

Comprehensive Annual Financial Report

A Component Unit of the City of Fort Pierce, Florida

For the Fiscal Year Ended September 30, 2002



**FORT PIERCE UTILITIES AUTHORITY
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For the Fiscal Year Ended September 30, 2002



Prepared by

**Department of Finance
Frank J. Varella, CMA, CPFO, CGFO
Director of Corporate Services
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Mission Statement

*“To provide our customers
with economical and friendly service
in a continuous effort
to enhance the quality of life in our community.”*

Fort Pierce Utilities Authority employees have “enhanced the quality of life in our community” by contributing their time and service to the following:

American Heart Association	Manatee Observation and Education Center
American Legion	Muscular Dystrophy Association
American Red Cross	Mustard Seed Ministries
Amvets	NAACP
Area Agency On Aging	New Horizons
Big Brothers/Big Sisters	Rotary Club
Central Florida Blood Bank	St. Lucie Conservation Alliance
Crime Stoppers	St. Lucie County Agriculture Advisory Board
DATA	St. Lucie County Chamber of Commerce
Downtown Business Association	St. Lucie County Fair Association
Earth Day Activities	St. Lucie County 4-H
Ellis Park	St. Lucie County Human Resources Association
Exchange Club	St. Lucie County Sheriff’s Department
Florida Army National Guard	St. Lucie County United Way
Ft. Pierce Neighborhood Housing Services	St. Lucie Mural Society
Ft. Pierce State Housing Initiative Partnership	Salvation Army Christmas Angels
Habitat for Humanity	Special Olympics
Heathcote Botanical Gardens	Sunrise Theatre Restoration
Hibiscus Children’s Center	Treasure Coast Safety Council
Horses for the Handicapped	Treasure Coast Regional Science Fair
Hospice of the Treasure Coast	Victory Children’s Home
HOSTS (Helping One Student To Succeed)	Workforce Development Board
Indian River Community College	YMCA
Junior Chamber of Commerce	
KIDS	Various:
Kids Crossing	Boy/Girl Scouts & Cub/Brownie Troops
Kiwanis Club	Little Leagues
Lawnwood Regional Medical Center	Babe Ruth Leagues
Leadership Saint Lucie	School Mentoring Programs & Partnerships
Main Street Ft. Pierce	Religious Groups & Organizations
	Food Bank Programs

Team UA - 2,500+ Years of Dedicated Service

ABRAMOWICZ, WILLIAM S.
ADAMS, GARY A.
ADAMS, MARY R.
ADAMS, STANLEY L.
ANDERSON, WENDELL
ANDERSON, WILLIAM A.
ANTONIATO, PAUL J.
ARNOLD, GLEN L.
AUSTIN, ROBERT G.
BACON, MAURICE
BALDWIN, WILLIAM E.
BASSETT, MARK T.
BAYNE, GLENN
BEMENDERFER, TAYLOR
BENNING, LAURENCE
BERGEN, WILLIAM E.
BONIFACIO, LORENIA M.
BOUDREAU, ELIE J., III
BRAUN, KELLIE K.
BREWER, R. CRAIG
BROOKS, WILLIAM, JR.
BROWN, WALTER M.
BULLINGTON, LARRY D.
BURDINE, JERRY L.
BUSBY, ROBERT W.
BYRD, ANDREW D.
BYRD, PETER C.
CABO, MANUEL
CANARD, JOHN C.
CARON, MICHAEL D.
CARPENTER, CAROL A.
CARPENTER, RAY J.
CARSWELL, EDWARD P.
CASEY, JO ANN
CHAMBERS, MICHAEL J.
CHANAY, GARY D.
CHATMAN, MICHAEL
CISNEROS, JAVIER
COLLINS, DAVID R.
COMBS, LEE ROY
CONAVAY, WILLIAM
CONWAY, DENNIS W.
COOK, TED E.
CORBIN, ANN
CRAWFORD, CRAIG A.
CRAWFORD, WILBURN L.
CRUMBLY, CHRISTOPHER
CRUMBLY, JONATHAN D.
CUMBERS, PETER
CUNNINGHAM, JAMES P.
CURLEY, ROBYN
DALLAIRE, NANCY A.
DAMPIER, WALTER W.
DARDEN, LEE A.
DAVIS, ROBERT P.
DAVIS, SAMANTHA A.
DENNIS, SCOTT
DICKERSON, HORACE
DIXSON, JAMES E.
DOORISS, KEVIN J.
DUFFANY, MARK
DYKES, JAMES A.
EASTERDAY, JOYCE E.
ELDERBAUM, ELENA
FAIRCLOTH, DANNY C.
FATZINGER, CHRISTOPHER

FERRIS, CORENA MARIE
FOKINE, CHARLES A.
FORKER, LYN
FOUNTAIN, DENISE E.
FOX, LARRY
FRANCO, SHARI G.
FREI, PAMELA G.
FRIER, MARY C.
FURNESS, DEREK R.
FURST, JAMES P., JR.
GADDIS, FREDERICK C.
GATINS, STEVEN F.
GIANOTTI, CATARINA
GIEL, DOUGLAS W.
GIFT, MICHAEL R.
GILBERT, A. EARL
GILLESPIE, PATRICK E.
GILLETTE, GARY J.
GILLILAND, LEWIS E.
GILSINAN, PATRICIA L.
GILSON, JOSEPH T.
GLANCY, GARY K.
GODSIL, C. PAUL
GOMEZ, SONIA V.
GOODSON, RALPH L.
GORDON, MICHAEL
GRONBORG, NEAL H.
HALL, GEORGE R.
HAMILTON, MURRAY M.
HARGETT, BOBBY P.
HARRIS, DIANE
HARRIS, RICHARD
HAYES, KENNA B.
HAYMAN, GORDON E.
HELMICH, PETER C.
HEMPHILL, PAUL
HILLMAN, ALAN F.
HILTZER, DEBORAH A.
HITE, NELL D.
HODGE, GARY A., JR.
HODGE, NATHANIEL, JR.
HODGE, CALVIN D.
HOLMAN, ESTELA Q. A.
HOLMAN, KYLE
HUMMEL, LESTER C.
HURTUBISE, M. NINA
IRBY, STEPHEN
JASA, KIM KESTEL
JERGER, SIDNEY L.
JOHNS, DONALD B.
JOHNSON, ANGELA MARIE
JOHNSON, DEVOSHAY
JOHNSON, JEREMIAH K.
JOHNSON, PATRICIA
JOHNSON, RUBIN
JONES, LATRAVIA S.
JONES, LAWRENCE E.
KAEFF, WILLIAM R.
KATZ, MILES
KEANE, EDWARD T., JR.
KECK, JAY A.
KECK, JUDY S.
KECK, TERRY L.

KELLER, PATRICK J.
KELLEY, PETER G.
KING, WANDA DAVIS
KNIGHT, EUGENE D.
KOBBE, MARK
KRAMER, C. RUSSELL
KRUSE, ERNIE C.
LADOMIRAK, ALICE M.
LAGUERRE, PAUL
LAMB, PAMELA SUSAN
LAMB, ROBERT J.
LAMPE, JOHN W.
LANDIN, DONALD T. E.
LAWSON, PATRICIA ANN
LAWSON, SHAWN O.
LENARTIENE, KLAUS P.
LEONGOMEZ, EDWARD S.
LEWIS, NICKI DALE
LOGAN, CHRISTA
LONG, CLARKE R., JR.
LONG, DOROTHY E.
LONG, WILLIE, JR.
LUCKMAN, CARL
LYONS, KEITH B.
MADSEN, PAUL L.
MALIN, TAMMY R.
MANCHESTER, GLEN P.
MANIS, DEBORAH
MAREVELLE, CLARENCE
DARROW
MARSHALL, CLAUDE L.
MARTIN, DAVID
MARTIN, KEVIN P.
MASSIMINO, JOSEPH
MATHIS, MARK D.
McCARTHY, TOMMIE M.
McCAUSLAND, LARRY JOE
McCONKEY, NANCY L.
McCRAE, ALBERT HA
McFOLLEY, JOHNNIE C., JR.
McMASTER, THOMAS S.
McMILLON, TERRANCE
MELLERT, DAVID A.
MELLERT, DIANE M.
MILLER, GEORGE E.
MILLER, JOSHUA J.
MILLIMAN, ROBERT F.
MOBERLY, E. GLYNDON, JR.
MORRIS, CURTIS
MORRIS, REGINA D.
MOSELY, STEVEN
MYRICK, CHRISTELLE
NEAL, RANDY G.
NESSELRODE, DINO G.
NOBLE, STACY L.
NORTON, WILLIAM D.
NOYES, VINCENT P.
OKUBO, KIMBERLY E.
OTEEN, DEWEY, F.
PARMELEE, ARTHUR O., III
PEARSON, CAROL ANN
PENICK, RALPH A.
PETERS, STEVEN M.
PHILLIPS, JAMES, JR.
PIERO, RITA N.
PLATT, SHIRLEY F.
PODRAZA, REBECCA L.

PRINCE, ANTHONY L.
PRINCE, GENERETT
PYE, LORELLE N.
RAMOS, VIOLET
RENFRO, ROXANNE M.
RETFERFORD, DANIEL P.
RHODEN, J. KEVIN
RICHARDS, THOMAS W.
RICHARDS, TIMOTHY W.
RIGUAL, ROBERTO S.
RIORDAN, DENNIS W., III
RITTEN, JOHN T.
RIVERA, JUDI P.
ROARK, RONALD E.
ROBINSON, KENNY R.
ROBINSON, RORYELLE L.
ROHAN, DEBRA E.
RUSS, JOHN L.
RYAN-PATON, CAROL ANN
SCHNEBLI, ELIZABETH A.
SEARS, MICHAEL A.
SHONK, JACK R.
SHUFELT, DANIEL G.
SIRMONS, VALENTINE C.
SIZEMORE, JULIE Z.
SLATER, EDWARD W.
SLOAN, RAY O.
SMITH, RICHARD J.
SNELLINGS, JUDITH ANN
SNOBERGER, EILEEN
SOCHOR, PAUL F.
SOUTHARD, CYNTHIA M.
SPEARS, RICHARD J.
ST. CLAIR, JULIE E.
STENBERG, RICHARD W.
STEWART, DEBRA P.
STEWART, GALE A.
STUBBS, THOMAS Q.
SWART, KIM E.
SWINDLE, CHARLES S.
TARANGER, ARNE
THIESS, WILLIAM G.
THOMAS, MARY E.
TIPTON, THELMA
TOMPECK, JOHN K.
TREECE, STEPHEN P.
TREWYN, TIMOTHY C.
VAN SICKLE, RICHARD
VANATER, LENORA
VARELLA, FRANK J.
WALKER, EVELYN
WALLACE, CHARLES, JR.
WEAVER, VAUGHAN C.
WEIR, FAY
WILLIAMS, GARY W.
WILSON, DAVID K.
WILSON, ESTELA M.
WILSON, WESLEY
WINT, OLIVER C.
WOERNER, GORDON L.
WOODS, SUSAN B.
WORLEY, MARK A.
WRIGHT, DOREEN
YAKOWEC, PETER
YATES, CAMILLE SEWELL

FORT PIERCE UTILITIES AUTHORITY
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2002

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March 10, 2003

Board Members
Fort Pierce Utilities Authority

The Comprehensive Annual Financial Report of the Fort Pierce Utilities Authority (the Authority) for the fiscal year ended September 30, 2002, is submitted herewith pursuant to the City of Fort Pierce Charter, Article XII, Section 176 (12) and the Indenture of Trust on outstanding revenue bonds. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. This Comprehensive Annual Financial Report was prepared by the staff of the Authority's Department of Finance. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Authority and that all disclosures necessary to enable the readers to gain the maximum understanding of the Authority's financial activity have been included.

The Authority's financial statements have been audited by Berger Toombs Elam & Frank, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended September 30, 2002, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended September 30, 2002, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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

The Authority implemented the Government Accounting Standards Board (GASB) Statement 34, with the September 30, 2002 financial statements. GASB 34 is a dramatic change in governmental financial reporting. We believe this new presentation will provide better information to the users of the Comprehensive Annual Financial Report.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical.

Introductory Section This letter of transmittal and such other material as may be useful in understanding the reporting entity.

Financial Section The auditor's report and financial statements of the Authority which present fairly the financial position, results of operations, and cash flows for the fiscal year. Also included is an auditor's bond compliance letter, schedules of budget comparisons, investments and state financial assistance.

Statistical Section Selected financial and demographic information which will be beneficial to the reader in understanding the Authority's historical growth and its future growth prospects.

THE REPORTING UNIT

The Authority was established in accordance with provisions of the City Charter, confirmed by an election held on May 30, 1972. The Authority Board consists of five members, one of whom is the Mayor-Commissioner of the City, who serves on the Board as long as he or she holds such office. The other four members are appointed by the City Commission for four-year overlapping terms.

The City Charter, Article XII, Section 169, states that the Authority shall be responsible for the development, production, purchase, distribution, and collection of all electricity, water, wastewater, natural gas and such other utility services as may be designated by resolution by the City Commission. The Authority is a component unit of the City of Fort Pierce, FL and this report includes all systems of the Authority. This report does not include the financial activities of the City of Fort Pierce. Reference should be made to the City's report published separately.

SYSTEM PROFILE

The Electric, Water, Gas, Wastewater Utility Systems and the Manatee Observation and Education Center (MOEC) are managed and operated for the City by the Authority. The **Electric System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 35 square miles, with an average of 25,301 customers during the fiscal year ended September 30, 2002. The Authority and Florida Power & Light (FPL) have a territorial agreement approved by the Florida Public Service Commission. On December 16, 1997, the Authority agreed to participate in Florida Municipal Power Agency's All-Requirements Power Supply Project (hereinafter referred to as "ARP"). In doing so, the Authority became one of 15 municipally owned utilities in ARP. The principal benefits of ARP are:

1. Lower operating costs through utilization of the most efficient generation available.
2. Future generation will be planned for the collective systems, as needed, by FMPA.
3. Economies of scale in operating, planning, and financing.
4. Lower risk with more units and more cities working together.

As of January 1, 1998, the Authority assigned their resources to ARP and agreed to purchase their total power requirements from ARP. The Authority's resources, which have been assigned, include the contracts with FMPA related to Stanton Unit No. 1 (Stanton and Tri-City Projects) and Stanton Unit No. 2. FMPA uses and pays for the gas secured by a contract with Florida Gas Transmission for the purchase of firm capacity natural gas. The contracts related to the St. Lucie Nuclear Project have not been assigned.

The Authority continues to operate and maintain its units, but ARP is responsible for scheduling how units are used to maximize efficiency. The Authority receives credits that offset their cost to operate the units and the cost of purchasing power from FMPA.

