



Fiscal Year Ending September 30, 2003



Overlooking the Indian River Lagoon, this scenic sunrise lights up the morning sky. Across the reflecting lagoon, South Hutchinson Island can be seen in the distance. Photo courtesy of Tom Baumker.

**ST. LUCIE COUNTY, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

JoAnne Holman,  
Clerk of the Circuit Court

Prepared By:  
Clerk of the Circuit Court Finance Department

Christann K. Hartley, CPA, CGFM  
Finance Director

**ST. LUCIE COUNTY, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

	<b><u>Page(s)</u></b>
<b>LETTER OF TRANSMITTAL</b>	1
<b>ELECTED OFFICIALS</b>	8
<b>ORGANIZATIONAL CHART</b>	9

**FINANCIAL SECTION**

<b>REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS</b>	10
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	12
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Assets	24
Statement of Activities	25
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds	27
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	34
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Transportation Trust Fund	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Fine and Forfeiture Fund	36

**ST. LUCIE COUNTY, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**TABLE OF CONTENTS – CONTINUED**

**FINANCIAL SECTION – CONTINUED**

	<b><u>Page(s)</u></b>
<b>BASIC FINANCIAL STATEMENTS – CONTINUED:</b>	
<b>Fund Financial Statements:</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Port and Airport Fund	37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Mosquito Control Fund	38
Statement of Net Assets – Proprietary Funds	39
Statement of Revenues, Expenditures, and Changes in Fund Net Assets – Proprietary Funds	41
Statement of Cash Flows – Proprietary Funds	43
Statement of Fiduciary Net Assets – Agency Funds	47
<b>Notes to Financial Statements</b>	48
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS:</b>	
Combining Balance Sheet – Nonmajor Governmental Funds	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	103
Combining Statement of Net Assets – Nonmajor Enterprise Funds	111
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Enterprise Funds	112
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	113
Statement of Changes in Assets and Liabilities – Agency Funds	114

**ST. LUCIE COUNTY, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**TABLE OF CONTENTS – CONTINUED**

**STATISTICAL SECTION**

	<b><u>Page(s)</u></b>
TABLE 1 General Governmental Expenditures by Function – Last Ten Fiscal Years	115
TABLE 2 General Governmental Revenues by Source – Last Ten Fiscal Years	116
TABLE 3 Property Tax Levies and Collections–Based Upon Tax Year – Last Ten Fiscal Years	117
TABLE 4 Assessed and Actual Value of Taxable Property – Last Ten Fiscal Years	118
TABLE 5 Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	119
TABLE 6 Principal Taxpayers	120
TABLE 7 Special Assessment Billings and Collections – Last Ten Fiscal Years	121
TABLE 8 Computation of Legal Debt Margin	122
TABLE 9 Ratio of Net General Bonded Debt to Taxable Value and Net Bonded Debt Per Capita – Last Ten Fiscal Years	123
TABLE 10 Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures – Last Ten Fiscal Years	124
TABLE 11 Computation of Direct and Overlapping Debt	125
TABLE 12 Revenue Bond Coverage – Bailing and Recycling Facility – Last Ten Fiscal Years	126
TABLE 13 Revenue Bond Coverage – North Hutchinson Island Water and Sewer System – Last Ten Years	127
TABLE 14 Revenue Bond Coverage – Holiday Pines Water and Sewer System – Last Five Years	128
TABLE 15 Demographic Statistics – Last Ten Fiscal Years	129
TABLE 16 Property Value and Construction Statistics – Last Ten Fiscal Years	130

**ST. LUCIE COUNTY, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**TABLE OF CONTENTS – CONTINUED**

**COMPLIANCE SECTION**

	<b><u>Page(s)</u></b>
<b>FEDERAL AND STATE GRANTS:</b>	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing</i> Standard	131
Report on Compliance and on Internal Control Over Compliance Applicable to Major Federal Programs and State Projects	132
Schedule of Expenditures of Federal Awards and State Projects	134
Notes to Schedule of Expenditures of Federal Awards and State Projects	142
Schedule of Findings and Questioned Costs – Federal Awards and State Projects	143



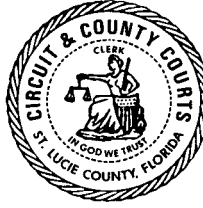
Tradition Field (formally known as Thomas J. White Stadium) is home to the New York Mets spring training camp. In March, 2004, the stadium finished a \$10 million dollar renovation, which included adding three snack bars, a berm for family activities, three additional rows of stadium seats, a glass elevator, new lighting, luxury suites, and a major renovation of the locker rooms.



# JOANNE HOLMAN

*Clerk of Circuit Court*

SAINT LUCIE COUNTY • P. O. DRAWER 700 • FORT PIERCE, FLORIDA 34954



March 5, 2004

To the Honorable Board of  
County Commissioners and to  
The Citizens of St. Lucie County  
St. Lucie County, Florida

The Comprehensive Annual Financial Report of St. Lucie County for the fiscal year ended September 30, 2003, is respectfully submitted. State law requires that a complete set of financial statements be published within one year of fiscal year end and presented in conformance with Generally Accepted Accounting Principles ("GAAP") as applicable to governmental entities and audited in accordance with generally auditing standards by licensed independent certified public accountants. This report is being issued in fulfillment of these statutory requirements.

