-	-	6,206,558	-
Connection Fees	11,862,674	-	-	11,862,674	-
Transfers In	1,845,056	-	-	1,845,056	-
Total transfers and contributions	<u>26,398,793</u>	<u>-</u>	<u>-</u>	<u>26,398,793</u>	<u>-</u>
Change in net position	<u>11,965,320</u>	<u>2,198,390</u>	<u>(368,969)</u>	<u>13,794,741</u>	<u>1,440,112</u>
Total net position - beginning, restated (Note IVF)	<u>289,090,271</u>	<u>11,893,870</u>	<u>5,728,831</u>	<u>306,712,972</u>	<u>5,033,240</u>
Total net position - ending	<u>\$ 301,055,591</u>	<u>\$ 14,092,260</u>	<u>\$ 5,359,862</u>	<u>\$ 320,507,713</u>	<u>\$ 6,473,352</u>

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, 2018**

Changes in net position - Enterprise Funds	\$ 13,794,741
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>470,331</u>
Change in net position of business-type activities	<u>\$ 14,265,072</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, 2018

	Enterprise Funds				
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND	Total	Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from customers	\$ 73,584,384	\$ 23,423,748	\$ 1,529,636	\$ 98,537,768	\$ 19,662,316
Cash Payments to suppliers	(16,468,060)	(12,943,251)	(939,569)	(30,350,880)	(16,761,922)
Cash Payments to employees	(19,597,243)	(5,498,753)	(688,093)	(25,784,089)	(402,553)
Net Cash Provided by (Used In) Operating Activities	37,519,081	4,981,744	(98,026)	42,402,799	2,497,841
Cash Flows from Noncapital Financing Activities					
Operating grants	227,848	-	-	227,848	-
Transfer in from other funds	1,845,056	-	-	1,845,056	-
Advances from (to) other funds	12,848	-	-	12,848	-
Payments received (made) on advances (to)/from funds	-	(4,588)	(9,177)	(13,765)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	2,085,752	(4,588)	(9,177)	2,071,987	-
Cash Flows From Capital and Related Financing Activities					
Purchases of capital assets	(23,535,609)	(1,499,444)	(84,696)	(25,119,749)	(1,116)
Sale of capital assets	4,996	-	-	4,996	-
Principal paid on revenue bonds	(12,974,017)	(1,148,082)	-	(14,122,099)	-
Interest paid on revenue bonds, leases and notes	(16,042,582)	(2,892,121)	-	(18,934,703)	-
Contributed capital and capital grants	24,553,737	125,000	-	24,678,737	-
Net Cash Used in Capital and Related Financing Activities	(27,993,475)	(5,414,647)	(84,696)	(33,492,818)	(1,116)
Cash Flows From Investing Activities					
Interest earnings on cash and investments	584,375	1,072,434	3,630	1,660,439	38,755
Net Cash Provided by Investing Activities	584,375	1,072,434	3,630	1,660,439	38,755
Net Increase (Decrease) in Cash and Cash Equivalents / Investments	12,195,733	634,943	(188,269)	12,642,407	2,427,574
Cash and Cash Equivalents/Investments Beginning of Year	69,526,804	15,237,028	340,484	85,104,316	6,291,690
End of Year	\$ 81,722,537	\$ 15,871,971	\$ 152,215	\$ 97,746,723	\$ 8,719,264
Reconciliation of Cash to Statement of Net Position					
Equity in Pooled Cash and Investments	\$ 40,272,207	\$ 12,867,536	\$ 152,215	\$ 53,291,958	\$ 8,719,264
Restricted Equity in Pooled Cash and Investments	41,450,330	3,004,435	-	44,454,765	-
Totals	\$ 81,722,537	\$ 15,871,971	\$ 152,215	\$ 97,746,723	\$ 8,719,264

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, 2018

	Enterprise Funds				
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ 680,256	\$ 3,844,582	\$ (380,394)	\$ 4,144,444	\$ 1,403,943
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Miscellaneous Revenue not in Statement of Revenues, Expenses, and Changes in Net Position Operating	54,088	59,603	4,291	117,982	6,322
Depreciation /Amortization	35,154,685	1,231,892	249,716	36,636,293	-
Changes in Assets and Liabilities:					
(Increase) decrease in Accounts Receivable	817,269	1,087	-	818,356	(2,404)
(Increase) decrease in Inventories	(30,361)	(63,999)	(12,735)	(107,095)	-
(Increase) decrease in Prepaid Expense	4,050,917	37,653	-	4,088,570	-
(Increase) decrease in Accrued insurance claims	-	-	-	-	1,079,980
Increase (decrease) in Accounts Payable	833,202	110,858	36,528	980,588	-
Increase (decrease) in Other accrued liabilities	539,541	(84,277)	280	455,544	-
Increase (decrease) in Compensated absences	12,814	-	15,046	27,860	-
Increase (decrease) in Due to/from other governments	(7,932)	(2,331)	-	(10,263)	-
Increase (decrease) in Customer deposits	(6,191)	(7,843)	21	(14,013)	-
Increase (decrease) in OPEB liability	(4,579,207)	(145,481)	(10,779)	(4,735,467)	-
Total adjustments	36,838,825	1,137,162	282,368	38,258,355	1,077,576
Net Cash Provided by (Used in)					
Operating Activities	\$ 37,519,081	\$ 4,981,744	\$ (98,026)	\$ 42,402,799	\$ 2,497,841

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

CITY OF PORT ST. LUCIE, FLORIDA

Balance Sheet Fiduciary Funds September 30, 2018

	<u>Retirement Trust Funds</u>
Assets	
Cash and Equivalents	\$ 149
Fixed Investments	4,739,073
Corporate Stocks	25,858,288
Corporate Bonds	7,117,376
US Government Obligations	1,431,651
Federal Agencies	6,416,542
Municipal Obligations	1,133,732
Real Estate Investments	12,003,525
Mutual Funds	64,718,972
Accrued Investment Income	195,570
Prepaid Expenses	<u>2,297</u>
Total Assets	<u>123,617,175</u>
 Liabilities	
Accounts Payable	<u>67,100</u>
Total Liabilities	<u>67,100</u>
 Net Position	
Restricted for Employees Retirement	<u>123,550,075</u>
Total Net Position	<u>123,550,075</u>
Total Liabilities and Net Position	<u><u>\$ 123,617,175</u></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, 2018

	<u>Retirement Trust Funds</u>
Additions	
Contributions:	
City	\$ 5,667,134
State	1,439,785
Employee	1,724,969
Net Increase in Fair Value of Investments	8,055,496
Interest and Dividends	2,424,652
Investment Expense	(275,016)
Total Additions	<u>19,037,020</u>
Deductions	
Benefit Payments	3,737,626
Administrative Costs and Charges	190,294
Refunds	35,472
Total Deductions	<u>3,963,392</u>
Net Increase in Net Position	15,073,628
Total Net Position - beginning restated, Note IVF	<u>108,476,447</u>
Total Net Position - ending	<u>\$ 123,550,075</u>

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

Notes to the Financial Statements



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
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September 30, 2018

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"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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 180,000 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 established for the purpose of improving the economic and social conditions within a specific boundary. Incremental property taxes collected within this area are remitted by the various taxing entities back to the Community Redevelopment Agency. 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 contacting the City of Port St. Lucie Finance Department, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida 34984.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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 charged 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). 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, 2018

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 adjustments 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 45 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 2018 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, 2018.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

Fund Financial Statements (continued)

Modified Accrual (continued):

In applying the "susceptible to accrual" concept (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 unearned revenue by the 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 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 payment of principal and interest on the General Obligation Bonds, Series 2005, 2006 and 2014. Proceeds of the Bonds were used to construct the Crosstown Parkway, a six-lane east-west corridor in the City.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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.

Crosstown Parkway 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.

SW Annexation Special Assessment District 1 Collection Fund - to account for the annual assessment collections and payment of principal and interest on the Special Assessment 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 SW 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 medical, dental and vision benefits provided to City employees and administered by the City.

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

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, Florida Statutes that allows the City to invest in relatively low risk securities, such as certificates of deposit, money market accounts, and U. S. Government Securities and Agencies. Investments are stated at fair value or amortized cost, which approximates fair value. Resources of all funds, with the exception of the pension funds and the other post employment (OPEB) fund, 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 pooled cash and investments on the balance sheet at year-end.
2. Receivables - All receivables 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 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 as an item of inventory based on the acquisition price plus applicable carrying costs, amounting to zero at September 30, 2018, as presented in the non-major governmental funds.

For certain bond issues, the City purchased bond insurance to lower the cost of borrowing. Prepaid insurance is amortized over the terms of the respective bonds using the straight line method. The carrying value as of September 30, 2018, is \$510,622.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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.
6. Capital Assets - The City's property, plant, equipment, intangible and infrastructure assets 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 acquisition value on the date donated. The City generally capitalizes assets with cost of \$1,000 or more as purchases and construction outlays occur. Sensitive items under the threshold, such as cameras, guns, and radios, are also capitalized. 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, 2018.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

8. Long-Term Debt 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 rate 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 Outflows - Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. 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 rate method and reported as deferred outflows. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results, and certain differences between projected and actual investment earnings.

In the government-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. Deferred Inflows of Resources- Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results and certain differences between projected and actual investment earnings.
11. 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.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

12. 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 2017 levy was based was approximately \$8.8 billion. The assessed values are established by the St. Lucie County Property Appraiser. Tax collections by the St. Lucie County Tax Collector normally begin 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, 2017 were approximately 96% 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, 2018 was 5.2807 mills for general operating purposes plus a voter-approved 1.2193 mill levy for debt service on general-obligation bonds.

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.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

A. BUDGET AND BUDGETARY ACCOUNTING (CONTINUED)

- 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.
- 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 assigned 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 is 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.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. FUND BALANCE DISCLOSURE (CONTINUED)

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.

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 are 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.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. FUND BALANCE DISCLOSURE (CONTINUED)

The fund balance classifications at September 30, 2018 are as follows:

	General Fund	Debt Service Fund	Community Redevelopment Fund	Crosstown Parkway Fund	SW Annexation District 1 Collection Fund	Other Governmental Funds	Total
FUND BALANCES							
Nonspendable:							
Prepaid items	\$ 10,733	\$ -	\$ -	\$ -	\$ -	\$ 254	\$ 10,987
Deposits	64,630	-	-	-	-	13,159	77,789
Inventories	75,765	-	-	-	-	31,570,720	31,646,485
Restricted for:							
Protective inspections	-	-	-	-	-	13,597,411	13,597,411
Law enforcement	-	-	-	-	-	880,737	880,737
Pollution control	-	-	-	-	-	186,985	186,985
Housing assistance/rehabilitation	-	-	-	-	-	2,616,696	2,616,696
Transportation	-	-	-	11,102,891	-	6,602,743	17,705,634
Water/sewer capital projects	-	-	-	-	-	21,986,408	21,986,408
Parks & recreation capital improvements	-	-	-	-	-	3,610,411	3,610,411
Road & bridge capital projects	-	-	-	-	-	-	-
Debt service	-	2,705,890	248,475	-	10,194,044	8,460,492	21,608,901
Committed to:							
Transportation	-	-	-	-	-	8,545,563	8,545,563
General Projects	-	-	-	-	-	3,412,394	3,412,394
Street lights	-	-	-	-	-	195,606	195,606
Neighborhood improvements	-	-	-	-	-	1,278,496	1,278,496
Economic development	-	-	-	-	-	4,649,512	4,649,512
Conservation	-	-	-	-	-	1,097,169	1,097,169
Public Art	704,335	-	-	-	-	-	704,335
Construction	775,559	-	-	-	-	-	775,559
Unassigned:	28,146,763	-	-	-	-	(932)	28,145,831
	<u>\$ 29,777,785</u>	<u>\$ 2,705,890</u>	<u>\$ 248,475</u>	<u>\$ 11,102,891</u>	<u>\$ 10,194,044</u>	<u>\$ 108,703,824</u>	<u>\$ 162,732,909</u>

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.

In addition to the \$135,458,413 of fixed income securities reported at fair value in the table below, the City has \$25,000,000 in certificates of deposit and \$18,494,379 of bank money market investments, and \$43,572,232 invested in FL Class, which is valued at net asset value per share (NAV). In addition the City held \$16,844,060 in operating cash balances. These cash and investments, totaling \$239,369,084 comprise the City's total cash and investments balance, as well as Fiduciary Pension Trust funds of \$123,419,308 are summarized below.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

A. CASH AND INVESTMENTS (CONTINUED)

As of September 30, 2018, pooled cash, cash equivalents and investments including restricted amounts of the primary government, consisted of the following:

	City Primary Government	Fiduciary Funds	Total
Deposits with financial institutions and cash on hand	\$ 16,844,060	\$ 149	\$ 16,844,209
Cash equivalents and investments	<u>222,525,024</u>	<u>123,419,159</u>	<u>345,944,183</u>
Total cash, cash equivalents and investments	<u>239,369,084</u>	<u>123,419,308</u>	<u>362,788,392</u>
Investment Type			
US. Government obligations	47,407,975	1,431,651	48,839,626
U.S. Government agencies	88,050,438	6,416,542	94,466,980
Municipal obligations	-	1,133,732	1,133,732
Corporate obligations	-	7,117,376	7,117,376
Domestic fixed income funds	-	4,739,073	4,739,073
Domestic equity investment funds	-	29,656,267	29,656,267
Domestic stocks	-	25,858,288	25,858,288
Foreign equity investment funds	-	15,480,183	15,480,183
Real estate investment funds	-	12,003,525	12,003,525
Temporary investment funds	-	3,844,422	3,844,422
Money market funds	18,494,379	-	18,494,379
Investment pools	43,572,232	-	43,572,232
Certificates of deposits	<u>25,000,000</u>	<u>-</u>	<u>25,000,000</u>
	<u>\$ 222,525,024</u>	<u>\$ 123,419,159</u>	<u>\$ 345,944,183</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

A. CASH AND INVESTMENTS (CONTINUED)

As of September 30, 2018, the City's cash and cash equivalents included deposits with financial institutions. Cash deposits are subject to custodial risk and custodial risk is the risk that in the event of a bank failure, the City's deposit may not be returned. Deposits with financial institutions were entirely covered by federal deposit insurance and collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirement of Florida Statutes and have been designated as Qualified Public Depositories ("QPD") by the State Treasurer of Florida. The Florida deposit insurance exists because Florida Statutes require state and local governmental units to only deposit monies with financial institutions classified as QPD. For a financial institution to qualify as QPD, it must participate in the state's deposit insurance pool that requires collateral to be deposited based on the financial institution's rating and the value of the public funds it has on deposit. Upon default of any QPD, the pooled collateral is used to guarantee the state and local government deposits. This pool is additional insurance above the federal depository insurance. As of September 30 2018, the City has bank deposits only with QPD institutions.

Cash, cash equivalents and investments held separately or where contractual arrangement 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.

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 "SBA") to 90% (money markets, United States Agencies, and United States Treasury Notes and Bills).

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

A. CASH AND INVESTMENTS (CONTINUED)

Investments

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 and rated AAA.
- 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 local government investment pools, 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 and Treasury 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, 2018

A. CASH AND INVESTMENTS (CONTINUED)

The Florida local government investment pool balance consists of five governmental investment pools: Florida Cooperative Liquid Assets Securities System (FLCLASS), Florida Surplus Asset Fund (FLSAFE), Florida Education Investment Trust Fund (FEITF), Florida Fixed Income Trust (FLFIT), and Florida Local Government Investment Trust. The pools are organized under Florida Statutes Section 163, the Florida Interlocal Cooperation Act, by Florida public agencies for the purpose of operating an independent investment pool for local governments in Florida and administered by a Board of Trustees elected by the participants in the pool. FLCLASS and FLSAFE are operated in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value, to report net position used to compute share prices if certain conditions are met. Those conditions included restrictions on the types of investments held, restrictions on the term to maturity of individual investment and the dollar weighted average of the portfolio, requirement for portfolio diversification, and requirement of for divestiture considerations in the event of security downgrades and defaults and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. The fair value of the position in the pools is considered to be the same as the City's account balance (amortized cost) in the pool. The investment in FEITF includes shares in the Term Series which are purchased to mature at pre-determined maturity dates selected by the City. FEITF shares are redeemable at fair value at least 7 days notice, less a premature redemption penalty.

Fair Value of Investments: The City follows the provisions of GASB Codification, I50: *Investments*, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under GASB I50 are described below:

Level 1 - Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 - Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active. Fixed income funds are valued using observable inputs for similar securities.

Level 3 - Investments reflect prices based upon unobservable inputs.

	<u>Fair Value as of September 30, 2018</u>			
Primary Government	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. government obligations	\$ -	\$ 47,407,975	\$ -	\$ 47,407,975
U.S. government agencies	\$ -	\$ 84,099,773	\$ -	\$ 84,099,773
U.S. government mortgage backed securities	\$ -	\$ 3,950,665	\$ -	\$ 3,950,665
	<u>\$ -</u>	<u>\$ 135,458,413</u>	<u>\$ -</u>	<u>\$ 135,458,413</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

A. CASH AND INVESTMENTS (CONTINUED)

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

<u>FUND TYPE</u>	<u>Equity in Pooled Cash and Investments</u>	<u>Restricted Equity in Pooled Cash and Investments</u>	<u>Total Cash and Investments</u>
<u>Governmental Activities</u>			
General	\$ 27,021,605	\$ -	\$ 27,021,605
GO Bond Debt Service	2,705,890	-	2,705,890
Community Redevelopment	253,533	-	253,533
Crosstown Parkway	13,227,425	-	13,227,425
SW Annexation District 1	3,364,517	6,795,113	10,159,630
Nonmajor Governmental Funds	78,211,820	1,323,194	79,535,014
Internal Service Fund	7,802,396	-	7,802,396
Total Governmental	<u>132,587,186</u>	<u>8,118,307</u>	<u>141,622,361</u>
 <u>Business Type Activities</u>			
Utility System Fund	40,272,207	41,450,330	81,722,537
Stormwater Utility Fund	12,867,536	3,004,435	15,871,971
Golf Course Fund	152,215	-	152,215
Internal Service Fund	916,868	-	916,868
Total Business-Type	<u>54,208,826</u>	<u>44,454,765</u>	<u>98,663,591</u>
 TOTAL	 <u>\$ 186,796,012</u>	 <u>\$ 52,573,072</u>	 <u>\$ 239,369,084</u>

Other Post Employment Benefits (OPEB) Fund

The OPEB trust fund's 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.

OPEB Retirement Funds

	<u>Fair Value</u>	<u>Rating S & P</u>	<u>Level</u>
Mutual Funds	\$ 15,738,100	n/a	Level 1
Cash and Equivalents	149	n/a	n/a
	<u>\$ 15,738,249</u>		

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

A.CASH AND INVESTMENTS (CONTINUED)

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

- U.S. Government obligations and U.S. agencies
- Domestic and foreign 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)
- Real estate investment trusts (REIT), limited to 5% of the total portfolio

Municipal Police Officers' Retirement Trust

	<u>Fair Value</u>	<u>Rating S & P</u>	<u>Duration (in years)</u>	<u>Level</u>
U.S. Government Obligations	\$ 1,431,651	AA	9.2	Level 2
U.S. Government Agencies	6,416,542	AA	5.1	Level 2
Municipal Obligations	1,133,732	AA-AAA	4.9	Level 2
Corporate Obligations	7,117,376	BBB-AA	9.8	Level 2
Domestic Fixed Investment Fund	4,739,073	n/a	n/a	Level 1
Domestic Equity Investment Fund	29,656,267	n/a	n/a	Level 1
Domestic Stocks	25,858,288	n/a	n/a	Level 1
Foreign Equity Mutual Fund	15,480,183	n/a	n/a	Level 1
Temporary Investment Funds	3,844,422	n/a	n/a	Level 1
Total Investments by fair value level	<u>95,677,537</u>			

Investment measured at net asset value (NAV)

Real Estate Investment Fund (a)	<u>12,003,525</u>
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Total investments measured at fair value	<u><u>\$ 107,681,059</u></u>
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(a) The Real Estate Investment Funds are open end, commingled private real estate portfolios. These REIT-based funds are structured as limited partnerships. Their primary focus is to invest in well-based income producing properties within major U.S. markets. The fair values of the investments in these funds have been determined using the NAV per unit of the trusts ownership interest in partners' capital. The investments of the fund are valued quarterly. Withdrawal requests must be made 60 days in advance and may be paid in one or more installments.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. RECEIVABLES

At September 30, 2018, receivables for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts of \$17,735,437 for the nonmajor funds, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Crosstown Parkway</u>	<u>SW Annexation</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Governmental Funds:						
Accounts Receivable	\$ 5,203,448	\$ -	\$ -	\$ -	\$ 597,747	\$ 5,801,195
Assessments Receivable	-	-	-	122,353,963	59,302,182	181,656,145
Due From Other Governments	3,940,913	-	1,692,236	40,495	2,994,588	8,668,232
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Governmental Activities	<u>\$ 9,144,361</u>	<u>\$ -</u>	<u>\$ 1,692,236</u>	<u>\$ 122,394,458</u>	<u>\$ 62,894,517</u>	<u>\$ 196,125,572</u>

Accounts receivable for enterprise funds are net of allowance for uncollectible accounts of \$1,409,882 for the Utility System and \$90,531 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, 2018:

	<u>Utility System</u>	<u>Stormwater Utility</u>	<u>Total Business-Type Activities</u>
Business-Type Activities:			
Accounts Receivable	\$ 10,104,906	\$ 566,137	\$ 10,671,043
Due From Other Gov't	7,932	115,403	123,335
Accounts Receivable - (Long Term)	<u>6,854,605</u>	<u>-</u>	<u>6,854,605</u>
	<u>\$ 16,967,443</u>	<u>\$ 681,540</u>	<u>\$ 17,648,983</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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 levies 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, 2018:

	SW Annexation	Other Governmental	Total Governmental Activities
Assessments Receivable Balance, October 1, 2017	\$ 125,204,627	\$ 71,533,494	\$ 196,738,121
Collections and Credits During the Year Ended September 30, 2018	(2,850,664)	(13,629,706)	(16,480,370)
Interest on Delinquent Assessments	-	1,398,394	1,398,394
Assessments Receivable Balance, September 30, 2018	<u>\$ 122,353,963</u>	<u>\$ 59,302,182</u>	<u>\$ 181,656,145</u>

Delinquent special assessments and interest on delinquent special assessments for the current fiscal year in the amount of \$1,020,107 are included in the assessments receivable year end balance reported in the above schedule. An allowance for doubtful accounts of \$14,641,534 has been provided for special assessments receivable at September 30, 2018.

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, 2018

D. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 123,482,718	\$ -	\$ (174,000)	\$ -	\$ 123,308,718
Construction in Progress	56,836,385	43,030,011	-	-	99,866,396
Total Capital Assets, Not Being Depreciated	<u>180,319,103</u>	<u>43,030,011</u>	<u>(174,000)</u>	<u>-</u>	<u>223,175,114</u>
Capital Assets, Being Depreciated/Amortized:					
Buildings	118,559,203	2,365,407	-	-	120,924,610
Improvements Other Than Buildings	51,589,829	2,847,029	(1,011)	-	54,435,847
Machinery and Equipment	36,225,189	4,294,495	(879,913)	-	39,639,771
Intangible	160,101	105,645	-	-	265,746
Infrastructure	<u>696,202,911</u>	<u>701,956</u>	<u>-</u>	<u>-</u>	<u>696,904,867</u>
Total Capital Assets, Being Depreciated	<u>902,737,233</u>	<u>10,314,532</u>	<u>(880,924)</u>	<u>-</u>	<u>912,170,841</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	41,159,327	3,054,759	-	-	44,214,086
Improvements Other Than Buildings	21,611,822	2,108,767	-	-	23,720,589
Machinery and Equipment	25,116,153	2,758,952	(721,744)	-	27,153,361
Intangible	40,894	23,099	-	-	63,993
Infrastructure	<u>305,870,411</u>	<u>18,910,648</u>	<u>-</u>	<u>-</u>	<u>324,781,059</u>
Total Accumulated Depreciation	<u>393,798,607</u>	<u>26,856,225</u>	<u>*(721,744)</u>	<u>-</u>	<u>419,933,088</u>
Total Capital Assets, Being Depreciated - Net	<u>508,938,626</u>	<u>(16,541,693)</u>	<u>(159,180)</u>	<u>-</u>	<u>492,237,753</u>
Governmental Activities Capital Assets - Net	<u>\$ 689,257,729</u>	<u>\$ 26,488,318</u>	<u>\$ (333,180)</u>	<u>\$ -</u>	<u>\$ 715,412,867</u>

* Depreciation/Amortization expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 830,008
Public Safety	1,475,627
Physical Environment	436,756
Transportation	19,225,870
Economic Environment	2,176,090
Human Services	42,692
Culture & Recreation	1,947,437
Total Governmental Activities Depreciation Expense	<u>\$ 26,134,480</u>

There is \$337,102 of costs and \$9,131 of depreciation expense included in the additions as a result of transfers between governmental and enterprise funds.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

D. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Increase	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 55,694,348	\$ -	\$ -	\$ 55,694,348
Construction in Progress	2,643,524	1,178,077	-	3,821,601
Total Capital Assets, Not Being Depreciated	58,337,872	1,178,077	-	59,515,949
Capital Assets, Being Depreciated/Amortized:				
Plant	324,514,925	2,111,691		326,626,616
Water and Sewer System	613,222,852	17,939,539		631,162,391
Machinery and Equipment	33,802,359	1,852,532	(566,466)	35,088,425
Buildings	4,928,049	181,959		5,110,008
Improvements Other Than Buildings	3,411,047	22,310		3,433,357
Intangibles	886,615	61,890		948,505
Infrastructure	26,959,631			26,959,631
Total Capital Assets, Being Depreciated/Amortized	1,007,725,478	22,169,921	(566,466)	1,029,328,933
Less Accumulated Depreciation/Amortization for:				
Plant	106,084,256	9,185,805		115,270,061
Water and Sewer System	288,650,162	22,847,525		311,497,687
Machinery and Equipment	21,277,015	1,647,832	(522,583)	22,402,264
Buildings	1,653,054	160,215		1,813,269
Improvements Other Than Buildings	2,126,630	156,062		2,282,692
Intangibles	301,496	91,714		393,210
Infrastructure	3,367,719	731,505		4,099,224
Total Accumulated Depreciation/Amortization	423,460,332	34,820,659	*(522,583)	457,758,408
Total Capital Assets, Being Depreciated/Amortized - Net	584,265,146	(12,650,739)	(43,883)	571,570,525
Business-Type Activities Capital Assets - Net	\$ 642,603,018	\$ (11,472,662)	\$ (43,883)	\$ 631,086,474

* Depreciation/Amortization expense was charged to functions as follows:

Business-Type Activities:	
Water and Sewer	\$ 33,339,051
Stormwater Utility	1,231,892
Golf Course	249,716
Total Business-Type Activities Depreciation Expense	\$ 34,820,659

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

D. CAPITAL ASSETS (CONTINUED)

Land Transfer

The City received an inventory item: a land transfer from the Tradition Land Company, LLC. The Transfer of 1,223.35 acres of property within the Southern Grove Development of Regional Impact (the “Property”) from Tradition Land Company, LLC (“Tradition Land”) to the Port St. Lucie Governmental Finance Corporation (“GFC”). The Property is currently in use for cattle grazing; however, it had been used for citrus production from the late 1980s through the early 2010s.