The **Water System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 30 square miles, with an average of 15,855 customers during the fiscal year ended September 30, 2002. Water supply is obtained from 42 Surficial Aquifer wells (shallow) and 9 Floridan Aquifer (deep) wells. The Authority has a consumptive use permit (i.e., Water Use Permit) from the South Florida Water Management District to withdraw a daily maximum not to exceed 14.6 MG of ground water. Treatment of the raw water is presently accomplished through a 20 MGD conventional lime softening water treatment plant. The Authority has constructed a 5.3 MGD Reverse Osmosis Treatment Plant that became operational in the last quarter of calendar year 2002. The Authority owns and operates a 10 MGD air stripping facility at the water treatment plant which began operating in November 1989. The Authority meets all federal and state drinking water standards. The Authority has 9 MG storage capacity. The water distribution system is composed of 292 miles of water mains, remote pumping facilities, ground level storage tanks, hydrants, and valves.

The **Gas System** serves the City of Fort Pierce and the immediately surrounding area, encompassing approximately 27 square miles, with an average of 4,697 customers during the fiscal year ended September 30, 2002. The Gas System purchases firm gas for resale through the Florida Gas Utility. Florida Gas Utility has a contract with Florida Gas Transmission for the transportation of gas to our system. The contract with Florida Gas Utility to purchase Gas Supply Acquisition Project Gas will expire in the year 2007. The Authority contracted with FGU as an ARP Participant on January 15, 2002. The Gas Operations Department is responsible for the installation and maintenance of all gas mains and service lines. The department also employs a staff of qualified gas service technicians to maintain and repair customers' natural gas appliances.

The **Wastewater System** serves the City of Fort Pierce and the immediate surrounding area, encompassing approximately 30 square miles, with an average of 12,580 customers during the fiscal year ended September 30, 2002. The Wastewater collection system consists of 99 pumping and lift stations, 150 miles of gravity sewer lines ranging from 8 to 48 inches in diameter, and approximately 63 miles of force mains ranging in size from 2½ to 18 inches. The Water Reclamation Facility has a permitted capacity of 10 MGD, which is anticipated to be

adequate through the year 2015. The Authority has a deep injection well at the plant site. A pumping station injects treated effluent into the permitted 3,300-foot deep injection well. A site for a second facility has been purchased in the southwest corner of the service area, and the draft conceptual design of the plant is completed; however, the construction of the facility has been postponed for at least six to eight years.

The Authority operates the **Manatee Observation & Education Center (MOEC)**, which is located on Moore's Creek across from the H. D. King Power Plant. MOEC's mission is to promote understanding and responsible actions for the protection of the fragile ecosystems in the Treasure Coast Region and their inhabitants; it provides a clean and safe facility for viewing manatees and other inhabitants of the Indian River Lagoon. More than 87,000 visitors from all over the world visited the Center during the 2001-2002 season. A total of 248 manatees were sighted. Over 70 volunteers provided a substantial donation to the Center – a total of 5,807 hours of volunteer time.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the environment within which the Authority provides service.

Local Economy

Fort Pierce is located on the Florida East Coast, 120 miles north of Miami and 220 miles south of Jacksonville. The City's 2002 population was 39,642, and St. Lucie County's was 203,360. Fort Pierce is the commercial center of the county, with approximately 21 square miles in land area. Its metropolitan area includes a transportation network comprised of Interstate 95, Florida's Turnpike, U.S. Highway 1, Highway 70, Florida East Coast Railway, St. Lucie County International Airport, and the Port of Fort Pierce.

The Authority's service area includes both the area within the corporate limits of the City of Fort Pierce and portions of unincorporated St. Lucie County. Approximately 75% of the system revenues are derived from services provided within the City of Fort Pierce, and 25% from services provided in unincorporated St. Lucie County and St. Lucie Village.

The major factors in the economy of Fort Pierce and surrounding St. Lucie County are agribusiness, construction, retail and wholesale trade, light manufacturing, tourism, and sport and commercial fishing. The labor force in our service territory depends on agribusiness resulting in above average unemployment in comparison to the State's averages. The Authority's service area encompasses many educational and research endeavors – Indian River Community College, Harbor Branch Oceanographic Institution, Smithsonian Fort Pierce Marine Station, U.S. Department of Agriculture Laboratory, University of Florida Research and Education Center, Manatee Observation and Education Center, and Smithsonian Marine Ecosystem Exhibit. The Smithsonian Marine Ecosystem Exhibit houses a living coral reef ecosystem.

Other factors having a positive effect on the Authority's service territory are the rebirth of the Orange Blossom Mall, which has been recently converted to a business center housing a Convergys call center employing about 1,200. The St. Lucie School District's Administration Offices will be relocating to the old Sears store in the near future. The Indian River Community College (IRCC) is adding an adult education facility and a technology center which should be completed in the next couple of years adding utility load. Also, the Outlet Mall, which has been

virtually vacant for the last several years, is being transformed into a Furniture Outlet which should be operational in upcoming months. Lastly, the restoration of the Sunrise Theatre in Historic Downtown Fort Pierce should be completed in 2004.

The Authority is optimistic about future growth as indicated by a growing customer base and improvements such as major roadwork, continued beautification of the downtown area, and private investment. Florida's tempered progress toward restructuring in the electric industry is allowing the Authority to better prepare for competition.

New Business

The Authority continues to be customer and market driven. The FY 2003 budget includes funds and programs to focus on customer service and the development and marketing of new services. The major emphasis over the past few months is extending water and wastewater services. Plans to market the use of our fiber optic cable network continue to progress. These ventures reflect the Authority's continued commitment to be proactive in response to the changing utility industry.

Strategic Management Planning

The Authority's Strategic Plan continues to promote interdepartmental communication and cooperation, and encourages increased employee involvement in achieving company goals that support the Authority's Mission Statement. Staff updated the Board concerning key issues in a meeting in early February 2003 to determine future direction of the utility. That discussion is ongoing at this time.

The Authority's Key Result Areas as presented in the FY 2002 Strategic Plan are as follows:

Priority No. 1 - Customer Retention and Expansion:

Customer Satisfaction, Customer Choices, Ease of Acquiring Service, New or Rejuvenated Revenue Sources, Economic Development, Market Share, and New Opportunities.

Priority No. 2 - Corporate Culture:

Values, Performance Based Organization, Goals and Accountability, Training, Communications, and Safety Performance.

Priority No. 3 - Corporate Planning:

Facilities Master Planning and Long-Range Planning.

Priority No. 4 - Economic Decision Making:

Spending (Capital, Operations and Maintenance).

Priority No. 5 - Financial Performance :

Cost of Service

Long Term Capital Planning

The Authority's capital renewal, expansion, and improvements continue. There is a Water/Wastewater and Gas Master Plan study currently underway. The multiplicity of requirements by regulatory agencies also demands much capital. Renewals and replacements are necessary due to the aging infrastructure and the street and highway reconstruction projects

currently under way. Most replacements are the result of redevelopment efforts, which increase our costs and provide no additional revenue. In an effort to strategically expend the Authority's limited resources, Department Heads meet approximately twice annually to discuss and update capital plans. This allows for coordination between the numerous agencies the Authority's staff interact with to accomplish its plans.

Major projects include:

- Completion of the Reverse Osmosis (R.O.) Water Treatment Plant (\$1,000,000).
- Fiber optic communication cable installation (\$100,000).
- Municipal Services Benefit Units (MSBU) for the Water and Wastewater Systems (\$55,000).
- Wastewater intrusion, infiltration and main lining projects (\$100,000).
- Site development south of the Energy Services Center (\$975,000).

Since many of the projects rehabilitate deteriorating lines in the older sections of town, the impact on operating and maintenance expenses related to that rehabilitation is expected to be favorable.

Due to limited cash resources in the Wastewater System, capital spending has been reduced to \$2,000,000 per year for the next two years. Wastewater rate increases were approved by the Board on October 2, 2001 with the first 8% increase effective November, 2001. The second 8% increase was effective the first billing cycle in October, 2002, and a subsequent 8% increase is effective the first billing cycle in October, 2003.

Budgets

The Department of Finance prepares estimates for departmental review. Department Heads review and revise where necessary, and respective Directors sign off on these revised budgets.

The Budget Review Committee, consisting of the Director of Utilities, Director of Corporate Services, Senior Utility Accountant, Controller and Internal Auditing/Risk Manager, discusses the budgets with the respective Department Heads and Directors and revise as needed. The Authority's Board reviews and approves each of the two prefatory budgets (Operations Budget – Personnel and O&M combined, and Capital Budget).

The budget is prepared on the accrual basis; accordingly, revenues and expenses are budgeted for specific periods of time and are recorded as incurred, along with acquired assets, without regard to the date of receipts or payment of cash.

The Authority is required by charter to prepare, adopt, and provide to the City Commission of the City of Fort Pierce an annual budget no later than 45 days prior to the beginning of its fiscal year. The annual budget and any amendments thereto shall not be in effect until approved by the Authority, and when any line item has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission.

Once approved, the Annual Budget becomes the basis for operating and for capital expenditures during the ensuing fiscal year. Budgetary control is provided by monthly revenue and expense reports. Monthly financial statements are provided to the Board for review in advance of a verbal presentation of financial activity at Board meetings.

The budget and two amendments thereto have been approved according to the above procedures.

Cash Management

The Authority has a consolidated banking service agreement with a local depository bank which provides that all funds in excess of a compensating balance will earn interest through overnight repurchase agreements. The Authority also participates in the State of Florida Board of Administration's program for pooled investment of local government surplus funds. In addition, the Authority purchases investments through a competitive bid process in accordance with the Board approved Investment Policy outlined in *Resolution No. 2002-3*. The passive cash management program involves a theory of keeping principal and earnings free from risk, maintaining reasonable liquidity to meet maturing obligations and maximizing return through the use of competitive rate comparisons from various investment sources. An average investment rate of 2.24% was earned on cash balances, down from the 5.39% from the previous year. Staff fell short of its goal of 2.39% due to continued low rates.

Risk Management

The Authority has a comprehensive risk management program. In addition, quarterly meetings are held with management, the risk management consultant and insurers to review coverage and risks. Note J covers the risk related to the Authority's self-funded employee and retiree health plan.

Pension and Other Post Employment Benefits

The General Employees Retirement and Benefit System (the System) is a cost-sharing multiple employer Public Employee Retirement System (PERS) defined benefit plan covering all City of Fort Pierce municipal employees, including the Authority's employees and employees of the St. Lucie County Fire District. Except for the Director of Utilities, participation in the plan is compulsory for all employees of the Authority. Employees are eligible to participate upon employment. The System is currently funded in excess of 100%. Note I discusses the plan specifics.

In addition to providing pension benefits, the Authority provides certain health care benefits for retired employees. Substantially all of the Authority's employees may become eligible for those benefits if they reach normal retirement age while working for the Authority. Section 112.0801, Florida Statutes, as amended by Sections 1 and 2 of Chapter 87-373, Laws of Florida, requires all public employers to allow their retirees to participate in the same health group plan or self-insurance plan offered to their active employees. See Note K for details.

Debt Management

At September 30, 2002, the Authority had outstanding insured revenue bonds in the amount of \$102,732,000. Debt service schedules go out to 2027. Interest rates range from 4.2% to 6.85% on the bonds. All outstanding bonds are insured and rated AAA. Principal payments are due October 1 of each year. The principal for the bonds due October 1, 2002, was \$4,125,000. On December 6, 2001 bond rating firm Fitch IBCA, Duff & Phelps affirmed its underlying 'A-' rating on Fort Pierce (FL) Utilities Authority's (FPUA) outstanding \$103 million of revenue bonds. Fitch stated the Authority's rating outlook is stable. With rates at historical low levels, the Authority is preparing documents to refund \$47.785 million of the 1993 Bond Issue. Savings are estimated at this time in excess of 5%.

City Distribution

The distribution to the City of Fort Pierce, based on FY 2002 revenues, computes to \$4,477,000, and will be paid in April 2003. Last year's distribution, based on FY 2001 revenues, totaled \$4,410,000, and was paid in March 2002.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Authority's Department of Finance. I would like to express my appreciation to all members of the Department who assisted and contributed to its preparation. I would also like to express my thanks to the Board, the Director of Utilities, and the entire Authority staff for their interest and support in planning and conducting the financial operations in a responsible and progressive manner.



Frank J. Varella, CMA, CPFO, CGFO
Director of Corporate Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fort Pierce Utilities
Authority, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2001

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



William Patrick Bate

President

Jeffrey R. Emer

Executive Director

DIRECTORY

Board Members

Louis I. Haynes, III, Chairman
Cleon Middleton, Vice-Chairman
Gloria Grimyser, Secretary
Thomas D. Siplin, Deputy Secretary
Mayor Edward G. Enns, Member

Management Team

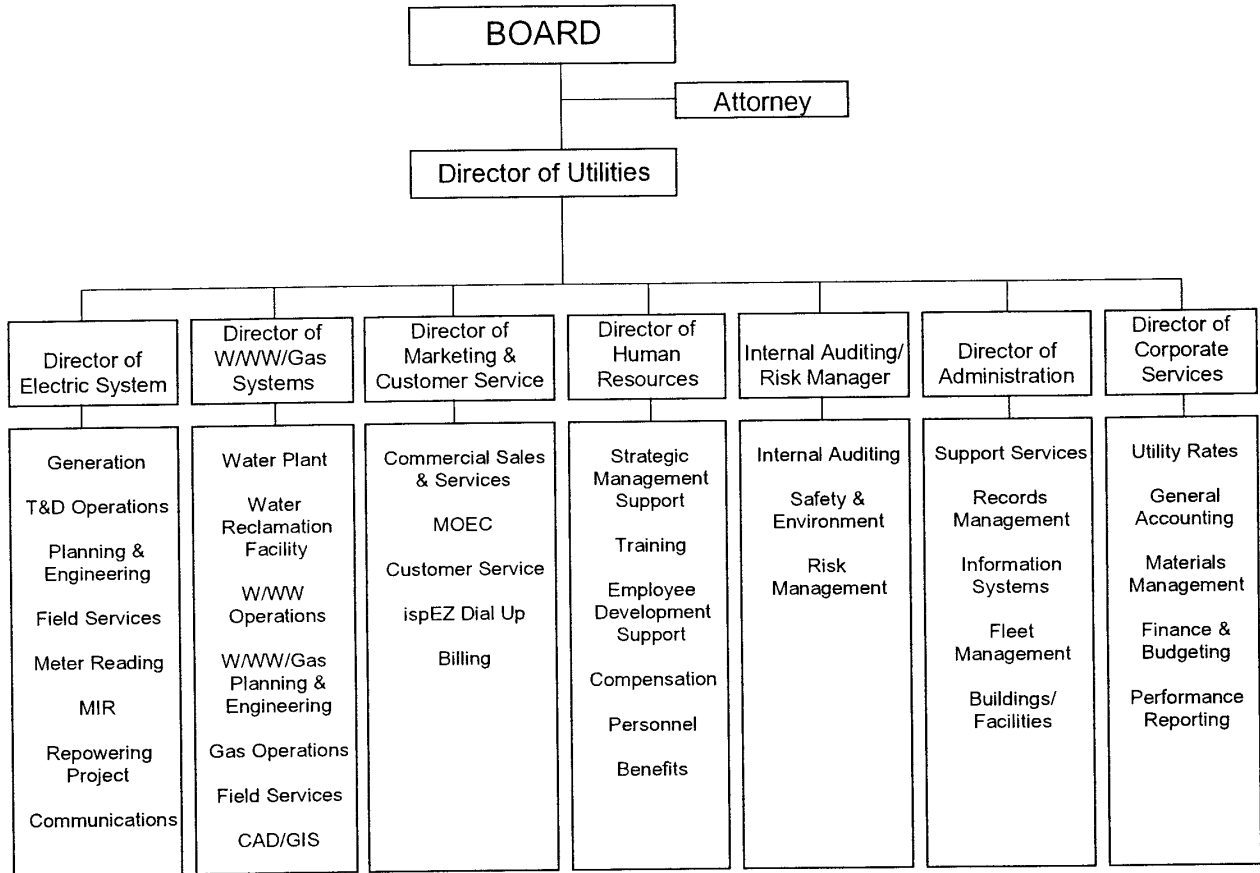
Elie J. Boudreaux, III, P.E., Director of Utilities
Frank J. Varella, CMA, CPFO, CGFO, Director of Corporate Services
Thomas W. Richards, P.E., Director of Electric System
Vaughan C. Weaver, P.E., Director of Water/Wastewater/Gas Systems
Murray M. Hamilton, Director of Marketing & Customer Service
Shirley F. Platt, Director of Administration
Douglas W. Giel, Director of Human Resources
Nancy A. Dallaire, Internal Auditing/Risk Manager