This report was prepared by the Finance Department of the Office of Clerk of the Circuit Court as part of the Clerk's legally prescribed duties as the Finance Director of St. Lucie County. We believe the financial and statistical information presented is accurate in all material respects, and is set forth in a manner designed to fairly present the financial position and results of operations of St. Lucie County (the "County") as measured by the financial activity of its various funds. The report contains all of the disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs.

The County established a comprehensive internal control framework to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and ensure that the financial records for preparing financial statements and maintaining accountability for assets are reliable. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires judgments and estimates by management. All internal control evaluations occur within the above framework. We think that the County's internal controls adequately safeguard assets and provide reasonable assurance of properly recorded financial transactions.

In compliance with the laws of the State of Florida and the County's general purpose, Berger, Toombs, Elam & Frank, Chartered have audited the financial statements. The firm is an independent firm of licensed certified public accounts. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act amendments of 1996 and the related U.S. Office of Management and Budget's Circular A-133.

County Courthouse  
221 South Indian River Drive  
Fort Pierce, Florida 34950  
(772) 462-6900

250 N.W. Country Club Drive  
St. Lucie West  
Port St. Lucie, Florida 34986  
(772) 871-5375

Finance Department  
2300 Virginia Avenue Annex  
Fort Pierce, Florida 34982  
(772) 462-1476

*Old Fashioned, Friendly, Courteous Service With Modern Technology*

Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement.

The audit was performed to provide reasonable assurance that the financial statements are free of material misstatement for the fiscal year ended September 30, 2003. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2003 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

This is the second year the county has prepared the financial statement to meet the requirements of Governmental Accounting Standards Board Statement No. 34; Basic Financial Statements and Management Discussion and Analysis for State and Local Governments (GASB 34).

The Comprehensive Annual Financial Report contains three major sections: Introductory, Financial (including Supplementary Information) and Statistical.

The Introductory Section, which is unaudited, is designed to give the reader some basic background about the governmental unit as a whole. This letter of transmittal will present a brief overview of the County's structure and services, a discussion of the County's financial condition as well as County awards and acknowledgements indicative of the quality of the County's financial management.

The Financial Section includes the Management's Discussion and Analysis ("MD&A"), basic financial statements, combining statements and supplemental information, as well as the Independent Auditors' Report on the financial statements and schedules. 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. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. St. Lucie County's MD&A can be found in the Financial Section following the Independent Auditors' Report.

## **COUNTY SERVICES AND REPORTING ENTITY**

The name "St. Lucie" was introduced by the Spanish in 1565 after the Roman Catholic Saint Lucia. The current St. Lucie County was known as East Florida in 1810. In 1821 the area was renamed St. Johns County. St. Johns was split into several counties in 1840 and this area became Mosquito County. Ten years later, the Mosquito County area was slashed into two new counties and our area became St. Lucie for the first time. Thirty more years passed and in 1880 the borders were again changed and we became Brevard County. On July 1, 1905 St. Lucie County, Florida was established with Fort Pierce as the county seat. Portions were stripped away over the years, from 1917 through 1925, and became part of the current day neighboring counties.

St. Lucie County is located on the eastern edge of the south-central coast of Florida in the heart of the Treasure Coast region. It is bound on the north by Indian River County, the west by Okeechobee County, the south by Martin County and the east by the beautiful Atlantic Ocean. The City of Fort Pierce (the County Seat) is located approximately 60 miles north of West Palm Beach and 100 miles southeast of Orlando.

St. Lucie County is a political subdivision of the State of Florida, pursuant to the provisions of Section 11.45, Florida Statutes. The Board of County Commissioners (The "Board"), is a five-member board elected at large from the five districts within St. Lucie County, Florida (the "County"). The Board operates as a non-charter government pursuant to Article VIII, Section (1)(f), of the Constitution of the State of Florida.

In addition to the Board of County Commissioners ("Board"), there are five elected constitutional officers performing specifically designated governmental functions: Clerk of the Circuit Court ("Clerk"), Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The St. Lucie County Board of County Commissioners exercises a varying degree of budgetary control, but not administrative control, over the activities of the constitutional officers. During fiscal year 2002-03, the Sheriff and Supervisor of Elections each operated their respective offices as budget officers with funding provided by the Board. In return, each budget officer is responsible for the collection of revenues within their jurisdictional area and for the subsequent remittance of such collections to the Board.

The Tax Collector and Property Appraiser operate as fee offices while the Clerk of the Circuit Court operates a portion of her office as a budget officer, with the remainder being operated as a fee officer. Fee officers are authorized to retain revenues generated within their offices for the purpose of defraying the costs of operation. The Clerk of the Circuit Court serves as ex-officio Clerk to the Board of County Commissioners. The duties of the Clerk of the Circuit Court, as set forth in the Florida Constitution, include those of County auditor, accountant and custodian of County funds.

The primary government includes the Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Board of County Commissioners serves as ex-officio governing board and maintains accounting records for the St. Lucie County Mosquito Control District and the Erosion Control District. These dependent districts are blended in with the financial activity of the County in the special revenue fund types.