Tradition Land’s actions impact the City greatly because Southern Grove contains the City’s “jobs corridor” which is very important to the City’s economic growth. Southern Grove is a 3,604-acre Development of Regional Impact (DRI) south of Tradition Parkway. It is part of the overall 8,200-acre region that the public knows as Tradition, one of Port St. Lucie’s larger mixed-use developments. The City’s strategic goal of diversifying its economy and growing the base of jobs for Port St. Lucie is directly linked to the successful buildout of Southern Grove. The 2004 Urban Land Institute (ULI) report described Southern Grove’s 1,321-acre jobs corridor as the economic future of the City of Port St. Lucie, and highlighted its immense value given the General Development Corporation’s original platting of the City into ¼-acre parcels that resulted in few large commercial or industrial parcels within the City. Currently, the market is robust and there is significant investment in Tradition. Non-payment of taxes and special assessments on the Southern Grove property could interrupt economic development for the City, given the circumstances related to potential tax certificate sales as a result of nonpayment. This uncertainty in the market will impact current and future investment decisions. A loss of control over the ability to offer the jobs corridor parcels in the market while the tax certificate and tax sale process is followed will substantially impact the City’s ability to meet the needs for jobs for future residents.

Recognizing the City’s obligation to continue making payments on the bonds and the impact the job corridor has on the City, Tradition Land offered to convey approximately 1,247 acres of property it owns, including most of the jobs corridor, to the City. Tradition Land intends to sell its remaining property in Southern Grove to a third party.

The land has a value of \$31,570,720 and is currently held as an inventory item for resale. On the Government wide Statement of Net Position it is included in prepaid and other assets.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

E. ENCUMBRANCES

The City has outstanding commitments for engineering and construction projects in process. Those commitments are approximated for the respective funds at September 30, 2018:

General Fund	\$	775,559
Crosstown Parkway Fund		31,736,871
Nonmajor Governmental Funds		7,766,070
Stormwater Utility		247,252
Utility System		10,462,316
	\$	<u>50,988,068</u>

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CDBG Fund	\$ 270,417
General Fund	Solid Waste Fund	97,133

All remaining balances 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 following is a summary of amounts advanced to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Utility System	Stormwater Utility	\$ 48,499
Utility System	Golf Course	87,298

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

The following is a summary of interfund transfers:

	Transfers-In:					Totals
	General Fund	Community Redevelopment Fund	Crosstown Parkway Fund	Non-Major Gov'tal Funds	Utility System Fund	
Transfers-Out:						
General Fund	\$ -	\$ 1,317,968	\$ -	\$ 3,167,752	\$ 421,639	\$ 4,907,359
Debt Service Fund	-	-	2,300,000	-	-	2,300,000
SW Annex District 1 Fund	-	-	-	470,315	-	470,315
Non-major Gov'tal Funds	10,000	75,169	502,880	1,995,000	1,423,417	4,006,466
Totals	\$ 10,000	\$ 1,393,137	\$ 2,802,880	\$ 5,633,067	\$ 1,845,056	\$ 11,684,140

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, 2018

G. LONG-TERM LIABILITIES

Governmental Activities Debt:

The following is a summary of the changes in long-term liabilities for the year ended September 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Sales Tax Refunding Bonds, Series 2011	\$ 11,075,000	\$ -	\$ 1,665,000	\$ 9,410,000	\$ 1,705,000
General Obligation & Refunding Bonds, Series 2014	68,995,000	-	3,335,000	65,660,000	3,715,000
Public Service Tax Bonds, Series 2014	19,775,000	-	-	19,775,000	445,000
CRA TIF Refunding Bonds, Series 2016	36,035,000	-	2,540,000	33,495,000	2,720,000
Public Service Tax Bonds, Series 2016	28,355,000	-	2,255,000	26,100,000	2,365,000
General Obligation Refunding Bonds, Series 2016	35,945,000	-	-	35,945,000	-
Taxable Special Obligation Bonds, Series 2017	21,640,000	-	905,000	20,735,000	925,000
Special Assessment District Bonds:					
Series 2002B, River Point	765,000	-	765,000	-	-
Series 2003 C, Glassman	1,220,000	-	1,220,000	-	-
Series 2003 D, East Lake Village	4,155,000	-	615,000	3,540,000	645,000
Series 2005 A, St Lucie Land Holdings	9,175,000	-	1,200,000	7,975,000	-
Series 2005 B, USA #9	920,000	-	245,000	675,000	-
Series 2007A, Combined SAD	440,000	-	440,000	-	-
Series 2011B, USA #5,6,7A Refunding	5,720,000	-	3,000,000	2,720,000	1,130,000
Series 2016, SW Annex Refunding	124,545,000	-	3,055,000	121,490,000	3,085,000
	<u>368,760,000</u>	<u>-</u>	<u>21,240,000</u>	<u>347,520,000</u>	<u>16,735,000</u>
Compensated Absences	9,237,211	5,549,983	5,118,470	9,668,724	870,185
Capital Leases	1,284,187	-	246,768	1,037,419	251,703
Nonexchange Financial Guarantee	55,826,922	2,870,675	4,141,613	54,555,984	1,310,000
Unamortized Bond Premium	19,141,868	-	3,259,876	15,881,992	-
Total Long Term Obligations	<u>\$ 454,250,188</u>	<u>\$ 8,420,658</u>	<u>\$ 34,006,727</u>	<u>\$ 428,664,119</u>	<u>\$ 19,166,888</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities Debt (continued):

	<u>9/30/2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2018</u>	<u>Current Portion</u>
Compensated Absences:					
General	\$ 7,670,149	\$ 4,658,562	\$ 4,249,703	\$ 8,079,008	\$ 727,111
Road & Bridge	758,245	368,272	384,425	742,092	66,788
Building	724,731	450,403	394,317	780,817	70,273
NPDES	13,188	8,222	6,684	14,726	1,325
NSP	1,133	10,664	4,087	7,710	694
CDBG	20,843	29,679	21,139	29,383	2,645
Housing	13,853	-	13,853	-	-
Neighborhood Services	7,260	21,381	16,454	12,187	1,097
CRA	27,809	2,799	27,809	2,799	252
	<u>\$ 9,237,211</u>	<u>\$ 5,549,983</u>	<u>\$ 5,118,470</u>	<u>\$ 9,668,724</u>	<u>\$ 870,185</u>

\$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.

\$74,740,000 General Obligation Bonds and Refunding Bonds, Series 2014 – due in annual principal installments ranging from \$505,000 to \$5,155,000 plus semiannual interest at a rate ranging from 1.5% to 5.0%. Proceeds used to provide \$36,000,000 of project funds for the Crosstown Parkway project and to advance refund \$29,505,000 of the General Obligation Bonds, Series 2005, and \$12,510,000 of the General Obligation Bonds, Series 2006.

\$33,300,000 Public Service Tax Revenue Bonds, Series 2014A & 2014B - payable from and collateralized by a lien upon and a pledge of the public service tax revenues, due in annual principal installments ranging from \$760,000 to \$2,170,000 plus interest semiannually at a rate ranging from 2.611% to 5.0%. Proceeds used to refund the \$39,900,000 Lease Revenue bonds, Series 2010A & 2010B.

\$38,260,000 Community Redevelopment Agency Redevelopment Trust Fund Refunding Revenue Bonds, Series 2016 - 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 \$2,225,000 to \$5,715,000 plus interest semiannually at a rate ranging from 2.0% to 5.0% through January 2026. Proceeds were used to refund the remaining balances of the outstanding \$11,870,000 CRA Bonds, Series 2004, and the \$46,450,000 CRA Bonds, Series 2006.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities Debt (continued):

\$30,875,000 Public Service Tax Revenue Bonds, Series 2016 - payable from and collateralized by a lien upon and a pledge of the public service tax revenues, due in annual principal installments ranging from \$2,255,000 to \$3,495,000 plus interest semiannually at a rate of 5.0%. Proceeds used to refund the remaining balance of the \$45,600,000 Refunding Certificates of Participation, Series 2008. The refunding resulted in a future cash flow savings of \$4,725,392 and a net present value savings of \$4,163,207. The economic loss of \$3,255,772 will be amortized over 20 years.

\$37,075,000 General Obligation Refunding Bonds, Series 2016 – due in annual principal installments ranging from \$1,960,000 to \$6,000,000 plus semiannual interest at a rate ranging from 3.125% to 5.0%. Proceeds used to refund the remaining balances of the \$49,285,000 General Obligation Bonds, Series 2005, and \$44,545,000 General Obligation Bonds, Series 2006. The refunding resulted in a future cash flow savings of \$6,079,171 and a net present value savings of 4,392,084. The economic gain of \$1,285,901 will be amortized over 19 years.

\$22,345,000 Taxable Special Obligation Bonds, Series 2017 - payable from amounts budgeted and appropriated by the City from non-ad valorem revenues, due in annual principal installments ranging from \$905,000 to \$1,655,000 plus semiannual interest at a rate ranging from 1.892% to 4.357%. Proceeds used to advance refund the remaining balance of the \$31,360,000 Special Assessment Refunding Bonds, Series 2008A. The refunding resulted in a future cash flow savings of \$15,743,297 and a net present value savings of \$3,989,340. The economic loss of \$3,843,556 will be amortized over 10 years.

Special Assessment Debt with Government Commitment:

\$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 2020. 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 used 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 2019.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (CONTINUED)

Special Assessment Debt with Government Commitment (continued):

\$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 were due until July 2016. 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.

\$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 2017. 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 2020. 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 2023. 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.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (CONTINUED)

Special Assessment Debt with Government Commitment (continued):

\$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).

\$126,895,000 Special Assessment Refunding Bonds, Series 2016 (Southwest Annexation Special Assessment District No. 1) - payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$2,350,000 to \$6,580,000 plus interest semiannually ranging from 1.0% to 4.0% through July 2045. 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 \$129,440,000 remaining balance of the outstanding \$155,840,000 Special Assessment District Bonds, Series 2016 (Southwest Annexation Special Assessment District No. 1).

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (CONTINUED)

Long-term debt service requirements for each of the years subsequent to September 30, 2018 are:

<u>September 30,</u>	Total <u>Principal</u>	Total <u>Interest</u>	<u>Total</u>
2019	\$ 16,735,000	\$ 13,871,113	\$ 30,606,113
2020	18,305,000	13,298,662	31,603,662
2021	18,505,000	12,527,130	31,032,130
2022	19,700,000	11,663,272	31,363,272
2023	20,555,000	10,809,521	31,364,521
2024	19,845,000	9,879,580	29,724,580
2025	20,705,000	9,005,650	29,710,650
2026	21,360,000	8,056,233	29,416,233
2027	16,280,000	7,276,525	23,556,525
2028	11,865,000	6,580,628	18,445,628
2029	11,505,000	6,117,254	17,622,254
2030	11,230,000	5,651,372	16,881,372
2031	18,445,000	5,176,248	23,621,248
2032	11,285,000	4,433,498	15,718,498
2033	17,665,000	3,962,015	21,627,015
2034	13,460,000	3,221,538	16,681,538
2035	13,970,000	2,711,388	16,681,388
2036	5,935,000	2,179,038	8,114,038
2037	6,120,000	1,991,688	8,111,688
2038	6,315,000	1,798,437	8,113,437
2039	6,515,000	1,598,938	8,113,938
2040	6,720,000	1,393,037	8,113,037
2041	6,945,000	1,169,738	8,114,738
2042	7,175,000	938,587	8,113,587
2043	7,430,000	684,400	8,114,400
2044	6,370,000	420,875	6,790,875
2045	6,580,000	213,850	6,793,850
	<u>\$ 347,520,000</u>	<u>\$ 146,630,215</u>	<u>\$ 494,150,215</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (CONTINUED)

Nonexchange Financial Guarantee

The City issued limited obligation 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. This issuance was under the legal authority of Ordinance 10-18, enacted pursuant to provisions of Article VIII, Section 2 of the Florida Constitution, Chapter 166, Part II, Florida Statutes, Chapter 159, Parts II and VII, Florida Statutes and Section 1.01 and 9.09 of the Charter of the City of Port St. Lucie, Florida. The bonds mature annually through May 1, 2042, with semi-annual interest.

Although limited obligation debt bears the name of the City as issuer, it is collateralized by the resources provided by the loan with the non-profit private sector entity on whose behalf they are issued. Throughout the term of the bonds, the City has covenanted to budget, appropriate and deposit into a debt service reserve fund amounts required to cure any deficiency within 30 days' notice from the Trustee. In the event the City must cure a debt service deficiency, the non-profit private sector entity is to reimburse the City through monthly payments until the City is reimbursed in full.

On May 1, 2015, funds were withdrawn from the Debt Service Reserve Fund in order to pay the debt service as a result of the non-profit private sector entity's failure to make its required loan payment to the Trustee. The Trustee provided written notice to the non-profit private sector entity to replenish the deficiency. In August 2015, the Trustee notified the City of the failure by the non-profit private sector entity to make the required installment payments and the requirement for the City to cure the deficiency in the debt service reserve fund. Additionally, the non-profit private sector entity publicized its intention to cease operations as of October 1, 2015. In September 2015, the City paid the first of 10 equal payments of \$218,147 to the Trustee for replenishment of the debt service reserve fund.

In August 2017, title of the land, building and contents was transferred from the Bond Trustee to the City and the estimated net value of the building was recorded as an asset held for resale and miscellaneous revenue in the entity wide statements.

As of September 30, 2018, the \$57,320,000 remaining principal balance on the \$64,035,000 Research Facilities Revenue Bonds, Series 2010, is reported as a nonexchange financial guarantee liability of \$54,555,984 based on the estimated discounted present value of the future outflows, net of amounts funded in escrow. For the Fiscal Year October 1, 2017 through September 30, 2018, the City paid a total of \$4,141,613 to the Trustee. The payments were recorded as economic environment expenditures in the appropriate governmental fund. Through September 30, 2018, the City has made cumulative payments of \$14,611,485. The City is pursuing collection from the non-profit private sector entity for amounts paid by the City. As of September 30, 2018, no payments have been received from the non-profit private sector entity.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (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, 2018:

	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	7,070,000	-	1,050,000	6,020,000	1,090,000
Utility System Fund					
Revenue Bonds, Series 2007	85,705,000	-	6,735,000	78,970,000	7,090,000
Revenue Bonds, Series 2009	11,995,000	-	11,995,000	-	-
Revenue Bonds, Series 2012	19,810,000	-	825,000	18,985,000	860,000
Revenue Bonds, Series 2014	29,585,000	-	-	29,585,000	-
Revenue Bonds, Series 2016	206,765,000	-	250,000	206,515,000	2,970,000
Revenue Bonds, Series 2018	-	8,305,000	-	8,305,000	260,000
	<u>396,930,000</u>	<u>8,305,000</u>	<u>20,855,000</u>	<u>384,380,000</u>	<u>12,270,000</u>
Compensated Absences	3,688,370	2,213,830	2,216,241	3,685,959	331,736
Unamortized Bond Premium	<u>32,492,761</u>	<u>1,710,820</u>	<u>2,290,503</u>	<u>31,913,078</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 433,745,227</u>	<u>\$ 11,595,554</u>	<u>\$ 25,361,744</u>	<u>\$ 419,979,037</u>	<u>\$ 12,601,736</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.

\$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, which were issued to provide funds for the payment of a lawsuit relating to the City's stormwater collection and drainage system.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activity Debt (continued):

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.

\$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.

\$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.

\$29,585,000 Utility System Refunding Revenue Bonds, Series 2014 – due in annual principal installments beginning in 2020, ranging from \$1,265,000 to \$5,155,000 plus interest semiannually of 5.00% through September 2023. The Series 2014 Bonds were issued in November 2014 to refund \$7,190,000 of Series 2003 Bonds, \$12,260,000 of Series 2004 Bonds and \$16,460,000 of Series 2006 Bonds.

\$206,970,000 Utility System Refunding Revenue Bonds, Series 2016 – due in annual principal installments ranging from \$205,000 to \$27,070,000 plus interest semiannually ranging from 3.0% to 5.0% through September 2036. The Series 2016 Bonds were issued in August 2016 to refund all of the \$51,645,000 Series 2004A Bonds, refund the \$52,270,000 outstanding balance of the \$78,435,000 Series 2006 Bonds, refund the \$33,507,230 outstanding balance of the \$35,197,230 Series 2006A Bonds, and advance refund \$88,075,000 of the \$110,200,000 Series 2009 Bonds. The refunding resulted in a future cash flow savings of \$58,757,788 and a net present value savings of \$43,528,370. The economic loss of \$18,895,088 will be amortized over 20 years.

\$8,305,000 Utility System Refunding Revenue Bond, Series 2018 - due in annual principal installments of \$260,000 and \$1,475,000 beginning in 2019 plus interest semiannually ranging from 5% through September 2015.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activity Debt (continued):

Long-term debt service requirements for each of the years subsequent to September 30, 2018 are:

<u>September 30,</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total</u>
2019	\$ 12,270,000	\$ 18,305,112	\$ 30,575,112
2020	12,865,000	17,709,112	30,574,112
2021	13,510,000	17,064,787	30,574,787
2022	15,630,000	16,392,762	32,022,762
2023	16,430,000	15,603,299	32,033,299
2024	17,170,000	14,757,946	31,927,946
2025	18,065,000	13,898,943	31,963,943
2026	19,010,000	12,950,837	31,960,837
2027	20,000,000	11,960,354	31,960,354
2028	21,060,000	10,899,938	31,959,938
2029	22,150,000	9,810,708	31,960,708
2030	23,255,000	8,635,284	31,890,284
2031	24,310,000	7,581,105	31,891,105
2032	25,410,000	6,558,267	31,968,267
2033	26,520,000	5,446,126	31,966,126
2034	27,675,000	4,287,765	31,962,765
2035	28,895,000	3,063,764	31,958,764
2036	30,000,000	2,047,950	32,047,950
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>\$ 384,380,000</u>	<u>\$ 198,507,896</u>	<u>\$ 582,887,896</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (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. The Utility System is required to maintain certain depository accounts, such as a Sinking Fund for annual debt service, Reserve Account for the maximum annual debt service requirement, Capital Facilities Charges Account for the deposit of connection fees and a Renewal and Replacement Account to fund replacement of System capital assets.
3. The City has covenanted to establish and maintain rates at a level sufficient to provide net revenues from operation of the System equal to 100% of the current debt service requirement plus the required deposits into the Reserve account and the Renewal and Replacement Fund. Rates also must be sufficient to equal 110% of the current debt service requirement and the required deposits, including the investment income from the Project Fund, a calculated percentage of the capital facilities charges, and any transfers from the Rate Stabilization fund.

Stormwater Utility Fund

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

1. Principal and interest are payable from and secured by a pledge of the gross revenues from the operation of the stormwater utility. Additionally, electric franchise fees can be used to ensure there will be sufficient amounts on hand to pay the debt service requirement.
2. The Utility is required to maintain certain depository accounts, such as a Sinking Fund for annual debt service and a Renewal and replacement Fund for replacement of capital assets.
3. 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.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

G. LONG-TERM LIABILITIES (CONTINUED)

Defeased 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 defeased refunded debt issues:

Issue	Series	Date Refunded	Outstanding as of	
			Refund Date	9/30/2018
Utility System Revenue Bonds	2009	06/06/20108	\$ 8,305,000	\$ 8,305,000

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, 2018, 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 is presented as part of governmental activities debt.

Source of Deposits	Date	Amount
City of Port St. Lucie	Various	\$ 1,393,136
St. Lucie County	12/27/2017	1,508,324
Sale of Capital Assets	Various	1,886,805
City of Port St. Lucie Utility Department	Monthly	20,064
Interest Earnings	Monthly	197
Total Deposits		<u>\$ 4,808,526</u>

Purpose of Withdrawals	Date	Amount
Debt Service - Principal	12/28/2017	\$ 2,540,000
Debt Service - Interest	Semi-annual	1,698,350
Stormwater Utility Payment	4/24/2018	8,962
CRA Operating Expenses	Various	394,473
Total Withdrawals		<u>\$ 4,641,785</u>

Principal and Interest on Indebtedness	Principal	Interest	Total
Series 2016 Bonds	<u>\$ 33,495,000</u>	<u>\$ 7,624,775</u>	<u>\$ 41,119,775</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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 third parties, 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, flood, equipment breakdown, auto/general/ cyber/ law enforcement liability, public officials and employment practices liability, crime and statutory accidental death and dismemberment coverage through TRICO which also carries various excess and reinsurance policies through different carriers. The property coverage is subject to a \$100,000 deductible per occurrence except wind, flood and earthquake. The equipment breakdown coverage is subject to a \$10,000 deductible per occurrence. 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 liability, law enforcement and automobile liability policy is in force with policy limits of \$1,000,000 per occurrence/\$2,000,000 annual aggregate which is subject to \$1,000,000 self-insured retention and tracks Florida Statute 768.28. Cyber Liability is limited to \$1,000,000/occurrence/\$1,000,000 aggregate and \$500,000 for security breach response subject to varying deductibles. Crime coverage is subject to \$2,000,000 Limit for employee theft and \$5,000,000 for Computer & Funds Transfer Fraud, subject to a \$25,000 per occurrence deductible. 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 \$250,000 self-insured retention, except for sexual molestation which is \$225,000. The Accidental Death and Dismemberment coverage tracks Florida Statute 112.18, 112.181, 112.1815, 112.19 and 112.191 as respects benefits payable.

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 \$250,000 with an additional aggregate deductible of \$168,000 and a maximum stop loss limit of \$19,358,180 in paid claims. Stop-loss payments for the past year were \$0.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

A. RISK MANAGEMENT (CONTINUED)

The following claims incurred but not reported (IBNR) liability, was estimated based on actuarial valuation, IBNR as of September 30, 2018 is reflected below:

Balance at September 30, 2017	\$ 583,174
Current Year Claims	14,056,703
Current Year Payments	<u>(13,989,365)</u>
Balance at September 30, 2018	<u>\$ 650,512</u>

B. EMPLOYEE RETIREMENT SYSTEMS

The City has one single employer defined pension plan and is a participant in one multi-employer defined defined pension plan, Florida Retirement System (FRS).

The City accounts for single employer plan as pension trust fund; which is substantially in 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 City has three defined contribution pension plans, General Employees Retirement Plan, Police Officers Retirement 401A Plan, and the Employees Retirement 401A Plan. Ordinance 77-25, as amended by subsequent City Ordinances, established defined contribution pension plans for City employees. All three defined contribution plans require a City contribution of 10.5% of employee compensation. Vesting allows for 100% vesting after 5 year or attaining the age of 55. Contributions during the year ended September 30 2018 for General Employees Retirement Plan, Police Officers Retirement 401A Plan, and the Employees Retirement 401A Plan were \$80,313m \$97,485, and \$215,336, respectively. The defined cotribution plans do not issue separate reports.

Defined Benefit Pension Plan - Municipal Police Officers' Retirement Trust Fund

Plan Description

The Municipal Police Officers' Retirement Trust Fund (plan), which is a single-employer defined benefit public employee's 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.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Plan Membership as of October 1, 2018

Inactive plan members or beneficiaries currently receiving benefits	58
Inactive plan members entitled to but not yet receiving benefits	25
Active plan members	<u>219</u>
	<u>302</u>

Defined Benefit Pension Plan - Municipal Police Officers' Retirement Trust Fund (continued)
Benefits Provided

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 based on 3.09% of the participant's final average salary times the number of his or her credited service years rendered up to a maximum of 100% final average salary and 3.27% for all years of service for participants retiring on or after October 1, 2015. The final average salary for purposes of calculating benefits is the participant's average salary during the highest 5 years of a participant's last 10 years of employment. Salary includes lump sum payments for accumulated leave.

A participant with 5 or more years of credited service is eligible for deferred retirement. These benefits begin upon application on or after reaching age 50 and are computed the same as normal retirement, based upon the participant's final average salary and credited service at the date of termination. Benefits are reduced 3% per year.

Deferred Retirement Option Plan - Any Plan participant who is eligible to receive a normal retirement pension may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon his or her termination of employment. Participation in the DROP ceases for a Plan participant after the earlier of 5 years or termination of employment.

Contributions

Plan members contribute 9.0% of pensionable wages and the City contributes the actuarially required amount, which was approximately 24.8% of pensionable wages for fiscal year 2018. Additionally, the State collects a 0.85% tax on premiums for casualty insurance and remits those collections to the City annually. The state contributions are recorded as revenue and personnel fringe benefit expenditures in the City's general fund before being recorded as a contribution to the plan.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of October 1, 2018.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2017, updated to September 30, 2018, using the following actuarial assumptions:

Inflation	2.50%
Salary increases	Service based
Discount rate	7.50%
Investment rate of return	7.50%

Mortality Rate Healthy Lives:

Female: RP-2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy (previously Annuitant) White Collar/90% Combine Healthy Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP-2000 Disabled set forward two years/ 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled set back four years/ 40% Annuitant White Collar/90% with no setback, no projection scale.

The actuarial assumptions used in the October 1, 2018 valuation were based on the results of an actuarial experience study dated July 10, 2017.

Defined Benefit Pension Plan - Municipal Police Officers' Retirement Trust Fund (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. For 2018 the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-range expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018 are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
All cap value equity	22.50%	7.50%
Broad growth equity	22.50%	7.50%
Foreign equity	15.00%	8.50%
Real return assets	25.00%	2.50%
Global bond	5.00%	3.50%
Real estate	10.00%	4.50%
Total	100%	

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions (Continued)

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2017	\$ 115,191,465	\$ 94,789,762	\$ 20,401,703
Changes for the year:			
Service cost	3,909,651	-	3,909,651
Interest	8,831,558	-	8,831,558
Differences between expected and actual experience	1,065,253	-	1,065,253
Changes of assumptions	-	-	-
Contributions - employer	-	4,015,851	(4,015,851)
Contributions - state	-	1,439,785	(1,439,785)
Contributions - employee	-	1,661,523	(1,661,523)
Contributions - buy back	63,446	63,446	-
Net investment income	-	8,873,271	(8,873,271)
Benefit payments, including refunds of employee contributions	(2,841,518)	(2,841,518)	-
Administrative expense	-	(190,294)	190,294
Net changes	11,028,390	13,022,064	(1,993,674)
Balances at September 30, 2018	\$ 126,219,855	\$ 107,811,826	\$ 18,408,029

Sensitivity of the net pension liability to changes in the discount rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's net pension liability	\$ 34,829,819	\$ 18,408,029	\$ 4,719,593

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Defined Benefit Pension Plan - Municipal Police Officers' Retirement Trust Fund (continued)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in a separately issued plan financial report. That report may be obtained by contacting the Finance Department at the City of Port St. Lucie, 121 S.W. Port St. Lucie Blvd, Port St. Lucie, FL 34984.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized a pension expense of \$5,198,671. On September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,137,953	\$ 1,752,821
Changes of assumptions	3,682,184	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	-	2,795,020
Total	<u>\$ 7,820,137</u>	<u>\$ 4,547,841</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2019	\$ 1,079,864
2020	1,096,592
2021	(71,217)
2022	207,733
2023	627,107
Thereafter	332,217

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Defined Benefit Plan - Florida Retirement System

The City participates in cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State, the Florida Retirement System. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plan's fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due.

The City's employer contributions are recognized when due, and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plan.

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions.

Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

a. Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

b. Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2018, were as follows:

	FRS	HIS
Regular class	6.60%	1.66%
Special risk class	22.84%	1.66%
Senior management service class	22.40%	1.66%
Elected officials	47.04%	1.66%
DROP from FRS	12.37%	1.66%

The employer's contributions for the year ended September 30, 2018, were \$73,897 to the FRS Pension Plan and \$3,185 to the HIS Program.