Counsel

R. N. Koblegard, III, Esquire
Fort Pierce, Florida

Independent Certified Public Accountants

Berger, Toombs, Elam and Frank
Fort Pierce, Florida



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Berger, Toombs, Elam
& Frank

Certified Public Accountants Chartered

Sun Bank Building
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111 Orange Avenue
Fort Pierce, Florida 34950
561/461-6120
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Report of Independent Certified Public Accountants

Honorable Chairman and Members
Fort Pierce Utilities Authority
Fort Pierce, Florida

We have audited the accompanying financial statements of the Fort Pierce Utilities Authority as of and for the year ended September 30, 2002, as listed in the Table of Contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fort Pierce Utilities Authority at September 30, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 15-21 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board of the Financial Accounting Foundation, the recognized leading standards setting authority for governmental accounting in the United States of America. We did not audit the information contained therein and express no opinion on it.

Honorable Chairman and Members
Fort Pierce Utilities Authority

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Fort Pierce Utilities Authority. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

We did not audit the statistical data included in the statistical section of this report and, therefore, express no opinion thereon.

Berger, Toombs, Elam & Frank

Fort Pierce, Florida
December 20, 2002

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Fort Pierce Utilities Authority's (the Authority) annual financial report presents the analysis of the Authority's financial performance during the fiscal year that ended on September 30, 2002. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Authority's Net Utility Plant increased by \$13.1 million or 8.1 percent.
- The Authority's Total Assets increased by \$12.7 million or 6.1 percent.
- During the year, the Authority's operating revenues decreased to \$73.6 million or -1.2 percent, while operating expenses decreased to \$64 million or -.26 percent.
- Capital contributions to the Authority increased to \$1.9 million.
- City Distribution increased to \$4.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority is a single enterprise fund even though it provides various utility services. The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory section includes a letter of transmittal, the Authority's Organizational Chart, and a System Overview. The Financial section includes Management's Discussion and Analysis, Financial Statements with accompanying notes, Supplementary Information, and the Independent Auditor's Reports. The Statistical section includes selected financial, operational, and demographic information, generally presented on a multi-year basis. The Authority adopted Governmental Accounting Standards Board (GASB) Statement 34 on October 1, 2000.

REQUIRED FINANCIAL STATEMENTS

The financial statements report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities.

The *Balance Sheet* includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Assets*. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges. This statement also measures the Authority's profitability and credit worthiness.

The other required financial statement is the *Statement of Cash Flows*. The primary purpose of this statement is to provide information about the Authority’s cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities, and provides answers to such questions as “where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period?”

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

One of the most important questions asked about the Authority’s finances is “Is the Authority, as a whole, better off or worse off as a result of the year’s activities?” The Balance Sheet and the Statement of Revenues, Expenses, and Net Assets report information about the Authority’s activities in a way that will help answer this question. These two statements report the net assets of the Authority, and changes in them. You can think of the Authority’s net assets – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the Authority’s net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates.

The Authority’s total net assets increased from last year by \$3.1 million. The analysis below focuses on the Authority’s net assets (Table 1) and changes in net assets (Table 2) during the year.

Table 1
Net Assets
(Dollars in Thousands)

	<u>Sept 30, 2002</u>	<u>Sept 30, 2001</u>	Increase (Decrease)	
			<u>\$</u>	<u>%</u>
Current and Other Assets	\$ 46,137	\$ 46,566	\$ (429)	-0.92%
Capital Assets	174,280	161,134	13,146	8.16%
Total Assets	<u>\$ 220,417</u>	<u>\$ 207,700</u>	<u>\$ 12,717</u>	6.12%
Long-Term Liabilities	\$ 98,600	\$ 91,974	\$ 6,626	7.20%
Other Liabilities	18,997	16,035	2,962	18.47%
Total Liabilities	<u>\$ 117,597</u>	<u>\$ 108,009</u>	<u>\$ 9,588</u>	8.88%
Invested in Capital Assets,				
Net of Debt	\$ 74,574	\$ 67,069	\$ 7,505	11.19%
Restricted	4,234	3,222	1,012	31.41%
Unrestricted	24,012	29,400	(5,388)	-18.33%
Total Net Assets	<u>\$ 102,820</u>	<u>\$ 99,691</u>	<u>\$ 3,129</u>	3.14%

The increase in capital assets was funded by the increase in long-term debt, which reflects the Authority’s continuation of several major capital projects in FY 2002.

Changes in the Authority’s net assets can be determined by reviewing the following condensed Statement of Revenues, Expenses, and Changes in Net Assets for the year.

Table 2
Statement of Revenues, Expenses, and Changes in Net Assets
(Dollars in Thousands)

	FY 2002	FY 2001	Increase (Decrease)	
			\$	%
Operating Revenues	\$ 73,624	\$ 74,519	\$ (895)	-1.20%
Nonoperating Revenues	917	1,969	(1,052)	-53.43%
Total Revenues	<u>74,541</u>	<u>76,488</u>	<u>(1,947)</u>	-2.55%
Generation	3,447	2,722	725	26.63%
Purchased for Resale	29,961	32,264	(2,303)	-7.14%
Plant Operations	4,063	3,969	94	2.37%
Field Operations	6,216	5,932	284	4.79%
Administrative & General	11,046	9,979	1,067	10.69%
Depreciation	9,263	9,297	(34)	-0.37%
Distribution to the City of Fort Pierce	4,410	4,285	125	2.92%
Interest and Amortization	5,037	5,324	(287)	-5.39%
Total Expenses	<u>73,443</u>	<u>73,772</u>	<u>(329)</u>	-0.45%
Income (Loss) Before Capital Contributions and Extraordinary Items	1,098	2,716	(1,618)	-59.57%
Capital Contributions	<u>1,909</u>	<u>1,495</u>	<u>414</u>	27.69%
Income (Loss) Before Extraordinary Items	3,007	4,211	(1,204)	-28.59%
Extraordinary Income (Expenses)	<u>122</u>	<u>(494)</u>	<u>616</u>	-124.70%
Change in Net Assets	3,129	3,717	(588)	-15.82%
Beginning Net Assets	<u>99,691</u>	<u>95,974</u>	<u>3,717</u>	3.87%
Ending Net Assets	<u>\$ 102,820</u>	<u>\$ 99,691</u>	<u>\$ 3,129</u>	3.14%

Electric unit sales showed positive gains. Electric unit sales were up 3.1% for the year. Water unit sales and wastewater service charges were also up .6% and .3 %, respectively. Disappointingly, natural gas unit sales fell short of projections and last year's levels by almost 5%. The decreases in the power cost adjustment and the purchased gas adjustment have resulted in lower revenues. The 8% wastewater rate increase effective November 1, 2001, also contributed to higher revenues in the wastewater system. Investment income was substantially lower (\$917,000) than the previous year due to falling rates and lower cash balances to invest. Capital contributions showed an increase of \$414,000 over the last year totaling \$1,909,000 for the year. The average number of electric customer billings increased 1.3% (326), water 1.9% (294), and wastewater 1.5% (185) during FY 2002. Natural Gas showed a decrease of 39 billings.

Overall, operating expenses were lower than the previous year. This is the result of the \$2,303,000 drop in Purchases for Resale (power and gas) from the previous year's skyrocketing costs. Most departments experienced higher property and liability insurance, employee health insurance, and depreciation expenses.

Departments with notable differences include Power Generation's increased operating supplies costs, the result of increased generation at the plant. The Water Resources Department also incurred higher maintenance contract costs due to increased hauling of lime residuals to make way for the construction of the new Reverse Osmosis (R.O.) Water Treatment Plant. The Wastewater Systems Department had higher maintenance contract costs and operating supplies costs due to increased treatment due to excessive strength of inflow. These costs were offset by additional surcharges in Wastewater Other Revenue. Also, the Wastewater Operations Department paid an uninsured claim to the City of Fort Pierce for road damage totaling \$160,500 resulting from frequent infrastructure repairs made on Georgia Avenue.

The extraordinary income reported in FY 2002 is related to booking the final Fort Pierce Repowering Project receipt totaling \$165,000 and writing off expenses related to the project, incurred at the beginning of the year. The Authority's Board canceled the contract at the February 19, 2002 meeting effective February 27, 2002, as allowed by the contract documents.

The Authority had net income of \$3.1 million for FY 2002 including \$1.9 million in capital contributions. The Authority's cash flow remains strong.

BUDGETARY HIGHLIGHTS

Over the course of the year, the Authority's Board of Directors and City Commission approved two amendments to the original legally adopted budget, which was adopted on August 6, 2002. The Revenue Budget decreased from the original \$80,105,000 to \$76,614,000, a decrease of \$3,491,000 or 4.3%. The Expense Budget decreased from \$75,546,000 to \$73,485,000, a decrease of \$2,016,000 or 2.73%. This resulted in a projected decrease in net assets from the original of \$4,559,000 to \$3,130,000 a decrease of \$1,430,000. The revenue budget decrease was primarily due to decreases in power and gas costs passed on to our customers. Natural gas and costs for electricity were lower than originally budgeted in the Purchases for Resale line items. In addition, original sales projections exceeded the original budget projection by .34% in electric and fell short of the original budget projection by 2.78%, 2.92% and 7.09% in the Water, Wastewater and Natural Gas systems, respectively. Cooling degree days were up 7.7% from the previous year totaling 5,740, while heating degree days were down 9.3% totaling 2,285. Rainfall decreased this year compared to last year resulting in higher water sales. Employee health insurance exceeded the original budget amount by \$202,000, a result of higher employee claims. Property and general liability also exceeded the original budget amount by \$217,000, a result of higher premiums and an adverse market resulting from the September 11 tragedy.

The final budget amendment adopted by the Authority's Board of Directors was approved on January 7, 2003. This final amendment basically trues the budget up to the actual revenue and expense figures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2002, the Authority had \$174,280,000 invested in a broad range of utility capital assets, including its power generation plant, electric transmission and distribution, water treatment plant, water transmission and distribution mains, water storage facilities, pump stations, water reclamation facility, and related collection plant facilities. This amount represents an increase (net of increases and decreases) of over \$13,146,000, or 8.16% over last year.

The following tables summarize the Authority's capital assets, net of accumulated depreciation, and changes therein, for the year ended September 30, 2002. These changes are presented in detail in Note C to the financial statements.

Table 3
Capital Assets, Net of Accumulated Depreciation
(Dollars in Thousands)

	Sept 30, 2002	Sept 30, 2001	Increase (Decrease)
Net Utility Plant			
Electric	\$ 66,185	\$ 65,920	\$ 265
Water	56,841	44,425	12,416
Gas	6,202	6,126	76
Wastewater	44,928	44,630	298
MOEC	124	33	91
Total Net Utility Plant	\$ 174,280	\$ 161,134	\$ 13,146

Table 4
Capital Assets, Net of Accumulated Depreciation
(Dollars in Thousands)

	Sept 30, 2002	Sept 30, 2001	Increase (Decrease)	
			\$	%
Land	\$ 5,341	\$ 5,330	\$ 11	0.21%
Transmission, distribution, and collection systems	104,266	100,355	3,911	3.90%
Equipment	23,125	22,415	710	3.17%
Structures and improvements	20,846	20,935	(89)	-0.43%
Construction work in progress	20,702	12,099	8,603	71.11%
	\$ 174,280	\$ 161,134	\$ 13,146	8.16%

This year's major additions include:

ELECTRIC

Transmission & Distribution System Improvements	\$ 1,876,000
Electric System Expansion	884,000
Site and Building Improvements	499,000
Communication System Improvements	191,000
Combined Cycle improvements	183,000

WATER	
R.O. Plant	\$ 10,034,000
AIA Watermain Replacement	1,715,000
Main to Meter Replacement	635,000
Orange Ave. to Angle Rd. Replacement	340,000
GAS	
System Replacement	\$ 101,000
WASTEWATER	
Orange Ave. to Angle Rd. Expansion	\$ 817,000
Replace/Line Wastewater Mains/Service Laterals/Manholes	524,000
Water Reclamation Facility	131,000

Since many of the projects rehabilitate deteriorating lines in the older sections of town, the impact on operating and maintenance expenses is expected to be favorable. However, new revenue resulting from growth is slight.

The Authority's FY 2003 capital budget plans for investing another \$15.5 million in capital projects, including the following:

Government mandated projects.....	\$4,200,000
Power Plant Improvements and Upgrades	1,444,000
R.O. Water Treatment Plant	1,000,000
Site Development South of ESC	975,000
Transmission & Distribution System Improvement	932,000
SCADA and Computer Systems	702,000
New Revenue (Electric).....	675,000
Replace NCC (Legacy) Applications.....	500,000
Vehicles (9).....	436,000
Intrusion, Infiltration, and Lining of Wastewater Line	100,000
Master Plans.....	100,000
Lift Station Renovations.....	90,000
MSBU's.....	<u>55,000</u>
 <u>TOTAL</u>	 <u>\$11,209,000</u>

The Authority plans on using existing cash to fund part of the capital budget for the upcoming year, assuming the O&M Budget materializes and no disasters or emergencies occur.