The County's financial statements also include the funds of the St. Lucie County Financing Authority, the Central Foreign-Trade Zone, and the County's share of operating expenses for the Office of the Medical Examiner, 19<sup>th</sup> Judicial District.

## **FINANCIAL CONDITION OF THE COUNTY**

The information presented in the financial statements is best understood when considered from the broader perspective of the environment within which the County operates. Financial condition reflects the County's existing and future resources and claims on those resources. Information useful in assessing financial condition include a review of the major initiatives along with the prospects for the future, a summary of the economic conditions, current and planned County capital projects and acquisitions, cash management practices, and risk management policies.

### **Major Initiatives**

While the County had many accomplishments to report during fiscal year 2002-03, some of the more significant items include:

- Continued success with the economic job incentive program
- Expansion of the Media Relations Division, providing the public high quality media productions and printed publications
- Interlocal agreements with the City of Port St. Lucie, the City of Fort Pierce and St. Lucie Village to enact a Municipal Service Taxing Unit (MSTU) for public transit
- Implementation of the Airport Utility District
- Construction was completed on the 200 acre Fairground Facility
- Construction began on a Construction and Demolition Recycling Facility at the St. Lucie County Baling and Recycling Facility
- Construction of Tradition Planned Community and Tesoro Planned Unit Development
- New York Mets ownership finalized a 15 year contract for the team's spring training

### **Economic Condition and Outlook**

The County's job incentive program brought some great successes to the County this year. For instance; the Wal-Mart Corporation is building a \$55 million distribution center that will employ 1,200 jobs, Scripps Treasure Coast Publishing Company is building a \$45 million printing plant with 100 jobs and Tropicana is working on a \$23 million expansion and increasing their job force by 36 new positions.

St. Lucie County property values have significantly increased as a result of new construction. St. Lucie County is one of the fastest growing counties in the country. Property values in the County came in 14.16% over last year. The unemployment rate is the lowest it has been in years at 5.6%. Although the national economy has plunged, the County has remained strong in economic growth. St. Lucie County ended the fiscal year with a budget that is in good financial condition.

## **Capital Project Funds**

St. Lucie County's Capital Improvement Plan is a planning, budgetary, and financial tool identifying the County's infrastructure or capital asset needs over a five-year time period. Projects are listed only if future revenues are expected to be available to support the projected expenditures, thereby maintaining a balanced plan in terms of revenues and expenditures. The Capital Improvement Plan is updated annually and approved by the Board of County Commissioners to reflect the projects approved for completion within the five-year period. Capital projects are funded by a variety of revenue sources, including ad valorem revenues, franchise fees, grant funding, impact fees, special assessments, gas taxes and debt financing.

In 1998, the County initiated the "Investment for the Future" program, with the main goal of allocating \$1 million annually to address the capital and maintenance needs of county facilities. The projects in the program are funded primarily with franchise fees. The program is comprised of major capital construction or renovations as well as projects that are maintenance or repair in nature.

Major capital projects in the Public Works department include Wal-Mart infrastructure and expansion of Lennard Road and South 25th Street Phase I project. Other countywide capital projects included Airport Industrial Park development, Parks and Recreation projects, Utility expansion, and Environmental Resources. County Administration plans to continue with \$137,000,000 of capital projects construction over the next 18 months.

## **Risk Management**

Risk Management is the process of managing the County's activities in order to minimize the potential adverse effects of certain types of losses. The main elements of the risk management program are risk control (loss reduction) and risk financing (restoration of the economic damages of losses incurred). This department is responsible for the establishment and implementation of a safety plan, which incorporates loss prevention and reduction standards. The department establishes standard insurance and indemnification provisions for contracts, leases, and other special use agreements entered into by the participating governments.

The County, except the Sheriff, participates in a public entity risk pool for the purpose of obtaining various insurance coverage other than health and life insurance. Other members of the pool consist of two municipalities and an adjacent county. The pool was created by an interlocal agreement under the provisions of Section 163.01, Florida Statutes.

<b>Type of Risk</b>	<b>Amount of Risk Retained by County</b>	<b>Limit of Excess Insurance Coverage</b>
Workers Compensation	All	Statutory
General Liability (1)	\$ 1,000	\$100/\$200,000
Automobile Liability	\$ 1,000	\$100/\$200,000
Property Actual Loss	\$ 1,000	Actual Loss
<i>(1) Does not include coverage obtained by the St. Lucie County Sheriff</i>		

The limits stated above are on a per occurrence basis.

### **Pension Plan**

St. Lucie County provides pension benefits for all employees through a statewide plan managed by the Florida Department of Management Services, Division of Retirement. St. Lucie County has no obligation in connection with employee benefits offered through this plan beyond its monthly payments to the Division of Retirement.

### **Cash Management Policies and Practices**

Cash management is exercised independently by each constitutional officer. The Clerk of the Circuit Court invests and disburses funds on behalf of the Board of County Commissioners as required by law and applicable management directives. Operating funds temporarily idle during the year were invested in the State Board of Administration, Local Government Surplus Funds Trust Fund (SBA), the Florida Local Government Investment Trust (FLGIT), Certificates of Deposit and other short term investments as allowed by the Board's investment policy and Florida Statutes. During fiscal year 2002-2003, all Federal Agencies, Discount Notes and Treasury Investments purchased were held in St. Lucie County's name in a trust account established by the County's custodial bank, Wachovia Bank, N.A. Funds deposited in local banks were secured by a pledge of approved collateral securities by the participating institutions with the State of Florida Treasurer's office.