The net pension liabilities were measured as of June 30, 2018. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

	<u>FRS</u>	<u>HIS</u>
Net Pension Liability	\$ 781,013	\$ 62,168
Proportion at:		
Current measurement date	0.00246%	0.00246%
Prior measurement date	0.00259%	0.00259%
Pension expense	\$ 195,817	\$ 4,609

c. Deferred Outflows/Inflows of Resources Related to Pensions

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2018.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflow</u>	<u>Deferred Inflow</u>	<u>Deferred</u>	<u>Deferred Inflow</u>
	<u>of Resources</u>	<u>of Resources</u>	<u>Outflow</u>	<u>of Resources</u>
	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>
Differences between expected and actual experience	\$ 66,163	\$ (2,401)	\$ 952	\$ (106)
Change of assumptions	255,197	-	6,914	(6,573)
Net difference between projected and actual earnings on pension plan investments	-	(60,343)	38	-
Changes in proportion and differences between City pension plan contributions and proportionate share of contributions	112,581	(9,174)	3,046	(2,829)
City pension plan contribution subsequent to the measurement date	13,732	-	594	-
Total	\$ 447,673	\$ (71,918)	\$ 11,544	\$ (9,508)

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

d. Deferred Outflows/Inflows of Resources Related to Pensions

Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30:	FRS	HIS
2019	\$ 141,189	\$ 1,009
2020	94,126	995
2021	14,481	707
2022	61,544	159
2023	43,443	(981)
Thereafter	7,240	(447)
Total	<u>\$ 362,023</u>	<u>\$ 1,442</u>

e. Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2018. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2018. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2017, rolled-forward using standard actuarial procedures.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases, including inflation	3.25%	3.25%
Investment rate of return	7.00%	N/A
Discount rate	7.00%	3.58%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2014.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

e. Actuarial Assumptions (continued)

The following changes in key actuarial assumptions occurred in 2018:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.10% to 7.00%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.58% to 3.87%.

The 2014 experience study was the most recent experience study which reviews and informs most assumptions used in the valuation.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

	Target Allocation (1)	Annual Arithmetic Return	Compound Annual Geometric Return
Cash	1.00%	2.90%	2.90%
Fixed income	18.00%	4.40%	4.30%
Global equity	54.00%	7.60%	6.30%
Real estate	11.00%	6.60%	6.00%
Private equity	10.00%	10.70%	7.80%
Strategic investments	6.00%	6.00%	5.70%
	<u>100.00%</u>		

Assumed Inflation - Mean

(1) As outlined in the Pension Plan's Investment Policy

f. Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.00%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.87% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

g. Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
September 30, 2018	6.00%	7.00%	8.00%	2.87%	3.87%	4.87%
City's proportionate share of the net pension liability	\$1,425,379	\$781,013	\$245,827	\$70,805	\$62,168	\$54,968

Pension Plans' Fiduciary Net Position detailed information about the pension plans' fiduciary net position is available in the state's separately issued financial reports.

C. POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

Section 112.0801, Florida Statutes, requires all public employers to allow their retirees to participate in the same health group plan offered to their active employees. The City operates a self-funded plan for health, dental, vision and life insurance benefits. All financial activities of the self-funded plan are recorded in the Internal Service Fund. Substantially all the City's full-time employees may become eligible for those benefits if they reach normal retirement age while working for the City. The City recognizes the costs associated with providing these benefits as claims are paid. Funding of the plan is from various funds of the City that incur payroll related expenses, such as the General Fund, Road & Bridge Fund and Utility System Fund. These funds have also expended money in the past to liquidate the other post-employment benefit (OPEB) net OPEB liability.

The Other Postemployment Benefit plan is a single-employer benefit plan administered by the City. Retirees' are charged the same rate by the City as active employees. Premiums charged by the City are a blended rate based on the experience of younger active employees and older retired employees. Since retirees have higher costs yet pay the same rate as younger active employees, the blended rate creates an implicit rate subsidy for retirees.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

The City offers a Health Insurance Premium Subsidy to select retirees. The Health Insurance Subsidy is not contingent on continuing medical coverage through the City. The Subsidy is equivalent to a portion of the cost of single medical coverage through the City. The portion payable at retirement is 5% per each year of service up to a maximum of 80%. The portion payable for total and permanent disability incurred in the line of work is 100%. To be eligible for the Premium Subsidy a participant must meet the following qualifications:

- a) be an eligible employee as of the inception of the policy on 10/1/2005 and hired prior to 10/1, 2010, and
- b) retire:
 - 1) at age 55 with 10 years of service for general employees, or
 - 2) at age 52 with 10 years of covered service for sworn officers.

OPEB Trust Account

In March 2010, City Council adopted Resolution 10-R11 establishing a retiree health savings plan (the Plan) for employees' health needs during retirement. An irrevocable trust was established with ICMA Retirement Corporation and is 100% funded by city contributions. The assets of the Plan are held in trust, with the City Manager, or his/her designee, and the City Finance Director, or his/her designee, as trustee for the exclusive benefit of the Plan participants. Each year the City contributes to the Other Postemployment Plan Trust Account an amount based on the actuarially determined contribution. For the year ended September 30, 2018, the City contributed \$720,000. The City's contributions to the Trust Account and the earnings of the Trust Account are dedicated to providing benefits for eligible retirees. An actuarial valuation of the OPEB obligation is prepared each year to determine the annual contribution to the Trust Account.

OPEB Trust Fund

The City established an OPEB Trust Fund to account for the costs of retiree health insurance, the resources required to pay retiree health insurance benefits and the accumulation of funds in the OPEB Trust Account. Separate financial statements for the OPEB Trust Fund are not available. A Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are included in the City's Comprehensive Annual Financial Report. Since the City self-funds health insurance for active and retired employees, costs of retiree health insurance and amounts to be contributed by retirees are calculated annually based on recommendations provided by the City's health insurance consultant. Contributions by the City to the OPEB Trust Fund for the fiscal year ending September 30, 2018 were \$1,651,283.

Plan Membership as of September 30, 2018

Inactive plan members currently receiving benefits	196
Active plan members with coverage	896
Active plan members without coverage	52
	1,144

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Investments

Resolution 10-R11 required all Plan assets to be invested in the ICMA Retirement Corporation's VantageCare Retirement Health Savings Plan (RHS Plan). Investment options in the RHS Plan include:

- Cash Management Fund
- Bond funds
- Balanced/Asset allocation funds
- U.S. stock funds
- International/Global funds

As authorized by the resolution, the City Manager and City Finance Director have directed ICMA Retirement Corporation to invest the Plan assets in a Broad U.S. Stock Market Index Fund (Stock Fund) and a Core U.S. Bond Index Fund (Bond Fund). Plan assets are allocated as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Stock Fund	60%
Bond Fund	40%

For the year ended September 30, 2018, the annual money-weighted rate of return on the investments, net of investment expense, was 9.05%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City

The components of the net OPEB liability of the City at September 30, 2018, were as follows:

Total OPEB liability	\$28,273,495
Plan fiduciary net position	<u>(15,738,100)</u>
Net OPEB liability	<u>\$12,535,395</u>

Plan fiduciary net position as % of total OPEB liability 55.7%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2018, using the following assumptions.

Discount Rate

7.00%

Payroll Growth

Payroll growth includes general wage inflation of 3.25% plus merit/productivity increases based on the FRS valuation as of June 30, 2016. General employees are assumed to follow the Regular table while Police employees are assumed to follow the Special Risk table.

Inflation Rate

2.25% per year

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Cost Method

Entry Age Normal Level

Health Care Coverage Election Rate

Disability

- Sample rates of disability are as shown below:

	<u>General</u>		<u>Police</u>
<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Unisex</u>
20	0.002%	0.001%	0.03%
30	0.003%	0.001%	0.04%
40	0.009%	0.005%	0.07%
50	0.022%	0.010%	0.18%
60	0.048%	0.022%	0.90%

Turnover Rate

- Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. Sample annual turnover rates are shown below:

	<u>General</u>						<u>Police</u>
	<u>Male</u>			<u>Female</u>			
<u>Age</u>	<u>0 YOS</u>	<u>5 YOS</u>	<u>10+ YOS</u>	<u>0 YOS</u>	<u>5 YOS</u>	<u>10+ YOS</u>	<u>All YOS</u>
20	32.85%	11.69%	9.77%	30.27%	13.47%	11.55%	12.00%
30	25.85%	8.83%	4.71%	25.39%	9.42%	5.37%	10.00%
40	24.38%	7.37%	2.97%	24.40%	7.02%	3.33%	5.20%
50	23.45%	56.03%	2.95%	23.21%	6.16%	2.95%	1.60%
60	27.37%	6.76%	5.31%	23.21%	6.06%	2.95%	
56+	N/A	N/A	N/A	N/A	N/A	N/A	0.40%
62+	27.37%	6.76%	3.68%	23.21%	6.06%	2.95%	

Retirement Rate

- Assumed annual rates of retirement are as shown below. DROP participants are assumed to be retired as of the measurement date.

<u>General</u>		<u>Police</u>	
<u>Age</u>	<u>All YOS</u>	<u>Age</u>	<u>10 – 24 YOS 25+ YOS</u>
55 – 61	2%	50	5% 5%
62	25%	51	5% 5%
63 – 64	10%	52	5% 100%
65 – 69	20%	53	5% 100%
70+	100%	54	5% 100%
		55	5% 100%

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Mortality

- RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 for health retirees
- RHP-2017 Disabled Retiree Mortality Table fully generational using Scale MP-2017 for disabled retirees

Health Care Trend Rates - 8.5% decreasing to 5%

- The initial trend rate was based on a combination of employer history, national trend surveys, and professional judgement. The ultimate trend rate was selected based on historical medical CPI information.

HIS Trend Rates - 8.23% decreasing to 4.93%

- HIS trend rates are based on (1) health care trend rates shown above and; (2) assumed dental / vision trend rates which begin at an initial 4.5% and decrease to 3.5% by FYE 2022 by 0.25% steps each year.

Retiree Contributions

- Retiree contributions are assumed to increase according to health care trend rates.

Investment Returns

The long-term expected rate of return on OPEB plan investments is 7.00% based on the City's OPEB Trust Account expected targets. This was validated using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation (2.25%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2017 are summarized below:

Asset Class	Target Allocation	Long-Term Real Rate of Return
U.S. Stock	60.0%	5.25%
U.S. Bond	40.0%	4.50%
Total	100.0%	4.95%

The City's funding policy is to pay the pay-go costs out of the City's Operating Funds and to partially pre-fund the Actuarially Determined Contribution. The final single equivalent discount rate used for this year's valuation is 7.00% as of September 30, 2018 with the assumption that the City will eventually pay the pay-go costs out of the OPEB Trust Account at the time when the OPEB Trust Account is expected to be sufficient to finance all future benefit payments.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Changes in Net OPEB Liability

	<u>FY 2017/2018</u>
Total OPEB Liability	
Total OPEB liability – beginning of year	\$ 28,639,955
Service cost	500,907
Interest	2,007,817
Changes in assumptions	-
Differences between expected and actual experience	(1,943,901)
Benefit payments	(931,283)
Net change in OPEB liability	(366,460)
Total OPEB liability – end of year	<u>28,273,495</u>
Plan Fiduciary Net Position	
Plan fiduciary net position – beginning of year	13,686,361
Contributions – employer	1,651,283
Net investment income	1,331,739
Benefit payments	(931,283)
Net change in plan fiduciary net position	2,051,739
Plan fiduciary net position – end of year	<u>15,738,100</u>
Net OPEB Liability – end of year	<u><u>\$ 12,535,395</u></u>

Sensitivity Results

- The following presents the net OPEB liability as of September 30, 2018, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
Net OPEB liability	\$ 16,155,597	\$ 12,535,395	\$ 9,536,380

- The following presents the net OPEB liability as of September 30, 2018, using the health care, dental/vision, and HIS trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

	1% Decrease (7.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.5% decreasing to 5.0%)	1% Increase (9.5% decreasing to 6.0%)
Net OPEB liability	\$ 9,105,361	\$ 12,535,395	\$ 16,713,780

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows/Inflows of Resources

For the year ended September 30, 2018, the City recognized OPEB expense of \$218,590. As of September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,023,805
Changes in assumptions	6,038,594	-
Net difference between projected and actual earnings in OPEB plan investments	-	569,491
Total	\$ 6,038,594	\$ 14,593,296

The balances of September 30, 2018 of the deferred outflows/(inflows) of resources will be recognized in OPEB expense in future fiscal years as noted below:

Fiscal Year Ended September 30:	
2019	\$(1,307,315)
2020	\$(1,307,315)
2021	\$(1,307,313)
2022	\$(1,210,529)
2023	\$(1,140,745)
Thereafter	\$(2,281,485)

Fiduciary Net Pension Activity

	Municipal Police Officers	Other Post Employment Benefits	Total
Assets			
Cash and Equivalents	\$ -	\$ 149	\$ 149
Fixed Investments	4,739,073	-	4,739,073
Corporate Stocks	25,858,288	-	25,858,288
Corporate Bonds	7,117,376	-	7,117,376
US Government Obligations	1,431,651	-	1,431,651
Federal Agencies	6,416,542	-	6,416,542
Municipal Obligations	1,133,732	-	1,133,732
Real Estate Investments	12,003,525	-	12,003,525
Mutual Funds	48,980,872	15,738,100	64,718,972
Accrued Investment Income	195,570	-	195,570
Prepaid Expenses	2,297	-	2,297
Total assets	107,878,926	15,738,249	123,617,175

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Liabilities and Net Position

Liabilities

Accounts Payable	67,100	-	67,100
Total liabilities	<u>67,100</u>	<u>-</u>	<u>67,100</u>

Net Position

Restricted for Employees Retirement	107,811,826	15,738,249	123,550,075
Total Net Position	<u>107,811,826</u>	<u>15,738,249</u>	<u>123,550,075</u>
Total Liabilities and Net Position	<u>\$ 107,878,926</u>	<u>\$ 15,738,249</u>	<u>\$ 123,617,175</u>

	<u>Municipal Police Officers</u>	<u>Other Post Employment Benefits</u>	<u>Total</u>
Additions			
Contributions:			
City	\$ 4,015,851	\$ 1,651,283	\$ 5,667,134
State	1,439,785	-	1,439,785
Employee	1,724,969	-	1,724,969
Total Contributions	<u>7,180,605</u>	<u>1,651,283</u>	<u>8,831,888</u>
Investment Income:			
Net Increase in Fair Value of Investments	6,723,635	1,331,861	8,055,496
Interest and Dividends	2,424,652	-	2,424,652
Total Investment Income	9,148,287	1,331,861	10,480,148
Investment Expense	(275,016)	-	(275,016)
	<u>8,873,271</u>	<u>1,331,861</u>	<u>10,205,132</u>
Total Additions	<u>16,053,876</u>	<u>2,983,144</u>	<u>19,037,020</u>
Deductions			
Benefit Payments	2,806,046	931,580	3,737,626
Administrative Costs and Charges	190,294	-	190,294
Refunds	35,472	-	35,472
Total Deductions	<u>3,031,812</u>	<u>931,580</u>	<u>3,963,392</u>
Net Increase in Net Position	13,022,064	2,051,564	15,073,628
Total Net Position - beginning	<u>94,789,762</u>	<u>13,686,685</u>	<u>108,476,447</u>
Total Net Position - ending	<u>\$ 107,811,826</u>	<u>\$ 15,738,249</u>	<u>\$ 123,550,075</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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. SUBSEQUENT EVENTS

On October 18, 2018, the City issued \$54,085,000 City of Port St Lucie, Florida Taxable Special Obligation Refunding Revenue Bonds, Series 2018A. The Series 2018A Bonds were issued to provide funds, together with other legally available funds to refund all of the City's outstanding Research Facilities Revenue Bonds, Series 2010 (Oregon Health and Science University Vaccine and Gene Therapy Institute Florida Corp. Project) and pay costs and expenses of issuing the Series 2018 Bonds. The proceeds of the Series 2010 Bonds were used by the City to (i) finance a loan to the Oregon Health and Science University Vaccine and Gene Therapy Institute Florida Corp ("VGTI"), a Florida non-for-profit corporation, for the purpose of financing the acquisition of certain land located in the City and the construction, furnishing and equipping of the approximately 99,000 gross square foot building constructed on such land to be used for purposes of biomedical and other scientific research, development and training; (ii) fund capitalized interest on the Series 2010 Bonds; and, (iii) pay certain of the costs of issuance of the Series 2010 Bonds.

F. RESTATEMENT OF BEGINNING NET POSITION

Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, states that the resulting difference from current refundings and advance refundings does not meet the definition of an asset or a liability. Accordingly, debt issuance costs, other than prepaid insurance does not meet the definition of a deferred outflow of resources and should be recognized as an outflow of resources in the reporting period in which they occurred; we have restated amounts previously capitalized. We have also re-stated a prior year capital lease which was not recorded as long term debt. In addition, we have restated accounts receivable and revenue remitted from the State that were previously understated. In the fiduciary funds, the defined contribution plans (general employees, police officers retirement 401A, and employees retirement 401A) that the City does not have control over the investments were removed from the City's fiduciary fund statements.

Subsequently, the beginning net position as of October 1, 2017 has been restated as follows:

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

F. RESTATEMENT OF BEGINNING NET POSITION - CONTINUED

Statement of Net Position

	Governmental Activities	Business-Type Activities
Beginning net position, previously reported	\$ 566,492,812	\$ 310,330,414
Add:		
Intergovernmental revenue	4,127,272	-
Unamortized bond premium/discount retired bonds	-	634,096
Deduct:		
Capital lease	1,284,187	-
Bond issuance costs	-	(3,805,001)
Beginning net position, restated	<u>\$ 569,335,897</u>	<u>\$ 307,159,509</u>

Statement of Net Position – Proprietary Funds

	Utility System Fund	Stormwater Utility Fund	Golf Course Fund	Total Enterprise Funds
Beginning net position, previously reported	\$ 292,261,176	\$ 11,893,870	\$ 5,728,831	\$ 309,883,877
Add:				
Bond premiums/discounts	634,096	-	-	634,096
Deduct:				
Bond issuance costs	(3,805,001)	-	-	(3,805,001)
Beginning net position, restated	<u>\$ 289,090,271</u>	<u>\$ 11,893,870</u>	<u>\$ 5,728,831</u>	<u>\$ 306,712,972</u>

Statement of Net Position – Governmental Funds

	General Fund	Road & Bridge Fund	Road & Bridge Capital Fund	Total Governmental Funds
Beginning net position, previously reported	\$ 21,599,211	\$ 5,903,440	\$ 8,241,316	\$124,979,069
Add:				
Intergovernmental revenue	3,352,117	458,934	316,221	4,127,272
Beginning net position, restated	<u>\$ 24,951,328</u>	<u>\$ 6,362,374</u>	<u>\$8,557,537</u>	<u>\$ 129,106,341</u>

Balance Sheet- Fiduciary Funds

	Retirement Trust Funds
Beginning net position, previously reported	\$ 178,282,848
Less:	
General Employees	(2,538,048)
Police Officer 401A	(5,490,677)
Employees Retirement 401A	(61,712,646)
Beginning net position, restated	<u>\$ 108,476,447</u>

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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
REVENUES				
Taxes	\$ 60,477,073	\$ 60,694,390	\$ 61,711,826	\$ 1,017,436
Licenses and Permits	10,612,090	10,762,090	10,613,738	(148,352)
Intergovernmental	11,803,897	11,863,367	15,491,877	3,628,510
Charges for Services	3,577,842	3,577,842	3,828,803	250,961
Human Services Fees	48,400	48,400	51,135	2,735
Fines and Forfeitures	974,475	824,475	961,624	137,149
Interest on Investments	231,500	231,500	341,545	110,045
Interest on Special Assessments	1,000	1,000	2,138	1,138
Impact Fees	450,750	450,750	804,284	353,534
Developers Contributions	48,900	48,900	50,884	1,984
Other	1,108,750	1,108,750	1,314,822	206,072
Total Revenues	89,334,677	89,611,464	95,172,676	5,561,212
EXPENDITURES				
General Government				
Legislative	604,625	604,775	587,924	16,851
Executive - City Manager	521,287	521,287	454,060	67,227
Executive - City Clerk	634,369	634,369	536,827	97,542
Financial and Administrative	1,296,272	1,296,122	1,288,168	7,954
Human Resources	623,342	623,342	567,231	56,111
Communications	845,850	919,485	815,464	104,021
Community Services	199,829	230,081	223,050	7,031
Risk Management	112,320	112,320	85,765	26,555
Information Services	3,288,306	3,321,246	2,368,526	952,720
Office of Management and Budget	162,987	162,987	156,513	6,474
Procurement Management	385,605	385,605	328,059	57,546
Legal Counsel	1,611,892	1,735,455	1,040,831	694,624
Comprehensive Planning	1,110,100	1,140,100	1,131,673	8,427
Other General Government	4,596,637	5,138,979	4,382,641	756,338
Total General Government	15,993,421	16,826,153	13,967,732	2,858,421
Public Safety:				
Community Services	4,796,660	4,876,067	4,271,836	604,231
Law Enforcement - Administrative	4,107,291	4,341,646	4,291,887	49,759
Special Investigations	1,881,990	1,966,990	1,928,665	38,325
Criminal Investigations	4,815,383	4,826,174	4,802,506	23,668
Voca/Domestic Violence Grant	163,857	175,482	174,033	1,449
Neighborhood Policing	27,062,578	27,004,203	26,766,025	238,178
Occupational Licenses	256,661	256,661	244,253	12,408
Code Compliance	1,866,948	1,794,647	1,735,830	58,817
Emergency and Disaster Relief	61,860	2,859,707	2,400,126	459,581
School Crossing Guards	400,544	448,455	399,910	48,545
Nuisance Abatement Program	280,814	278,929	284,985	(6,056)
Other Public Safety	26,850	69,684	40,559	29,125
Total Public Safety	45,721,436	48,898,645	47,340,615	1,558,030

CITY OF PORT ST. LUCIE, FLORIDA

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Physical Environment:				
Other Physical Environment	339,312	417,434	317,904	99,530
Transportation:				
Municipal Garage	55,398	64,398	59,458	4,940
Economic Environment:				
Employment Opportunity and Development	-	250	291	(41)
Economic Development	6,199,430	6,177,703	5,601,477	576,226
Industry Development	206,322	227,799	214,408	13,391
Total Economic Environment	6,405,752	6,405,752	5,816,176	589,576
Human Services				
Animal Control	1,614,954	1,614,954	1,369,967	244,987
Culture and Recreation:				
Recreation	1,069,349	1,089,392	1,013,729	75,663
Administration	704,561	704,561	593,966	110,595
Parks	7,020,906	7,030,079	7,088,160	(58,081)
Airoso Community Center	1,372,109	1,336,334	1,127,973	208,361
Gymnasium	540,031	538,232	453,073	85,159
Turf Maintenance Division	749,441	749,441	685,281	64,160
Civic Center	1,553,647	2,215,744	1,911,898	303,846
Fitness Center	746,890	796,111	711,336	84,775
Botanical Gardens	127,885	174,885	161,845	13,040
Village Square Garage	1,100,451	1,070,220	936,947	133,273
Civic Center-Recreation	643,668	615,093	553,653	61,440
Civic Center-Hospitality	1,370,717	1,428,253	1,314,709	113,544
Special Events	56,847	56,847	25,438	31,409
Total Culture and Recreation	17,056,502	17,805,192	16,578,008	1,227,184
Debt Service				
Total Debt Service	-	-	-	-
Total Expenditures and Encumbrances	87,186,775	92,032,528	85,448,860	6,583,668
Excess Revenues over (under) expenditures	2,147,902	(2,421,064)	9,723,816	12,144,880
OTHER FINANCING SOURCES (USES)				
Transfers In	10,000	10,000	10,000	-
Transfers Out	(4,177,709)	(5,206,148)	(4,907,359)	298,789
Total Other Financing Sources (uses)	(4,167,709)	(5,196,148)	(4,897,359)	298,789
Net change in fund balance	<u>\$ (2,019,807)</u>	<u>\$ (7,617,212)</u>	4,826,457	<u>\$ 12,443,669</u>
Fund Balance - beginning, restated			24,951,328	
Fund Balance - ending			<u>\$ 29,777,785</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, 2018

	Original Budgeted Amount	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,374,086	\$ 1,385,291	\$ 1,508,324	\$ 123,033
Interest on Investments	25,062	25,062	197	(24,865)
Other	-	-	20,064	20,064
Total revenues	<u>1,399,148</u>	<u>1,410,353</u>	<u>1,528,585</u>	<u>118,232</u>
EXPENDITURES				
Economic Environment	485,353	496,558	403,435	93,123
Principal	2,540,000	2,540,000	2,540,000	-
Interest	1,698,350	1,698,350	1,698,350	-
Total expenditures	<u>4,723,703</u>	<u>4,734,908</u>	<u>4,641,785</u>	<u>93,123</u>
Excess (deficiency) of revenues over (under) expenditures	(3,324,555)	(3,324,555)	(3,113,200)	211,355
OTHER FINANCING SOURCES (USES)				
Transfers In	969,823	1,669,823	1,393,137	(276,686)
Proceeds from Sale of Assets	2,300,000	1,600,000	1,886,805	286,805
Total other financing sources (uses)	<u>3,269,823</u>	<u>3,269,823</u>	<u>3,279,942</u>	<u>10,119</u>
Net change in fund balance	(54,732)	(54,732)	166,742	221,474
Fund balance - beginning	-	-	81,733	81,733
Fund balance - ending	<u>\$ (54,732)</u>	<u>\$ (54,732)</u>	<u>\$ 248,475</u>	<u>\$ 303,207</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, 2018

	Original Budgeted Amount	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and Permits	\$ -	\$ -	\$ 19,653	\$ 19,653
Charges for Services	7,174,000	7,174,000	7,679,760	505,760
Interest on Investments	55,500	55,500	81,504	26,004
Interest on Special Assessments	-	-	344	344
Total revenues	7,229,500	7,229,500	7,781,261	551,761
EXPENDITURES				
Physical Environment	164,000	175,000	124,476	50,524
Principal	2,350,000	2,350,000	3,055,000	(705,000)
Interest	4,445,113	4,445,113	3,740,113	705,000
Total expenditures	6,959,113	6,970,113	6,919,589	50,524
Excess (deficiency) of revenues over (under) expenditures	270,387	259,387	861,672	602,285
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(470,315)	(470,315)
Total other financing sources (uses)	-	-	(470,315)	(470,315)
Net change in fund balance	270,387	259,387	391,357	131,970
Fund balance - beginning	-	-	9,802,687	9,802,687
Fund balance - ending	<u>\$ 270,387</u>	<u>\$ 259,387</u>	<u>\$ 10,194,044</u>	<u>\$ 9,934,657</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, 2018

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
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2018

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Total Pension Liability:						
Service cost	\$ 3,909,651	\$ 3,558,152	\$ 3,336,028	\$ 3,098,598	\$ 2,960,477	\$ 2,741,182
Interest	8,831,558	8,161,944	5,860,296	6,533,502	5,664,535	5,237,834
Change in excess state money	-	-	(1,508,953)	364,937	309,802	-
Changes of benefit terms	-	-	2,751,119	-	-	-
Differences between expected and actual experience	1,065,253	488,739	(660,201)	(572,414)	-	-
Changes of assumptions	-	3,830,114	2,757,260	2,550,583	-	-
Contributions - Buy Back	63,446	246,153	362,053	20,069	4,436,554	-
Benefit payments, including refunds of employee contributions	(2,841,518)	(3,707,511)	(2,505,630)	(2,572,372)	(2,465,108)	(2,273,086)
Net change in total pension liability	11,028,390	12,577,591	11,876,278	9,422,903	10,906,260	5,705,930
Total pension liability - beginning	115,191,465	102,613,874	90,805,548	81,314,693	70,408,433	64,702,503
Total pension liability - ending	<u>\$ 126,219,855</u>	<u>\$ 115,191,465</u>	<u>\$ 102,613,874</u>	<u>\$ 90,737,596</u>	<u>\$ 81,314,693</u>	<u>\$ 70,408,433</u>
Plan Fiduciary Net Position:						
Contributions - city	\$ 4,015,851	\$ 4,018,282	\$ 3,781,111	\$ 3,291,256	\$ 3,226,099	\$ 3,085,280
Contributions - state	1,439,785	1,296,741	1,247,468	1,082,037	1,026,902	972,480
Contributions - employees	1,661,523	1,559,054	1,489,224	1,407,055	1,408,036	1,238,897
Contributions - buy back	63,446	127,254	362,053	20,069	4,436,554	-
Net investment income	8,873,271	9,967,904	6,951,772	(308,449)	4,908,147	6,479,589
Benefit payments, including refunds of employee contributions	(2,841,518)	(3,701,299)	(2,505,630)	(2,572,372)	(2,465,108)	(2,273,086)
Administrative expense	(190,294)	(190,249)	(173,825)	(185,455)	(147,333)	(93,764)
Net change in plan fiduciary position	13,022,064	13,249,251	11,152,173	2,734,141	12,392,467	9,551,030
Plan fiduciary net position - beginning	94,789,762	81,540,511	70,388,338	67,654,197	55,261,730	45,852,334
Plan fiduciary net position - ending	<u>\$ 107,811,826</u>	<u>\$ 94,789,762</u>	<u>\$ 81,540,511</u>	<u>\$ 70,388,338</u>	<u>\$ 67,654,197</u>	<u>\$ 55,261,730</u>
Net pension liability	\$ 18,408,029	\$ 20,401,703	\$ 21,073,363	\$ 20,349,258	\$ 13,660,496	\$ 15,146,703
Plan fiduciary net position as a percentage of the total pension liability	85.42%	82.30%	79.51%	77.59%	83.21%	78.48%
Covered payroll*	\$ 18,475,097	\$ 17,322,812	\$ 16,546,924	\$ 16,788,921	\$ 15,644,848	\$ 13,765,222
Net pension liability as a percentage of covered payroll	99.64%	117.77%	127.36%	121.21%	87.32%	110.03%

Note: Information provided above was obtained from an actuarial valuation; information prior to fiscal year 2013 was not available.