At September 30, 2002, the Authority had outstanding insured revenue bonds in the amount of \$102,732,000. Debt service schedules go out to 2027. Interest rates range from 4.20% to 6.85% on the bonds. All outstanding bonds are insured and rated AAA. Principal payments are due October 1 of each year. Principal on the bonds of \$4,125,000 was due October 1, 2002. On December 6, 2001 the bond rating firm Fitch IBCA, Duff & Phelps affirmed its underlying "A-" rating on the Authority's outstanding \$103 million of revenue bonds. Fitch stated the Authority's rating outlook is stable.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the close of FY 2001, due to a deficit cash balance in the Wastewater System, stagnant or negative growth coupled with inflation and regulatory pressures, it was necessary to decrease the capital budget for FY 2002 to \$2 million in the Wastewater System. Staff also recommended to the Board that rates be increased 8% per year for the next three years. The Board approved the three-year rate increases on October 2, 2001 with the first increase effective the first billing cycle in November 2001. The second 8% increase was effective the first billing cycle in October 2002, and the last 8% increase is effective October 2003.

Electric sales for FY 2002 grew at 3.1%. We are expecting electric sales growth to be about 1.5% in the current fiscal year. This will provide adequate cash to complete the capital program necessary to maintain service levels where they are today.

In the Water System, we've been experiencing a no-growth situation. With the increased capital needs of the Water System, rates have increased 15% per year in FY 1999 and 2000. The elasticity effect on the rate increases continues to result in lower per capita use by the Authority's customers reducing revenue unit sales for the Water System. This has also had a negative effect on the Wastewater System in that Wastewater charges are based on water consumption billed. However, the Wastewater System experienced an increase in per capita use. Due to the City of Fort Pierce's annexation policy requiring the Authority to receive an annexation agreement from any future customers where service is provided, the Authority's growth potential outside of the existing service area is almost non-existent.

Wastewater revenues for FY 2002 are higher than FY 2001. This is a result of the 8% rate increase that went into effect November 1, 2001. This helps operating cash reserves to complete the capital program which is driven by the redevelopment efforts of the City of Fort Pierce and the reconstruction of many of the roadways by the County and State Department of Transportation. The Authority is limiting capital expenditures to \$2 million in an effort to live within the Wastewater System's cash flow. We do not foresee this situation changing in the next few years. This situation also holds true for the Gas System.

The Authority's new R.O. Plant, which has been under construction since March 2001, utilizes the resources of the Floridan aquifer. Water treated at the new plant will be blended with the water treated at the existing plant. This new plant reduces the dependence the Authority has on the Surficial aquifer resources. This R.O. Plant has been running under Authority personnel's direction since December 13, 2002.

No other rate changes are expected for this fiscal year, only adjustments for power costs and purchased gas costs will change the customer's bill.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Authority's rate payers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Director of Corporate Services at Fort Pierce Utilities Authority, P.O. Box 3191, Fort Pierce, FL 34948-3191, or e-mail fvarella@fpu.com. This report and bond disclosure information is available on the Authority's website – FPUA.com.

FORT PIERCE UTILITIES AUTHORITY
Balance Sheet
September 30, 2002
(with comparative totals for September 30, 2001)
(Dolars in Thousands)

	2002	2001
ASSETS		
CURRENT ASSETS		
Equity in Pooled Cash and Investments	\$ 15,646	\$ 17,858
Accounts Receivable, Net of Allowance for Uncollectible Accounts of \$58,000 in 2002 and \$58,000 in 2001	6,248	6,211
Unbilled Service Receivables	4,547	4,240
Inventories and Other Current Assets	3,887	4,063
Total Current Assets	30,328	32,372
RESTRICTED ASSETS		
Equity in Pooled Cash and Investments	14,149	12,615
Cash with Fiscal Agent	232	229
Accrued Interest Receivable	9	-
Total Restricted Assets	14,390	12,844
DEFERRED EXPENSES		
Unamortized Finance Charges	983	890
Other	436	460
Total Deferred Expenses	1,419	1,350
UTILITY PLANT		
Utility Plant in Service	275,364	264,105
Less Accumulated Depreciation	121,786	115,070
	153,578	149,035
Construction Work in Progress	20,702	12,099
Net Utility Plant	174,280	161,134
Total Noncurrent Assets	190,089	175,328
TOTAL ASSETS	\$ 220,417	\$ 207,700

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

FORT PIERCE UTILITIES AUTHORITY

Balance Sheet

September 30, 2002

(with comparative totals for September 30, 2001)

(Dollars in Thousands)

	<u>2002</u>	<u>2001</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 7,589	\$ 5,280
Deferred Revenues	1,006	609
Due to City of Fort Pierce	<u>504</u>	<u>759</u>
Total Current Liabilities	9,099	6,648
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Revenue Bonds Payable - Current	3,876	3,705
Accrued Interest Payable Revenue Bonds	2,096	1,991
Customer Deposits	<u>3,926</u>	<u>3,691</u>
Total Liabilities Payable from Restricted Assets	9,898	9,387
LONG-TERM LIABILITIES		
Revenue Bonds Payable, Net of Current Amounts Payable from Restricted Assets and Unamortized Discounts	96,842	90,360
Accrued Compensated Absences	<u>1,758</u>	<u>1,614</u>
Total Long-Term Liabilities	<u>98,600</u>	<u>91,974</u>
Total Noncurrent Liabilities	<u>108,498</u>	<u>101,361</u>
Total Liabilities	117,597	108,009
NET ASSETS		
Invested in Capital Assets, net of related debt	74,574	67,069
Restricted for Debt Service	3,222	3,222
Restricted for Capital Projects	1,012	-
Unrestricted	<u>24,012</u>	<u>29,400</u>
Total Net Assets	<u>102,820</u>	<u>99,691</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 220,417</u>	<u>\$ 207,700</u>

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

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FORT PIERCE UTILITIES AUTHORITY
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
Year ended September 30, 2002
(with comparative totals for year ended September 30, 2001)
(Dollars in Thousands)

	2002	2001
OPERATING REVENUES		
Sales and charges for services	\$ 71,939	\$ 72,940
Other	1,685	1,579
Total Operating Revenues	73,624	74,519
OPERATING EXPENSES		
Generation	3,447	2,722
Purchases for resale	29,961	32,264
Plant operations	4,063	3,969
Field operations	6,216	5,932
General and administrative	11,046	9,979
Depreciation	9,263	9,297
Total Operating Expenses	63,996	64,163
OPERATING INCOME	9,628	10,356
NONOPERATING REVENUES (EXPENSES)		
Investment and other income	917	1,969
Interest expense	(4,846)	(5,086)
Amortization of financing expenses and revenue bond discounts	(191)	(238)
Distribution to General Fund - City of Fort Pierce	(4,410)	(4,285)
Total Nonoperating Revenues (Expenses)	(8,530)	(7,640)
INCOME BEFORE CAPITAL CONTRIBUTIONS	1,098	2,716
Capital contributions	1,909	1,495
INCOME BEFORE EXTRAORDINARY ITEMS	3,007	4,211
Extraordinary Income (Expenses)	122	(494)
CHANGE IN NET ASSETS	3,129	3,717
Net Assets - Beginning of Year	99,691	95,974
Net Assets - End of Year	\$ 102,820	\$ 99,691

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

FORT PIERCE UTILITIES AUTHORITY

STATEMENT OF CASH FLOWS

Year ended September 30, 2002

(with comparative totals for year ended September 30, 2001)

(Dollars in Thousands)

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 72,227	\$ 70,470
Receipts from other sources	1,685	1,579
Receipts from rental property	214	148
Receipts from administration fees and other	86	107
Receipts for extraordinary items	165	442
Payments to suppliers for goods and services	(37,889)	(41,385)
Payments to employees for services	(10,710)	(9,829)
Payments for benefits on behalf of employees	(3,387)	(3,036)
Payments for extraordinary items	(43)	(936)
Net cash provided by operating activities	<u>22,348</u>	<u>17,560</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Reduction in payable to City of Fort Pierce	(255)	(120)
Distribution to City of Fort Pierce	(4,410)	(4,285)
Net cash used by noncapital financing activities	<u>(4,665)</u>	<u>(4,405)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of fixed assets	(21,777)	(15,279)
Proceeds from sale of depreciable assets	9	34
Capital contributions	1,276	1,374
Proceeds from issuance of debt	9,175	-
Bond and loan principal payments	(3,940)	(3,675)
Bond and loan interest payments	(3,451)	(3,974)
Bond issue costs	(156)	-
Net cash used by capital and related financing activities	<u>(18,864)</u>	<u>(21,520)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturity of pooled cash and investments	17	11,513
Increase in fair value of cash equivalent	7	-
Interest on pooled cash and investments	499	1,883
Net cash provided by investing activities	<u>523</u>	<u>13,396</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (658)</u>	<u>\$ 5,031</u>

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

FORT PIERCE UTILITIES AUTHORITY
STATEMENT OF CASH FLOWS

Year ended September 30, 2002

(with comparative totals for year ended September 30, 2001)

(Dollars in Thousands)

	2002	2001
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (658)	\$ 5,031
Cash and Cash Equivalents at Beginning of Year	30,664	25,633
Cash and Cash Equivalents at End of Year	\$ 30,006	\$ 30,664
Current equity in pooled cash and investments	\$ 15,646	\$ 17,858
Restricted equity in pooled cash and investments	14,149	12,615
Cash with fiscal agent	232	229
Total Pooled Cash and Investments	30,027	30,702
Less: Investments	(21)	(38)
Total Cash and Cash Equivalents	\$ 30,006	\$ 30,664

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 9,628	\$ 10,356
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	9,263	9,297
Extraordinary income (expense)	122	(494)
Rental income	214	148
Administration fees and other income	86	107
(Increase) decrease in accounts receivable	(36)	(1,134)
(Increase) decrease in unbilled revenue	(307)	(547)
(Increase) decrease in inventories and other current assets	294	(176)
Increase (decrease) in liabilities payable from restricted assets other than revenue bonds	236	(10)
Increase (decrease) in accounts payable	2,308	764
Increase (decrease) in compensated absences	144	28
Increase (decrease) in deferred revenues	396	(779)
	\$ 22,348	\$ 17,560

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Contributions of capital assets	\$ 632	\$ 121
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(Continued from Page 26)

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

FORT PIERCE UTILITIES AUTHORITY

Notes to Financial Statements

September 30, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The voters of the City of Fort Pierce, Florida authorized the organization of the Fort Pierce Utilities Authority (the Authority) at a special election held May 30, 1972. The Authority commenced operations as of June 30, 1972, and is responsible for management and operation of the combined Electric, Water, Wastewater, and Gas Systems and the Manatee Observation and Education Center. The City Charter, Article XII, defines the powers, duties, and responsibilities of the Authority. The members of the Authority's governing board are elected or removed from office by the Fort Pierce City Commission. The Authority's budget is subject to approval of the City Commission, as are rates for service.

The accounts at September 30, 2002, and for the year then ended of the various utility systems of the Authority are included as a discretely presented component unit of the City of Fort Pierce, Florida, financial statements. The Authority has no component units.

Basis of Presentation

The accounts of the Authority are an enterprise fund. An enterprise fund is a Proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Based upon the accounting and reporting standards set forth in Governmental Accounting Standards Board (GASB) Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority has opted to apply only those accounting and reporting pronouncements issued by the GASB subsequent to November 30, 1989.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the "economic resources measurement focus," and the "accrual basis of accounting." Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

GASB Statement No. 34 - The Authority adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, during the year ended September 30, 2001. Statement 34 establishes standards for external

financial reporting for all state and local governmental entities which includes a Management's Discussion and Analysis section, a Balance Sheet, a Statement of Revenues, Expenses, and Changes in Net Assets and a Statement of Cash Flows. It requires the classification of Net Assets into three components – Invested in Capital Assets, net of related debt; Restricted for Debt Service; and Unrestricted.

The adoption of Statement 34 had little effect on the basic financial statements except for the classification of net assets, the reflection of capital contributions as a change in net assets, presentation of the Statement of Cash Flows using the direct method, and the inclusion of a Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

Operating Revenues and Expenses – Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority is charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of 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 reporting period. Actual results could differ from the estimates.

Assets, Liabilities and Net Assets

Pooled Cash and Investments - The Authority, for accounting and investment purposes, pools certain cash and investments. Income earned as a result of pooling is distributed to the appropriate system based on the equity each system has in the income-producing item. Cash and cash equivalents are considered to be cash on hand, certificates of deposit, State Treasurer's Investment Pool, Overnight Repurchase Agreements, and short-term investments with original maturities of three months or less from date of acquisition. Investments are stated at fair value based on quoted market prices, except for the investment in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (the LGSF Pool). The LGSF Pool is a "2a -7 like" pool, and therefore, amortized cost has been used as fair value for financial reporting, consistent with the requirements of GASB Statement 31. (Also see Note B.)

The Local Government Surplus Funds Trust Fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration (the Board).

FORT PIERCE UTILITIES AUTHORITY

Notes to the Financial Statements (Continued)

September 30, 2002

While the Board has statutory authority for a wide range of derivative instruments, the only derivative products used in the LGSF Pool are floating rate and adjustable rate securities. These instruments are used as part of the investment strategy to hedge against interest rate risk and provide diversification to the portfolio.

The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund.

Unbilled Service Receivables - These receivables represent the estimated amount of accounts receivable for services that have not been billed as of the balance sheet date. The amounts are a result of a timing difference between the end of the financial statement cycle (month end) and the billing cycle (various dates within the month for each billing period).

Inventories - Inventories of fuel, chemicals, supplies, construction materials, and utility plant replacement parts are recorded at lower of cost (weighted average method) or market.

Utility Plant - Utility plant is stated at historical cost for items constructed or acquired by purchase and at estimated fair market value on the date received for contributed capital. Utility plant assets are defined by the Authority as assets with an initial, individual cost of \$750 or more and an estimated useful life of one year or more, as set forth in Florida Statute Chapter 274.02. (See Note C for interest capitalization.)

Depreciation of all exhaustible utility plant assets, including those acquired through intergovernmental grants externally restricted to capital acquisitions, is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation is calculated using the straight line method over the following estimated useful lives:

Structures and improvements	5-55 years
Equipment	3-35 years
Transmission, distribution, and collection plants	5-60 years

Purchased Power and Gas Adjustments - The rate schedules of the Electric and Gas Systems provide that fuel cost increases, decreases, and credits, as computed under formulas adopted by the Authority, will be passed on to the customers. These charges or credits are recorded as a deferred charge or deferred revenue.

Long-Term Liabilities - Bonds payable are reported net of any applicable bond premium or discount. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized

over the term of the related debt.

Net Assets - Equity is classified as net assets and displayed in three components:

- Invested in Capital Assets, net of related debt - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted for Debt Service - Consists of net assets with constraints placed on their use by revenue bond resolution. (Also see Note M.)
- Restricted for Capital Projects - Consists of cash and investments from bond proceeds not yet spent on capital projects.
- Unrestricted - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Comparative data - Comparative total data for the prior year have been presented in order to provide an understanding of the changes in the financial position and operations of the Authority.