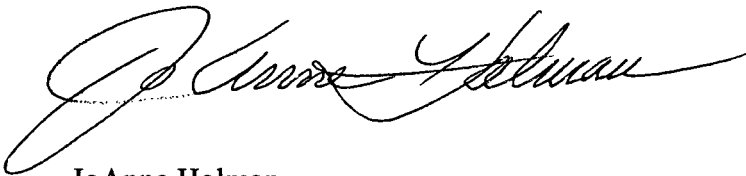
### **AWARDS**

St. Lucie County has received the GFOA's award for Distinguished Budget Presentation for its annual appropriated budget for fiscal year 2002-03. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization. The award is valid for a period of one year only. St. Lucie County has received the Distinguished Budget Presentation Award for the last five consecutive years.

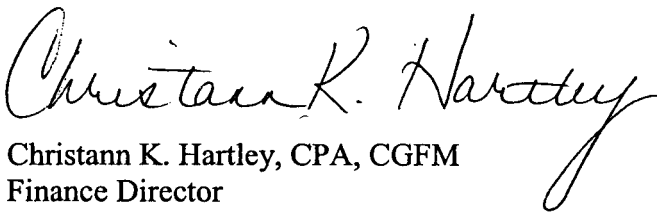
## Acknowledgments

A Comprehensive Annual Financial Report of this nature could not have been prepared without the efficient and dedicated service of all staff members involved. We would like to express our appreciation to the staff of the Finance Department for their efforts in producing this report, and to the accounting firm of Berger, Toombs, Elam & Frank, Chartered for their contributions to the design, preparation and publication of this document. Finally, our thanks for the interest and support of the Board of County Commissioners in planning and conducting the fiscal operations of St. Lucie County.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "JoAnne Holman".

JoAnne Holman  
Clerk of the Court

A handwritten signature in cursive script, appearing to read "Christann K. Hartley".