* The Covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

CITY OF PORT ST. LUCIE, FLORIDA
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2018

Notes to Schedule

Changes of benefit terms:

For measurement date 9/30/2016, amounts reported as changes of benefit terms was a result of Ordinance 16-28, effective June 23, 2016, providing for an increase in the benefit accrual rate from 3.09% to 3.27% for all years of service for members retiring on or after October 1, 2015.

Changes of assumptions:

For measurement date 9/30/2017, as a result of the experience study dated July 10, 2017, the Pension Board has adopted changes to:

- Payroll growth
- Salary increases
- Investment return
- Mortality rates
- Normal and early retirement rates
- Withdrawal rates

For measurement date 9/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 9/30/2015, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 8.00% to 7.50%.

CITY OF PORT ST. LUCIE, FLORIDA
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
SCHEDULE OF CONTRIBUTIONS
September 30, 2018

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Actuarially determined contribution	\$ 5,793,686	\$ 5,100,319	\$ 4,498,211	\$ 4,007,828	\$ 3,944,168	\$ 3,802,380
Contributions in relation to the actuarially determined contributions	5,455,636	5,315,023	5,028,579	4,007,828	3,944,168	3,802,380
Contribution deficiency (excess)	\$ 338,050	\$ (214,704)	\$ (530,368)	\$ -	\$ -	\$ -
Covered payroll *	\$ 18,475,097	\$ 17,322,812	\$ 16,546,924	\$ 16,788,921	\$ 15,644,848	\$ 13,765,522
Contributions as a percentage of covered payroll	29.53%	30.68%	30.39%	23.87%	25.21%	27.62%

Note: Information provided above was obtained from an actuarial valuation; information prior to fiscal year 2013 was not available.

* The Covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

CITY OF PORT ST. LUCIE, FLORIDA
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
SCHEDULE OF CONTRIBUTIONS
September 30, 2018

Notes to Schedule

Valuation Date: 10/01/2016

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method:	Entry age normal actuarial cost method. The following loads are applied for determination of the City’s funding requirement: Interest – A half year, based on the current 7.50% assumption. Salary – A full year, based on the current average assumption of 6.6%.		
Amortization method:	Level percentage of pay, closed.		
Remaining amortization period:	30 years (as of 10/01/2015).		
Mortality:	RP-2000 Table with no projection scale. The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida; law mandates the use of assumption used in either the most recent valuations of the FRS.		
Interest Rate:	7.50% per year.		
Retirement age:	Number of years after first eligibility for normal retirement 0-4 5 or more Probability of retirement 40% 100%		
Commencing with a member’s eligibility for early retirement (age 50 with 10 years of service); Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.			
Salary increases:	Years of service Less than 5 5 – 10 10 – 15 15 -20 More than 20 Increase in compensation 8.00% 7.00% 6.50% 6.00% 5.50%		
Final salary load:	Credited service on 10/01/2012 10 or more years Between 5 and 10 years Less than 5 years Load assumption 20.00% 15.00% 0.00%		
Payroll increases:	3.44% per year		
Asset valuation:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4 year average market value return. It is possible that over time this technique will produce an insignificant bias above or below market value.		
Disability and Termination rates:	It is assumed that 75% of disablements and active member deaths are service related.		
	Age	% terminated during the year	% becoming disabled during the year
	20	12.00%	0.03%
	30	10.00%	0.04%
	40	5.20%	0.07%
	50	1.60%	0.18%

CITY OF PORT ST. LUCIE, FLORIDA
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
SCHEDULE OF INVESTMENT RETURNS
September 30, 2018

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual money-weighted rate of return net of investment expense	<u>9.21%</u>	<u>12.08%</u>	<u>9.79%</u>	<u>-0.44%</u>	<u>8.27%</u>

CITY OF PORT ST. LUCIE, FLORIDA
FLORIDA RETIREMENT SYSTEM
SCHEDULE OF PROPORTIONATE SHARE IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2018

Florida Retirement System (FRS)

	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.0025%	0.0026%	0.0025%	0.0025%	0.0025%
City's proportionate share of the net pension liability	\$ 781,013	\$ 729,960	\$ 644,865	\$ 326,606	\$ 119,960
City's covered payroll	\$ 185,367	\$ 181,076	\$ 178,967	\$ 176,701	\$ 170,566
City's proportionate share of the pension liability as a percentage of its net covered payroll	421.33%	403.26%	306.32%	184.83%	117.20%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.00%

Health Insurance Subsidy (HIS)

	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.0025%	0.0026%	0.0025%	0.0025%	0.0025%
City's proportionate share of the net pension liability	\$ 62,168	\$ 60,654	\$ 69,615	\$ 58,983	\$ 55,582
City's covered payroll	\$ 185,367	\$ 181,076	\$ 178,967	\$ 176,701	\$ 170,566
City's proportionate share of the pension liability as a percentage of its net covered payroll	33.54%	33.50%	38.89%	33.38%	32.59%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 3K of the Plan's Comprehensive Annual Financial Report.

Note 3: Amounts presented for each fiscal year were determined as of 6/30.

CITY OF PORT ST. LUCIE, FLORIDA
FLORIDA RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS
September 30, 2018

Florida Retirement System (FRS)

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 73,897	\$ 64,243	\$ 62,281	\$ 61,650	\$ 60,418
Contributions in relation to the contractually required contribution	(73,897)	(64,243)	(62,281)	(61,650)	(60,418)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,523,819	\$ 1,424,670	\$ 1,387,461	\$ 1,252,567	\$ 1,152,630
Contributions as a percentage of covered payroll	7.50%	7.62%	7.48%	8.18%	7.90%

Health Insurance Subsidy (HIS)

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,185	\$ 3,002	\$ 3,062	\$ 2,210	\$ 2,314
Contributions in relation to the contractually required contribution	(3,185)	(3,002)	(3,062)	(2,210)	(2,314)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,523,819	\$ 1,424,670	\$ 1,387,461	\$ 1,252,567	\$ 1,152,630
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.26%	1.2%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

CITY OF PORT ST. LUCIE, FLORIDA
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
Last Two Fiscal Years

	<u>9/30/2018</u>	<u>9/30/2017</u>
Total OPEB Liability		
Service cost	\$ 500,907	\$ 971,028
Interest	2,007,817	2,366,666
Changes in assumptions	-	7,763,903
Differences between expected and actual experience	(1,943,902)	(15,843,718)
Benefit payments	931,283	(840,620)
Net change in total OPEB liability	(366,461)	(5,582,741)
Total OPEB liability – beginning of year	28,639,956	34,222,697
Total OPEB liability – end of year (a)	<u>\$ 28,273,495</u>	<u>\$ 28,639,956</u>
Plan Fiduciary Net Position		
Contributions – employer	\$ 1,651,283	\$ 1,600,620
Net investment income	1,331,736	1,322,358
Benefit payments	(931,280)	(840,620)
Net change in plan fiduciary position	2,051,739	2,082,357
Plan fiduciary net position – beginning of year	13,686,361	11,604,003
Plan fiduciary net position – end of year (b)	<u>\$ 15,738,100</u>	<u>\$ 13,686,361</u>
Net OPEB liability – end of year (a) – (b)	\$ 12,535,395	\$ 14,953,595
Plan fiduciary net position as % of total OPEB liability	55.7%	47.8%
Covered employee payroll	\$ 54,739,433	\$ 53,016,400
Net OPEB liability as % of covered payroll	22.9%	28.2%

Notes to Schedule:

Changes of assumptions in 2017: Actuarial cost method updated from Projected Unit Credit to Entry Age Normal. Payroll growth updated to most recent Florida Retirement System actuarial valuation as of June 30, 2016. Mortality table updated from RP-2000 Combined Mortality Table to SOA RPH-2014 Total dataset Mortality Table. Percentage of retirees that are assumed to elect spousal coverage at retirement updated from 50% to 10%. Health Insurance Subsidy election rate for future retirees updated from 35% to 40% before age 65 and from 17.5% to 20% after age 65.

Changes in assumptions in 2018: Health care trend rates updated to an initial rate of 8.5% decreasing by 0.5% annually to an ultimate rate of 5.0%. Dental and Vision trend rates updated to an initial rate of 4.25% decreasing by 0.25% annually to an ultimate rate of 3.5%.

CITY OF PORT ST. LUCIE, FLORIDA
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SCHEDULE OF REQUIRED CONTRIBUTIONS
Last Five Fiscal Years

Note: Information prior to FY 2017 is not available.

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contribution (ADC)	\$ 1,741,027	\$ 2,261,886	\$ 2,687,958	\$ 1,541,210	\$ 1,538,791
Contributions in relation to ADC	\$ 1,651,283	\$ 1,600,620	\$ 2,086,609	\$ 1,617,361	\$ 1,767,900
Contribution deficiency/(excess)	\$ 89,744	\$ 661,266	\$ 601,349	\$ (76,151)	\$ (229,109)
Covered employee payroll	\$ 54,739,433	\$ 53,016,400	\$ 49,992,602	\$ 47,880,443	\$ 46,524,991
Contributions as % of covered employee payroll	3.0%	3.0%	4.2%	3.4%	3.8%

Note: Information prior to FY 2014 is not available.

CITY OF PORT ST. LUCIE, FLORIDA
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SCHEDULE OF INVESTMENT RETURNS
Last Seven Fiscal Years

	2018	2017	2016	2015	2014	2013	2012
Annual money-weighted rate of return, net of investment expense	9.05%	10.63%	10.31%	0.61%	11.68%	13.08%	18.83%

Note: Information prior to FY 2012 is not available...

Combining Statements and Schedules

◆ NonMajor
Government Funds



"A City for All Ages"

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.

Neighborhood Services Fund - to account for general capital and non-capital improvements in specific areas of the city. Funding is provided by recycling revenues and rebates received from the city's waste disposal contractor.

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.

Conservation 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.

Solid Waste Fund - to account for annual special assessments imposed on all residential properties in the City. Solid waste special assessment revenues are used to pay the costs of waste collection for all residential properties in the City and the costs related to administration of the assessment program.

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.

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.



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 62,177,270	\$ 16,034,550	\$ 78,211,820
Accounts Receivable	597,747	-	597,747
Assessments Receivable	59,302,182	-	59,302,182
Due From Other Governmental Units	1,722,699	1,271,889	2,994,588
Prepaid Items	254	-	254
Deposits	13,159	-	13,159
Inventories	31,570,720	-	31,570,720
Restricted Equity in Pooled Cash and Investments	1,323,194	-	1,323,194
Total assets	<u>\$ 156,707,225</u>	<u>\$ 17,306,439</u>	<u>\$ 174,013,664</u>
Liabilities, deferred inflows, and fund balances			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 3,662,035	\$ 1,188,566	\$ 4,850,601
Accrued Salaries and Wages	306,882	-	306,882
Due To Other Funds	367,550	-	367,550
Due To Other Governments	288	-	288
Unearned Revenue	104,293	376	104,669
Deposits Payable	185,111	-	185,111
Retainage Payable	14,780	177,778	192,558
Total liabilities	<u>4,640,939</u>	<u>1,366,720</u>	<u>6,007,659</u>
Deferred inflows:			
Unavailable Revenue	59,302,181	-	59,302,181
Total deferred inflows	<u>59,302,181</u>	<u>-</u>	<u>59,302,181</u>
Fund balances:			
Nonspendable	31,584,133	-	31,584,133
Restricted	48,045,908	9,895,975	57,941,883
Committed	13,134,996	6,043,744	19,178,740
Unassigned	(932)	-	(932)
Total fund balances	<u>92,764,105</u>	<u>15,939,719</u>	<u>108,703,824</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 156,707,225</u>	<u>\$ 17,306,439</u>	<u>\$ 174,013,664</u>

CITY OF PORT ST. LUCIE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2018

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 3,055,289	\$ -	\$ 3,055,289
Licenses and Permits	9,536,064	-	9,536,064
Intergovernmental	9,394,505	7,093,709	16,488,214
Charges for Services	33,701,729	-	33,701,729
Fines and Forfeitures	359,635	-	359,635
Interest on Investments	526,552	92,435	618,987
Interest on Special Assessments	1,608	-	1,608
Impact Fees	6,506,378	5,066,647	11,573,025
Developers Contributions	30,840	-	30,840
Other	1,270,550	30,430	1,300,980
Total revenues	64,383,150	12,283,221	76,666,371
Expenditures			
Current:			
Public Safety	7,565,008	-	7,565,008
Physical Environment	17,931,178	-	17,931,178
Transportation	9,719,195	9,461,781	19,180,976
Economic Environment	3,639,757	-	3,639,757
Human Services	304,860	-	304,860
Culture and Recreation	314,944	4,482,563	4,797,507
Debt Service:			
Principal	12,556,768	-	12,556,768
Interest	3,572,424	-	3,572,424
Total expenditures	55,604,134	13,944,344	69,548,478
Excess (deficiency) of revenues over (under) expenditures	8,779,016	(1,661,123)	7,117,893
Other financing sources (uses)			
Transfers In	2,667,752	2,965,315	5,633,067
Transfers Out	(3,406,466)	(600,000)	(4,006,466)
Inventory Contribution	31,766,800	-	31,766,800
Total other financing sources (uses)	31,028,086	2,365,315	33,393,401
Net change in fund balances	39,807,102	704,192	40,511,294
Fund balance - beginning, restated	52,957,003	15,235,527	68,192,530
Fund balance - ending	<u>\$ 92,764,105</u>	<u>\$ 15,939,719</u>	<u>\$ 108,703,824</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2018**

	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	\$ 5,388,031	\$ 225,558	\$ 793,579	\$ 2,657,545	\$ 16,831,518	\$ 857,442
Accounts Receivable	-	-	-	-	-	-
Assessments Receivable	-	-	-	-	-	-
Due From Other Governmental Units	1,130,885	2,368	-	-	-	54
Prepaid Items	-	-	-	-	-	-
Deposits	11,761	-	-	-	1,398	-
Inventories	-	-	-	31,570,720	-	-
Restricted Equity in Pooled Cash and Investments	-	-	-	-	-	-
Total assets	<u>\$ 6,530,677</u>	<u>\$ 227,926</u>	<u>\$ 793,579</u>	<u>\$ 34,228,265</u>	<u>\$ 16,832,916</u>	<u>\$ 857,496</u>
Liabilities, deferred inflows, and fund balances						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 320,035	\$ 32,320	\$ 27,634	\$ 750	\$ 2,957,356	\$ -
Accrued Salaries and Wages	120,522	-	-	-	172,106	-
Due To Other Funds	-	-	-	-	-	-
Due To Other Governments	-	-	-	-	288	-
Unearned Revenue	-	-	-	-	104,293	-
Deposits Payable	164,146	-	-	-	64	-
Retainage Payable	-	-	-	-	-	-
Total liabilities	<u>604,703</u>	<u>32,320</u>	<u>27,634</u>	<u>750</u>	<u>3,234,107</u>	<u>-</u>
Deferred inflows:						
Unavailable Revenue	-	-	-	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	11,761	-	-	31,570,720	1,398	-
Restricted	-	-	765,945	-	13,597,411	857,496
Committed	5,914,213	195,606	-	2,656,795	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>5,925,974</u>	<u>195,606</u>	<u>765,945</u>	<u>34,227,515</u>	<u>13,598,809</u>	<u>857,496</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 6,530,677</u>	<u>\$ 227,926</u>	<u>\$ 793,579</u>	<u>\$ 34,228,265</u>	<u>\$ 16,832,916</u>	<u>\$ 857,496</u>

Phase II	USA 3 and 4	USA 5 6 7A	USA 9	Neighborhood Services	S Lennard Rd	Riverpoint	Tesoro
\$ 1,703,490	\$ 14,461,148	\$ 919,181	\$ 124,341	\$ 1,292,487	\$ 315,821	\$ 1,430,750	\$ 4,933,091
-	-	-	-	-	-	-	-
15,972	73,187	7,855,487	1,753,926	-	654,693	3,052,615	6,018,860
7	22,063	25,658	1,701	-	1,358	5,595	9,112
-	-	-	-	129	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,719,469</u>	<u>\$ 14,556,398</u>	<u>\$ 8,800,326</u>	<u>\$ 1,879,968</u>	<u>\$ 1,292,616</u>	<u>\$ 971,872</u>	<u>\$ 4,488,960</u>	<u>\$ 10,961,063</u>
\$ -	\$ -	\$ -	\$ -	\$ 11,402	\$ -	\$ -	\$ -
-	-	-	-	2,589	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	13,991	-	-	-
15,972	73,187	7,855,487	1,753,926	-	654,693	3,052,615	6,018,859
15,972	73,187	7,855,487	1,753,926	-	654,693	3,052,615	6,018,859
-	-	-	-	129	-	-	-
1,703,497	14,483,211	944,839	126,042	-	317,179	1,436,345	4,942,204
-	-	-	-	1,278,496	-	-	-
-	-	-	-	-	-	-	-
1,703,497	14,483,211	944,839	126,042	1,278,625	317,179	1,436,345	4,942,204
<u>\$ 1,719,469</u>	<u>\$ 14,556,398</u>	<u>\$ 8,800,326</u>	<u>\$ 1,879,968</u>	<u>\$ 1,292,616</u>	<u>\$ 971,872</u>	<u>\$ 4,488,960</u>	<u>\$ 10,961,063</u>

(Continued)

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2018**

	Glassman	East Lake Village Fund	St Lucie Land Holdings	City Center Fund	Combined SAD Fund	Economic Development Fund
Assets						
Equity in Pooled Cash and Investments	\$ 1,042,699	\$ 1,548,863	\$ 1,192,404	\$ 65,535	\$ 270,510	\$ 1,992,717
Accounts Receivable	-	-	-	-	-	-
Assessments Receivable	4,270,490	2,970,257	11,858,616	18,614,667	2,163,412	-
Due From Other Governmental Units	8,545	7,455	9,148	103	1,729	-
Prepaid Items	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Restricted Equity in Pooled Cash and Investments	-	-	-	-	-	-
Total assets	\$ 5,321,734	\$ 4,526,575	\$ 13,060,168	\$ 18,680,305	\$ 2,435,651	\$ 1,992,717
Liabilities, deferred inflows, and fund balances						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 475	\$ -	\$ 1,637	\$ -
Accrued Salaries and Wages	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-
Due To Other Governments	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Deposits Payable	-	-	-	-	-	-
Retainage Payable	-	-	-	-	-	-
Total liabilities	-	-	475	-	1,637	-
Deferred inflows:						
Unavailable Revenue	4,270,490	2,970,257	11,858,616	18,614,667	2,163,412	-
Total deferred inflows	4,270,490	2,970,257	11,858,616	18,614,667	2,163,412	-
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	1,051,244	1,556,318	1,201,077	65,638	270,602	-
Committed	-	-	-	-	-	1,992,717
Unassigned	-	-	-	-	-	-
Total fund balances	1,051,244	1,556,318	1,201,077	65,638	270,602	1,992,717
Total liabilities, deferred inflows, and fund balances	\$ 5,321,734	\$ 4,526,575	\$ 13,060,168	\$ 18,680,305	\$ 2,435,651	\$ 1,992,717

Wyndcrest DDMG Fund	CDBG Entitlement Fund	Local Housing Assistance Trust Fund	Neighborhood Stabilization Funds	National Pollution NPDES Fund	Law Enforcement Forfeiture Trust Fund	Conservation Trust Fund	Solid Waste Fund
\$ 485,193	\$ -	\$ 1,714,865	\$ 470,975	\$ 191,041	\$ 142,677	\$ 1,125,809	\$ -
-	-	-	597,747	-	-	-	-
-	-	-	-	-	-	-	-
-	396,129	-	3,656	-	-	-	97,133
-	-	-	-	-	125	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,323,194	-	-	-	-	-	-	-
<u>\$ 1,808,387</u>	<u>\$ 396,129</u>	<u>\$ 1,714,865</u>	<u>\$ 1,072,378</u>	<u>\$ 191,041</u>	<u>\$ 142,802</u>	<u>\$ 1,125,809</u>	<u>\$ 97,133</u>
\$ -	\$ 81,572	\$ 188,093	\$ 1,917	\$ 2,288	\$ 6,984	\$ 28,640	\$ 932
-	5,195	4,149	553	1,768	-	-	-
-	270,417	-	-	-	-	-	97,133
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	20,901	-	-
-	14,780	-	-	-	-	-	-
-	371,964	192,242	2,470	4,056	27,885	28,640	98,065
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	125	-	-
1,808,387	24,165	1,522,623	1,069,908	186,985	114,792	-	-
-	-	-	-	-	-	1,097,169	-
-	-	-	-	-	-	-	(932)
<u>1,808,387</u>	<u>24,165</u>	<u>1,522,623</u>	<u>1,069,908</u>	<u>186,985</u>	<u>114,917</u>	<u>1,097,169</u>	<u>(932)</u>
<u>\$ 1,808,387</u>	<u>\$ 396,129</u>	<u>\$ 1,714,865</u>	<u>\$ 1,072,378</u>	<u>\$ 191,041</u>	<u>\$ 142,802</u>	<u>\$ 1,125,809</u>	<u>\$ 97,133</u>

(Continued)

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2018**

	Total Nonmajor Special Revenue Funds
Assets	
Equity in Pooled Cash and Investments	\$ 62,177,270
Accounts Receivable	597,747
Assessments Receivable	59,302,182
Due From Other Governmental Units	1,722,699
Prepaid Items	254
Deposits	13,159
Inventories	31,570,720
Restricted Equity in Pooled Cash and Investments	1,323,194
Total assets	<u>\$ 156,707,225</u>
Liabilities, deferred inflows, and fund balances	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 3,662,035
Accrued Salaries and Wages	306,882
Due To Other Funds	367,550
Due To Other Governments	288
Unearned Revenue	104,293
Deposits Payable	185,111
Retainage Payable	14,780
Total liabilities	<u>4,640,939</u>
Deferred inflows:	
Unavailable Revenue	<u>59,302,181</u>
Total deferred inflows	<u>59,302,181</u>
Fund balances:	
Nonspendable	31,584,133
Restricted	48,045,908
Committed	13,134,996
Unassigned	(932)
Total fund balances	<u>92,764,105</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 156,707,225</u>

(Continued)

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Capital Project Funds
September 30, 2018**

	Parks Capital Improvement Fund	Capital Improvement Fund	Road and Bridge Capital Improvement Fund	Parks MSTU Fund	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Investments	\$ 3,090,642	\$ 3,642,557	\$ 8,830,612	\$ 470,739	\$ 16,034,550
Due From Other Governmental Units	-	-	1,186,068	85,821	1,271,889
Total assets	<u>\$ 3,090,642</u>	<u>\$ 3,642,557</u>	<u>\$ 10,016,680</u>	<u>\$ 556,560</u>	<u>\$ 17,306,439</u>
Liabilities and fund balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 36,791	\$ 215,272	\$ 936,503	\$ -	\$ 1,188,566
Unearned Revenue	-	-	376	-	376
Retainage Payable	-	14,891	162,887	-	177,778
Total liabilities	<u>36,791</u>	<u>230,163</u>	<u>1,099,766</u>	<u>-</u>	<u>1,366,720</u>
Deferred inflows:					
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted	3,053,851	-	6,285,564	556,560	9,895,975
Committed	-	3,412,394	2,631,350	-	6,043,744
Total fund balances	<u>3,053,851</u>	<u>3,412,394</u>	<u>8,916,914</u>	<u>556,560</u>	<u>15,939,719</u>
Total liabilities and fund balances	<u>\$ 3,090,642</u>	<u>\$ 3,642,557</u>	<u>\$ 10,016,680</u>	<u>\$ 556,560</u>	<u>\$ 17,306,439</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, 2018**

	Road and Bridge Fund	Street Lighting Fund	Law Enforcement Impact Fund	Governmental Finance Fund	Building Department Fund	Phase I
Revenues						
Taxes	\$ 3,055,289	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	24,000	-	-	-	9,512,064	-
Intergovernmental	7,430,073	-	-	-	-	-
Charges for Services	266,884	429,802	-	-	-	9,790
Fines and Forfeitures	-	-	-	-	253,186	-
Interest on Investments	59,377	2,764	2,915	30,349	79,651	7,459
Interest on Special Assessments	-	21	-	-	-	-
Impact Fees	-	-	649,540	5,588,743	268,095	-
Developers Contributions	-	-	-	-	28,840	-
Other	241,889	3,431	-	-	389,867	-
Total revenues	11,077,512	436,018	652,455	5,619,092	10,531,703	17,249
Expenditures						
Current:						
Public Safety	-	-	182,442	-	7,282,582	-
Physical Environment	-	-	-	7,430	-	141
Transportation	9,229,871	409,307	-	-	-	-
Economic Environment	-	-	-	1,187,048	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	1,665,000	-	246,768	2,255,000	-	-
Interest	509,713	-	25,683	1,417,750	-	-
Total expenditures	11,404,584	409,307	454,893	4,867,228	7,282,582	141
Excess (deficiency) of revenues over expenditures	(327,072)	26,711	197,562	751,864	3,249,121	17,108
Other financing sources (uses)						
Transfers In	-	-	-	1,013,948	-	-
Transfers Out	(109,328)	-	-	-	(39,258)	(150,000)
Inventory Contribution	-	-	-	31,766,800	-	-
Total other financing sources (uses)	(109,328)	-	-	32,780,748	(39,258)	(150,000)
Net change in fund balances	(436,400)	26,711	197,562	33,532,612	3,209,863	(132,892)
Fund balance - beginning, restated	6,362,374	168,895	568,383	694,903	10,388,946	990,388
Fund balance - ending	<u>\$ 5,925,974</u>	<u>\$ 195,606</u>	<u>\$ 765,945</u>	<u>\$ 34,227,515</u>	<u>\$ 13,598,809</u>	<u>\$ 857,496</u>