Budget Process

The Authority is required to prepare, adopt, and provide to the City Commission of the City of Fort Pierce an annual budget no later than 45 days prior to the beginning of its fiscal year. The annual budget and any amendments thereto shall be in effect when approved by the Authority, and when any line item expense has not been disapproved by four-fifths (4/5) vote of the City Commission within 30 days of submission. Expenses may not exceed the adopted budget as presented to the City Commission, except adoption of necessary and reasonable procedures for providing emergency repairs and/or restoration or maintenance of services. The budget is prepared on the accrual basis. The budget and amendments thereto for the year ended September 30, 2002, have been approved according to the above procedures. Subsequent to the date of the auditor's report, the final budget amendment for the fiscal year ended September 30, 2002, was adopted by the Authority Board and was approved by the City Commission.

NOTE B - CASH AND INVESTMENTS

Deposits - Florida statutes require state and local governmental units to deposit monies with a financial institution classified as a "Qualified Public Depository," which is a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits. The Authority had deposits only with qualifying institutions as of September 30, 2002, or with banks in which depository insurance was sufficient to cover the deposit balance.

FORT PIERCE UTILITIES AUTHORITY

Notes to the Financial Statements (Continued)

September 30, 2002

Investments - The Authority is authorized by Resolution to invest in:

- (1) Local Government Surplus Funds Trust Funds.
- (2) Negotiable direct obligations of the United States Government, or obligations, the principal and interest of which are unconditionally guaranteed by the United States Government.
- (3) Obligations of the federal farm credit banks, the Federal Home Loan Mortgage Corporation, including Federal Home Loan Corporation participation certificates, or the Federal Home Loan Bank or its district banks, or obligations guaranteed by the Government National Mortgage Association, U.S. Treasury, agencies, and instrumentalities.
- (4) Repurchase agreements secured by the types of investments listed above, restricted as to acquisition, term, and market value.
- (5) Interest-bearing time deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision, or in federal savings and loan associations located in this state and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.
- (6) Deposits and certificates of deposit in out-of-state banks, savings and loan associations, and other regulated financial institutions insured by the FDIC.
- (7) Full faith and credit direct general obligations of any state, or unlimited tax direct obligations of any political subdivision thereof, to the payment of which the full faith and credit of such political subdivision is pledged, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by a nationally recognized rating agency.

The Authority's investments are categorized as follows to provide an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or securities held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments, with securities held by the counterparty's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments, with securities held by the counterparty or by its trust department or agent, but not in the Authority's name. Overnight repurchase agreements are collateralized by U.S. Treasury Notes and FHLMC Discount Notes.

Restricted Investments (in thousands):

	C A T E G O R Y			Reported Amount
	<u>1</u>	<u>2</u>	<u>3</u>	
Overnight Repurchase Agreement			\$ 3,157	\$ 3,157
Federal, state, and local government securities		<u>10</u>		<u>10</u>
		<u>\$ 3,167</u>		3,167
Investment in State Treasurer's Investment Pool				<u>7,597</u>
Total Restricted Pooled Investments				<u>\$ 10,764</u>

Current Investments (in thousands):

	C A T E G O R Y			Reported Amount
	<u>1</u>	<u>2</u>	<u>3</u>	
Overnight Repurchase Agreement			\$ 3,435	\$ 3,435
Federal, state, and local government securities		<u>10</u>		<u>10</u>
		<u>\$ 3,445</u>		3,445
Investment in State Treasurer's Investment Pool				<u>8,264</u>
Total Current Pooled Investments				<u>\$ 11,709</u>

The Authority's investments held throughout the year are principally the same as the investments held as of September 30, 2002. As indicated on page 39, certain investments are considered cash equivalents for purposes of the Statement of Cash Flows. Because of significantly higher or lower cash flows at certain times during the year, the Authority's investment in overnight repurchase agreements changed significantly, from a low of \$1,880,000 to a high of \$11,880,000.

NOTE C - UTILITY PLANT

Utility plant activity for the year ended September 30, 2002 was as follows:

	Beginning Increases	Decreases	Ending Balance	Balance
Utility Plant, not being depreciated:				
Land	\$ 5,330	\$ 11	\$ -	\$ 5,341
Construction Work In Progress	<u>12,099</u>	<u>20,075</u>	<u>(11,472)</u>	<u>20,702</u>
Total Utility Plant, not being depreciated	<u>17,429</u>	<u>20,086</u>	<u>(11,472)</u>	<u>26,043</u>
Utility Plant, being depreciated:				
Transmission, distribution and collection systems	155,732	8,919	(852)	163,799
Equipment	64,229	3,782	(1,477)	66,534
Structures and improvements	<u>38,814</u>	<u>1,094</u>	<u>(218)</u>	<u>39,690</u>
Total Utility Plant being depreciated	<u>258,775</u>	<u>13,795</u>	<u>(2,547)</u>	<u>270,023</u>
Less accumulated depreciation for:				
Transmission, distribution and collection systems	(55,377)	(5,008)	852	(59,533)
Equipment	(41,814)	(3,072)	1,477	(43,409)
Structures and improvements	<u>(17,879)</u>	<u>(1,183)</u>	<u>218</u>	<u>(18,844)</u>
Total accumulated depreciation	<u>(115,070)</u>	<u>(9,263)</u>	<u>2,547</u>	<u>(121,786)</u>
Total Utility Plant, being depreciated, net	<u>143,705</u>	<u>4,532</u>	<u>-</u>	<u>148,237</u>
Total Utility Plant, net	<u>\$ 161,134</u>	<u>\$ 24,618</u>	<u>\$ (11,472)</u>	<u>\$ 174,280</u>

FORT PIERCE UTILITIES AUTHORITY

Notes to the Financial Statements (Continued)

September 30, 2002

Depreciation expense was charged to the utility systems as follows (in thousands):

Electric	\$4,854
Water	2,109
Wastewater	1,966
Gas	326
Manatee Observation and Education Center	<u>7</u>
	<u>\$9,263</u>

Construction work in progress at September 30, 2002, consists principally of expansions and upgrades to the electric generation and transmission system, water supply and distribution system, wastewater collection system, and gas distribution system.

The Authority capitalizes interest costs on funds borrowed to finance the construction of fixed assets in conformity with Statements of Financial Accounting Standards 34, 42, and 62 as applicable. Total interest costs for the year ended September 30, 2002, were \$5,443,000, of which \$597,000 was capitalized as utility plant construction costs.

The Authority has entered into contracts for the construction or renovation of various system assets as follows (in thousands):

<u>Upgrades and Expansion</u>	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Remaining Commitment</u>	<u>Required Further Financing</u>
Electric	\$ 2303	\$ 579	\$ 1,724	None
Water	13,218	12,093	1,125	None
Gas	49	33	16	None
Wastewater	<u>328</u>	<u>208</u>	<u>120</u>	None
	<u>\$15,898</u>	<u>\$12,913</u>	<u>\$2,985</u>	

The commitments for water facilities are being financed by revenue bonds which are secured by utility revenues.

In addition, the Authority has entered into unit price contracts for the construction or renovation of system assets. These contracts are not firm commitments, and the contractors are utilized as needed. As of September 30, 2002, expenditures up to \$2,720,000 were authorized under these contracts, \$1,767,000 had been spent, and authorized amounts of \$953,000 remained.

NOTE D - RESTRICTED ASSETS

Certain assets are restricted by bond resolution; additionally, some assets have been classified as restricted in accordance with governmental accounting standards for enterprise funds and utility industry accounting practices.

The Authority's restricted assets consist of equity in pooled cash and investments and cash with fiscal agent in the following accounts (in thousands):

Principal and interest accounts	\$ 6,221
Customer security deposits	3,926
Emergency reserve	2,000
Renewal and replacement reserve	1,222
Unexpended construction funds	<u>1,021</u>
Total Restricted Assets	<u>\$14,390</u>

NOTE E - DISTRIBUTION TO THE GENERAL FUND, CITY OF FORT PIERCE

As provided in the Charter of the City of Fort Pierce, Florida, a percentage of the Authority's utility systems revenue is distributed to the City's General Fund on an annual basis. The distribution calculation is based on the preceding fiscal year audited financial statements. Following is the computation of the amounts distributable to the General Fund during the year ending September 30, 2003, based on the distribution formula for the year ended September 30, 2002 (in thousands):

Gross Revenue	\$76,614
Plus:	
Fuel adjustment charges	473
Gas piping and appliance costs	51
Power quality service costs	<u>7</u>
	77,145
Less:	
Contributed capital	1,909
Manatee Observation and Education Center	257
Extraordinary income	165
Revenue for City billing	80
Communication Services revenue	50
Gas piping and appliance revenue	42
PQS revenue	<u>21</u>
Adjusted gross revenue	<u>\$74,621</u>
Amount distributable to General Fund, City of Fort Pierce, at 6% of gross revenues, as defined	<u>\$ 4,477</u>

NOTE F - REVENUE BONDS PAYABLE

Defeasance of Revenue Bonds Payable

In prior years, the Authority defeased certain outstanding utilities revenue bonds issued for the systems payable out of revenues derived from the operation of the utility systems. These defeasances were achieved by placing the proceeds of refunding bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities (including bond discounts and financing costs) for the defeased bonds are not included in the Authority's financial statements.

FORT PIERCE UTILITIES AUTHORITY

Notes to the Financial Statements (Continued)

September 30, 2002

At September 30, 2002, the following bonds are considered defeased (in thousands):

Electric and Water Systems Revenue Certificates

Utilities Revenue Certificates

Series 1973A \$ 625

Utilities Revenue Bonds

Series 1978 270

Series 1981 3,440

Series 1991 38,785

Bonds Payable at September 30, 2002, consist of (in thousands):

\$45,050,000 Utilities Refunding Revenue Bonds, Series 1991, collateralized by pledge of and first lien on the net revenues of the combined systems, approximate yield of 6.85% on the remaining Capital Appreciation Bonds. The accreted value of the Capital Appreciation Bonds at September 30, 2002 is \$6,075,000. The bonds mature October 1, 2009 and 2010, with principal amounts of \$5,445,000 due in each of those years. \$ 6,075

\$56,195,000 Utilities Refunding Revenue Bonds, Series 1993, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 4.625% to 5.30% on the remaining annual principal amounts ranging from \$300,000 to \$7,460,000 through October 1, 2016. 48,855

\$6,580,000 Utilities Refunding Revenue Bonds, Series 1994, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 5.10% to 5.40% on the remaining annual principal amounts ranging from \$60,000 to \$3,295,000 through October 1, 2005. 6,210

\$22,445,000 Utilities Refunding Revenue Bonds, Series 1999A, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 4.20% to 5.375% on the remaining annual principal amounts ranging from \$190,000 to \$4,005,000 through October 1, 2015. 19,890

\$10,223,000 Utilities Revenue Capital Appreciation Bonds, Series 1999B, collateralized by pledge of and first lien on the net revenues of the combined systems, yield varying from 5.70% to 5.90%. The accreted value at September 30, 2002, is \$12,157,000. The bonds mature October 1, 2016, through October 1, 2024, with principal amounts totaling \$34,970,000 due in those years in annual amounts ranging from \$275,000 to \$4,340,000. 12,157

\$9,545,000 Utilities Revenue Bonds, Series 2002, collateralized by pledge of and first lien on the net revenues of the combined systems, yield is 5%. The bonds mature October 1, 2025, through October 1, 2027, with principal amounts ranging from \$3,025,000 to \$3,340,000. 9,545

102,732

Less:

Unamortized portion of revenue bond discounts 1,533

Unamortized deferred bond loss 481

Current portion of revenue bonds payable from restricted assets 4,125

\$96,593

Requirements to amortize all revenue bond debt outstanding as of September 30, 2002, are as follows (in thousands):

Year Ending <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	4,125	4,091	8,216
2004	4,305	3,901	8,206
2005	4,495	3,669	8,164
2006	4,730	3,421	8,151
2007	4,955	3,186	8,141
2008-2012	28,515	13,157	41,672
2013-2017	34,995	6,192	41,187
2018-2022	21,685	2,386	24,071
2023-2027	19,215	1,925	21,140
2028	3,340	-	3,340
	<u>130,360</u>	41,928	172,288
Future accretion on capital appreciation bonds	<u>(27,628)</u>	<u>27,628</u>	-
	<u>\$102,732</u>	<u>\$69,556</u>	<u>\$172,288</u>

Significant Bond Covenants for Utilities Revenue Bonds

The Series 1991, 1993, 1994, 1999A, and 2002 bond issues provide that the Authority accumulate monthly 1/6 of the amount of all interest becoming due on the next semi-annual interest payment date, and 1/12 of the amount of principal which will become due and payable on the next principal maturity or sinking fund installment date. A maximum maturities reserve must be maintained at an amount equal to the maximum amount of principal of and interest on all bonds becoming due in any ensuing bond year, and has been provided for by purchasing a surety bond. This maximum amount is \$8,605,000 and occurs in the bond year October 1, 2013. Additionally, the issues require renewal and replacement and emergency reserve funds with minimum requirements of \$1,000,000 and \$1,750,000, respectively. These reserves are funded in the amounts of \$1,222,000 and \$2,000,000, respectively, at September 30, 2002.

On May 2, 2002, the Authority sold \$9,545,000 Utilities Revenue Bonds, Series 2002. These bonds are for the expansion and improvement of its water and wastewater systems.

Series 1993 Bonds maturing in the years 2004 to 2016, and Series 1999A Bonds maturing in the year 2010 and thereafter are redeemable prior to their stated dates of maturity, at the option of the Authority, beginning October 1, 2003 and 2009, respectively. The redemption may occur in such manner as shall be determined by the Authority for the Series 1993 and 1999A. The redemption price of the issues is equal to par plus interest accrued to the redemption date, plus a premium of 2% of par if redeemed October 1, 2003, and 1% of par if redeemed October 1, 2009. Such premium shall decrease at the rate of 1% on each October 1 thereafter. The 2002 Bonds maturing in the year 2027 are redeemable, prior to their stated date of maturity, at the option

FORT PIERCE UTILITIES AUTHORITY

Notes to the Financial Statements (Continued)

September 30, 2002

of the Authority, beginning April 1, 2012 at par.

NOTE G – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2002, was as follows:

	Revenue bonds <u>payable</u>	Deferred <u>amounts</u>	Compensated <u>Absences</u>	Long-term <u>liabilities</u>
Beginning balance	\$95,951	\$ (1,886)	\$ 1,614	\$95,679
Additions	10,721	(370)	1,146	11,497
Reductions	<u>(3,940)</u>	<u>242</u>	<u>(1,002)</u>	<u>(4,700)</u>
Ending balance	<u>\$102,732</u>	<u>\$(2,014)</u>	<u>\$ 1,758</u>	<u>\$102,476</u>
Due within one year	<u>\$ 4,125</u>	<u>\$ (249)</u>	<u>\$ -</u>	<u>\$ 3,876</u>

The long-term portion of these liabilities are classified as such on the Balance Sheet, and the current portion of revenue bonds payable is classified as a liability payable from restricted assets. No amount has been identified as due within one year for amounts payable to employees for compensated absences. There is no required payout schedule for this liability. Amounts paid to employees for compensated absences are earned more quickly than they are used; consequently, the amounts used represent amounts currently being earned, and are not a component of the prior year liability.