Christann K. Hartley, CPA, CGFM  
Finance Director

**ST. LUCIE COUNTY, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**ELECTED OFFICIALS**

**BOARD OF COUNTY COMMISSIONERS**

**Cliff Barnes**  
County Commissioner Chairperson  
District #5

**Paula A. Lewis**  
County Commission Vice Chairperson  
District #3

**John D. Bruhn**  
County Commissioner  
District #1

**Doug Coward**  
County Commissioner  
District #2

**Frannie Hutchinson**  
County Commissioner  
District #4

**ELECTED CONSTITUTIONAL OFFICERS**

**JoAnne Holman**  
Clerk of the Circuit Court

**Gertrude Walker**  
Supervisor of Elections

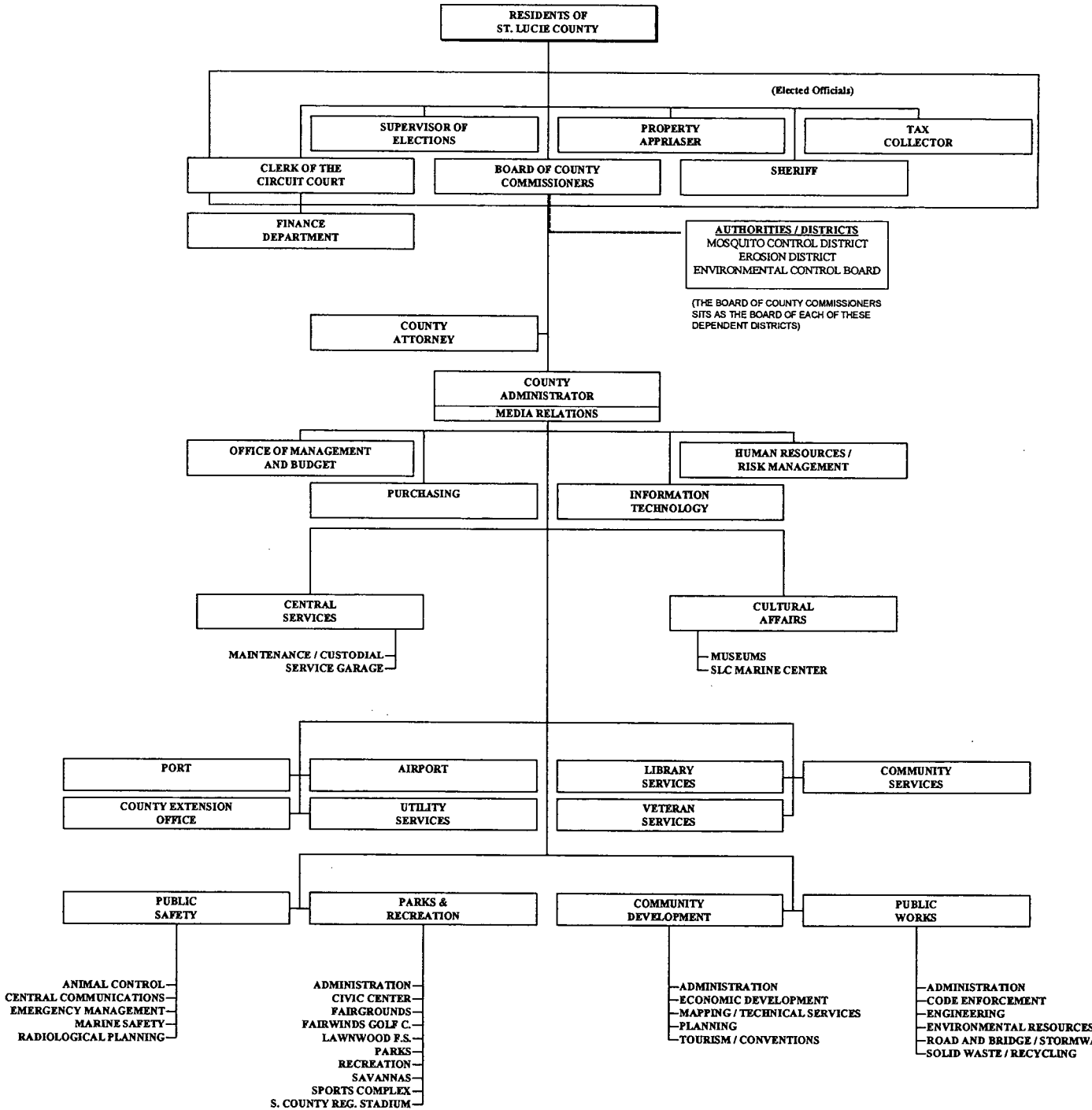
**Jeff Furst**  
Property Appraiser

**Bob Davis**  
Tax Collector

**Ken Mascara**  
Sheriff



**ST. LUCIE COUNTY, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2003**





The St. Lucie County Main Library is located in Downtown Fort Pierce, overlooking the Indian River Lagoon. Construction was completed in July, 1999, at a cost of \$2.4 million dollars. The Main Library's architecture helped set the tone for the "Mediterranean" revival style of Downtown Fort Pierce. The only two-story library in the county, this facility houses a Meeting Room and Children's Activity Room on the first floor to accommodate patron's needs. From the spacious Reading Room, located on the second floor, patrons have an impressive view of the Indian River Lagoon.



# Berger, Toombs, Elam & Frank

Certified Public Accountants Chartered

SunTrust Bank Building  
Suite 300  
111 Orange Avenue  
Fort Pierce, Florida 34950

772/461-6120  
FAX: 772/468-9278

## Report of Independent Certified Public Accountants

The Honorable Board of County Commissioners  
St. Lucie County, Florida

We have audited the accompanying basic financial statements of St. Lucie County, Florida (the County) as of and for the year ended September 30, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the County as of September 30, 2003, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 1, 2004 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The introductory and statistical sections, as listed, in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the financial statements and, accordingly, we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information identified in the table of contents as the Schedule of Expenditures of Federal Awards and State Projects (as required by OMB Circular A-133 and Rules of the Auditor General, State of Florida, Chapter 10.550) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



# Berger, Toombs, Elam & Frank

Certified Public Accountants Chartered

SunTrust Bank Building  
Suite 300  
111 Orange Avenue  
Fort Pierce, Florida 34950

772/461-6120  
FAX: 772/468-9278

The Honorable Board of  
County Commissioners  
St. Lucie County, Florida

Page two

Our audit was conducted for the purpose of forming an opinion on the County's basic financial statements. The combining and individual fund statements described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Berger Toombs Elam  
& Frank*

Fort Pierce, Florida  
March 1, 2004

**St. Lucie County, Florida**  
**Management's Discussion And Analysis**  
For the Year Ended September 30, 2003

The County's management discussion and analysis presents an objective and easily readable analysis of the County's financial activities for the fiscal year ended September 30, 2003. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

### **Overview of the Financial Statements**

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

#### **Government-wide financial statements**

The *government-wide financial statements*, which consist of the *statement of net assets* and the *statement of activities*, use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net assets of governmental activities and business-type activities and the change in net assets. Governmental activities are primarily supported by property taxes, sales taxes, federal and state grants, and state shared revenues. Business-type activities are supported by charges to the users of those activities, such as water and sewer service charges.

The *statement of net assets* presents information on all assets and liabilities of the County, with the difference between assets and liabilities reported as net assets. Net assets are reported in three categories; 1) invested in capital assets, net of related debt, 2) restricted and 3) unrestricted.

The *statement of activities* presents information on all revenues and expenses of the County, as well as the change in net assets. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the County. To assist in understanding the County's operations, expenses have been reported as governmental activities or business type activities. Governmental activities financed by the County include services for general government, public safety, transportation, physical environment, economic environment, human services, and recreation. Business type activities financed by user charges include landfill services, water and sewer services, a public golf course, and a major league sports complex.

The *government-wide financial statements* provide a broad picture of the County's financial position. These statements are comparable to private sector companies and give a good understanding of the County's financial health. All assets of the County, including land, buildings, roads, bridges, and traffic signals are reported in the *statement*

**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

*of net assets.* All liabilities, including outstanding principal payments on debt and future employee benefits obligated but not yet paid by the County, are also included. The *statement of activities* includes depreciation on all long-lived assets of the County. Inter-fund administrative fees between the different functions of the County have been eliminated in order to avoid "doubling up" the revenues and expenses.