Phase II	USA 3 and 4	USA 5 6 7A	USA 9	Neighborhood Services	S Lennard Rd	Riverpoint	Tesoro
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	40,000	-	-	-
8,504	4,005,725	2,977,893	308,693	264,000	246,493	1,003,583	1,653,944
-	-	-	-	-	-	-	-
13,596	101,878	12,871	1,440	8,635	3,588	14,013	26,808
-	193	137	15	-	12	31	78
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	344,825	-	-	-
22,100	4,107,796	2,990,901	310,148	657,460	250,093	1,017,627	1,680,830
-	-	-	-	-	-	-	-
16	58,806	42,605	4,503	-	3,597	15,520	25,325
-	-	-	-	-	-	-	-
-	-	-	-	304,860	-	-	-
-	-	-	-	-	-	-	-
-	-	3,000,000	245,000	-	-	765,000	-
-	-	134,081	37,521	-	-	24,225	-
16	58,806	3,176,686	287,024	304,860	3,597	804,745	25,325
22,084	4,048,990	(185,785)	23,124	352,600	246,496	212,882	1,655,505
-	-	-	-	-	-	-	-
(256,469)	(1,446,411)	-	-	(220,000)	(175,000)	-	-
-	-	-	-	-	-	-	-
(256,469)	(1,446,411)	-	-	(220,000)	(175,000)	-	-
(234,385)	2,602,579	(185,785)	23,124	132,600	71,496	212,882	1,655,505
1,937,882	11,880,632	1,130,624	102,918	1,146,025	245,683	1,223,463	3,286,699
\$ 1,703,497	\$ 14,483,211	\$ 944,839	\$ 126,042	\$ 1,278,625	\$ 317,179	\$ 1,436,345	\$ 4,942,204

(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, 2018**

	Glassman	East Lake Village Fund	St Lucie Land Holdings	City Center Fund	Combined SAD Fund	Economic Development Fund
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	1,231,297	1,346,672	1,660,390	18,656	313,741	-
Fines and Forfeitures	-	-	-	-	-	-
Interest on Investments	7,249	11,555	10,180	(89)	3,224	24,724
Interest on Special Assessments	44	38	80	89	15	-
Impact Fees	-	-	-	-	-	-
Developers Contributions	-	-	-	-	-	2,000
Other	-	-	-	-	-	-
Total revenues	<u>1,238,590</u>	<u>1,358,265</u>	<u>1,670,650</u>	<u>18,656</u>	<u>316,980</u>	<u>26,724</u>
Expenditures						
Current:						
Public Safety	-	-	-	-	-	-
Physical Environment	19,183	20,095	24,697	2,171	7,199	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	65,000
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	1,220,000	615,000	1,200,000	905,000	440,000	-
Interest	54,900	189,863	395,994	767,001	15,693	-
Total expenditures	<u>1,294,083</u>	<u>824,958</u>	<u>1,620,691</u>	<u>1,674,172</u>	<u>462,892</u>	<u>65,000</u>
Excess (deficiency) of revenues over expenditures	<u>(55,493)</u>	<u>533,307</u>	<u>49,959</u>	<u>(1,655,516)</u>	<u>(145,912)</u>	<u>(38,276)</u>
Other financing sources (uses)						
Transfers In	-	-	-	1,653,347	-	-
Transfers Out	-	-	-	-	-	(1,000,000)
Inventory Contribution	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,653,347</u>	<u>-</u>	<u>(1,000,000)</u>
Net change in fund balances	<u>(55,493)</u>	<u>533,307</u>	<u>49,959</u>	<u>(2,169)</u>	<u>(145,912)</u>	<u>(1,038,276)</u>
Fund balance - beginning, restated	<u>1,106,737</u>	<u>1,023,011</u>	<u>1,151,118</u>	<u>67,807</u>	<u>416,514</u>	<u>3,030,993</u>
Fund balance - ending	<u>\$ 1,051,244</u>	<u>\$ 1,556,318</u>	<u>\$ 1,201,077</u>	<u>\$ 65,638</u>	<u>\$ 270,602</u>	<u>\$ 1,992,717</u>

Wyndcrest DDMG Fund	CDBG Entitlement Fund	Local Housing Assistance Trust Fund	Neighborhood Stabilization Funds	National Pollution NPDES Fund	Law Enforcement Forfeiture Trust Fund	Conservation Trust Fund	Solid Waste Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	1,142,552	777,408	3,656	-	816	-	-
-	-	-	-	109,077	-	217,203	17,629,382
-	-	-	-	-	106,449	-	-
12,523	-	8,886	2,987	1,090	960	9,198	68,721
-	-	-	-	-	-	-	855
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	22,993	266,905	-	-	640	-	-
12,523	1,165,545	1,053,199	6,643	110,167	108,865	226,401	17,698,958
-	-	-	-	-	99,984	-	-
-	-	-	-	-	-	-	17,699,890
-	-	-	-	80,017	-	-	-
-	1,147,547	926,072	314,090	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	314,944	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,147,547	926,072	314,090	80,017	99,984	314,944	17,699,890
12,523	17,998	127,127	(307,447)	30,150	8,881	(88,543)	(932)
-	-	457	-	-	-	-	-
-	-	-	-	-	(10,000)	-	-
-	-	-	-	-	-	-	-
-	-	457	-	-	(10,000)	-	-
12,523	17,998	127,584	(307,447)	30,150	(1,119)	(88,543)	(932)
1,795,864	6,167	1,395,039	1,377,355	156,835	116,036	1,185,712	-
\$ 1,808,387	\$ 24,165	\$ 1,522,623	\$ 1,069,908	\$ 186,985	\$ 114,917	\$ 1,097,169	\$ (932)

(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, 2018**

	Total Nonmajor Special Revenue Funds
Revenues	
Taxes	\$ 3,055,289
Licenses and Permits	9,536,064
Intergovernmental	9,394,505
Charges for Services	33,701,729
Fines and Forfeitures	359,635
Interest on Investments	526,552
Interest on Special Assessments	1,608
Impact Fees	6,506,378
Developers Contributions	30,840
Other	1,270,550
Total revenues	<u>64,383,150</u>
Expenditures	
Current:	
Public Safety	7,565,008
Physical Environment	17,931,178
Transportation	9,719,195
Economic Environment	3,639,757
Human Services	304,860
Culture and Recreation	314,944
Debt Service:	
Principal	12,556,768
Interest	3,572,424
Total expenditures	<u>55,604,134</u>
Excess (deficiency) of revenues over expenditures	<u>8,779,016</u>
Other financing sources (uses)	
Transfers In	2,667,752
Transfers Out	(3,406,466)
Inventory Contribution	31,766,800
Total other financing sources (uses)	<u>31,028,086</u>
Net change in fund balances	39,807,102
Fund balance - beginning, restated	<u>52,957,003</u>
Fund balance - ending	<u><u>\$ 92,764,105</u></u>

(Continued)

CITY OF PORT ST. LUCIE, FLORIDA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Project Funds Year Ended September 30, 2018

	Parks Capital Improvement Fund	Capital Improvement Fund	Road and Bridge Capital Improvement Fund	Parks MSTU Fund	Total Nonmajor Capital Projects Funds
Revenues					
Intergovernmental	\$ -	\$ -	\$ 5,183,434	\$ 1,910,275	\$ 7,093,709
Interest on Investments	20,071	26,193	41,850	4,321	92,435
Impact Fees	1,971,518	-	3,095,129	-	5,066,647
Other	-	-	30,430	-	30,430
Total revenues	1,991,589	26,193	8,350,843	1,914,596	12,283,221
Expenditures					
Current:					
Transportation	-	-	9,461,781	-	9,461,781
Culture and Recreation	764,269	2,118,294	-	1,600,000	4,482,563
Debt Service:					
Total expenditures	764,269	2,118,294	9,461,781	1,600,000	13,944,344
Excess (deficiency) of revenues over (under) expenditures	1,227,320	(2,092,101)	(1,110,938)	314,596	(1,661,123)
Other financing sources (uses)					
Transfers In	-	1,495,000	1,470,315	-	2,965,315
Transfers Out	(600,000)	-	-	-	(600,000)
Total other financing sources (uses)	(600,000)	1,495,000	1,470,315	-	2,365,315
Net change in fund balances	627,320	(597,101)	359,377	314,596	704,192
Fund balance - beginning, restated	2,426,531	4,009,495	8,557,537	241,964	15,235,527
Fund balance - ending	<u>\$ 3,053,851</u>	<u>\$ 3,412,394</u>	<u>\$ 8,916,914</u>	<u>\$ 556,560</u>	<u>\$ 15,939,719</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 10,219,051	\$ 10,327,392	\$ 108,341
Interest on Investments	20,000	75,499	55,499
Interest on Special Assessments	-	502	502
Total revenues	<u>10,239,051</u>	<u>10,403,393</u>	<u>164,342</u>
EXPENDITURES			
Transportation	5,000	2,150	2,850
Principal	3,323,281	3,335,000	(11,719)
Interest	4,602,326	4,590,609	11,717
Total expenditures	<u>7,930,607</u>	<u>7,927,759</u>	<u>2,848</u>
Excess (deficiency) of revenues over (under) expenditures	2,308,444	2,475,634	167,190
OTHER FINANCING SOURCES (USES)			
Transfers Out	(2,300,000)	(2,300,000)	-
Total other financing sources (uses)	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 8,444</u>	<u>\$ 175,634</u>	<u>\$ 167,190</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 3,030,350	\$ 3,055,289	\$ 24,939
Licenses and Permits	-	24,000	24,000
Intergovernmental	7,310,685	7,430,073	119,388
Charges for Services	146,700	266,884	120,184
Interest on Investments	35,000	59,377	24,377
Other	136,000	241,889	105,889
Total revenues	<u>10,658,735</u>	<u>11,077,512</u>	<u>418,777</u>
EXPENDITURES			
Transportation	10,228,770	9,229,871	998,899
Principal	516,113	1,665,000	(1,148,887)
Interest	1,665,000	509,713	1,155,287
Total expenditures	<u>12,409,883</u>	<u>11,404,584</u>	<u>1,005,299</u>
Excess (deficiency) of revenues over (under) expenditures	(1,751,148)	(327,072)	1,424,076
OTHER FINANCING SOURCES (USES)			
Transfers Out	(102,125)	(109,328)	(7,203)
Total other financing sources (uses)	<u>(102,125)</u>	<u>(109,328)</u>	<u>(7,203)</u>
Net change in fund balance	<u>\$ (1,853,273)</u>	<u>\$ (436,400)</u>	<u>\$ 1,416,873</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, 2018**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 430,800	\$ 429,802	\$ (998)
Interest on Investments	3,605	2,764	(841)
Interest on Special Assessments	-	21	21
Other	-	3,431	3,431
Total revenues	<u>434,405</u>	<u>436,018</u>	<u>1,613</u>
EXPENDITURES			
Transportation	<u>461,458</u>	<u>409,307</u>	<u>52,151</u>
Total expenditures	<u>461,458</u>	<u>409,307</u>	<u>52,151</u>
Net change in fund balance	<u>\$ (27,053)</u>	<u>\$ 26,711</u>	<u>\$ 53,764</u>

CITY OF PORT ST. LUCIE, FLORIDA
Law Enforcement Impact Fee Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Interest on Investments	\$ 6,000	\$ 2,915	\$ (3,085)
Impact Fees	411,023	649,540	238,517
Total revenues	417,023	652,455	235,432
EXPENDITURES			
Public Safety	301,105	182,442	118,663
Principal	246,768	246,768	-
Interest	25,684	25,683	1
Total expenditures	573,557	454,893	118,664
Net change in fund balance	<u>\$ (156,534)</u>	<u>\$ 197,562</u>	<u>\$ 354,096</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Interest on Investments	\$ 13,100	\$ 30,349	\$ 17,249
Impact Fees	3,700,000	5,588,743	1,888,743
Total revenues	3,713,100	5,619,092	1,905,992
EXPENDITURES			
Physical Environment	10,000	7,430	2,570
Economic Environment	1,013,948	1,187,048	(173,100)
Principal	2,000,000	2,255,000	(255,000)
Interest	1,672,750	1,417,750	255,000
Total expenditures	4,696,698	4,867,228	(170,530)
Excess (deficiency) of revenues over (under) expenditures	(983,598)	751,864	1,735,462
OTHER FINANCING SOURCES (USES)			
Transfers In	1,013,948	1,013,948	-
Inventory Contribution	-	31,766,800	31,766,800
Total other financing sources (uses)	1,013,948	32,780,748	31,766,800
Net change in fund balance	<u>\$ 30,350</u>	<u>\$ 33,532,612</u>	<u>\$ 33,502,262</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 6,103,035	\$ 9,512,064	\$ 3,409,029
Charges for Services	50	-	(50)
Fines and Forfeitures	169,500	253,186	83,686
Interest on Investments	55,000	79,651	24,651
Impact Fees	130,000	268,095	138,095
Developers Contributions	40,000	28,840	(11,160)
Other	378,011	389,867	11,856
Total revenues	<u>6,875,596</u>	<u>10,531,703</u>	<u>3,656,107</u>
EXPENDITURES			
Public Safety	8,717,297	7,282,582	1,434,715
Total expenditures	<u>8,717,297</u>	<u>7,282,582</u>	<u>1,434,715</u>
Excess (deficiency) of revenues over (under) expenditures	(1,841,701)	3,249,121	5,090,822
OTHER FINANCING SOURCES (USES)			
Transfers Out	(43,883)	(39,258)	4,625
Total other financing sources (uses)	<u>(43,883)</u>	<u>(39,258)</u>	<u>4,625</u>
Net change in fund balance	<u><u>\$ (1,885,584)</u></u>	<u><u>\$ 3,209,863</u></u>	<u><u>\$ 5,095,447</u></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, 2018**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ -	\$ 9,790	\$ 9,790
Interest on Investments	13,500	7,459	(6,041)
Total revenues	13,500	17,249	3,749
EXPENDITURES			
Physical Environment	1,050	141	909
Total expenditures	1,050	141	909
Excess (deficiency) of revenues over (under) expenditures	12,450	17,108	4,658
OTHER FINANCING SOURCES (USES)			
Transfers Out	(150,000)	(150,000)	-
Total other financing sources (uses)	(150,000)	(150,000)	-
Net change in fund balance	<u>\$ (137,550)</u>	<u>\$ (132,892)</u>	<u>\$ 4,658</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, 2018**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ -	\$ 8,504	\$ 8,504
Interest on Investments	9,000	13,596	4,596
Total revenues	9,000	22,100	13,100
EXPENDITURES			
Physical Environment	100	16	84
Total expenditures	100	16	84
Excess (deficiency) of revenues over (under) expenditures	8,900	22,084	13,184
OTHER FINANCING SOURCES (USES)			
Transfers Out	(993,888)	(256,469)	737,419
Total other financing sources (uses)	(993,888)	(256,469)	737,419
Net change in fund balance	<u>\$ (984,988)</u>	<u>\$ (234,385)</u>	<u>\$ 750,603</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, 2018**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 4,016,000	\$ 4,005,725	\$ (10,275)
Interest on Investments	7,500	101,878	94,378
Interest on Special Assessments	-	193	193
Total revenues	<u>4,023,500</u>	<u>4,107,796</u>	<u>84,296</u>
EXPENDITURES			
Physical Environment	<u>85,000</u>	<u>58,806</u>	<u>26,194</u>
Total expenditures	<u>85,000</u>	<u>58,806</u>	<u>26,194</u>
Excess (deficiency) of revenues over (under) expenditures	3,938,500	4,048,990	110,490
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(2,154,912)</u>	<u>(1,446,411)</u>	<u>708,501</u>
Total other financing sources (uses)	<u>(2,154,912)</u>	<u>(1,446,411)</u>	<u>708,501</u>
Net change in fund balance	<u><u>\$ 1,783,588</u></u>	<u><u>\$ 2,602,579</u></u>	<u><u>\$ 818,991</u></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, 2018**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 3,000,000	\$ 2,977,893	\$ (22,107)
Interest on Investments	8,000	12,871	4,871
Interest on Special Assessments	-	137	137
Total revenues	<u>3,008,000</u>	<u>2,990,901</u>	<u>(17,099)</u>
EXPENDITURES			
Physical Environment	58,000	42,605	15,395
Principal	3,000,604	3,000,000	604
Interest	<u>280,250</u>	<u>134,081</u>	<u>146,169</u>
Total expenditures	<u>3,338,854</u>	<u>3,176,686</u>	<u>162,168</u>
Net change in fund balance	<u>\$ (330,854)</u>	<u>\$ (185,785)</u>	<u>\$ 145,069</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, 2018**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 335,000	\$ 308,693	\$ (26,307)
Interest on Investments	1,000	1,440	440
Interest on Special Assessments	-	15	15
Total revenues	<u>336,000</u>	<u>310,148</u>	<u>(25,852)</u>
EXPENDITURES			
Physical Environment	8,500	4,503	3,997
Principal	231,094	245,000	(13,906)
Interest	<u>50,000</u>	<u>37,521</u>	<u>12,479</u>
Total expenditures	<u>289,594</u>	<u>287,024</u>	<u>2,570</u>
Net change in fund balance	<u>\$ 46,406</u>	<u>\$ 23,124</u>	<u>\$ (23,282)</u>

CITY OF PORT ST. LUCIE, FLORIDA

Neighborhood Services

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 40,000	\$ 40,000	\$ -
Charges for Services	264,000	264,000	-
Interest on Investments	10,000	8,635	(1,365)
Other	450,000	344,825	(105,175)
Total revenues	<u>764,000</u>	<u>657,460</u>	<u>(106,540)</u>
EXPENDITURES			
Human Services	<u>965,671</u>	<u>304,860</u>	<u>660,811</u>
Total expenditures	<u>965,671</u>	<u>304,860</u>	<u>660,811</u>
Excess (deficiency) of revenues over (under) expenditures	(201,671)	352,600	554,271
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(229,490)</u>	<u>(220,000)</u>	<u>9,490</u>
Total other financing sources (uses)	<u>(229,490)</u>	<u>(220,000)</u>	<u>9,490</u>
Net change in fund balance	<u><u>\$ (431,161)</u></u>	<u><u>\$ 132,600</u></u>	<u><u>\$ 563,761</u></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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 246,000	\$ 246,493	\$ 493
Interest on Investments	1,400	3,588	2,188
Interest on Special Assessments	-	12	12
Total revenues	<u>247,400</u>	<u>250,093</u>	<u>2,693</u>
EXPENDITURES			
Physical Environment	<u>5,000</u>	<u>3,597</u>	<u>1,403</u>
Total expenditures	<u>5,000</u>	<u>3,597</u>	<u>1,403</u>
Excess (deficiency) of revenues over (under) expenditures	242,400	246,496	4,096
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 67,400</u>	<u>\$ 71,496</u>	<u>\$ 4,096</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 600,000	\$ 1,003,583	\$ 403,583
Interest on Investments	4,100	14,013	9,913
Interest on Special Assessments	-	31	31
Total revenues	<u>604,100</u>	<u>1,017,627</u>	<u>413,527</u>
EXPENDITURES			
Physical Environment	12,000	15,520	(3,520)
Principal	773,925	765,000	8,925
Interest	<u>50,000</u>	<u>24,225</u>	<u>25,775</u>
Total expenditures	<u>835,925</u>	<u>804,745</u>	<u>31,180</u>
Net change in fund balance	<u>\$ (231,825)</u>	<u>\$ 212,882</u>	<u>\$ 444,707</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, 2018**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 1,200,000	\$ 1,653,944	\$ 453,944
Interest on Investments	10,000	26,808	16,808
Interest on Special Assessments	-	78	78
Total revenues	<u>1,210,000</u>	<u>1,680,830</u>	<u>470,830</u>
EXPENDITURES			
Physical Environment	<u>65,000</u>	<u>25,325</u>	<u>39,675</u>
Total expenditures	<u>65,000</u>	<u>25,325</u>	<u>39,675</u>
Net change in fund balance	<u>\$ 1,145,000</u>	<u>\$ 1,655,505</u>	<u>\$ 510,505</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 832,300	\$ 1,231,297	\$ 398,997
Interest on Investments	5,000	7,249	2,249
Interest on Special Assessments	-	44	44
Total revenues	<u>837,300</u>	<u>1,238,590</u>	<u>401,290</u>
EXPENDITURES			
Physical Environment	20,000	19,183	817
Principal	1,225,867	1,220,000	5,867
Interest	<u>120,000</u>	<u>54,900</u>	<u>65,100</u>
Total expenditures	<u>1,365,867</u>	<u>1,294,083</u>	<u>71,784</u>
Net change in fund balance	<u>\$ (528,567)</u>	<u>\$ (55,493)</u>	<u>\$ 473,074</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 775,000	\$ 1,346,672	\$ 571,672
Interest on Investments	1,600	11,555	9,955
Interest on Special Assessments	-	38	38
Total revenues	<u>776,600</u>	<u>1,358,265</u>	<u>581,665</u>
EXPENDITURES			
Physical Environment	176,985	20,095	156,890
Principal	603,938	615,000	(11,062)
Interest	<u>201,000</u>	<u>189,863</u>	<u>11,137</u>
Total expenditures	<u>981,923</u>	<u>824,958</u>	<u>156,965</u>
Net change in fund balance	<u>\$ (205,323)</u>	<u>\$ 533,307</u>	<u>\$ 738,630</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 1,650,000	\$ 1,660,390	\$ 10,390
Interest on Investments	8,000	10,180	2,180
Interest on Special Assessments	-	80	80
Total revenues	<u>1,658,000</u>	<u>1,670,650</u>	<u>12,650</u>
EXPENDITURES			
Physical Environment	35,000	24,697	10,303
Principal	1,372,156	1,200,000	172,156
Interest	<u>441,000</u>	<u>395,994</u>	<u>45,006</u>
Total expenditures	<u>1,848,156</u>	<u>1,620,691</u>	<u>227,465</u>
Net change in fund balance	<u>\$ (190,156)</u>	<u>\$ 49,959</u>	<u>\$ 240,115</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 18,655	\$ 18,656	\$ 1
Interest on Investments	5,500	(89)	(5,589)
Interest on Special Assessments	-	89	89
Total revenues	<u>24,155</u>	<u>18,656</u>	<u>(5,499)</u>
EXPENDITURES			
Physical Environment	11,000	2,171	8,829
Principal	705,000	905,000	(200,000)
Interest	<u>967,002</u>	<u>767,001</u>	<u>200,001</u>
Total expenditures	<u>1,683,002</u>	<u>1,674,172</u>	<u>8,830</u>
Excess (deficiency) of revenues over (under) expenditures	(1,658,847)	(1,655,516)	3,331
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>1,653,347</u>	<u>1,653,347</u>	<u>-</u>
Total other financing sources (uses)	<u>1,653,347</u>	<u>1,653,347</u>	<u>-</u>
Net change in fund balance	<u>\$ (5,500)</u>	<u>\$ (2,169)</u>	<u>\$ 3,331</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 300,000	\$ 313,741	\$ 13,741
Interest on Investments	2,000	3,224	1,224
Interest on Special Assessments	-	15	15
Total revenues	<u>302,000</u>	<u>316,980</u>	<u>14,980</u>
EXPENDITURES			
Physical Environment	11,000	7,199	3,801
Principal	280,000	440,000	(160,000)
Interest	183,540	15,693	167,847
Total expenditures	<u>474,540</u>	<u>462,892</u>	<u>11,648</u>
Net change in fund balance	<u>\$ (172,540)</u>	<u>\$ (145,912)</u>	<u>\$ 26,628</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, 2018

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Interest on Investments	\$ -	\$ 24,724	24,724
Developers Contributions	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Total revenues	<u>-</u>	<u>26,724</u>	<u>26,724</u>
EXPENDITURES			
Economic Environment	<u>135,000</u>	<u>65,000</u>	<u>70,000</u>
Total expenditures	<u>135,000</u>	<u>65,000</u>	<u>70,000</u>
Excess (deficiency) of revenues over (under) expenditures	(135,000)	(38,276)	96,724
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,135,000)</u>	<u>\$ (1,038,276)</u>	<u>96,724</u>

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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Interest on Investments	\$ 1,000	\$ 12,523	\$ 11,523
Total revenues	<u>1,000</u>	<u>12,523</u>	<u>11,523</u>
Net change in fund balance	<u>\$ 1,000</u>	<u>\$ 12,523</u>	<u>\$ 11,523</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,290,764	\$ 1,142,552	\$ (148,212)
Other	-	22,993	22,993
Total revenues	<u>1,290,764</u>	<u>1,165,545</u>	<u>(125,219)</u>
EXPENDITURES			
Economic Environment	<u>1,591,677</u>	<u>1,147,547</u>	<u>444,130</u>
Total expenditures	<u>1,591,677</u>	<u>1,147,547</u>	<u>444,130</u>
Net change in fund balance	<u>\$ (300,913)</u>	<u>\$ 17,998</u>	<u>\$ 318,911</u>

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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 777,170	\$ 777,408	\$ 238
Interest on Investments	-	8,886	8,886
Other	-	266,905	266,905
Total revenues	<u>777,170</u>	<u>1,053,199</u>	<u>276,029</u>
EXPENDITURES			
Economic Environment	<u>1,411,554</u>	<u>926,072</u>	<u>485,482</u>
Total expenditures	<u>1,411,554</u>	<u>926,072</u>	<u>485,482</u>
Excess (deficiency) of revenues over (under) expenditures	(634,384)	127,127	761,511
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>458</u>	<u>457</u>	<u>(1)</u>
Total other financing sources (uses)	<u>458</u>	<u>457</u>	<u>(1)</u>
Net change in fund balance	<u><u>\$ (633,926)</u></u>	<u><u>\$ 127,584</u></u>	<u><u>\$ 761,510</u></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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,677,258	\$ 3,656	\$ (1,673,602)
Interest on Investments	-	2,987	2,987
Total revenues	<u>1,677,258</u>	<u>6,643</u>	<u>(1,670,615)</u>
EXPENDITURES			
Economic Environment	<u>1,811,016</u>	<u>314,090</u>	<u>1,496,926</u>
Total expenditures	<u>1,811,016</u>	<u>314,090</u>	<u>1,496,926</u>
Net change in fund balance	<u>\$ (133,758)</u>	<u>\$ (307,447)</u>	<u>\$ (173,689)</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 82,400	\$ 109,077	\$ 26,677
Interest on Investments	1,200	1,090	(110)
Total revenues	<u>83,600</u>	<u>110,167</u>	<u>26,567</u>
EXPENDITURES			
Transportation	83,138	80,017	3,121
Total expenditures	<u>83,138</u>	<u>80,017</u>	<u>3,121</u>
Net change in fund balance	<u>\$ 462</u>	<u>\$ 30,150</u>	<u>\$ 29,688</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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 816	\$ 816
Fines and Forfeitures	60,000	106,449	46,449
Interest on Investments	2,000	960	(1,040)
Other	-	640	640
Total revenues	<u>62,000</u>	<u>108,865</u>	<u>46,865</u>
EXPENDITURES			
Public Safety	<u>99,617</u>	<u>99,984</u>	<u>(367)</u>
Total expenditures	<u>99,617</u>	<u>99,984</u>	<u>(367)</u>
Excess (deficiency) of revenues over (under) expenditures	(37,617)	8,881	46,498
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (47,617)</u></u>	<u><u>\$ (1,119)</u></u>	<u><u>\$ 46,498</u></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, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 35,000	\$ 217,203	\$ 182,203
Interest on Investments	8,500	9,198	698
Total revenues	<u>43,500</u>	<u>226,401</u>	<u>182,901</u>
EXPENDITURES			
Culture and Recreation	342,764	314,944	27,820
Total expenditures	<u>342,764</u>	<u>314,944</u>	<u>27,820</u>
Net change in fund balance	<u><u>\$ (299,264)</u></u>	<u><u>\$ (88,543)</u></u>	<u><u>\$ 210,721</u></u>

CITY OF PORT ST. LUCIE, FLORIDA

Solid Waste Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 17,600,000	\$ 17,629,382	\$ 29,382
Interest on Investments	40,000	68,721	28,721
Interest on Special Assessments	-	855	855
Total revenues	<u>17,640,000</u>	<u>17,698,958</u>	<u>58,958</u>
EXPENDITURES			
Physical Environment	<u>17,640,000</u>	<u>17,699,890</u>	<u>(59,890)</u>
Total expenditures	<u>17,640,000</u>	<u>17,699,890</u>	<u>(59,890)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (932)</u>	<u>\$ (932)</u>

Fiduciary Funds

RETIREMENT TRUST FUNDS

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

The City maintains the following Retirement Trust Funds:

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.