NOTE H - COMPENSATED ABSENCES

Current policy allows each employee eligible for vacation leave to accumulate up to 30 days of vacation. Employees are paid unused vacation leave at current hourly rates upon termination. Employees eligible for sick leave are allowed unlimited accumulation. Employees having at least 3 through 9 years of continuous service with the Authority will receive pay for 1/2 of their accumulated sick leave balance up to a maximum of 45 days. Employees having at least 10 or more years of continuous service with the Authority will receive pay for their accumulated sick leave balance up to a maximum of 90 days.

Accrued liabilities, based on hourly salary rates at September 30, 2002, have been reflected in the accounts of the Authority for vested (not contingent on employee future service) vacation and sick leave benefits at September 30, 2002, as follows (in thousands):

Vacation leave	\$ 571
Sick leave	<u>1,187</u>
	<u>\$1,758</u>

Annually, the Authority offers the opportunity to convert unused sick leave to cash. Providing certain established criteria are met, an employee may elect to convert up to six days of unused sick leave to cash calculated at their current hourly salary rate. During the year ended September 30, 2002, approximately \$91,000 was paid to employees electing this option.

The Authority has established a policy which allows employees to convert a portion of their accumulated sick leave to cash. Provided that certain criteria are met, an employee may elect to convert up to a maximum of 90 days and thereby reduce the amount payable upon termination. During the year ended September 30, 2002, approximately \$45,000 was paid to employees electing this option.

NOTE I - PENSION PLANS

General Employees Retirement and Benefit System

Plan Description

The General Employees Retirement and Benefit System (the System) is a cost-sharing multiple employer PERS defined benefit plan administered by the City of Fort Pierce, covering all municipal employees, including the Authority's employees, and employees of the St. Lucie County Fire District. The System does not issue a stand-alone financial report, but this information is included in the financial statements of the City of Fort Pierce, which can be obtained by submitting a request to 100 North U.S. Highway 1, Fort Pierce, Florida 34950. Except for the Director of Utilities, participation in the plan is compulsory for all employees of the Authority. Employees are eligible to participate upon employment.

Benefits vest 100% after 5 years of service. Upon retirement, members are entitled to an annual retirement benefit, payable for life, of total service (years and months) times 2.5% of final average salary, based upon the highest 5 consecutive years out of the last 10 years. (Optional benefit forms are available on an actuarial equivalent basis.) The System also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and city ordinance. Ad hoc increases in benefits may be granted periodically by a decision of the Retirement Board with the approval of the City Commission.

Funding Status and Progress

Per the City of Fort Pierce Code of Ordinances, Ch. 13, Art. II, Div. 1, Sec. 13-40, Authority employees are required to contribute 6.16% of their annual salary to the System. The employer is required to contribute actuarially determined amounts which, together with member contributions, are sufficient to fund the System. Administrative costs are financed through investment earnings.

For the three years ended 1999, 2000, and 2001, employer contributions to the Plan, based on the annual covered payroll, all made in accordance with actuarially determined requirements, were \$1,275,000 (4.02%), \$982,000 (2.95%), and \$1,195,000 (3.36%), respectively.

NOTE J - RISK MANAGEMENT

Employee and Retiree Health Insurance

The Authority became a self-insurer for health and accident claims of their employees and retirees, effective January 1, 2000. Payments of claims under

FORT PIERCE UTILITIES AUTHORITY
Notes to the Financial Statements (Continued)
September 30, 2002

the plan are administered by Anchor Benefit Consulting, Inc. Contributions are made to the Authority's health and accident insurance account biweekly by its employees. Any deficits of the account, up to the stop loss amounts, are absorbed by the Authority. Amounts in excess of the stop loss amounts are underwritten by Employer's Re-insurance Corporation. The individual stop loss amount is \$100,000 and approximately \$2,950,000 in the aggregate for the calendar year ending December 31, 2002.

As of September 30, 2002, the Authority had accrued claims of approximately \$820,000. Changes in the Authority's claim liability (receivable) balance during the past two fiscal years is as follows (in thousands):

	Beginning-of- Fiscal-Year <u>Liability</u>	Current-Year Claims and Changes in <u>Estimates</u>	Claim Payments	Balance at Fiscal <u>Year-End</u>
2001	(540)	2,641	2,026	75
2002	75	2,773	2,569	279

Other Risks of Loss

The Authority is exposed to various other risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Authority carries commercial insurance. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

NOTE K - POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the Authority provides certain health care benefits for retired employees. Substantially all of the Authority's employees may become eligible for those benefits if they reach normal retirement age while working for the Authority. Retiree health care benefit costs are recognized on an accrual basis (18 participating retirees). The amount of the contributions made by retirees during the year ended September 30, 2002, totaled approximately \$173,000, and no expenses were recognized.

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

NOTE L - OPERATING LEASES

The Authority is the lessor of the Federal building property under an operating lease which will expire on December 31, 2012. On or after September 1, 2007, this lease may be terminated by the lessee by giving the Authority at least 120

days written notice. Following is the property being leased at September 30, 2002:

Land	\$ 183
Building and improvements	191
Less: Accumulated depreciation	<u>(50)</u>
	<u>\$ 324</u>

The future minimum lease payments for this lease is as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2003	\$ 239
2004	258
2005	262
2006	262
2007	261
2008-2013	<u>1,471</u>
	<u>\$2,753</u>

The Authority leases office facilities under a non-cancelable operating lease which expires on July 31, 2004, with the option to extend the lease for two one-year periods. The total cost of this lease was \$71,500 for the year ended September 30, 2002. The future minimum lease payments for this lease are as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2003	\$71,500
2004	<u>59,583</u>
	<u>\$131,083</u>

NOTE M – RESTRICTED FOR DEBT SERVICE

Use of these funds is limited to the following:

Emergency Reserve – restricted for payment for emergency repairs or replacements of the capital assets of the Authority which have been damaged or destroyed by catastrophes, acts of God, or other disasters.

Renewal and Replacement Reserve – restricted for paying the cost of extensions, enlargements or additions to, or the replacement of, capital assets of the Authority.

Unexpended Construction Funds – restricted for capital projects and improvements.

Amounts restricted for debt service are comprised of (in thousands):

Emergency reserve	\$ 2,000
Renewal and replacement reserve	<u>1,222</u>
	<u>\$3,222</u>

FORT PIERCE UTILITIES AUTHORITY
Notes to the Financial Statements (Continued)
September 30, 2002

NOTE N - TRANSACTIONS WITH THE CITY OF FORT PIERCE

As an enterprise fund of the City of Fort Pierce, transactions occur between the Authority and the City throughout the year in the ordinary course of operations. Below is a summary of significant transactions:

Administrative Services - The Authority is billed monthly for various administrative services performed by the City.

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

Nonmetered and Metered Service Charges - The Authority bills the City on a monthly basis for all nonmetered and metered services.

Charges to City residents for sanitation and utility taxes are included on the Authority's monthly billing statements to customers as a service to the City. The Authority acts only as an agent with all cash collections relating to these charges forwarded directly to the City. The City is charged \$80,000 annually by the Authority to perform these services. As of September 30, 2002, customer deposits held by the Authority for sanitation services provided by the City were \$158,000.

Total charges to the City for the year ended September 30, 2002, were \$722,000. Total accounts receivable from the City at September 30, 2002, were \$60,000. Total disbursements made to the City by the Authority, including payments of utility tax and sanitation charges collected the year ended September 30, 2002, were \$7,461,000. In addition, the Authority transferred the September 30, 2001, General Fund distribution to the City in the amount of \$4,410,000. (See Note E.) Amounts payable to the City at September 30, 2002, were \$504,000.

NOTE O - CONTRACT COMMITMENTS

FMPA All-Requirements Power Supply Project

As of January 1, 1998, the Authority became a participant in Florida Municipal Power Agency's All-Requirements Power Supply Project (hereinafter referred to as ARP). The Authority has agreed to purchase its total bulk power requirements, in excess of certain excluded resources, from the ARP through October 1, 2030. Also, the Authority makes its generating or purchased capacity resources available to the ARP and receives capacity credits from the ARP.

Prior to being involved in the ARP, the Authority had Project Support Contracts and Power Sales Contracts with FMPA regarding Stanton Unit No. 1 (Stanton and Tri-City Projects) and Stanton Unit No. 2, coal-fired plants constructed by the Orlando Utilities Commission. The Authority's resources which have been assigned include the contracts with FMPA related to Stanton Unit No. 1 and Stanton Unit No. 2, and part of the contract with Florida Gas

Transmission for the purchase of firm capacity natural gas. (See below.) The contracts related to the St. Lucie Project, detailed below, have not been assigned; however, as of January 1, 1998, the Authority's share of transmission costs related to the St. Lucie Project have been assigned to the ARP.

FMPA St. Lucie Project

The Authority has entered into agreements with the Florida Municipal Power Agency (FMPA), of which it is a member, and with certain other members of FMPA, for entitlement to capacity, energy, and transmission services from Florida Power & Light's (FP&L) St. Lucie Unit No. 2 (the Unit) which is located on South Hutchinson Island near Fort Pierce, and through a reliability

exchange agreement related to St. Lucie Unit No. 1, located at the same site. Pursuant to a Power Sales Contract and a Project Support Contract, the Authority has acquired an entitlement share of FMPA's allocation of these services. The Power Sales Contract requires payments for each month in which capacity, energy, or transmission services are available from the St. Lucie Project. Payments due each month are based upon an annual budget. Once each year the excess or deficiency of payments related to actual cost is calculated and applied to the monthly statements from FMPA to the Authority. The Power Sales Contract will remain in effect until the latest of (i) the date that the principal, premium, if any, and interest on all bonds have been paid, or funds are set aside for the payment thereof; (ii) the date the Unit is decommissioned or finally disposed of as an electric generating unit pursuant to the Participation Agreement, or FMPA's interest in the Unit is terminated pursuant to the Participating Agreement or otherwise disposed of; or (iii) the date all obligations of FMPA under the Participation Agreement have been paid, performed, or provided for.

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

Purchases under these contracts are accounted for as operating expenses by the Authority. Total cost included in operating expenses for the year ended September 30, 2002, was \$5,714,000. The Authority is committed under the agreements to payments of \$4,878,000 for the year ending September 30, 2003.

Florida Gas Transmission

The Authority has entered into a contract with Florida Gas Transmission for the purchases of firm capacity natural gas in an amount ranging from 868 to 1,500 MMBtu's per day in any given month. At September 30, 2002, \$1,102,000 was included in operating expenses by the Authority in regard to this contract. As of January 1, 1998, the Authority's commitment to Florida Gas Transmission for the purchase of firm capacity natural gas used to fuel the Authority's power generation facility was assigned to the ARP.

FORT PIERCE UTILITIES AUTHORITY
Notes to the Financial Statements (Continued)
September 30, 2002

Therefore, the Authority's remaining commitment under this contract, for the year ended September 30, 2003, is \$150,000.

NOTE P - LITIGATION

The Authority is a defendant in a lawsuit related to the Midway Road service area dispute. Outside counsel for the Authority has advised that he cannot offer an opinion as to the probable outcome. The Authority is vigorously defending its position.

NOTE Q – EXTRAORDINARY INCOME (EXPENSE)

Also during the year ended September 30, 2002, the Authority received \$165,000 from the Fort Pierce Repowering Project (FPRP). This amount was intended to offset the Authority's costs associated with the FPRP, in the amount of \$43,000. The balance, \$122,000, has been recorded as extraordinary income.



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Honorable Chairman and Members
Fort Pierce Utilities Authority
Fort Pierce, Florida

We have audited the financial statements of the Fort Pierce Utilities Authority as of and for the year ended September 30, 2002, and have issued our report thereon dated December 20, 2002. Our audit was made in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and other such auditing procedures as we considered necessary in the circumstances.

In connection with our audit, nothing came to our attention that caused us to believe there has been any material lack of compliance with the covenants of the Utilities Refunding Revenue Bonds, Series 1989, Utilities Refunding Revenue Bonds, Series 1991, Utilities Refunding Revenue Bonds, Series 1993, Utilities Refunding Revenue Bonds, Series 1994, Utilities Refunding Revenue Bonds, Series 1999A, Utilities Revenue Capital Appreciation Bonds, Series 1999B, or Utilities Revenue Bonds, Series 2002.

Berger, Toombs, Elam & Frank

Fort Pierce, Florida
December 20, 2002

FORT PIERCE UTILITIES AUTHORITY
BUDGETARY COMPARISON SCHEDULE

Year ended September 30, 2002
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Sales and charges for services	\$ 76,803	\$ 71,939	\$ 71,939
Other operating revenues	1,733	1,685	1,685
Investment and other income	1,569	917	917
Capital contributions	-	1,909	1,909
Extraordinary income	-	122	122
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>\$ 80,105</u>	<u>\$ 76,572</u>	<u>\$ 76,572</u>
EXPENSES			
Generation	\$ 3,840	\$ 3,447	\$ 3,447
Purchases for resale	31,162	29,961	29,961
Plant operations	3,963	4,063	4,063
Field operations	6,521	6,216	6,216
General and administrative	13,100	11,046	11,046
Depreciation	9,243	9,263	9,263
Interest expense	4,992	4,846	4,846
Amortization of financing expenses and revenue bond discounts	249	191	191
Distribution to General Fund - City of Fort Pierce	4,541	4,410	4,410
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 77,611</u>	<u>\$ 73,443</u>	<u>\$ 73,443</u>

FORT PIERCE UTILITIES AUTHORITY

SCHEDULE OF INVESTMENTS

September 30, 2002
(Dollars in Thousands)

<u>Description of Investments</u>	<u>Reported Amount</u>
State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (LGSF Pool) with interest rate of 1.89% maturing at no set date	\$ 15,861 *
Repurchase Agreement - overnight with interest at 1.24% maturing at no set date	6,592 *
Federal, state, and local government securities with interest rates from 10.34% to 10.39% maturing between 10/1/2002 and 10/1/2003	<u>20</u>
Total Investments	<u>\$ 22,473</u>

Interest income generated on the above investments for the year ended September 30, 2002, was \$368,140.

* These items are considered cash equivalents for purposes of the Statement of Cash Flows.