### **Fund Financial statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Individual funds are established by the County to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The *fund financial statements* provide financial information for the individual major funds and the total non-major funds of the County. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The proprietary funds financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. The agency fund statement provides information concerning assets held in trust by the County on behalf of others.

*Fund financial statements* include a *balance sheet* and a *statement of revenues, expenditures and changes in fund balances* for all governmental funds. A *statement of revenues, expenditures, and changes in fund balances – budget and actual* is provided for the County's general fund and major special revenue funds. For proprietary funds, which includes internal service funds in addition to business type activities, a *statement of net assets*; a *statement of revenues, expenses, and changes in fund net assets*; and a *statement of cash flows* are presented. A *statement of fiduciary net assets* is presented for the County's agency fund. *Fund financial statements* provide more detailed information about the County's activities.

The *fund financial statements* provide a picture of the major funds of the County and a column for all non-major funds. In the case of governmental activities, outlays for long-lived assets are reported as expenditures. Long-term liabilities, such as general obligation bonds, are not included in the fund financial statements.

### **Notes to the Financial Statements**

*Notes to the financial statements* provide additional detail concerning the financial activities and financial balances of the County. Additional information about the accounting practices of the County, investments of the County, long-term debt, and pension plans are some of the items included in the *notes to the financial statements*.

**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

**Financial Highlights**

- Net assets may serve as a useful indicator of a government's financial position. In the case of the County, total assets exceeded liabilities at the close of fiscal year 2003 by \$331.5 million (net assets). Of this amount, \$16.8 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- At September 30, 2003, the County's governmental funds reported combined ending fund balances of \$113.1 million, an increase of \$31.6 million in comparison with the prior year.
- At September 30, 2003, unreserved fund balance for the General Fund was \$16.5 million or 16.5% of total general fund expenditures and transfers out. This represents a decrease from last fiscal year of \$7.4 million.
- At the end of fiscal year 2003, the County's net assets improved by \$39.6 million. The County is able to report positive balances in all three categories of net assets, the government as a whole, as well as for its governmental and business-type activities.

**Net Assets**  
(in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Total Percent Change</u>
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	
Current assets	\$ 124.0	\$ 96.1	\$ 16.1	\$ 16.0	\$ 140.1	\$ 112.1	25.0%
Restricted assets	0.1	0.1	7.8	11.6	7.9	11.7	-32.5%
Capital assets*	266.5	247.7	66.9	64.7	333.4	312.4	6.7%
Other non-current assets	5.5	4.3	(1.8)	(1.2)	3.7	3.1	19.4%
<b>Total assets</b>	<b>396.1</b>	<b>348.2</b>	<b>89.0</b>	<b>91.1</b>	<b>485.1</b>	<b>439.3</b>	<b>10.4%</b>
Current liabilities	19.3	42.9	2.8	2.2	22.1	45.1	-51.0%
Non-current liabilities	105.0	71.7	26.5	30.6	131.5	102.3	28.5%
<b>Total liabilities</b>	<b>124.3</b>	<b>114.6</b>	<b>29.3</b>	<b>32.8</b>	<b>153.6</b>	<b>147.4</b>	<b>4.2%</b>
Net assets invested in capital assets, net of debt*	160.8	153.8	51.6	44.7	212.4	198.5	7.0%
Net assets - restricted	100.7	61.8	1.6	5.8	102.3	67.6	51.3%
Net assets - unrestricted	10.3	18.0	6.5	7.8	16.8	25.8	-34.9%
<b>Total net assets</b>	<b>\$ 271.8</b>	<b>\$ 233.6</b>	<b>\$ 59.7</b>	<b>\$ 58.3</b>	<b>\$ 331.5</b>	<b>\$ 291.9</b>	<b>13.6%</b>

\* 2002 – restated

**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

The County's net assets increased by \$39.6 million. Governmental activities were responsible for \$38.2 million of that increase. The growth in net assets from governmental activities represented 96% of the County's total growth in net assets.

While the total net assets have increased, these increases have been in net assets invested in capital assets and restricted net assets. Unrestricted net assets have decreased by \$9.0 million. The availability of the County's net assets will be limited by the restrictions on the net assets.

The chart on the next page describes the changes in net assets during fiscal year 2002 and fiscal year 2003. Key elements of the increase in net assets during fiscal year 2003 are described following the chart.



