



Director of Financial Services
"Committed to Quality"

FORT PIERCE UTILITIES AUTHORITY
Of the City of Fort Pierce, Florida

REPORT OF ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
For the Fiscal Year ended September 30, 2016

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Introduction

This Report of Annual Financial Information and Operating Data of the Fort Pierce Utilities Authority of the City of Fort Pierce, Florida for the fiscal year ended September 30, 2016 ("Fiscal Year 2016") is being filed pursuant to the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, various resolutions adopted by Fort Pierce Utilities Authority, and continuing disclosure certificates ("Continuing Disclosure Provisions") included in the final official statement for its primary offerings of the following obligations:

- \$10,223,254.10 Utilities Revenue Capital Appreciation Bonds, Series 1999B
- \$34,800,000 Utilities Refunding Revenue Bonds, Series 2009
- \$20,896,000 Taxable Utilities Refunding Revenue Bond, Series 2012
- \$9,545,000 Utilities Refunding Revenue Bond, Series 2016

The Fiscal Year 2016 Annual Information constitutes only the annual financial information and operating data agreed to be provided under the provisions regarding Continuing Disclosure set forth in the Continuing Disclosure Provisions at the time of the primary offerings referenced above. No representation is made as to the materiality or completeness of that information. Other relevant information for Fiscal Year 2016 may exist, and matters may have occurred or become known during or since that period, which a reasonable investor would consider to be important when making an investment decision. Further, no representation is made that the Fiscal Year 2016 Annual Information is indicative of financial or operating results of Fort Pierce Utilities Authority since the end of Fiscal Year 2016 or future financial or operating results.

Any questions concerning this filing should be directed to:

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FORT PIERCE UTILITIES AUTHORITY
Part A - Statistical Information

| | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Average No. of Services Billed: | | | | | |
| Electric | 27,765 | 27,630 | 28,096 | 28,221 | 28,299 |
| Water | 19,276 | 19,248 | 19,756 | 19,929 | 20,079 |
| Wastewater | 14,450 | 14,635 | 14,987 | 15,038 | 15,069 |
| Natural Gas | 4,189 | 4,179 | 4,223 | 4,189 | 4,166 |
| System Requirements: | | | | | |
| Electric: | | | | | |
| Net Peak Demand (MW) | 103 | 104 | 106 | 107 | 112 |
| Electric Energy for Load (MWh) | 537,115 | 532,038 | 544,751 | 559,061 | 583,207 |
| Retail Energy Sales (MWh) | 517,006 | 509,243 | 521,328 | 539,158 | 555,490 |
| Residential | 204,720 | 203,965 | 213,073 | 227,783 | 239,081 |
| General Service | 312,286 | 305,278 | 308,255 | 311,375 | 316,409 |
| Natural Gas: | | | | | |
| Net Peak Demand (Dth) ¹ | 1,716 | 1,917 | 2,038 | 2,205 | 2,182 |
| Total throughput (Dth) ¹ | 279,524 | 396,231 | 420,904 | 414,243 | 413,274 |
| Natural Gas Sales: (Dth) ¹ | 263,890 | 393,402 | 404,188 | 408,448 | 396,349 |
| Residential | 46,723 | 47,427 | 44,209 | 44,343 | 42,706 |
| Commercial/Industrial | 217,167 | 345,974 | 359,980 | 364,105 | 353,643 |

(1) Dth = Decatherms

FORT PIERCE UTILITIES AUTHORITY
Part B - Summary of Operating Results ⁽¹⁾
(Dollars in Thousands)

| | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Operating Revenues | \$96,490 | \$97,033 | \$98,534 | \$95,558 | \$98,421 |
| Operating Expenses: | | | | | |
| Purchases for Resale | 44,356 | 44,800 | 45,347 | 42,304 | 43,783 |
| Plant Operations | 5,336 | 5,127 | 5,247 | 5,325 | 5,313 |
| Field Operations | 8,236 | 8,579 | 8,716 | 8,641 | 9,062 |
| General & Administrative | 14,645 | 14,546 | 15,078 | 15,802 | 16,997 |
| Depreciation | <u>15,253</u> | <u>15,300</u> | <u>14,991</u> | <u>12,461</u> | <u>13,097</u> |
| Total Operating Expenses ² | <u>87,826</u> | <u>88,352</u> | <u>89,379</u> | <u>84,533</u> | <u>88,252</u> |
| Net Operating Revenues ² | 8,664 | 8,681 | 9,155 | 11,025 | 10,169 |
| Adjustments to Net Operating Revenues | | | | | |
| Add Depreciation Expense | 15,253 | 15,300 | 14,991 | 12,461 | 13,097 |
| Add Other Income (Deductions) - Net | 561 | 301 | 555 | 349 | 432 |
| Add Extraordinary Income (Expense) | (1,200) | (761) | (427) | (10) | 21 |
| Add OPEB Accrual | <u>53</u> | <u>55</u> | <u>58</u> | <u>59</u> | <u>30</u> |
| Net Revenues Available for Debt Service | <u>\$23,331</u> | <u>\$23,576</u> | <u>\$24,332</u> | <u>\$23,884</u> | <u>\$23,749</u> |
| Debt Service: | | | | | |
| Current Principal | \$ 5,955 | \$ 6,653 | \$ 6,987 | \$ 7,086 | \$ 7,367 |
| Current Interest Expense | <u>3,728</u> | <u>2,762</u> | <u>2,394</u> | <u>2,291</u> | <u>2,079</u> |
| Total Debt Service | <u>\$ 9,683</u> | <u>\$ 9,415</u> | <u>\$ 9,381</u> | <u>\$ 9,377</u> | <u>\$ 9,446</u> |
| Debt Service Ratios | | | | | |
| Actual | 2.41 | 2.50 | 2.59 | 2.55 | 2.51 |
| Required By Bond Resolution Rate Covenant | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| Balance available for renewals, replacements, capital additions and other lawful purposes | \$13,648 | \$14,161 | \$14,951 | \$14,507 | \$14,303 |
| Annual Distribution to City ³ | \$ 4,767 | \$ 5,366 | \$ 5,605 | \$ 5,735 | \$ 5,809 |

(1) All utility systems.

(2) Includes depreciation.

(3) 6% of adjusted gross revenues.

FORT PIERCE UTILITIES AUTHORITY
Part C - Condensed Statement of Net Position ⁽¹⁾

As of September 30
(Dollars in Thousands)

| <u>Assets and Deferred Outflows</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Current assets | \$ 69,913 | \$ 72,167 | \$ 69,516 | \$ 68,891 | \$ 66,069 |
| Capital assets, net of depreciation | 222,337 | 216,360 | 215,496 | 216,840 | 215,744 |
| Other noncurrent assets | 9,482 | 9,309 | 9,275 | 9,215 | 9,354 |
| Deferred outflows of resources | - | - | 1,250 | 4,940 | 5,042 |
| Total Assets and Deferred Outflows | <u>\$301,732</u> | <u>\$297,836</u> | <u>\$295,537</u> | <u>\$299,886</u> | <u>\$296,209</u> |
| | | | | | |
| <u>Liabilities, Deferred Inflows and Net Position</u> | | | | | |
| Current liabilities | \$ 24,644 | \$ 26,575 | \$ 27,373 | \$ 27,466 | \$ 26,096 |
| Noncurrent liabilities | 95,566 | 91,471 | 85,835 | 84,741 | 80,371 |
| Deferred inflows of resources | 3,147 | 2,255 | 3,204 | 5,704 | 4,744 |
| Net position | 178,375 | 177,535 | 179,125 | 181,975 | 184,998 |
| Total Liabilities, Deferred Inflows and Net Position | <u>\$301,732</u> | <u>\$297,836</u> | <u>\$295,537</u> | <u>\$299,886</u> | <u>\$296,209</u> |

(1) All utility systems.