FORT PIERCE UTILITIES AUTHORITY
SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year ended September 30, 2002

Grantor Department/Agency and Program Description	<u>Contract Period</u>	<u>Contract or Award Amount</u>
Florida Fish and Wildlife Conservation Commission		
Environmental Education Grant Program CFSA No. 77.001, FWC Grant No. 00106	12/11/00-12/3/2001	\$ 33,660
<u>State of Florida Department of Environmental Protection</u>		
Statewide Restoration Projects CSFA No. 37.039, Project No. SP463120	9/9/2000-2/1/2003	<u>100,000</u>
		<u>\$ 133,660</u>

FORT PIERCE UTILITIES AUTHORITY
SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year ended September 30, 2002

<u>Grantor Department/Agency and Program Description</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued or (Deferred) Revenue at September 30, 2002</u>
 <u>Florida Fish and Wildlife Conservation Commission</u>			
Environmental Education Grant Program CFSA No. 77.001, FWC Grant No. 00106	\$ 3,365	\$ 3,365	\$ -
 State of Florida Department of Environmental Protection			
Statewide Restoration Projects CSFA No. 37.039, Project No. SP463120	<u>47,915</u>	<u>47,915</u>	<u>-</u>
	<u>\$ 51,280</u>	<u>\$ 51,280</u>	<u>\$ -</u>

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**FORT PIERCE UTILITIES AUTHORITY
 AVERAGE NUMBER OF SERVICES BILLED BY SYSTEM - LAST TEN YEARS**

	ELECTRIC	WATER	NATURAL GAS	WASTEWATER
--	-----------------	--------------	------------------------	-------------------

FY 2002	25,301	15,855	4,697	12,580
FY 2001	24,975	15,561	4,736	12,395
FY 2000	24,642	15,399	4,724	12,308
FY 1999	24,457	15,159	4,771	12,235
FY 1998	24,256	15,044	4,800	12,213
FY 1997	24,183	14,574	4,763	12,019
FY 1996	24,068	14,232	4,698	11,860
FY 1995	24,031	14,014	4,651	11,810
FY 1994	23,677	13,804	4,620	11,729
FY 1993	23,637	13,866	4,449	11,767

FORT PIERCE UTILINE AUTHORITY

REVEUES BY SYSTEM- LAST TEN YEARS

	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998
ELECTRIC					
Residential					
Inside the City	\$ 16,041,000	\$ 16,259,000	\$ 14,402,000	\$ 13,660,000	\$ 14,649,000
Outside the City	5,491,000	5,580,000	5,010,000	4,769,000	5,192,000
General Service					
Inside the City	21,257,000	22,043,000	19,110,000	18,193,000	18,698,000
Outside the City	6,410,000	6,034,000	5,622,000	5,008,000	5,544,000
Other Retail	1,237,000	1,172,000	1,095,000	1,026,000	1,031,000
Sales for Resale	-	-	-	-	7,000
Other Operating Revenues	878,000	867,000	757,000	639,000	709,000
Total Electric Operating Revenues	\$ 51,314,000	\$ 51,955,000	\$ 45,996,000	\$ 43,295,000	\$ 45,830,000
WATER					
Residential					
Inside the City	\$ 3,168,000	\$ 3,194,000	\$ 2,820,000	\$ 2,434,000	\$ 2,379,000
Outside the City	967,000	986,000	855,000	726,000	685,000
General Service					
Inside the City	3,926,000	4,156,000	3,510,000	3,042,000	2,758,000
Outside the City	2,178,000	2,040,000	1,841,000	1,566,000	1,531,000
Sales for Resale	633,000	490,000	592,000	587,000	517,000
Other Operating Revenues	52,000	11,000	12,000	11,000	7,000
Total Water Operating Revenues	\$ 10,924,000	\$ 10,877,000	\$ 9,630,000	\$ 8,366,000	\$ 7,877,000
NATURAL GAS					
Sales Revenue					
Residential	\$ 972,000	\$ 1,228,000	\$ 1,003,000	\$ 879,000	\$ 996,000
Heat Only	21,000	27,000	22,000	23,000	35,000
General Service	1,766,000	2,495,000	1,855,000	1,440,000	1,693,000
Interruptible and Other	7,000	13,000	16,000	14,000	7,000
Contract Gas	-	-	-	187,000	195,000
Other Operating Revenues, including Transportation	355,000	311,000	290,000	-	286,000
Total Natural Gas Operating Revenues	\$ 3,121,000	\$ 4,074,000	\$ 3,186,000	\$ 2,543,000	\$ 3,212,000
WASTEWATER					
Residential					
Inside the City	\$ 3,159,000	\$ 2,948,000	\$ 2,938,000	\$ 2,915,000	\$ 3,012,000
Outside the City	397,000	367,000	365,000	362,000	362,000
General Service					
Inside the City	3,335,000	3,121,000	3,031,000	3,073,000	2,889,000
Outside the City	930,000	780,000	780,000	716,000	670,000
Other Service	-	-	-	-	-
Total Retail Service Revenue	7,821,000	7,216,000	7,114,000	7,066,000	6,933,000
Other Operating Revenues	136,000	92,000	9,000	10,000	4,000
Total Wastewater Operating Revenues	\$ 7,957,000	\$ 7,308,000	\$ 7,123,000	\$ 7,076,000	\$ 6,937,000
MANATEE OBSERVATION AND EDUCATION CENTER					
Total MOEC Operating Revenues	\$ 257,000	\$ 284,000	\$ 232,000	\$ 188,000	\$ 203,000
COMMUNICATION SERVICES					
	\$ 51,000	\$ 21,000			
TOTAL OPERATING REVENUES	\$ 73,624,000	\$ 74,519,000	\$ 66,167,000	\$ 61,468,000	\$ 64,059,000

FORT PIERCE UTILITIES AUTHORITY
REVENUES BY SYSTEM - LAST TEN YEARS

	FY 1997		FY 1996		FY 1995		FY 1994		FY 1993
\$	13,919,000	\$	13,663,000	\$	12,326,000	\$	12,290,000	\$	13,008,000
	5,085,000		5,144,000		4,566,000		4,647,000		4,945,000
	19,002,000		18,029,000		16,851,000		16,301,000		15,821,000
	5,702,000		5,413,000		4,933,000		5,652,000		6,355,000
	1,009,000		870,000		722,000		1,039,000		1,301,000
	1,355,000		141,000		618,000		734,000		534,000
	677,000		293,000		100,000		487,000		541,000
\$	46,749,000	\$	43,553,000	\$	40,116,000	\$	41,150,000	\$	42,505,000
\$	2,102,000	\$	1,986,000	\$	1,995,000	\$	1,956,000	\$	1,897,000
	622,000		604,000		521,000		509,000		492,000
	2,800,000		2,836,000		2,633,000		2,055,000		2,057,000
	1,386,000		1,211,000		1,009,000		1,134,000		1,082,000
	402,000		435,000		382,000		429,000		328,000
	41,000		13,000		39,000		381,000		349,000
\$	7,353,000	\$	7,085,000	\$	6,579,000	\$	6,464,000	\$	6,205,000
\$	940,000	\$	814,000	\$	880,000	\$	997,000	\$	960,000
	36,000		35,000		44,000		40,000		36,000
	2,063,000		1,530,000		1,302,000		1,378,000		953,000
	-		-		25,000		745,000		997,000
	4,221,000		3,144,000		2,741,000		2,217,000		2,920,000
	125,000		118,000		87,000		112,000		139,000
\$	7,385,000	\$	5,641,000	\$	5,079,000	\$	5,489,000	\$	6,005,000
\$	2,754,000	\$	2,430,000	\$	2,467,000	\$	2,361,000	\$	2,122,000
	331,000		299,000		278,000		262,000		229,000
	2,990,000		2,867,000		2,492,000		2,307,000		2,062,000
	680,000		608,000		497,000		566,000		464,000
	-		-		55,000		114,000		105,000
	6,756,000		6,204,000		5,789,000		5,611,000		4,981,000
	3,000		8,000		18,000		13,000		17,000
\$	6,759,000	\$	6,212,000	\$	5,807,000	\$	5,624,000	\$	4,998,000
\$	147,000	\$	9,000						
\$	68,393,000	\$	62,500,000	\$	57,581,000	\$	58,727,000	\$	59,713,000

FORT PIERCE UTILITIES AUTHORITY
EXPENSES BY SYSTEM - LAST TEN YEARS

	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998
ELECTRIC					
Generation and Purchases for Resale	\$ 32,064,000	\$ 32,700,000	\$ 28,067,000	\$ 26,519,000	\$ 28,744,000
Transmission and Distribution	2,863,000	2,633,000	2,522,000	2,259,000	2,188,000
Administrative and General	5,703,000	5,488,000	5,060,000	4,593,000	4,588,000
Depreciation	4,855,000	5,018,000	4,689,000	4,827,000	5,084,000
Total Electric Operating Expenses	\$ 45,485,000	\$ 45,839,000	\$ 40,338,000	\$ 38,198,000	\$ 40,604,000
WATER					
Plant Operations	\$ 2,325,000	\$ 2,238,000	\$ 2,025,000	\$ 1,978,000	\$ 1,999,000
Transmission and Distribution	959,000	1,034,000	881,000	917,000	859,000
Administrative and General	2,842,000	2,320,000	2,392,000	1,963,000	1,930,000
Depreciation	2,109,000	2,141,000	2,152,000	2,023,000	1,911,000
Total Water Operating Expenses	\$ 8,235,000	\$ 7,733,000	\$ 7,450,000	\$ 6,881,000	\$ 6,699,000
NATURAL GAS					
Supply and Distribution	\$ 1,967,000	\$ 2,852,000	\$ 1,849,000	\$ 1,551,000	\$ 1,881,000
Administrative and General	755,000	665,000	355,000	624,000	676,000
Depreciation	326,000	298,000	299,000	268,000	262,000
Total Natural Gas Operating Expenses	\$ 3,048,000	\$ 3,815,000	\$ 2,503,000	\$ 2,443,000	\$ 2,819,000
WASTEWATER					
Plant Operations	\$ 1,556,000	\$ 1,546,000	\$ 1,385,000	\$ 1,148,000	\$ 1,131,000
Pumping and Collection	1,651,000	1,616,000	1,301,000	1,249,000	1,153,000
Administrative and General	1,783,000	1,520,000	1,769,000	1,538,000	1,440,000
Depreciation	1,966,000	1,824,000	1,707,000	1,638,000	1,603,000
Total Wastewater Operating Expenses	\$ 6,956,000	\$ 6,506,000	\$ 6,162,000	\$ 5,573,000	\$ 5,327,000
MANATEE OBSERVATION AND EDUCATION CENTER					
Total MOEC Operating Expenses	\$ 272,000	\$ 270,000	\$ 234,000	\$ 188,000	\$ 180,000
TOTAL OPERATING EXPENSES					
	\$ 63,996,000	\$ 64,163,000	\$ 56,687,000	\$ 53,283,000	\$ 55,629,000
OTHER REVENUE (EXPENSES) *					
	\$ (4,120,000)	\$ (3,355,000)	\$ (3,072,000)	\$ (3,893,000)	\$ (3,773,000)

* Excludes Distribution to the City of Fort Pierce.

FORT PIERCE UTILITIES AUTHORITY
EXPENSES BY SYSTEM - LAST TEN YEARS

FY 1997	FY 1996	FY 1995	FY 1994	FY 1993
\$ 29,976,000	\$ 26,631,000	\$ 24,071,000	\$ 24,604,000	\$ 26,074,000
2,262,000	1,869,000	1,723,000	1,704,000	1,816,000
4,667,000	4,693,000	4,355,000	4,249,000	5,143,000
4,296,000	4,246,000	4,286,000	3,955,000	3,782,000
<u>\$ 41,201,000</u>	<u>\$ 37,439,000</u>	<u>\$ 34,435,000</u>	<u>\$ 34,512,000</u>	<u>\$ 36,815,000</u>
\$ 1,913,000	\$ 1,693,000	\$ 1,784,000	\$ 1,854,000	\$ 1,752,000
808,000	766,000	764,000	624,000	555,000
1,688,000	1,663,000	1,517,000	1,607,000	1,492,000
1,512,000	1,394,000	1,346,000	1,298,000	1,263,000
<u>\$ 5,921,000</u>	<u>\$ 5,516,000</u>	<u>\$ 5,411,000</u>	<u>\$ 5,383,000</u>	<u>\$ 5,062,000</u>
\$ 5,431,000	\$ 4,353,000	\$ 3,775,000	\$ 4,496,000	\$ 4,682,000
648,000	656,000	608,000	706,000	991,000
204,000	201,000	205,000	194,000	167,000
<u>\$ 6,283,000</u>	<u>\$ 5,210,000</u>	<u>\$ 4,588,000</u>	<u>\$ 5,396,000</u>	<u>\$ 5,840,000</u>
\$ 1,141,000	\$ 1,064,000	\$ 1,162,000	\$ 1,211,000	\$ 1,229,000
1,140,000	940,000	1,029,000	812,000	987,000
1,185,000	1,119,000	1,064,000	1,305,000	1,325,000
1,430,000	1,413,000	1,225,000	1,155,000	1,086,000
<u>\$ 4,896,000</u>	<u>\$ 4,536,000</u>	<u>\$ 4,480,000</u>	<u>\$ 4,483,000</u>	<u>\$ 4,627,000</u>
<u>\$ 147,000</u>	<u>\$ 37,000</u>			
<u>\$ 58,448,000</u>	<u>\$ 52,738,000</u>	<u>\$ 48,914,000</u>	<u>\$ 49,774,000</u>	<u>\$ 52,344,000</u>
<u>\$ (3,884,000)</u>	<u>\$ (3,479,000)</u>	<u>\$ (3,144,000)</u>	<u>\$ (3,474,000)</u>	<u>\$ (3,630,000)</u>

FORT PIERCE UTILITIES AUTHORITY
UNIT SALES SYSTEM DETAILED - LAST TEN YEARS

	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998
ELECTRIC					
ENERGY SALES (kWh)					
Residential					
Inside the City	177,900,000	172,553,000	169,126,000	167,419,000	165,952,000
Outside the City	58,553,000	56,871,000	56,431,000	56,158,000	56,622,000
Total Residential	236,453,000	229,424,000	225,557,000	223,577,000	222,574,000
General Service					
Inside the City	268,625,000	263,887,000	260,790,000	261,739,000	241,091,000
Outside the City	74,676,000	69,004,000	72,653,000	67,445,000	70,317,000
Total General Service	343,301,000	332,891,000	333,443,000	329,184,000	311,408,000
Other Retail	10,678,000	10,153,000	9,676,000	9,310,000	9,181,000
Total Retail Energy Sales	590,432,000	572,468,000	568,676,000	562,071,000	543,163,000
WATER SALES - 1,000 GALLONS					
Residential					
Inside the City	765,659	776,608	793,954	797,083	786,795
Outside the City	177,563	183,429	183,594	184,908	172,136
Total Residential	943,222	960,037	977,548	981,991	958,931
General Service					
Inside the City	1,061,622	1,103,203	1,093,971	1,103,392	1,021,115
Outside the City	600,674	555,960	592,185	583,639	577,158
Total General Service	1,662,296	1,659,163	1,686,156	1,687,031	1,598,273
Sales for Resale	226,561	197,272	200,175	202,879	196,191
Total Sales	2,832,079	2,816,472	2,863,879	2,871,901	2,753,395
NATURAL GAS					
ENERGY SALES (ccf)					
Residential	726,932	786,920	770,318	741,430	849,548
Heat Only	7,589	12,122	9,555	8,437	16,292
General Service	2,315,656	2,409,372	2,511,133	2,402,643	2,603,348
Interruptible and Other			-	-	-
Contract Sales			-	-	477,750
Total Energy Sales	3,050,177	3,208,414	3,291,006	3,152,510	3,946,938