**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

**Changes in Net Assets**

(in millions)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>		<u>Total</u>
	<u>Activities</u>		<u>Activities</u>				
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>Change</u>
Program revenues							
Charges for services	\$ 28.5	\$ 24.6	\$ 17.0	\$ 14.6	\$ 45.5	\$ 39.2	16.1%
Operating grants and contributions	18.9	8.3	-	-	18.9	8.3	127.7%
Capital grants and contributions	20.7	3.7	-	-	20.7	3.7	459.5%
General revenues							
Property taxes	80.4	75.9	-	-	80.4	75.9	5.9%
Other taxes	7.2	6.3	-	-	7.2	6.3	14.3%
Other	25.2	23.3	2.6	1.3	27.8	24.6	13.0%
Total Revenues	180.9	142.1	19.6	15.9	200.5	158.0	26.9%
Expenses							
General government	43.0	41.7	-	-	43.0	41.7	3.1%
Public safety	44.5	41.0	-	-	44.5	41.0	8.5%
Physical environment	5.0	2.9	-	-	5.0	2.9	72.4%
Transportation	13.5	11.8	-	-	13.5	11.8	14.4%
Economic environment	2.3	1.6	-	-	2.3	1.6	43.8%
Human services	6.3	6.1	-	-	6.3	6.1	3.3%
Court-related	13.5	12.6	-	-	13.5	12.6	7.1%
Culture and recreation	11.0	9.2	-	-	11.0	9.2	19.6%
Debt service	3.0	4.9	-	-	3.0	4.9	-38.8%
Solid Waste	-	-	7.6	5.6	7.6	5.6	35.7%
Water and sewer	-	-	5.0	5.7	5.0	5.7	-12.3%
Sports complex	-	-	1.6	1.7	1.6	1.7	-5.9%
Golf course	-	-	1.8	2.0	1.8	2.0	-10.0%
Building and zoning	-	-	1.6	1.1	1.6	1.1	45.5%
Total expenses	142.1	131.8	17.6	16.1	159.7	147.9	8.0%
Increase (decrease) in net assets before transfers, other	38.8	10.3	2.0	(0.2)	40.8	10.1	304.0%
Transfers	0.6	(0.8)	(0.6)	0.8	-	-	N/A
Unearned revenue-other governments	(0.6)	-	-	-	(0.6)	-	N/A
Loss on sale of capital assets	(0.6)	-	-	-	(0.6)	-	N/A
Change in net assets	\$ 38.2	\$ 9.5	\$ 1.4	\$ 0.6	\$ 39.6	\$ 10.1	292.1%
Net assets, beginning of the year*	233.6	224.1	58.3	57.7	291.9	281.8	3.6%
Net assets - end of the year	\$ 271.8	\$ 233.6	\$ 59.7	\$ 58.3	\$ 331.5	\$ 291.9	13.6%

\* 2002 net assets -- restated

**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

## **Governmental Activities**

Governmental activities were responsible for a \$38.2 million increase in the County's net assets.

- Charges for services for governmental activities increased \$3.9 million due to an increase of \$1.1 million in public safety charges for service and an increase of \$1.6 million in court-related charges for services.
- Operating grants and contributions increased \$10.6 million primarily due to \$12.8 million in transportation grants, which was an increase of \$10.1 million when compared to fiscal year 2002. Of this \$10.1 million increase, \$8.0 million is attributable to forgiveness of debt.
- Capital grants and contributions increased \$17 million mainly due to retirement of debt related to the Mets Stadium in the amount of \$16.1 million, which was the result of a lawsuit settlement.
- Property tax revenues increased \$4.5 million due to increases in property values. In fiscal year 2003, the County levied the same millage rates for its countywide operating districts as it did in fiscal year 2002. However, the countywide property values increased 8.9% in fiscal year 2003.
- Physical environment expenses increased \$2.1 million. This is partially due to a \$1.2 million beach nourishment project.
- Transportation expenses increased \$1.7 million primarily due to increases in expenses for Engineering and Road & Bridge for personnel and operating expenses.
- Interest on long-term debt expenses decreased \$1.9 million. This was caused by the timing of payments as a result of the refunding of the County's outstanding Sales Tax Refunding Revenue Bonds, Series 1994 and normal decreases of regularly scheduled principal payments.

## **Business-type Activities**

Business-type activities were responsible for a \$1.4 million increase in the County's net assets.

- Charges for services for business-type activities increased \$2.4 million due to increased revenues from solid waste and water/sewer.

**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

- Solid Waste expenses increased \$2 million primarily due to a \$1 million transfer to other funds to fund roadwork at the entrance to the landfill and a \$0.8 million increase in post closure costs.

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

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

#### **Governmental Funds**

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. During fiscal year 2003, the fund balance for the County's total governmental funds increased by \$31.6 million.

The County's *General Fund* is the main operating fund of the County. This fund is used to account for all financial resources that are not restricted by State or Federal laws, County ordinances or other externally imposed requirements. As of September 30, 2003, total assets were \$23.9 million and total liabilities were \$6.7 million. The fund balance for the general fund decreased by \$7.1 million mainly due to an increase in the amount of operating transfers out to County capital and fine and forfeiture funds. Transfers out increased \$8.2 million over the prior year.

The *Transportation Trust Fund* is used to account for the cost of operating, maintaining, and improving the County's roads and bridges. The fund balance for this fund decreased by \$1.6 million during fiscal year 2003. This decrease was mainly due to increased expenditures for purchasing right-of-ways, major road improvements, bike paths, and increased costs of road resurfacing materials when compared to the previous year.

The *Fine and Forfeiture Fund* is used to account for the operations of the court system and the Sheriff's office. The fund balance for this fund decreased by \$0.5 million during fiscal year 2003.

The *Port and Airport Fund* is used to account for the operations of the international airport and the deepwater port. The fund balance for this fund increased by \$2.3 million during fiscal year 2003. This fund had \$1.2 million less in capital outlay expenditures than in the previous year. In addition, there was forgiveness of debt by the State in the amount of \$8 million.