Other Post Employment Benefits Fund (OPEB) – to account for retirees benefits as mandated by GASB #75.

AGENCY FUND

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

The City does not maintain an Agency Fund.

CITY OF PORT ST. LUCIE, FLORIDA
Combining Statement of Fiduciary Net Position
Retirement Trust Funds
September 30, 2018

	Municipal Police Officers	Other Post Employment Benefits	Total
Assets			
Cash and Equivalents	\$ -	\$ 149	\$ 149
Fixed Investments	4,739,073	-	4,739,073
Corporate Stocks	25,858,288	-	25,858,288
Corporate Bonds	7,117,376	-	7,117,376
US Government Obligations	1,431,651	-	1,431,651
Federal Agencies	6,416,542	-	6,416,542
Municipal Obligations	1,133,732	-	1,133,732
Real Estate Investments	12,003,525	-	12,003,525
Mutual Funds	48,980,872	15,738,100	64,718,972
Accrued Investment Income	195,570	-	195,570
Prepaid Expenses	2,297	-	2,297
Total assets	<u>107,878,926</u>	<u>15,738,249</u>	<u>123,617,175</u>
Liabilities and Net Position			
Liabilities			
Accounts Payable	67,100	-	67,100
Total liabilities	<u>67,100</u>	<u>-</u>	<u>67,100</u>
Net Position			
Restricted for Employees Retirement	107,811,826	15,738,249	123,550,075
Total Net Position	<u>107,811,826</u>	<u>15,738,249</u>	<u>123,550,075</u>
Total Liabilities and Net Position	<u><u>\$ 107,878,926</u></u>	<u><u>\$ 15,738,249</u></u>	<u><u>\$ 123,617,175</u></u>

CITY OF PORT ST. LUCIE, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Retirement Trust Funds
Year Ended September 30, 2018

	Municipal Police Officers	Other Post Employment Benefits	Total
Additions			
Contributions:			
City	\$ 4,015,851	\$ 1,651,283	\$ 5,667,134
State	1,439,785	-	1,439,785
Employee	1,724,969	-	1,724,969
Total Contributions	<u>7,180,605</u>	<u>1,651,283</u>	<u>8,831,888</u>
Investment Income:			
Net Increase in Fair Value of Investments	6,723,635	1,331,861	8,055,496
Interest and Dividends	<u>2,424,652</u>	-	<u>2,424,652</u>
Total Investment Income	9,148,287	1,331,861	10,480,148
Investment Expense	<u>(275,016)</u>	-	<u>(275,016)</u>
	<u>8,873,271</u>	<u>1,331,861</u>	<u>10,205,132</u>
Total Additions	<u>16,053,876</u>	<u>2,983,144</u>	<u>19,037,020</u>
Deductions			
Benefit Payments	2,806,046	931,580	3,737,626
Administrative Costs and Charges	190,294	-	190,294
Refunds	<u>35,472</u>	-	<u>35,472</u>
Total Deductions	<u>3,031,812</u>	<u>931,580</u>	<u>3,963,392</u>
Net Increase in Net Position	13,022,064	2,051,564	15,073,628
Total Net Position - beginning	<u>94,789,762</u>	<u>13,686,685</u>	<u>108,476,447</u>
Total Net Position - ending	<u><u>\$ 107,811,826</u></u>	<u><u>\$ 15,738,249</u></u>	<u><u>\$ 123,550,075</u></u>

Statistical Section

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



"A City for All Ages"

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities:						
Net investment in capital assets	\$ 352,634,371	\$ 322,655,075	\$ 281,318,910	\$ 255,743,942	\$ 255,304,871	\$ 230,882,015
Restricted for:						
Debt service	205,921,841	214,708,990	259,381,015	295,775,596	305,565,798	331,927,696
Capital Projects	49,029,018	56,562,714	54,426,329	38,043,669	13,598,379	18,780,498
Transportation	-	6,318,018	6,289,563	5,960,239	-	-
Protective Inspections	13,597,411	10,388,946	9,181,046	6,240,371	-	-
Housing Assistance	2,616,696	2,778,561	3,177,525	2,532,547	-	-
Economic Development	1,992,717	15,030,993	3,000,830	2,981,962	-	-
Other Purposes	14,239,439	6,262,671	5,363,746	5,608,957	43,038,297	40,886,609
Unrestricted	(2,170,593)	(68,213,156)	(46,619,467)	(47,491,125)	21,690,787	20,239,187
Total Governmental Activities						
Net Position	<u>637,860,900</u>	<u>566,492,812</u>	<u>575,519,497</u>	<u>565,396,158</u>	<u>639,198,132</u>	<u>642,716,005</u>
Business-Type Activities:						
Net investment in capital assets	225,938,288	233,881,814	235,995,905	242,874,624	253,807,847	225,791,293
Restricted for:						
Debt service	11,144,892	6,483,080	6,411,390	11,643,043	1,503,252	16,321,743
Capital Projects	33,124,890	21,430,984	18,742,470	13,064,965	16,831,540	9,522,806
Claims	92,234	92,234	92,234	92,234	92,234	92,234
Unrestricted	51,124,277	48,442,302	49,680,890	40,384,501	36,919,201	62,858,499
Total Business-Type Activities						
Net Position	<u>321,424,581</u>	<u>310,330,414</u>	<u>310,922,889</u>	<u>308,059,367</u>	<u>309,154,074</u>	<u>314,586,575</u>
Total Primary Government:						
Net investment in capital assets	578,572,659	556,536,889	517,314,815	498,618,566	509,112,718	456,673,308
Restricted for:						
Debt service	217,066,733	221,192,070	265,792,405	307,418,639	307,069,050	348,249,439
Capital Projects	82,153,908	77,993,698	73,168,799	51,108,634	30,429,919	28,303,304
Transportation	-	6,318,018	6,289,563	5,960,239	-	-
Protective Inspections	13,597,411	10,388,946	9,181,046	6,240,371	-	-
Housing Assistance	2,616,696	2,778,561	3,177,525	2,532,547	-	-
Economic Development	1,992,717	15,030,993	3,000,830	2,981,962	-	-
Other Purposes	14,239,439	6,262,671	5,363,746	5,608,957	43,038,297	40,886,609
Claims	92,234	92,234	92,234	92,234	92,234	92,234
Unrestricted	48,953,684	(19,770,854)	3,061,423	(7,106,624)	58,609,988	83,097,686
Total Primary Government						
Net Position	<u>\$ 959,285,481</u>	<u>\$ 876,823,226</u>	<u>\$ 886,442,386</u>	<u>\$ 873,455,525</u>	<u>\$ 948,352,206</u>	<u>\$ 957,302,580</u>

NOTE: Starting with the 2015 CAFR, all prior year's Net Investment In Capital Assets lines have been adjusted to eliminate the inclusion of accreted interest.

2012	2011	2010	2009
\$ 248,106,726	\$ 304,237,769	\$ 304,349,119	\$ 274,326,677
340,553,170	33,228,306	32,943,811	33,701,454
21,329,842	15,944,067	69,068,167	82,313,027
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
28,694,820	-	-	-
18,344,592	5,877,718	(39,034,499)	(18,536,063)
657,029,150	359,287,860	367,326,598	371,805,095
280,156,374	278,007,614	256,903,728	248,544,914
14,426,218	30,780,127	30,343,954	29,369,142
18,959,566	42,265,855	59,409,352	56,424,137
92,234	92,105	91,989	97,094
22,704,138	5,121,249	19,329,541	53,282,679
336,338,530	356,266,950	366,078,564	387,717,966
528,263,100	582,245,383	561,252,847	522,871,591
354,979,388	64,008,433	63,287,765	63,070,596
40,289,408	58,209,922	128,477,519	138,737,164
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
28,694,820	-	-	-
92,234	92,105	91,989	97,094
41,047,730	10,998,967	(19,704,958)	34,746,616
\$ 993,367,680	\$ 715,554,810	\$ 733,405,162	\$ 759,523,061

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

	2018	2017	2016	2015	2014
Expenses					
Governmental Activities:					
General Government	\$ 19,548,119	\$ 19,262,405	\$ 16,729,323	\$ 13,966,787	\$ 13,424,100
Public Safety	53,318,868	50,403,218	47,096,752	43,376,647	41,287,967
Physical Environment	18,941,202	40,848,525	18,128,226	30,514,196	1,030,775
Transportation	33,658,002	32,961,563	37,055,390	29,347,883	29,324,982
Economic Environment	8,409,053	14,516,362	12,273,393	66,827,661	6,903,010
Human Services	1,248,190	1,156,793	1,085,086	1,182,502	1,296,439
Culture and Recreation	17,176,893	14,123,356	12,769,172	11,605,930	10,770,040
Debt Service - Interest	12,239,304	13,575,313	20,425,051	21,433,349	22,072,391
Debt Service - Principal	-	-	-	-	-
Total Governmental Activities	164,539,631	186,847,535	165,562,393	218,254,955	126,109,704
Business-Type Activities:					
Utility System	87,773,899	79,676,615	83,379,982	83,138,529	83,622,536
Stormwater Utility	22,370,166	22,313,572	20,161,789	20,615,230	19,840,640
Golf Course	1,891,771	1,826,357	1,832,693	1,822,513	1,768,281
Total Business-Type Activities	112,035,836	103,816,544	105,374,464	105,576,272	105,231,457
Total Primary Government Expenses	\$ 276,575,467	\$ 290,664,079	\$ 270,936,857	\$ 323,831,227	\$ 231,341,161
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 3,775,680	\$ 2,274,296	\$ 1,884,681	\$ 1,732,289	\$ 1,924,496
Public Safety	12,412,115	10,192,150	9,918,761	7,980,414	7,695,188
Physical Environment	30,632,602	30,624,284	35,593,498	36,877,466	17,800,074
Transportation	4,474,742	3,014,814	4,159,559	4,196,944	1,951,179
Economic Environment	209,807	3,484,472	3,505,338	1,626,405	53,834
Human Services	51,135	48,870	61,886	78,460	100,829
Culture and Recreation	4,292,661	3,148,521	3,433,301	3,296,044	2,097,655
Operating Grants and Contributions	4,251,681	4,182,472	3,786,495	3,451,813	2,864,469
Capital Grants and Contributions	22,999,428	18,981,881	9,851,341	11,135,140	2,501,351
Total Governmental Activities	83,099,851	75,951,760	72,194,860	70,374,975	36,989,075
Business-Type Activities:					
Charges for Services:					
Utility System	72,767,625	70,751,728	69,401,985	66,615,111	64,789,627
Stormwater Utility	23,422,661	22,311,000	21,241,907	20,721,062	20,318,181
Golf Course	1,533,927	1,592,256	1,614,495	1,711,940	1,471,527
Operating Grants and Contributions	13,098		15,000	43,674	3,708,476
Capital Grants and Contributions	24,893,487	15,820,783	13,290,354	10,215,344	6,277,976
Total Business-Type Activities	122,622,085	110,475,767	105,563,741	99,307,131	96,565,787
Total Primary Government Program Revenues	\$ 205,721,936	\$ 186,427,527	\$ 177,758,601	\$ 169,682,106	\$ 133,554,862

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 19,644,896	\$ 15,739,679	\$ 13,219,799	\$ 11,206,338	\$ 11,992,504
36,893,883	36,082,798	37,291,748	40,257,753	43,401,330
2,888,717	1,873,234	2,219,525	3,242,320	5,176,460
30,033,671	29,637,387	37,504,058	32,711,192	38,904,334
12,577,499	15,446,646	9,607,066	20,236,156	5,454,266
1,271,993	1,220,258	1,380,647	1,647,555	1,650,621
10,812,414	12,578,781	10,305,797	10,505,959	11,985,206
23,556,204	24,817,890	27,331,315	26,867,419	25,861,845
-	-	-	-	-
137,679,277	137,396,673	138,859,955	146,674,692	144,426,566
85,423,145	82,200,546	83,213,376	85,545,020	85,475,608
19,660,501	20,575,005	19,788,150	17,691,171	17,807,203
1,787,208	1,718,028	1,914,059	1,871,671	2,016,046
106,870,854	104,493,579	104,915,585	105,107,862	105,298,857
<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>
\$ 6,285,870	\$ 3,778,020	\$ 3,283,174	\$ 3,818,952	\$ 3,899,070
2,354,681	1,288,824	777,330	1,106,384	1,897,530
19,712,162	3,534,670	16,391,563	13,230,372	12,313,424
1,812,992	1,580,211	1,831,410	1,443,788	1,844,263
1,153,777	3,082,295	5,344	280,580	19,069
109,691	106,485	99,098	115,435	104,965
2,070,648	1,941,883	1,748,878	1,619,362	1,523,523
3,742,609	5,087,105	5,972,276	17,251,452	10,881,292
1,652,582	147,960	131,533	6,966,976	11,823,281
38,895,012	20,547,453	30,240,606	45,833,301	44,306,417
61,181,993	58,613,804	56,115,457	52,535,104	52,688,326
20,088,576	19,335,600	19,223,254	19,019,552	16,480,343
1,480,424	1,454,957	1,564,828	1,462,364	1,569,018
738,622	1,560,253	819,547	534,784	409,157
3,778,130	4,315,875	13,280,071	12,967,911	18,235,887
87,267,745	85,280,489	91,003,157	86,519,715	89,382,731
<u>\$ 126,162,757</u>	<u>\$ 105,827,942</u>	<u>\$ 121,243,763</u>	<u>\$ 132,353,016</u>	<u>\$ 133,689,148</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense) Revenue							
Governmental Activities	\$(81,439,780)	\$ (110,895,775)	\$(93,367,533)	\$(147,879,980)	\$(89,120,629)	\$(98,784,265)	\$(103,003,062)
Business-type Activities	10,586,249	6,659,223	189,277	(6,269,141)	(8,665,670)	(19,603,109)	(19,213,090)
Total Primary Government							
Net (Expense) Revenue	<u>\$ (70,853,531)</u>	<u>\$ (104,236,552)</u>	<u>\$ (93,178,256)</u>	<u>\$ (154,149,121)</u>	<u>\$ (97,786,299)</u>	<u>\$ (118,387,374)</u>	<u>\$ (122,216,152)</u>
General Revenues and Other							
Changes in Net Position							
Governmental Activities:							
Property Taxes	\$ 56,102,941	\$ 51,158,614	\$ 47,389,333	\$ 38,247,228	\$ 36,339,440	\$ 35,744,398	\$ 36,586,795
Franchise and Utility Taxes	22,978,502	22,223,228	21,339,457	21,054,005	20,287,539	18,407,514	18,175,496
Communication Services Taxes	4,967,361	4,975,531	5,129,850	5,378,563	5,407,176	5,972,194	6,004,344
Local Business Tax	2,010,299	1,910,943	1,851,734	1,666,789	1,571,717	1,518,483	1,498,031
Half Cent Sales Tax	8,096,469	7,368,151	6,817,675	6,483,062	6,039,906	5,510,580	5,245,628
State Revenue Sharing	5,684,964	5,389,689	4,837,191	4,586,750	4,003,809	3,493,945	2,763,213
Local Option Gas Tax	10,222,601	9,820,740	9,684,589	9,009,096	8,471,573	7,864,178	7,820,761
Insurance Premium Tax	1,439,785	1,296,741	1,247,468	1,082,037	1,026,902	972,481	883,809
Interest	1,276,096	1,546,657	977,119	1,136,378	561,573	722,180	19,352,363
Gain on Sale of Capital Assets	-	-	-	(455,894)	-	(126,605)	213,323
Miscellaneous	39,030,821	17,052,072	5,395,106	4,419,845	3,770,030	10,545,742	5,439,928
Special Item - asset writedown	-	-	-	-	-	(9,920,411)	-
Transfers	(1,845,056)	(1,521,451)	(1,178,650)	(3,617,260)	(1,876,909)	3,766,441	(4,162,963)
Total Governmental Activities	149,964,783	121,220,915	103,490,872	88,990,599	85,602,756	84,471,120	99,820,728
Business-Type Activities:							
Franchise and Utility Taxes	-	-	-	-	-	-	162,570
Interest	1,660,439	1,827,095	1,495,595	1,557,174	1,356,260	1,617,595	2,196,128
Swap	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	(882,568)
Miscellaneous	173,328	-	-	-	-	-	1,157,549
Transfers	1,845,056	1,521,451	1,178,650	3,617,260	1,876,909	(3,766,441)	4,162,963
Total Business-Type Activities	3,678,823	3,348,546	2,674,245	5,174,434	3,233,169	(2,148,846)	6,796,642
Total Primary Government-Other	<u>\$ 153,643,606</u>	<u>\$ 124,569,461</u>	<u>\$ 106,165,117</u>	<u>\$ 94,165,033</u>	<u>\$ 88,835,925</u>	<u>\$ 82,322,274</u>	<u>\$ 106,617,370</u>
Changes in Net Position							
Governmental Activities	\$ 68,525,003	\$ 10,325,140	\$ 10,123,339	\$ (58,889,381)	\$ (3,517,873)	\$ (14,313,145)	\$ (3,182,334)
Business-Type Activities	14,265,072	10,007,769	2,863,522	(1,094,707)	(5,432,501)	(21,751,955)	(12,416,448)
Total Primary Government	<u>\$ 82,790,075</u>	<u>\$ 20,332,909</u>	<u>\$ 12,986,861</u>	<u>\$ (59,984,088)</u>	<u>\$ (8,950,374)</u>	<u>\$ (36,065,100)</u>	<u>\$ (15,598,782)</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>
\$(108,619,349)	\$(100,841,391)	\$(100,120,149)
(13,912,428)	(18,588,147)	(15,916,126)
<u>\$(122,531,777)</u>	<u>\$(119,429,538)</u>	<u>\$(116,036,275)</u>
\$ 37,123,864	\$ 37,220,611	\$ 44,888,912
17,252,881	13,451,549	13,582,701
5,997,244	6,152,086	3,078,658
1,560,385	1,514,507	1,570,426
4,928,954	4,729,330	4,908,774
2,485,700	2,296,514	2,273,713
7,614,567	7,602,956	7,456,766
826,267	885,563	851,595
20,967,944	12,689,391	11,380,172
374,823	209,549	218,532
1,683,820	1,278,550	1,244,683
-	-	-
(235,878)	8,332,288	(1,067,687)
100,580,571	96,362,894	90,387,245
163,729	-	-
2,518,139	3,422,215	3,739,124
-	10,000	5,124,500
63,211	377,592	35,621
1,119,857	1,471,226	1,650,094
235,878	(8,332,288)	1,067,687
4,100,814	(3,051,255)	11,617,026
<u>\$ 104,681,385</u>	<u>\$ 93,311,639</u>	<u>\$ 102,004,271</u>
\$ (8,038,778)	\$ (4,478,497)	\$ (9,732,904)
(9,811,614)	(21,639,402)	(4,299,100)
<u>\$ (17,850,392)</u>	<u>\$ (26,117,899)</u>	<u>\$ (14,032,004)</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:							
Nonspendable	\$ 151,128	\$ 218,834	\$ 191,445	\$ 178,607	\$ 166,999	\$ 885,141	\$ 835,559
Committed	1,479,894	2,519,112	187,401	58,312	42,146	41,707	9,354
Assigned	-	173,907	117,051	84,721	4,467,046	4,262,951	-
Unassigned	28,146,763	18,687,358	29,305,353	25,458,921	18,187,927	19,075,348	18,613,202
Total General Fund	29,777,785	21,599,211	29,801,250	25,780,561	22,864,118	24,265,147	19,458,115
All Other Governmental Funds:							
Nonspendable	31,584,133	14,206	14,345	11,323	13,077	121,566	8,606,852
Restricted	82,193,183	76,476,749	72,910,220	78,348,839	76,452,719	59,512,472	4,760,157
Committed	19,178,740	11,935,010	8,909,718	6,821,412	5,842,013	7,332,397	2,784,242
Assigned	-	14,953,893	17,330,451	12,071,781	11,748,970	8,570,435	62,840,365
Unassigned	(932)	-	(2,730)	(5,127)	-	(1,285,276)	(117,421)
Total All Other Governmental Funds	132,955,124	103,379,858	99,162,004	97,248,228	94,056,779	74,251,594	78,874,195
Total Governmental Funds	<u>\$ 162,732,909</u>	<u>\$ 124,979,069</u>	<u>\$ 128,963,254</u>	<u>\$ 123,028,789</u>	<u>\$ 116,920,897</u>	<u>\$ 98,516,741</u>	<u>\$ 98,332,310</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 826,414	\$ 127,457	\$ 133,948
29,307	12,707	-
11,120,370	9,641,078	11,588,706
3,084,366	2,792,600	3,945,345
<u>15,060,457</u>	<u>12,573,842</u>	<u>15,667,999</u>
175,419	-	-
12,558,416	23,129	1,716,365
6,171,180	11,559,530	130,068
70,483,809	9,157,747	23,272,047
(1,052,783)	113,688,325	117,039,252
-	(945,600)	(2,190,732)
<u>88,336,041</u>	<u>133,483,131</u>	<u>139,967,000</u>
<u><u>\$ 103,396,498</u></u>	<u><u>\$ 146,056,973</u></u>	<u><u>\$ 155,634,999</u></u>

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

	2018	2017	2016	2015
Revenues:				
Taxes	\$ 75,094,507	\$ 69,728,447	\$ 65,730,532	\$ 56,092,766
Licenses and Permits	20,169,455	16,634,939	16,576,124	14,866,090
Intergovernmental	55,965,001	47,107,772	38,874,481	27,552,696
Charges for Services	45,210,292	52,598,248	54,419,081	49,109,473
Human Services Fees	51,135	48,870	61,886	78,460
Fines and Forfeitures	1,321,259	1,401,918	2,275,034	2,400,496
Interest on Investments	1,276,096	1,546,657	970,966	1,136,378
Interest on Special Assessments	4,592	-	6,153	-
Impact Fees	12,377,309	8,323,840	6,955,207	5,140,466
Surplus Sales	-	-	-	-
Developers Contributions	81,724	124,126	76,828	92,030
Rents	-	-	-	-
Other	2,761,931	3,044,655	4,153,471	2,890,988
Total Revenues	214,313,301	200,559,472	190,099,763	159,359,843
Expenditures:				
Current:				
General Government	13,966,732	16,130,414	10,911,222	10,179,367
Public Safety	54,905,623	55,709,096	45,564,571	43,019,715
Physical Environment	18,373,558	18,358,971	18,838,042	17,692,425
Transportation	57,251,395	40,514,133	25,343,943	28,059,537
Economic Environment	9,859,368	14,689,586	12,216,119	5,911,487
Human Services	1,674,827	1,497,279	1,204,125	1,092,235
Culture and Recreation	21,375,515	15,537,534	14,331,630	15,615,951
Capital Outlay	-	-	-	-
Intangibles	-	-	-	-
Debt Service				
Principal	21,486,768	30,285,000	33,105,000	23,895,000
Interest	13,601,496	14,317,617	20,586,274	21,938,411
Total Expenditures	212,495,282	207,039,630	182,100,926	167,404,128
Excess (deficiency) of revenues over (under) expenditures	1,818,019	(6,480,158)	7,998,837	(8,044,285)
Other Financing Sources (Uses)				
Transfers in	9,839,084	11,273,555	13,816,227	7,234,069
Transfers Out	(11,684,140)	(12,794,496)	(15,994,367)	(10,593,853)
Proceeds from Sale of Assets	1,886,805	1,800,000	6,356,406	17,730,108
Capital Leases	-	1,284,187	-	-
Issuance of Debt	-	90,295,000	165,155,000	-
Premium on Issuance of Debt	-	6,202,434	8,678,986	-
Discount on Issuance of Debt	-	-	-	-
Credit Enhancement Fee	-	-	-	-
Inventory Contribution	31,766,800	-	-	-
Payment to Escrow Agent	-	(95,564,707)	(180,076,624)	(218,147)
Total Other Financing Sources (Uses)	31,808,549	2,495,973	(2,064,372)	14,152,177
Net Change in Fund Balances	\$ 33,626,568	\$ (3,984,185)	\$ 5,934,465	\$ 6,107,892

Debt Service as a percentage of non-capital expenditures	19.5 %	25.6 %	35.5 %	33.5 %
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2014	2013	2012	2011	2010	2009
\$ 53,676,014	\$ 52,554,602	\$ 52,664,169	\$ 52,516,922	\$ 48,481,802	\$ 52,136,148
13,498,879	12,004,191	11,857,491	11,022,562	11,452,024	12,427,201
25,013,772	23,815,605	24,842,507	26,608,782	32,424,409	28,899,528
32,573,400	33,852,704	17,463,400	15,917,455	13,282,633	11,985,186
100,829	109,691	106,485	99,098	115,435	104,965
2,974,283	2,107,086	1,298,268	756,683	1,121,170	1,009,035
561,573	722,180	1,999,832	2,387,683	3,884,779	1,937,732
-	-	17,352,531	18,257,389	8,462,472	9,137,147
4,048,056	3,779,478	3,070,948	2,553,496	3,170,986	3,051,214
53,388	124,618	237,778	198,230	515,417	2,817,079
-	9,000	2,739,707	-	-	-
2,324,218	4,793,243	1,788,598	2,971,833	2,779,960	2,354,435
134,824,412	133,872,398	135,421,714	133,290,133	125,691,087	125,859,670
9,736,915	15,988,836	14,061,451	12,173,872	12,201,341	10,859,846
41,849,736	36,101,367	34,889,571	34,743,405	39,380,020	39,746,373
422,095	1,406,047	1,226,884	2,582,236	1,409,355	3,529,369
19,756,039	15,641,435	16,621,657	12,774,026	11,899,324	15,103,623
4,692,918	9,528,869	9,259,342	8,989,001	17,129,859	3,598,068
1,298,293	1,149,142	1,226,221	1,297,163	1,610,095	1,529,441
16,186,300	10,676,942	9,954,625	9,228,267	9,662,874	10,591,211
-	-	-	41,935,095	43,983,462	106,373,286
-	-	-	723,493	14,850	-
37,030,000	28,665,000	27,710,000	25,380,000	23,664,213	20,732,188
22,164,463	23,575,319	26,117,519	27,331,315	26,867,419	25,861,845
153,136,759	142,732,957	141,067,270	177,157,873	187,822,812	237,925,250
(18,312,347)	(8,860,559)	(5,645,556)	(43,867,740)	(62,131,725)	(112,065,580)
14,792,189	16,833,891	8,748,742	27,405,304	63,544,144	37,123,250
(16,669,098)	(13,071,350)	(12,911,705)	(27,641,182)	(55,211,856)	(38,190,937)
2,726,570	5,051,157	-	-	-	-
116,701,922	15,124,937	18,509,331	31,575,000	39,900,000	76,960,000
-	-	-	-	-	532,697
-	-	-	(176,857)	(678,589)	(859,195)
-	-	-	-	5,000,000	-
(80,835,080)	(14,893,645)	(13,765,000)	(29,955,000)	-	(71,340,606)
36,716,503	9,044,990	581,368	1,207,265	52,553,699	4,225,209
\$ 18,404,156	\$ 184,431	\$ (5,064,188)	\$ (42,660,475)	\$ (9,578,026)	\$ (107,840,371)
43.4 %	38.7 %	40.0 %	36.8 %	34.3 %	35.1 %

◆ 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>
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
2013	8,489,832,236	627,492,684	404,336	2,705,162,954	6,412,566,302	5.6289
2014	8,929,641,647	638,864,682	478,743	2,808,893,833	6,760,091,239	5.6289
2015	9,465,555,527	634,834,357	548,029	2,892,728,992	7,208,208,921	6.6289
2016	10,280,445,735	653,064,373	607,353	3,017,622,372	7,916,495,089	6.5000
2017	11,255,095,456	686,254,310	640,823	3,148,250,073	8,793,740,516	6.4000

(1) The Combined Exemptions consists of: a) Renewable Energy Sources, b) Governmental, c) Widows and Widowers, d) Disability, e) Institutional, f) Homestead - regular and additional, g) LOLA h) Economic Development, and i) Tangible Personal Property Exentions.