FORT PIERCE UTILITIES AUTHORITY
UNIT SALES SYSTEM DETAILED - LAST TEN YEARS

FY 1997	FY 1996	FY 1995	FY 1994	FY 1993
153,928,000	166,245,000	157,333,000	154,652,000	149,009,000
53,014,000	58,979,000	55,557,000	56,273,000	54,413,000
206,942,000	225,224,000	212,890,000	210,925,000	203,422,000
223,215,000	231,344,000	225,542,000	217,633,000	209,220,000
71,048,000	66,559,000	68,639,000	69,471,000	72,407,000
294,263,000	297,903,000	294,181,000	287,104,000	281,627,000
9,499,000	9,432,000	9,243,000	9,080,000	8,855,000
510,704,000	532,559,000	516,314,000	507,109,000	493,904,000
780,701	774,878	763,884	773,261	804,221
168,794	169,241	160,617	160,346	162,835
949,495	944,119	924,501	933,607	967,056
1,094,136	1,166,291	1,162,481	1,106,813	1,206,305
544,633	486,323	446,008	507,399	497,694
1,638,769	1,652,614	1,608,489	1,614,212	1,703,999
165,006	175,135	174,644	204,731	155,356
2,753,270	2,771,868	2,707,634	2,752,550	2,826,411
800,017	937,137	860,557	853,850	889,205
12,431	25,511	20,899	22,041	22,271
2,471,084	2,506,281	2,728,736	2,503,378	1,939,770
-	-	28,290	2,289,891	2,725,302
11,119,640	8,595,100	9,824,191	7,385,260	9,035,660
14,403,172	12,064,029	13,462,673	13,054,420	14,612,208

FORT PIERCE UTILITIES AUTHORITY
ELECTRIC ENERGY SOURCES AND WAER STATISTICS - LAST TEN YEARS

	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998
SOURCES OF ENERGY (kWh)					
Total Net Energy Generated		-	-	-	37,140,000
Total Energy Purchased	626,445,000	603,251,000	600,068,000	582,973,000	539,437,000
TOTAL SOURCES OF ENERGY	626,445,000	603,251,000	600,068,000	582,973,000	576,577,000
Less: System Losses and Inadvertent Energy (kWh)	-	-	-	-	114,000
Net Available for Sale (kWh)	626,445,000	603,251,000	600,068,000	582,973,000	576,463,000
SALES FOR RESALE (kWh)	-	-	-	-	259,000
NET ENERGY FOR LOAD	626,445,000	603,251,000	600,068,000	582,973,000	576,204,000
WATER STATISTICS					
Water Production - 1,000 Gallons					
Raw Water Treated	3,233,092	3,198,897	3,232,018	3,269,113	3,247,379
Water Used in Plant	(25,797)	949	(51,346)	(41,282)	(65,700)
Water Pumped to City	3,207,295	3,199,846	3,180,672	3,227,831	3,181,679
Water Used in System	65,228	65,510	(50,226)	(48,848)	(54,729)
Water Sales	2,832,079	2,816,472	2,863,879	2,871,901	2,753,395
Losses and Unaccounted for Gallonage	309,988	317,864	266,567	307,082	373,555
Unaccounted For	0.097	0.099	0.084	0.095	0.117
Average Daily Consumption	8,787	8,771	8,692	8,845	8,714
Highest Daily Consumption Date	11,781 5/5/2002	10,628 4/24/2001	11,215 5/1/00	11,853 4/5/99	11,323 5/22/98
Peak Maximum Demand (MG) Date	13,425 5/6/2002	13,900 5/18/2001	13,300 6/22/00	16,200 3/24/99	13,700 4/13/98
Duration	120 Minutes	60 Minutes	60 Minutes	75 Minutes	75 Minutes
Rainfall for FY (inches)	58.20	53.81	50.61	53.87	57.00

FORT PIERCE UTILITIES AUTHORITY
ELECTRIC ENERGY SOURCES AND WATER STATISTICS - LAST TEN YEARS

FY 1997	FY 1996	FY 1995	FY 1994	FY 1993
173,560,000	182,654,000	288,114,000	214,190,000	197,592,000
417,615,000	374,466,000	282,620,000	336,067,000	341,308,000
591,175,000	557,120,000	570,734,000	550,257,000	538,900,000
104,000	290,000	76,000	361,000	980,000
591,071,000	556,830,000	570,658,000	549,896,000	537,920,000
48,431,000	2,848,000	19,464,000	17,713,000	20,004,000
542,640,000	553,982,000	551,194,000	532,183,000	517,916,000
3,163,134	3,527,885	3,283,539	3,171,298	3,307,171
(136,254)	(159,644)	(158,826)	(133,400)	(102,226)
3,026,880	3,368,241	3,124,713	3,037,898	3,204,945
(92,083)	(56,906)	(78,687)	(9,742)	(9,701)
2,753,270	2,771,868	2,707,634	2,752,550	2,826,411
181,527	539,467	338,392	275,606	368,833
0.06	0.16	0.11	0.09	0.12
8,292	9,204	8,599	8,314	8,775
10,597	11,714	11,596	10,866	11,968
4/1/97	8/30/96	5/30/95	7/19/94	5/18/93
15,600	17,100	14,900	15,300	15,800
11/18/96	1/3/96	10/28/94	9/29/94	7/22/93
15 Minutes	40 Minutes	30 Minutes	10 Minutes	50 Minutes
63.30	59.37	84.31	76.82	62.90

FORT PIERCE UTILITIES AUTHORITY
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS - LAST TEN YEARS

	COMMERCIAL CONSTRUCTION*	RESIDENTIAL CONSTRUCTION*	ASSESSED VALUE FOR OPERATIONS*	BANK DEPOSITS**	
FY 2002	\$15,007,594	\$7,759,613	\$1,083,335,432	\$2,361,220,000	
FY 2001	\$4,365,272	\$5,545,676	\$1,055,793,784	\$2,100,692,000	
FY 2000	\$5,778,377	\$25,020,545	\$966,079,031	\$1,908,177,000	***
FY 1999	\$15,483,493	\$3,217,024	\$966,089,744	\$1,759,734,000	***
FY 1998	\$11,648,665	\$15,090,757	\$954,526,579	\$1,267,490,000	***
FY 1997	\$13,879,947	\$1,551,150	\$907,203,728	\$1,245,079,000	
FY 1996	\$3,921,119	\$1,892,309	\$914,473,737	\$1,222,428,000	
FY 1995	\$6,316,684	\$1,471,305	\$898,678,435	\$1,214,338,000	
FY 1994	\$4,449,217	\$1,800,000	\$854,107,623	\$1,622,939,000	
FY 1993	\$6,915,950	\$5,285,654	\$902,919,693	\$1,111,687,000	

Sources:

* City of Fort Pierce Annual Budget.

** Florida Bankers' Association. Includes S&L's.

*** Amount estimated; actual not available.

FORT PIERCE UTILITIES AUTHORITY
HISTORY OF DISTRIBUTION TO THE CITY OF FORT PIERCE, SYSTEM RATE
INCREASES, AND DEBT SERVICE COVERAGE - LAST TEN YEARS

	DISTRIBUTION TO THE CITY (3)	RATE INCREASES	DEBT SERVICE COVERAGE (4)
FY 2002	\$4,477,000	8% Wastewater	2.46x
FY 2001	\$4,410,000	15% Water	2.67x
FY 2000	\$4,285,000	15% Water	2.77x
FY 1999	\$4,063,000	-	2.42x
FY 1998	\$4,024,000	Water 5%	2.26x
FY 1997	\$3,859,000	Water 6% Wastewater 10%	2.20x
FY 1996	\$3,894,000	Electric .89% Water 6% Wastewater 10% Natural Gas 15.9%	2.21x
FY 1995	\$3,796,000	Water Wastewater	2.29x
FY 1994	(2) \$4,368,000	Water 12.75% Wastewater 17.80% Natural Gas 4.97%	2.23x
FY 1993	(1) \$3,679,000	None	1.77x

(1) Adjusted from \$2,306,000 by special Board action.

(2) Includes the City's 40% share of \$1,612,000 Renewal & Replacement funds.

(3) Paid in subsequent fiscal year.

(4) FY's 1992 - 1995 are as published in FPUA's Official Statements.

See Page 54 for calculation of last 6 years. Minimum required by bond covenant is 1.25 times.

(5) Increased the outside City surcharge from 20% to 25%.

FORT PIERCE UTILITIES AUTHORITY
COMPUTATION OF DEBT SERVICE COVERAGE - LAST SIX YEARS

(Dollars in Thousands)

	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998	FY 1997
OPERATING INCOME	\$ 9,644	\$ 10,343	\$ 9,480	\$ 8,187	\$ 8,362	\$ 9,947
ADD:						
Depreciation Expense	9,256	8,922	8,863	8,778	8,874	7,452
Investment & Other Income	916	1,965	2,462	1,654	1,730	1,913
Extraordinary Gain	165	99	1,838	-	-	-
LESS:						
Interest on Construction Funds	31	149	542	7	-	-
NET AVAILABLE INCOME	<u>\$ 19,950</u>	<u>\$ 21,180</u>	<u>\$ 22,101</u>	<u>\$ 18,612</u>	<u>\$ 18,966</u>	<u>\$ 19,312</u>
DEBT SERVICE:						
Revenue Bonds Payable Current	4,125	3,940	3,675	3,150	3,410	3,215
Total Interest Expense	3,991	3,981	5,157	4,719	5,043	5,543
Capitalized Interest	-	-	401	330	149	108
Customer Deposit Interest	-	-	(146)	(155)	(134)	(107)
Other Interest	-	-	-	(8)	-	-
Accretion	-	-	(1,051)	(417)	(394)	(373)
Bond Loss Amortization	-	-	(200)	(68)	(68)	(68)
Capital Improvement Charges	-	-	135	137	375	469
NET CASH DEBT SERVICE	<u>\$ 8,116</u>	<u>\$ 7,921</u>	<u>\$ 7,971</u>	<u>\$ 7,688</u>	<u>\$ 8,381</u>	<u>\$ 8,787</u>
DEBT SERVICE COVERAGE (TIMES)	<u>2.46</u>	<u>2.67</u>	<u>2.77</u>	<u>2.42</u>	<u>2.26</u>	<u>2.20</u>

TEN LARGEST CUSTOMERS - FY 2002

	Utility Service	Unit Sales	Revenues	Total
St. Lucie County School Board	Electric (kWh)	28,520,884	\$ 2,399,101	
	Water (kgal.)	41,466	192,618	
	Wastewater	26,101	131,280	
	Natural Gas (ccf)	59,240	48,189	
				\$ 2,771,188
Cargill Citro Pure, LP	Electric (kWh)	20,072,042	1,604,552	
	Water (kgal.)	42,967	135,034	
	Wastewater	-	-	
	Natural Gas (ccf)	-	-	
				1,739,586
Fort Pierce Utilities Authority	Electric (kWh)	18,503,930	1,415,116	
	Water (kgal.)	47,402	242,602	
	Wastewater	13,574	67,411	
	Natural Gas (ccf)	15,269	11,634	
				1,736,762
Indian River Community College	Electric (kWh)	18,008,579	1,377,129	
	Water (kgal.)	18,026	53,704	
	Wastewater	14,316	55,763	
	Natural Gas (ccf)	89,443	50,720	
				1,537,316
Board of County Commissioners	Electric (kWh)	12,683,842	1,080,203	
	Water (kgal.)	39,200	184,260	
	Wastewater	29,002	140,765	
	Natural Gas (ccf)	-	-	
				1,405,228
Lawnwood Regional Medical Center	Electric (kWh)	12,849,472	864,666	
	Water (kgal.)	28,345	74,961	
	Wastewater	28,345	101,852	
	Natural Gas (ccf)	260,295	144,159	
				1,185,638
Harbor Branch Oceanographic Institute	Electric (kWh)	10,449,531	849,102	
	Water (kgal.)	-	-	
	Wastewater	-	-	
	Natural Gas (ccf)	-	-	
				849,102
Ocean Village POA Inc.	Electric (kWh)	2,364,695	206,387	
	Water (kgal.)	78,988	353,697	
	Wastewater	35,032	161,837	
	Natural Gas (ccf)	-	-	
				721,922
City of Fort Pierce	Electric (kWh)	5,496,514	428,798	
	Water (kgal.)	48,695	218,417	
	Wastewater	17,310	74,423	
	Natural Gas (ccf)	-	-	
				721,638
St. Lucie County Utilities	Electric (kWh)	-	-	
	Water (kgal.)	229,395	645,279	
	Wastewater	-	-	
	Natural Gas (ccf)	-	-	
				645,279
TOTAL REVENUES BY UTILITY	Electric		\$	10,225,053
	Water			2,100,573
	Wastewater			733,331

**FORT PIERCE UTILITIES AUTHORITY
DEMOGRAPHIC STATISTICS - LAST TEN YEARS**

	City of Fort Pierce Population*	St. Lucie County Population*	School Enrollment**
FY 2002	38,642	203,360	31,419
FY 85	37,500	119,150	15,540
FY 2001	38,013	198,253	29,248
FY 2000	37,516	192,695	29,285
FY 1999	38,401	186,905	29,030
FY 1998	38,071	183,222	28,463
FY 1997	39,484	171,160	27,997
FY 1996	37,273	175,458	27,456
FY 1995	37,027	171,160	26,881
FY 1994	36,945	166,803	26,006
FY 1993	36,909	163,192	25,030

Sources:

* University of Florida, Bureau of Business & Economic Research.

** St. Lucie County School Board.

*** Florida Department of Labor & Employment Security,
Bureau of Labor and Market Security.

**** Data unavailable.

FORT PIERCE UTILITIES AUTHORITY
DEMOGRAPHIC STATISTICS - LAST TEN YEARS

	St. Lucie County Labor Force***	Unemployment****	Percentage Rate of Unemployment****	Per Capita Income*
FY 2002	83,437	8,923	10.7	****
FY 2001	84,322	8,924	10.6	****
FY 2000	81,882	9,305	11.4	21,993
FY 1999	76,045	7,364	9.7	20,965
FY 1998	79,003	11,768	14.9	22,189
FY 1997	78,021	11,727	15	19,606
FY 1996	74,210	9,648	13	18,659
FY 1995	75,270	12,069	16	16,088
FY 1994	78,121	13,675	17.5	16,716
FY 1993	67,112	10,673	15.9	15,773

Sources:

* University of Florida, Bureau of Business & Economic Research.

** St. Lucie County School Board.

*** Florida Department of Labor & Employment Security,
Bureau of Labor and Market Security.

**** Data unavailable.

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