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 2017= fiscal year 2018

**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	
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
2013	4.4096	1.2193	5.6289	7.6567	0.0154	7.6721	5.7570	1.5000	7.2570	4.0252	24.5832
2014	4.4096	1.2193	5.6289	7.6567	0.0154	7.6721	5.7410	1.5000	7.2410	3.9877	24.5297
2015	5.4096	1.2193	6.6289	7.9967	0.0154	8.0121	5.7830	1.5000	7.2830	3.9561	25.8801
2016	5.2807	1.2193	6.5000	7.9661	-	7.9661	5.4270	1.5000	6.9270	3.9317	25.3248
2017	5.1807	1.2193	6.4000	8.1361	-	8.1361	5.0740	1.5000	6.5740	3.9110	25.0211

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.

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

	2017 Tax Roll			2007 Tax Roll		
	Total Taxable Value (1)	Rank	Percentage of Total Taxable Value	Total Taxable Value (1)	Rank	Percentage of Total Taxable Value
Florida Power and Light Co	\$ 160,912,556	1	1.83%	\$ 63,918,572	3	0.49%
Wal-Mart Sams Club	71,444,658	2	0.81%	58,431,258	5	0.45%
KRG Port St Lucie Landing LLC	54,687,900	3	0.62%			
St Lucie West 2016 LLC	47,756,700	4	0.54%			
Benderson Development Co Inc	43,551,200	5	0.50%			
Sandpiper Resort Prop Inc Sandpiper Inc	40,529,900	6	0.46%	52,047,349	7	0.40%
HCA	39,080,837	7	0.44%	37,450,100	9	0.29%
Florida Gas Transmission Co LLC	26,513,206	8	0.30%			
Comcast of FL/GA LLC	23,714,931	9	0.27%			
CAH Borrower LLC	21,518,714	10	0.24%			
Ginn-La St Lucie Ltd LLLP				73,175,316	1	0.56%
Minito Townpark LLC				69,050,500	2	0.53%
St Lucie Land Ltd				60,041,300	4	0.46%
Tradition Development Co LLC				53,361,426	6	0.41%
Southern Bell Tel and Tel				39,844,002	8	0.30%
Liberty Medical Supply Inc.				33,190,475	10	0.25%
Taxable Value of 10 Largest Taxpayers	529,710,602		6.01%	540,510,298		4.13%
Taxable Value of Other Taxpayers	8,264,029,914		93.99%	12,550,842,585		95.87%
Taxable Value of All Taxpayers	<u>\$ 8,793,740,516</u>		<u>100.00%</u>	<u>\$ 13,091,352,883</u>		<u>100.00%</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**

Fiscal Year	Special Assessments Billed	Special Assessments Collected	Delinquent Payments Collected	Prepayments, Partial Payments and Payoffs Collected
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
2013-14	31,305,098	28,299,746	389,096	450,273
2014-15	30,822,446	27,474,035	113,394	221,153
2015-16 (2)	30,741,967	27,577,255	205,733	4,990,994
2016-17 (3)	24,421,994	21,532,444	229,103	9,127,977
2017-18 (4)	22,956,489	20,434,364	949,545	685,320
Ten Year Totals	\$ 270,689,298	\$ 245,843,825	\$ 2,871,301	\$ 19,854,311

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

(2) The increase in the payoff for 15/16 is due to a payoff in the amount \$4,615,952 for Tesoro SAD

(3) The decrease in the annual billing for 16/17 is due to the SW Annexation District #1 bond refunding which decreased the annual billing by \$4.2 million. Additionally, the \$4.9 million payoff fiscal year 2016 resulted in a reduction of a number of accounts billed fiscal year 2017.

The above data is combined for fourteen (14) existing assessment districts.

The 2013 Tax Roll was a final year of billing for SAD 1, Phase 1 SAD

The 2015 Tax Roll was the final year of billing for SAD 1, Phase II SAD

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>
08-09	2008	44,658,353	42,433,724	95.0	190,965
09-10	2009	36,841,021	35,107,786	95.3	304,047
10-11	2010	37,003,023	35,188,029	95.1	310,838
11-12	2011	37,036,486	35,064,715	94.7	137,607
12-13	2012	35,683,010	34,057,127	95.4	325,727
13-14	2013	36,157,559	34,601,262	95.7	257,734
14-15	2014	38,064,819	36,657,166	96.3	114,893
15-16	2015	47,796,206	45,796,707	95.8	68,453
16-17	2016	51,463,782	49,449,737	96.1	59,540
17-18	2017	56,293,719	54,076,777	96.1	115,890

- (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.

Subsequent Year Collections (per Levy Year)	Total Collections to Date	
	<u>Amount</u>	<u>Percent of Levy (2)</u>
\$ 440,891	42,874,615	96.0
301,013	35,408,799	96.1
129,006	35,317,035	95.4
432,981	35,497,696	95.8
164,384	34,221,511	95.9
67,564	34,668,826	95.9
32,876	36,690,043	96.4
57,556	45,854,263	95.9
21,635	49,471,372	96.1
n/a	54,076,777	96.1

◆ Debt Capacity

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

<u>Year</u> <u>Population</u>	<u>Governmental Activities</u>					
	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Special Assessment District</u>	<u>Tax Increment Financing</u>	<u>Capital Leases</u>
<u>2009</u> 155,251	88,725,000	41,052,910	48,040,000	296,640,000	56,400,000	-
<u>2010</u> 164,603	88,025,000	75,820,000	47,180,000	283,400,000	55,145,000	-
<u>2011</u> 166,041	87,075,000	72,205,000	45,475,000	267,230,000	53,825,000	-
<u>2012</u> 167,252	85,745,000	66,190,000	43,705,000	250,375,000	52,235,000	-
<u>2013</u> 167,252	86,097,580	61,000,250	41,999,842	229,859,857	51,356,944	-
<u>2014</u> 169,888	122,334,085	54,165,601	37,937,997	209,101,113	49,143,626	-
<u>2015</u> 174,132	119,026,232	49,755,832	35,893,855	195,991,443	46,839,299	-
<u>2016</u> 178,091	115,467,218	34,383,460	32,528,521	188,127,426	44,985,417	-
<u>2017</u> 181,284	110,710,552	86,802,381	-	148,651,083	41,737,854	1,284,187
<u>2018</u> 185,843	106,473,315	80,874,887	-	137,873,667	38,150,862	1,037,419
			2018 Governmental Total	\$ 364,410,150		

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

<u>2018 at PAR</u> (no prem/disc)	101,605,000	76,020,000	-	136,400,000	33,495,000	1,037,419
		2018 Governmental Total	\$	348,557,419		

(1) 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 federal BEA.

<u>Business-Type Activities</u>		<u>Utility Customers</u>	<u>Utility Debt Only Per Utility Customer</u>	<u>(1) Total Debt Citywide</u>	<u>Total Debt Per Capita</u>	<u>(1) Total Debt Per Total Personal Income</u>	
<u>Stormwater Bonds</u>	<u>Utility Revenue Bonds</u>						
\$ 12,130,000	447,939,040	69,417	\$ 6,453	990,926,950	6,383	6.11	%
47,875,000	444,871,195	69,884	6,366	1,042,316,195	6,332	6.31	
47,600,000	441,645,505	70,164	6,294	1,015,055,505	6,113	5.71	
47,220,000	435,762,047	70,432	6,187	981,232,047	5,867	5.08	
47,471,004	439,988,545	70,905	6,205	957,774,022	5,727	5.02	
46,437,195	427,078,731	71,335	5,987	946,198,348	5,570	4.56	
45,387,349	413,937,471	71,964	5,752	906,831,481	5,208	4.09	
44,324,544	400,160,674	73,194	5,467	859,977,260	4,829	3.78	
43,238,902	386,817,955	74,758	5,174	819,242,914	4,519	n/a	
42,127,621	373,307,516	76,784	4,862	779,845,287	4,196	n/a	
<u>Enterprise Total</u>	<u>\$ 415,435,137</u>						
42,020,000	342,360,000	76,784	4,459	732,937,419	3,943	n/a	
<u>Enterprise Total</u>	<u>\$ 384,380,000</u>						

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

Year	Population	Taxable Value	General Obligation Bonds Outstanding (Includes Prem & Disc)	G.O. Percentage of Taxable Value	General Obligation Debt per Capita
2009	155,251	7,834,651,556	88,725,000	1.13	571
2010	164,603	6,743,501,077	88,025,000	1.31	535
2011	166,041	6,452,882,049	87,075,000	1.35	524
2012	167,252	6,326,660,101	85,745,000	1.36	513
2013	167,914	6,412,566,302	86,097,580	1.34	513
2014	169,888	6,760,091,239	122,334,085	1.81	720
2015	174,132	7,208,208,921	119,026,232	1.65	684
2016	178,091	7,916,495,089	115,467,218	1.46	648
2017	181,284	8,793,740,516	110,710,552	1.26	611
2018	185,843	9,691,496,686	106,473,315	1.10	573
2018 G.O. Debt at PAR			101,605,000	1.16	560

SOURCES: Population figures are from the Florida Office of Economic and Demographic Research. Taxable values are from St. Lucie County.

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 (\$50,706,844 w/prem), the second series was issued in 2006 (\$45,944,355 w/prem), and the third series was issued in 2014 (\$36,280,770 w/prem).

The remaining authorized issuance balance at par is shown above in the last three columns.

Total Voter Approved General Obligation Debt	Total General Obligation Issued	Remaining Approved General Debt
	(Without Prem & Disc)	(Without Prem & Disc)
\$ 165,000,000	\$ 93,830,000	\$ 71,170,000
165,000,000	93,830,000	71,170,000
165,000,000	93,830,000	71,170,000
165,000,000	93,830,000	71,170,000
165,000,000	93,830,000	71,170,000
165,000,000	126,730,000	38,270,000
165,000,000	126,730,000	38,270,000
165,000,000	126,730,000	38,270,000
165,000,000	126,730,000	38,270,000
165,000,000	111,815,000	53,185,000

CITY OF PORT ST. LUCIE, FLORIDA
Computation of Direct and Overlapping Bonded Debt
Governmental Bonds
September 30, 2018

Jurisdiction	Governmental Bonded Debt Outstanding	Percent Applicable To City (1)	Dollar Amount	
			Total Applicable To City	Per Capita Applicable To City (population = 185,843)
<u>Overlapping Debt :</u>				
ST. LUCIE COUNTY	\$ 156,603,963	47.40%	\$ 74,230,278	\$ 399
ST. LUCIE COUNTY DISTRICT SCHOOL BOARD (2)	<u>248,917,000</u>	41.75%	<u>103,922,848</u>	<u>559</u>
Overlapping Debt Totals	405,520,963		178,153,126	958
<u>Direct Debt :</u>				
CITY OF PORT ST. LUCIE	<u>363,372,731</u>	100.00	<u>363,372,731</u>	<u>1,955</u>
TOTAL OVERLAPPING AND DIRECT DEBT	<u>\$ 768,893,694</u>		<u>\$ 541,525,857</u>	<u>\$ 2,914</u>

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

(2) School Board Year End is June 30. 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 Coverages
September 30, 2018

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
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
2014	6,039,906	2,181,113	2.77
2015	6,483,062	2,181,113	2.97
2016	6,817,675	2,181,113	3.13
2017	7,368,151	2,181,113	3.38
2018	8,096,469	2,181,113	3.71

Public Service Tax Revenue Bonds, Series 2014 B

Fiscal Year Ending	Electric Utility Tax Revenue	Maximum Annual Debt Service Requirement	Debt Service Coverage
2014	\$ 10,811,224	\$ 2,283,235	4.74
2015	11,193,318	1,323,194	8.46
2016	11,636,322	1,323,194	8.79
2017	12,035,953	1,323,194	9.10
2018	12,484,396	1,323,194	9.44

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

Fiscal Year Ending September 30,

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Stormwater Revenues:	\$ 23,422,661	\$ 22,305,048	\$ 21,220,834	\$ 20,522,362	\$ 20,281,050	\$ 20,094,776	\$ 19,315,669
Franchise Revenues:	9,334,125	9,105,721	8,806,371	8,940,735	8,534,011	7,755,163	8,161,246
Total Pledged Revenues:	32,756,786	31,410,769	30,027,205	29,463,097	28,815,061	27,849,939	27,476,915
Less: Operating Expenses: (1)	18,346,187	18,237,800	15,925,681	16,429,532	15,761,175	15,645,467	18,001,709
Total Net Pledged Revenues:	<u>\$ 14,410,599</u>	<u>\$ 13,172,969</u>	<u>\$ 14,101,524</u>	<u>\$ 13,033,565</u>	<u>\$ 13,053,886</u>	<u>\$ 12,204,472</u>	<u>\$ 9,475,206</u>
Stormwater Revenues less Operating Expenses: (1)	\$ 5,076,474	\$ 4,067,248	\$ 5,295,153	\$ 4,092,830	\$ 4,519,875	\$ 4,449,309	\$ 1,313,960
Annual Debt Service Requirements on Series 2010 A&B and Series 2011 Bonds:	\$ 3,967,462	\$ 3,972,245	\$ 3,985,849	\$ 3,988,449	\$ 3,902,319	\$ 3,409,248	\$ 3,988,449
Debt Service Coverage Based on Total Pledged Revenues:	8.26	7.91	7.53	7.39	7.38	8.17	6.89
Debt Service Coverage Based on Total Net Pledged Revenues:	3.63	3.32	3.54	3.27	3.35	3.58	2.38

(1) Excludes depreciation expense.

<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 19,219,609	\$ 19,019,552	\$ 16,480,343
<u>7,656,194</u>	<u>7,987,044</u>	<u>8,627,252</u>
26,875,803	27,006,596	25,107,595
<u>15,726,612</u>	<u>14,467,667</u>	<u>14,193,932</u>
<u>\$ 11,149,191</u>	<u>\$ 12,538,929</u>	<u>\$ 10,913,663</u>
\$ 3,492,997	\$ 4,551,885	\$ 2,286,411
\$ 3,988,449	\$ 4,046,274	\$ 1,436,250
6.74	6.67	17.48
2.80	3.10	7.60

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

Fiscal Year Ending September, 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Operating Revenues							
Charges for Services	\$ 72,767,625	\$ 74,648,584	\$ 71,447,324	\$ 66,308,665	\$ 64,285,901	\$ 61,237,657	\$ 58,708,951
Misc. Revenues	111,124	137,346	85,911	100,123	72,193	1,163,867	398,903
Total Operating Revenues	<u>73,901,628</u>	<u>74,785,930</u>	<u>71,533,235</u>	<u>66,408,788</u>	<u>64,358,094</u>	<u>62,401,524</u>	<u>59,107,854</u>
Operating Expenses (1)	<u>36,932,174</u>	<u>32,841,068</u>	<u>30,306,559</u>	<u>31,105,811</u>	<u>29,870,425</u>	<u>28,489,427</u>	<u>28,127,327</u>
Net Operating Revenues	36,970,376	41,944,862	41,226,676	35,302,977	34,487,669	33,912,097	30,980,527
Other Revenues							
Interest Income	584,378	711,999	456,251	496,409	371,284	425,139	716,172
Guaranteed Revenues	<u>227,848</u>	<u>128,347</u>	<u>137,440</u>	<u>213,470</u>	<u>478,785</u>	<u>390,250</u>	<u>193,163</u>
Total Other Revenues	812,223	840,346	593,691	709,879	850,069	815,389	909,335
Total Net Revenue Available	<u>\$ 36,647,164</u>	<u>\$ 42,785,208</u>	<u>\$ 41,820,367</u>	<u>\$ 36,012,856</u>	<u>\$ 35,337,738</u>	<u>\$ 34,727,486</u>	<u>\$ 31,889,862</u>
Debt Service Coverage							
Current Sub Accounts (2)	\$ 17,461,648	\$ 10,513,349	\$ 6,093,873	\$ 8,715,238	\$ 11,745,450	\$ 8,584,777	\$ 7,678,071
Debt Service Requirement	26,699,394	26,698,544	31,199,200	29,981,894	32,709,626	32,917,853	27,150,475
Coverage Test (3)							
Test 1a	1.37	1.60	1.34	1.20	1.08	1.05	1.17
Test 1b	2.03	2.00	1.54	1.49	1.44	1.32	1.46

Note: (1) Excludes Depreciation / Amortization Expense.

(2) The Capital Facilities Charge balances in the Capital Facility 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.

<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 56,168,504	\$ 52,535,104	\$ 52,688,326
<u>2,476,104</u>	<u>2,598,709</u>	<u>508,160</u>
58,644,608	55,133,813	53,196,486
<u>29,069,871</u>	<u>31,393,224</u>	<u>30,892,393</u>
29,574,737	23,740,589	22,304,093
1,133,271	1,275,227	6,378,889
<u>264,225</u>	<u>504,500</u>	<u>645,888</u>
1,397,496	1,779,727	7,024,777
<u>\$ 30,972,233</u>	<u>\$ 25,520,316</u>	<u>\$ 29,328,870</u>
\$ 6,670,510	\$ 3,959,931	\$ 3,403,200
25,307,749	25,129,341	26,232,845
1.22	1.02	1.12
1.49	1.17	1.25

◆ Demographic and Economic

CITY OF PORT ST. LUCIE, FLORIDA

Populations 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>	
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
2014	169,888	1,974	1.2	282,821	1,670	0.6	60.1
2015	174,132	4,244	2.5	287,749	4,928	1.7	60.5
2016	178,091	3,959	2.3	292,826	5,077	1.8	60.8
2017	181,284	3,193	1.8	297,634	4,808	1.6	60.9
2018	185,843	4,559	2.5	302,432	4,798	1.6	61.4
Ten Year Growth 27,941 17.7 25,847 9.3 City Growth as a Percent of County Growth 108.1							

SOURCES: Florida Office of Economic and Demographic 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>	<u>(1)</u> Personal Income (000's)	<u>(1)</u> Per Capita Income	<u>(2)</u> Public School Enrollment	<u>(1)</u> Unemployment Percentage
2009	15,939,300	37,964	23,968	13.6
2010	16,414,400	38,605	26,352	13.2
2011	17,507,000	40,870	25,543	11.9
2012	19,202,500	44,428	25,929	10.1
2013	18,870,000	43,188	26,045	9.1
2014	20,715,000	46,672	26,327	7.3
2015	22,105,000	48,727	26,266	6.0
2016	23,614,000	50,831	26,299	5.8
2017	24,825,600	52,438	26,755	4.7
2018	n/a	n/a	26,523	3.5

(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 and unemployment 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
2018 and 2008

	<u>2018</u>			<u>2008</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	5,564	1	3.87 %	5,710	1	8.86 %	
Wal-Mart Retail and Distribution	2,472	2	1.72	1,989	2	3.09	
Lawnwood / HCA Medical	2,465	3	1.72	1,058	8	1.64	
Indian River State College	2,338	4	1.63	1,758	5	2.73	
St. Lucie County	1,708	5	1.19	1,844	3	2.86	
Teleperformance (formerly Aegis)	1,600	6	1.11	526	-	0.82	
Publix	1,500	7	1.04	1,237	6	1.92	
City of Port St. Lucie	1,085	8	0.76	1,227	7	1.90	
Martin Health System	850	9	0.59	-	-	-	
Florida Power & Light Company	772	10	0.54	1,038	-	-	
Liberty Healthcare Group, Inc.	-	-	-	1,830	4	2.84	
Riverside Bank	-	-	-	1,015	9	1.58	
QVC	-	-	-	911	10	1.41	
Total Top Ten	20,354		14.17	20,143		31.27	
Total Jobs Available	143,690			64,420			

SOURCES: Economic Development Council (EDC) of St. Lucie County
Florida Department of Economic Opportunity
City of Port St. Lucie Payroll Department
St. Lucie County Consolidated Annual Financial Report

NOTE: State and Federal employers not ranked.
Information is for St. Lucie County. Specific City only information not available.
This information uses most recent County and 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>
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
2014	836	103,680,020	276	21,290,019
2015	928	121,984,614	353	42,343,799
2016	1,165	180,388,212	328	163,062,804
2017	1,492	207,284,671	367	57,745,656
2018	2,677	423,544,740	232	101,604,785
<u>Current Year Increase (Decrease) over Prior Year</u>				
Quantity & Amount	1,185	\$ 216,260,069	(135)	\$ 43,859,129
Percent Change	79.4%	104.3%	-36.8%	76.0%

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										
Function / Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government	132.01	135.16	121.40	115.16	107.68	137.22	132.97	127.16	144.26	166.61
Public Safety	390.03	373	366.13	350.75	350.50	312.72	300.72	308.63	364.55	393.46
Physical Environment	16	14	14.00	14	14.00	14	14.00	14	16.00	16
Transportation	54	66	58.00	51	51.65	51.65	65.50	68.5	80.00	89
Economic Environment	13.8	7.86	6.48	7.4	7.38	6.82	10.04	10.02	9.38	8.58
Human Services	7.3	12	11.00	11	11.00	11	13.00	14	16.00	18
Culture and Recreation	128.67	123.05	118.80	117.09	115.99	113.79	114.84	112.77	138.25	151.59
Utility Systems	253	249	249.00	244.5	245.10	249.6	250.10	250	272.00	305.5
Stormwater Utility	73	61	61.00	67.5	67.50	67	61.25	60.5	66.00	66
Golf Course	9.38	9.38	9.38	9.38	9.63	9.33	9.33	17.33	20.33	22.76
Totals	<u>1077.19</u>	<u>1050.45</u>	<u>1,015.19</u>	<u>987.78</u>	<u>980.43</u>	<u>973.13</u>	<u>971.75</u>	<u>982.91</u>	<u>1,126.77</u>	<u>1237.5</u>

SOURCE: Annual Budget

NOTE: Building Department moved from General Government to Public Safety in FY 2014.

CITY OF PORT ST. LUCIE, FLORIDA

Departmental Operating Indicators

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City Council (1)										
Council Meetings	45	42	46	50	52	52	40	44	52	60
Boards & Committee Mtgs.	124	134	162	121	185	185	180	180	180	180
City Clerk										
Records Requests	2,861	1,512	1318	1,356	1028	1,560	1779	1,196	1309	2,200
Ordinances & Resolutions	158	191	204	250	245	203	210	193	249	315
Legal Notices Posted	290	436	325	275	295	325	330	354	328	375
Finance Department (1)										
Accounts Payable Checks	11,904	10,627	10350	11,165	15393	15,957	14640	11,774	12246	13,876
Wire & Electronic Transfers	676	6,094	5658	5,592	535	582	471	586	742	696
Journal Entries	9,575	11,246	11435	12,338	13700	13,589	13759	15,504	16834	18,145
Business Tax Applications	7,765	7,304	8300	9,100	7600	8,200	7587	7,649	9000	9,300
Human Resources										
Employment Applications Processed	6,213	5,844	5289	4,099	5200	3,500	3000	2,500	3000	2,000
Neighborhood Services										
Housing Assistance (# of families)	13	36	20	40	74	96	58	68	34	38
Code Cases	13,482	7,216	7898	8,681	9582	12,946	10000	8,499	10182	16,230
Code Board Hearings	3,511	499	754	621	994	1,162	300	213	656	915
Information Technology (1)										
Servers Maintained (incl. virtual)	145	139	148	145	145	62	62	45	45	45
Workstations Maintained	1,621	3,136	2686	2,328	2373	1,017	1092	870	870	836
Work Orders Completed	7,685	7,376	5828	4,976	4429	4,200	4023	2,500	2500	2,411
Management & Budget										
Budget Amendments	2	4	4	3	3	3	3	3	3	2
Procurement Management (1)										
Requests for Proposals	235	274	205	145	120	30	14	28	45	38
Contracts Maintained	2,930	4,675	4,695	837	1,700	1,680	1,500	1,140	1,152	900
Animal Control										
Animal Cases	3,177	7,414	7,138	7,128	7,496	6,776	7,529	7,528	8,231	7,843
Animal Licenses	3,373	11,374	11,672	7,010	9,811	10,626	10,301	10,027	11,996	11,952
Planning Department										
Plans and Petitions Reviewed	185	99	95	77	114	78	87	91	91	86
Comprehensive Plan Amendments	7	11	14	5	9	5	6	7	11	11

CITY OF PORT ST. LUCIE, FLORIDA

Departmental Operating Indicators (continued)

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police Department (1)										
Arrests	4,483	3887	3,893	3948	3,445	3155	2,452	4869	4,869	4692
Traffic Citations Issued	6,349	11098	4,434	9538	10,881	10371	8,864	20054	20,054	28600
Calls for Service	131,782	142023	110,647	110013	113,122	108686	154,749	151376	151,376	160400
Parking Tickets	262	726	211	352	399	544	275	1135	1,135	1900
Municipal Garage										
Vehicle Accidents	118	139	81	89	83	97	90	136	152	144
Parks & Recreation Department										
Parks Maintained	47	47	46	36	36	34	34	34	34	34
Recreation Programs	1,622	1795	1,650	1588	1,588	1812	1,051	901	924	901
Acres Maintained	4,616	4017	4,012	3985	885	797	797	797	797	400
Engineering Department (1)										
Residential Plot Plans Reviewed	1,089	1231	1,125	912	734	359	371	338	369	949
Site Plans Reviewed	198	174	163	222	144	113	132	23	22	120
Mark & Locates	3,117	3604	2,731	3015	3,015	1794	1,758	2968	3,757	4554
Public Works (1)										
Swale Improvements (linear feet)	53,900	78610	106,843	26590	126,590	149880	151,105	126160	159,300	135117
Canal Drainage Mnt. (miles)	10	24	33	31	31	39	26	27	30	19
Street Paving (overlay miles)	17	16	8	9	5	17	18	20	21	29
Building Department										
Permits Issued	20,265	15269	12,675	10609	10,609	3753	8,112	8138	8,241	13851
Plans Reviewed & Approved	13,592	8985	7,712	7956	7,956	1429	7,449	7150	8,241	13851
Total Dwelling Units	1,572	900	590	491	491	54	188	255	450	682
Utility Department										
Underground Locates	14,192	12439	8,268	8539	6,406	6756	7,176	10372	11,241	65000
Water Mains Maintained (miles)	1,238	1233	1,230	1225	1,220	1219	1,214	1204	1,193	1148
Sewer Mains Maintained (miles)	1,053	1048	1,045	1038	1,036	975	1,035	1023	1,021	1017
Water Treatment Capacity (mgd)	41.65	41.65	41.65	41.65	41.65	41.65	41.65	41.65	41.65	41.65
Sewer Treat. Plant Cap (mgd)	18.00	16.93	16.93	18	18.00	18	18.00	16.93	19.07	13.07

(1) Some previous year's values revised.

SOURCE: Annual Budget

CITY OF PORT ST. LUCIE, FLORIDA

Capital Asset Statistics

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police Department										
Stations	2	2	2	2	2	2	3	3	3	3
Police / Public Safety Vehicles	353	362	354	343	301	307	290	293	300	285
Average Total Mileage per Veh.	58,637	71,485	73,031	73,739	76,939	84,482	78,211	68,755	65,452	55,883
Municipal Garage										
Non-Public Safety Vehicles	381	403	386	382	358	362	374	372	387	409
Average Total Mileage per Veh.	70,007	72,947	71,981	73,606	74,786	77,591	71,786	65,500	60,474	58,736
Parks & Recreation Department										
Parks Maintained	47	47	47	46	36	36	34	34	34	34
Acres Maintained	4,619	4,616	4,017	4,012	3,985	885	797	797	797	797
Engineering										
Traffic Signals	162	162	161	157	158	157	150	146	146	130
Street Lights	6,601	6,578	6,488	6,387	6,228	5,968	5,534	5,185	4,692	4,380
Public Works										
Paved Streets (miles)	917	917	917	917	888	888	887	887	887	879
Utility Department										
Water Mains (miles)	1,245	1,238	1,233	1,230	1,225	1,220	1,219	1,214	1,204	1,193
Water Treatment Plants	2	2	2	2	2	2	2	2	2	2
Water Treatment Capacity (million gallons per day)	42	42	42	42	42	42	42	42	42	42
Wastewater Mains (miles)	1,057	1,053	1,048	1,045	1,038	1,036	975	1,035	1,023	1,021
Wastewater Treatment Plants	2	2	2	3	2	2	2	2	3	3
Wastewater treatment Capacity (million gallons per day)	18	18	17	17	18	18	18	18	17	19
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 17-18**

	<u>Customer</u>	<u>Account Type</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Percentage</u>
1	Wynne Building Corp.	Residential	\$ 266,085	\$ 460,824	\$ 726,909	1.14 %
2	Tropicana Manufacturing Co	Industrial	652,953	10,968	663,921	1.04
3	Allied New Technologies	Industrial	570,835	-	570,835	0.90
4	St. Lucie County School Board	Institutional	266,061	276,366	542,427	0.85
5	FL Dept of Corrections	Institutional	457,409	-	457,409	0.72
6	Holiday Village of Sandpiper	Residential	161,609	269,072	430,681	0.68
7	Sanctuary at Winterlakes LLC	Residential	108,468	272,465	380,933	0.60
8	Midport Place Condominiums	Residential	118,305	203,685	321,990	0.51
9	HCA Health Services of FL	Medical	125,954	186,625	312,579	0.49
10	American Homes 4 Rent LLC	Residential	131,921	172,572	304,493	0.48
Total of top ten			\$ 2,859,600	\$ 1,852,577	4,712,177	7.40
Total of others					58,951,654	92.60
Total of all customers					\$ 63,663,831	100.00 %

Source - City of Port St. Lucie Utilities for the 12 months ending September 30, 2018.

Compliance Section

INDEPENDENT AUDITORS' 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*

Honorable Mayor and Members of the 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, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Port St. Lucie, Florida's basic financial statements, and have issued our report thereon dated April 27, 2019. Our report includes a reference to other auditors who audited the financial statements of the City of Port St. Lucie Municipal Police Officers' Retirement Trust Fund, as described in our report on the City of Port St. Lucie, Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Port St. Lucie, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Port St. Lucie, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Port St. Lucie, Florida's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. [2018-001, and 2018-002].

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. [2018-003, 2018-004, 2018-005, 2018-006].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Port St. Lucie, Florida's financial statements are free from 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2018-007.

City of Port St. Lucie, Florida's Response to Findings

City of Port St. Lucie, Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Port St. Lucie, Florida'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 27, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Port St. Lucie, Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Port St. Lucie, Florida's major federal programs and state projects for the year ended September 30, 2018. The City of Port St. Lucie, Florida's major federal programs and state project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Port St. Lucie, Florida's major federal programs and state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance and Chapter 10.550, 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 project occurred. An audit includes examining, on a test basis, evidence about the City of Port St. Lucie, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City of Port St. Lucie, Florida's compliance.

Opinion on Each Major Federal Program and State Project

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

Report on Internal Control over Compliance

Management of the City of Port St. Lucie, Florida is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the City of Port St. Lucie, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program or state 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 project, and to test and report on internal control over compliance in accordance with the Uniform Guidance 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 of Port St. Lucie, Florida's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item [2018-007] that we consider to be a significant deficiency.

City of Port St. Lucie, Florida's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Port St. Lucie, Florida's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

This 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 the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Cam, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 27, 2019

City of Port St. Lucie
Schedule of Federal Awards and State Financial Assistance
September 30, 2018

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures
<u>FEDERAL AWARDS:</u>			
<u>Housing and Urban Development, Department of (HUD)</u>			
Direct Program:			
Community Development Block Grants/Entitlement Cluster			
Community Development Block Grants/Entitlement Grant (15-16)	14.218	B-15-MC-12-0038	191,576
Community Development Block Grants/Entitlement Grant (16-17)	14.218	B-16-MC-12-0038	499,804
Community Development Block Grants/Entitlement Grant (17-18)	14.218	B-17-MC-12-0038	451,171
Community Development Block Grants/Entitlement Grant (NSP-1)	14.218	B-08-MN-12-0025	44,310
Community Development Block Grants/Entitlement Grant (NSP-3)	14.218	B-11-MN-12-0025	1,880
Total CFDA 14.218			<u>1,188,742</u>
<u>Justice, Department of (DOJ)</u>			
Edward Byrne Justice Assistance Grant (JAG) Program	16.738	2017-JAGC-STLU-3-F9-127	35,054
Total CFDA 16.738			<u>35,054</u>
Equitable Sharing Program	16.922	N/A	816
Total CFDA 16.922			<u>816</u>
Pass-Through Florida Office of the Attorney General			
Crime Victim Assistance	16.575	VOCA-2016-City of Port St Lucie-00822	63,639
Crime Victim Assistance	16.575	VOCA-2017-City of Port St Lucie-00593	132,840
Total CFDA 16.575			<u>196,479</u>
<u>Transportation, Department (DOT)</u>			
Highway Planing and Construction Cluster			
Pass-Through Florida Department of Transportation			
Highway Planing and Construction	20.205	ARE70	22,476,586
Crosstown Parkway Bridge Construction			
Highway Planing and Construction	20.205	G0105	162,770
Selvitiz Rd Sidewalk Improvements LAP			
Highway Planing and Construction	20.205	G0R50	425,128
Tulip Blvd Sidewalk Improvements (LAP)			
Highway Planing and Construction	20.205	G0U28	89,242
PSL Blvd and Gatlin Intersection Improvements (LAP)			
Total CFDA 20.205			<u>23,153,726</u>
<u>Homeland Security, Department of (DHS)</u>			
Disaster Grants-Public Assistance (Presidentially Declared Disaster)			
Passed Through the Florida Division Emergency Management:			
Disaster Grants-Public Assistance (Presidentially Declared Disaster)	97.036	17-PA-U5-10-66-01-127	14,362
Passed Through the Florida Division Emergency Management:			
Disaster Grants-Public Assistance (Presidentially Declared Disaster)	97.036	PA-00-10-66-01-370	7,932
Total CFDA 97.036			<u>22,294</u>
<u>Environmental Protection Agency (EPA)</u>			
Direct Program			
Nonpoint Source Implementation Grants			
McCarty Ranch Extention Water Quality Restoration Area 1	66.460	NF028	214,750
			<u>214,750</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 24,811,862</u>

City of Port St. Lucie
Schedule of Federal Awards and State Financial Assistance
September 30, 2018

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 (SHIP)	40.901	n/a	\$ 924,360
<u>State of Florida Department of Economic Opportunity</u>			
Direct Program			
Growth Management Implementation	40.024	P0272	40,000
<u>Florida Department of Transportation</u>			
Florida Highway Beautification Grant Program			
Litter Control and Prevention	55.003	GOH21	15,649
Local Agency Participation Agreement (LAP)			
TOTAL STATE FINANCIAL ASSISTANCE			<u>980,008</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS & STATE FINANCIAL ASSISTANCE			<u><u>\$ 25,791,870</u></u>

City of Port St. Lucie
Notes to the Schedule of Federal Awards and State Financial Assistance
September 30, 2018

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, 2018. For purposes of this schedule, federal programs and state financial assistance included all grants 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 if qualifying expenditures were incurred by the City in prior years' but were determined to be qualifying for reimbursement and received in the current year. Additionally, the City did not receive any noncash assistance, federal loans, or federally funded insurance during the year ended September 30, 2018.

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.

Program Title	Federal CFDA Number	Expenditures
Neighborhood Stabilization Program (NSP 1)	14.218	
Federal expenditures funded by program income		\$ 44,310
Total grant-related expenditures reported on SEFA		<u>\$ 44,310</u>
Neighborhood Stabilization Program (NSP 3)	14.218	
Federal expenditures funded by program income		\$ 1,880
Total grant-related expenditures reported on SEFA		<u>\$ 1,880</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.

NOTE D – INDIRECT COST RATE The City did not elect to utilize the 10% de minimis indirect cost rate.

City of Port St. Lucie
Schedule of Findings and Questioned Costs
September 30, 2018

Section I—Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? X yes no

Noncompliance material to financial statements noted? yes X no

Federal Awards and State Projects

Internal control over major federal programs and state projects:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? X yes no

Type of auditors' report issued on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200 of OMB Compliance Supplement and/or Chapter 10.550? yes X no

Identification of major federal programs and state projects:

<u>Federal CFDA Numbers</u>	<u>Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster
<u>State CSFA Numbers</u>	<u>State Project</u>
40.901	State Housing Initiatives Partnership Program

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs and \$300,000 for major state projects.

Auditee qualified as a low-risk auditee for federal purposes? yes X no

Section II—Financial Statement Findings

Material Weaknesses

2018-001 Receivables

Criteria: The National Council on Governmental Accounting (NCGA) Statement No. 1, Governmental Accounting and Financial Reporting Principles, establishes the standard for the modified-accrual recognition of revenues and other financial resource increments in governmental funds. It states that revenues should be recognized in the accounting period in which they become both measurable and available.

Condition: The City did record 12 months of revenues; however, there was improper cutoff regarding receivables. The City only recorded one month of receivables in fiscal year 2017 resulting in the understatement of prior year receivables when two months were measurable and available.

Cause: The City did have proper cutoff between periods regarding receivables, including amounts due from other governments, and revenue recognition pursuant to NCGA Statement No. 1 and GASB Statement No. 33.

Effect: The prior year's accounts receivable and revenue was understated by \$4,127,272 resulting in a prior period adjustment. An audit adjustment was recorded for approximately \$3,352,117 in the general fund and \$775,155 in the non major funds to record the revenues, respectively.

Recommendation: We recommend management review that all receivables that are measurable and available recorded at the end of the year.

Management's Response: This issue has been resolved. This year the City accrued two months of receivables and restated prior year. The City will continue to record two months of receivables at year end, when appropriate.

2018-002 Accounts Payable

Criteria: The *Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards* requires a government to accrue a liability and expense in the period in which the government incurs a liability. Accounts payable should be recorded for all services rendered on or before the balance sheet date.

Condition: Expenses incurred during the fiscal year on an invoice in which the service period covered services in both fiscal years, and the portion relating to fiscal year 2018 was not accrued. In addition, the City did not accrue for claims estimated by an actuary for claims incurred but not reported.

City of Port St. Lucie
Schedule of Findings and Questioned Costs
September 30, 2018

Cause: The City did not estimate for the portion of the construction invoices that covered multiple months. Furthermore, the City recorded a liability for the claims that were reported within 60 days of the fiscal year end that were incurred prior to September 30, 2018, but did not record the remaining liability of what the actuary had estimated.

Effect: Accounts payable and related expenditure accounts were understated prior to the audit adjustment. Liabilities and related expenditure accounts were understated prior to the audit adjustment.

Recommendation: We recommend the City implement procedures to provide reasonable assurance that all invoices in which the service period crosses the year end, the amounts attributable to the current fiscal year is accrued, and record the amount estimated by the actuary in addition to the claims already recorded.

Management's Response: This relates to one transaction in our Crosstown Parkway bridge process. The City did not accrue three days as should have been done. The City will implement additional and new year-end procedures to ensure that each significant invoice received will be reviewed by staff and a supervisor. This will be accomplished at the close of the current fiscal year. Claims will be accrued correctly in future years. The City will implement additional and new year-end procedures to ensure that each significant invoice received will be reviewed by staff and a supervisor. This will be accomplished by the close of the current fiscal year.

Significant Deficiencies

2018-003 Revenue Recognition – Unbilled Utility Usage

Criteria: Revenue and receivables in the proprietary funds should be recorded on a full accrual basis in the period it is earned.

Condition: The City manually performed a calculation of the unbilled utility usage receivable and revenue; however, the amount recorded was from a report generated from the utility system software. The amount on the report from the utility system software was the amount of the next bill, not the portion relating to fiscal year 2018.

Cause: The City did not know how the amount on the report from the utility system was calculated, and the difference between the manual calculation and the system-generated amount was not investigated.

Effect: The unbilled utility usage receivable and revenue was overstated by approximately \$1,200,000 prior to an audit adjustment.

Recommendation: We recommend management accrue the amounts from the unbilled receivables that are calculated manually by the City.

City of Port St. Lucie
Schedule of Findings and Questioned Costs
September 30, 2018

Management's Response: The City staff utilized a canned report from our Utility Software which appears to have been set up incorrectly which resulted in this comment. From this point forward City staff will manually calculate unbilled utility receivables and revenues manually to make the proper accrual entry.

2018-004 Capital Lease Accounting

Criteria: The statement of net position, should report all long term liabilities on a full accrual basis.

Condition: During our testing we discovered the City leased radios from a vendor which classified as a capital lease in the prior year. The fiscal year 2017 financial statements, properly showed the proceeds from the capital lease on the statement of revenues, expenditures, and changes in fund balances; however, the statement of net position, did not show the capital lease as a long term liability.

Cause: The capital lease debt obligation was not recorded on the statement of net position.

Effect: The City's governmental debt was understated by \$1,284,187 as of September 30, 2017, and management chose to correct it in the September 30, 2018 financial statements through a prior period adjustment.

Recommendation: We recommend that the City review that all proceeds from debt on the balance sheet of the governmental funds is listed as debt on the statement of net position.

Management Response: The City has entered into very few leases during the years, and this issue was an oversight during the last fiscal year. The City did not record this capital lease correctly. The City will implement new review procedures to ensure that any future lease is recorded according to Generally Accepted Governmental Accounting Principles (GAGAP). This will be accomplished by the close of the current fiscal year.

2018-005 Net Pension Liability - Florida Retirement System

Criteria: All liabilities and retirement plans should be recorded and disclosed in the comprehensive annual financial report.

Condition: During our testing we discovered that the City did not record the liability or the related deferred inflows and outflows for the Florida Retirement System pension plan.

Cause: In the year of implementation for GASB 68, the liability for the Florida Retirement System was trivial, and the City did not record the liability or disclose the pension plan. However, in subsequent years the liability has grown, and recording the liability and disclosing the plan was not reevaluated.

City of Port St. Lucie
Schedule of Findings and Questioned Costs
September 30, 2018

Effect: The net pension liability as of September 30, 2017 was understated.

Recommendation: We recommend that any long term pension or other post employment benefit liabilities that are deemed trivial be reevaluated in subsequent periods.

Management Response: This item was deemed insignificant by the prior Finance Director and the prior Auditors and was purposely not included in the notes nor in the entity-wide statements. We will include this information in the CAFR from now on.

2018-006 Fixed Assets

Criteria: All fixed asset sales should remove the fixed asset cost and related accumulated depreciation upon disposition of the asset.

Condition: During our testing we discovered that the City included the addition of a fixed asset sold between funds, but did not record the corresponding disposal.

Cause: The transfers of assets between funds was not reconciled to ensure it net to \$0.

Effect: Fixed assets are overstated.

Recommendation: We recommend that during the preparation of fixed asset rollforward that transfers between funds is reconciled.

Management Response: This was a simple mistake by the City staff. This is not a systemic problem with the internal control system. We have changed the policy for our Capital Assets which will strengthen further our internal control system. The new policy changes will be implemented before fiscal year end.

Section III—Federal Award Findings and Questioned Costs

No matters reported

Section IV—State Project Findings and Questioned Costs

Significant Deficiencies

IC 2018-007 Payroll Allocations

CSFA 40.901 State Housing Initiatives Partnership Program (SHIP)
State Agency: Florida Housing Finance Corporation
2016 & 2017 funding

Criteria: State financial assistance funds are only to be expended for actual expenses.

Condition: The amounts expended for the State Housing Initiative Housing Partnership Program included estimated payroll amounts that did not agree to the actual amounts spent.

Cause: The amounts allocated to payroll were not reviewed and reconciled to the actual payroll expenses for time spent during the year and adjusted for differences between what was allocated and what the amount of time actually spent working on the program.

Effect: The payroll expenditures charged to the grant were overstated from the actual amounts incurred.

Perspective: All of the payroll expenses charged to the SHIP grant were reconciled for the year.

Questioned Costs: \$22,031

Recommendation: Annually, the time spent on the grants needs to be reconciled to the amounts allocated every payroll period and adjusted as necessary for actual expenses. There should also be a review of the reconciliation after it is prepared.

Management's Response: The City will establish new procedures to ensure that the actual time is properly allocated to each federal and state program during this fiscal year.

Section V—Prior Findings and Questioned Costs for Federal Awards

2017-001 - Cleared



CITY OF PORT ST. LUCIE



FINANCE DEPARTMENT

Jeff Snyder, CPA, Chief Financial Officer

In response to your audit issues for the audit completed for Fiscal Year 2017-18 I offer the following corrective action plan:

Material Weaknesses:

- 1) 2018-001 Receivables – This issue has been resolved. This year the City accrued two months of receivables and restated prior year. The City will continue to record two months of receivables at year end, when appropriate.
- 2) 2018-002 Accounts Payable – This relates to one transaction in our Crosstown Parkway bridge process. The City did not accrue three days as should have been done. The City will implement additional and new year-end procedures to ensure that each significant invoice received will be reviewed by staff and a supervisor. This will be accomplished at the close of the current fiscal year. Claims will be accrued correctly in future years. The City will implement additional and new year-end procedures to ensure that each significant invoice received will be reviewed by staff and a supervisor. This will be accomplished by the close of the current fiscal year.

Significant Deficiencies:

- 3) 2018-003 Revenue Recognition – Unbilled Utility Usage – The City staff utilized a canned report from our Utility Software which appears to have been set up incorrectly which resulted in this comment. From this point forward City staff will manually calculate unbilled utility receivables and revenues manually to make the proper accrual entry.
- 4) 2018-004 Capital Lease Accounting – The City has entered into very few leases during the years, and this issue was an oversight during the last fiscal year. The City did not record this capital lease correctly. The City will implement new review procedures to ensure that any future lease is recorded according to Generally Accepted Governmental Accounting Principles (GAGAP). This will be accomplished by the close of the current fiscal year.
- 5) 2018-005 Net Pension Liability – Florida Retirement System – This item was deemed insignificant by the prior Finance Director and the prior Auditors and was purposely not included in the notes nor in the entity-wide statements. We will include this information in the CAFR from now on.
- 6) 2018-006 Fixed Assets – This was a simple mistake by the City staff. This is not a systemic problem with the internal control system. We have changed the policy for our Capital Assets which will strengthen further our internal control system. The new policy changes will be implemented before fiscal year end.



CITY OF PORT ST. LUCIE



FINANCE DEPARTMENT

Jeff Snyder, CPA, Chief Financial Officer

- 7) 2018-007 Payroll Allocations – The City will establish new procedures to ensure that the actual time is properly allocated to each federal and state program during this fiscal year.

Management Letter Items:

- 8) 2018-008 Utility Billing & Permit Billing Adjustments – The City will implement additional internal control procedures to ensure that a supervisor will approve each adjustment. The City will implement additional internal control procedures to ensure that the risks identified will be mitigated for permitting. This will be completed by close of the current fiscal year.
- 9) 2018-009 Cash Handling Procedures – The City is beginning on a journey to strengthen internal controls over our cash handling. We will review all areas of cash handling in a systematic and rational basis to implement these improvements. The City believes that we will make significant progress during the remainder of this fiscal year.
- 10) 2018-010 Census Data – We will begin a management review process to ensure that census data sent to the actuary is accurate. This will be completed by close of the current fiscal year.
- 11) 2018-011 Financial Reserve Policy – The City is and has been aware that the Golf Course Fund is operating at a deficit. The City is currently evaluating whether this fund should be required to meet the reserve requirements. The City is also exploring ways to make the golf course profitable. This will be completed by close of the current fiscal year.
- 12) 2018-012 Inventory Count – The City will strengthen internal controls over the golf course inventory counts during this fiscal year.

Carmen Capezzuto will be responsible for 2018-007, and Jeff Snyder will be responsible for the remaining comments.

INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Port St. Lucie, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated April 27, 2019.

Auditors' Responsibility

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

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 the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 27, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address finding and recommendations made in the preceding audit report. Finding 2017-001 was cleared.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authorities for the City of Port St. Lucie, Florida and its component unit are disclosed in the footnotes.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the City of Port St. Lucie, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the City of Port St. Lucie, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Port St. Lucie, Florida. It is management's responsibility to monitor the City of Port St. Lucie, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following recommendations:

2018-008 Utility Billing & Permit Billing Adjustments

Criteria: There should be proper segregation of duties between those who collect cash and those who can adjust utility bills or permit fees.

Condition: Cashiers in the utility billing department have the authority to apply adjustments to customer accounts for amounts up to \$100. Further, during our testing we found a utility billing adjustment above \$100 with no management approval documented. Cashiers with access to the permit billing software have the authority to adjust fee amounts in the system prior to billing.

Cause: The City's policy for utility billing adjustments authorizes cashiers to apply adjustments below \$100 without approval. Also, the current documentation of the approvals are in a text box in the utility billing software that can be edited by the cashier creating the opportunity that a cashier could type in an unauthorized approval. The City's software for permitting allows for cashiers to adjust fee amounts while collecting the cash.

Effect: There is potential that unauthorized adjustments are made to utility billing accounts. There is potential that permit fees can be altered in the system during the cash collection process and cash could be skimmed.

Recommendation: The City implement procedures requiring management review for all utility billing adjustments, and it be documented in a manner in which the cashier does not have access to make edits to the approval. In addition, the City's permit software should be modified so that cashiers no longer have access to adjust the permit fees.

Management's Response: The City will implement additional internal control procedures to ensure that a supervisor will approve each adjustment. The City will implement additional internal control procedures to ensure that the risks identified will be mitigated for permitting. This will be completed by close of current fiscal year.

2018-009 Cash Handling Procedures

Criteria: Procedures should be established for cash that reduces the risk of theft and minimizes the risk of error in the general ledger system.

Condition: The City has excessive cash handling procedures resulting from various revenue types and cash receipt software, which requires various reconciliations between the different software and batch entries into the general ledger. Further, we observed unsecured cash in the permit office and that daily cash transfers from the permit office to the finance department are unsecured.

Cause: The City utilizes many different software systems for various departments, and they are not compatible with each other. Cash collections are transferred between the permit office and finance department to be deposited in the bank account are not in locked or sealed deposit bags.

Effect: Manually entering the transactions instead of either utilizing one software or batch uploads increases the chance for human error and is inefficient. Unsecured cash is susceptible to theft.

Recommendation: The City should take advantage of efficiencies that can be gain by utilizing software that are compatible with each other or using the modules available in its general ledger software. Cash should be transported between location in secured deposit bags.

Management's Response: The City is beginning on a journey to strengthen internal controls over our cash handling. We will review all areas of cash handling in a systematic and rational basis to implement these improvements. The City believes that we will make significant progress during the remainder of this fiscal year.

2018-010 Census Data

Criteria: Census data is provided to the actuaries in order for pension and other post-employment benefit liabilities to be determined.

Condition: During our testing of census data we found four employees with incorrect participant data which was transmitted to the actuary. In addition, we found that the census data was not reviewed by management prior to being sent to the actuary.

Cause: Census data was not reviewed for accuracy prior to being transmitted to the actuary.

Effect: In the current year, there was no impact on the actuary's valuation; however, if there are enough errors in the data transmitted it could cause the actuary's valuation to be inaccurate.

Recommendation: We recommend that the City establish a procedure to review census data for accuracy.

Management Response: We will begin a management review process to ensure that census data sent to the actuary is accurate. This will be completed by close of the current fiscal year.

2018-011 Financial Reserve Policy

Criteria: Per City Resolution 17-R23, the City's operating funds shall have an undesignated (unrestricted) reserve of 17%.

Condition: During our testing we discovered that the golf course fund was not in compliance with City policy.

Cause: The golf course fund has a negative unrestricted balance of \$303,461 as of September 30, 2018.

Effect: The golf course fund is not in compliance with City policy.

Recommendation: We recommend the City implement a plan to increase the golf course fund's unrestricted fund balance to be in compliance with City's fund balance reserve policy.

Management Response: The City is and has been aware that the Golf Course Fund is operating at a deficit. The City is currently evaluating whether this fund should be required to meet the reserve requirements. The City is also exploring ways to make the golf course profitable. This will be completed by close of the current fiscal year.

2018-012 Inventory Count

Criteria: Procedures for counting inventory need to ensure that the counts are complete and accurate.

Condition: During our observation of the golf course inventory count, we noted there were discrepancies between what was counted and what was actually on hand.

Cause: The golf course staff believed it was due to a sale; however, there was no sale on the cash register recorded for that amount. There is also no second count of the inventory to verify that the counts are correct.

Effect: Inventory balances could be inaccurate.

Recommendation: We recommend the City have two employees count inventory to ensure counts are complete and accurate.

Management Response: The City will strengthen internal controls over the golf course inventory counts during this fiscal year.

Additional Matters

Section 10.554(1)(j)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Council members and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 27, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

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

We have examined the City of Port St. Lucie, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including as assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2018.

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

Carr, Riggs & Ingram, LLC

Melbourne, Florida
April 27, 2019



2018

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Finance Report



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