The *Mosquito Control Fund* is used to account for the operations of the dependent district created in 1953 to control the mosquito population in the urban areas of the County. The

**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

fund balance in this fund increased by \$0.1 million due to an increase in ad valorem revenue.

The *Sales Tax Revenue Bond I & S Fund* is used to account for the County's portion of the local government half-cent sales tax, which is pledged for the repayment of the County's Sales Tax Refunding Revenue Bonds, Series 1994. These bonds were refunded in July of 2003 with a new debt issuance. The fund balance in this fund decreased by \$1.8 due to the pay down of debt.

The *County Building Fund* is used to account for capital building projects as approved by the Board of County Commissioners. The fund balance in this fund increased by \$26.6 million. This increase is mainly attributable to \$26.8 million in new debt proceeds that will be used for various capital projects. Projects not completed at year-end will be continued in fiscal year 2004 and thereafter.

The *County Capital Fund* is used to account for capital projects as approved by the Board of County Commissioners. The fund balance in this fund increased by \$6.9 million. This increase was caused by the timing of capital projects and a transfer in from the general fund of \$5 million to fund new capital projects. Projects not completed at year-end will be continued in fiscal year 2004 and thereafter.

### **Proprietary funds**

The County's proprietary funds operate like businesses, where the rates established by the County are intended to generate sufficient funds to pay the costs of current operations and provide funding for long-term asset acquisition.

The *Bailing & Recycling Facility Fund* is used to account for all operations of the County's landfill. As required by the State Department of Environmental Protection, the County has set aside \$6.2 million for the long-term care of the landfill. At September 30, 2003, the unrestricted net assets of this fund were \$1.1 million, which represented a decline in unrestricted net assets of \$1.6 million. At the same time, the net assets invested in capital assets, net of debt increased by \$5.3 million.

The *North Hutchinson Island Utilities Fund* is used to account for water and sewer services to certain residents that live on this barrier island. The County purchased the system in 1992. At September 30, 2003, the unrestricted net assets of this fund were \$2.9 million, which represented a growth in unrestricted net assets of \$0.1 million.

The *South Hutchinson Island Utilities Fund* is used to account for sewer services to residents living on this barrier island in the southern part of the County. At September 30, 2003, the unrestricted net assets of this fund were \$1.4 million, which represented a growth in unrestricted net assets of \$0.2 million due to an increase in new customers.

**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

The *Holiday Pines Utilities Fund* is used to account for water and sewer services to residents located in the northern part of the County. The County purchased the system in 1999. At September 30, 2003, the unrestricted net assets of this fund were \$1.1 million, which represented a growth in unrestricted net assets of \$0.4 million. This increase was mainly due to a \$0.3 million increase in charges for service.

The *Sports Complex Fund* is used to account for the operations of a baseball complex primarily used as a spring training and minor league team facility by the New York Mets. At September 30, 2003, the unrestricted net assets of this fund were -\$0.6 million, which represented a decline in unrestricted net assets of \$0.3.

## **Budgetary Highlights for the General Fund**

### **Variance Between Original Budget and Final Amended Budget**

After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, corrections of errors, new bond or loan proceeds, new grant awards, and other revenues. During fiscal year 2003, the budget for the general fund was amended from its original budget of \$114.9 million to its final amended budget of \$117.9 million.

The original budget for revenue and transfers in was \$93.6 million. Throughout the year, this was amended to a final budget of \$93.1 million. Overall, this represented a \$0.5 reduction in the budgeted revenue for the general fund.

The budget for expenditures and transfers out was originally adopted at \$104.0 million. The final amended budget was \$108.0 million, which was a \$4.0 million increase. Transfers out were increased by \$2.6 million to fund capital projects in other funds. In addition, the capital outlay budget in the general fund was increased by \$1.3 million for County projects across all programs. Budgets were adjusted as needed between all other programs.

The final amended budget for the General Fund's beginning fund balance increased by \$3.0 million over the original budget. Changes between the original and final budgets were the result of the actual beginning fund balance exceeding the original budgeted amount.

### **Variance Between Final Amended Budget and Actual**

The actual revenue came in under the final amended budget by \$1.9 million due to a \$2.1 million variance in intergovernmental revenue. Timing of grant revenues caused this variance. Many of the grants the County receives are paid on a reimbursement basis. Because not all of the grant projects had been completed by year-end, the associated

**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

revenue was not received during the fiscal year. It is anticipated that these grant revenues will be received in future periods.

The actual expenditures came in under the final amended budget by \$12.3 million. General government expenditures came in \$6.5 million below the final amended budget. This was caused by information technology reimbursements, excess fees from the constitutional officers, as well as normal variances in operating budgets. Human services expenditures were \$1.5 million less than the final amended budget primarily because Medicaid hospital expenses, a State mandated service, came in \$0.9 million under budget. The County spent \$1.8 million less than budgeted for Capital outlay expenditures due to the timing of projects and the timing of capital equipment purchases. Funding for many of these items has been carried over and budgeted in the fiscal year 2004 budget.

Operating transfers out came in over the final amended budget by \$4.1 million, while operating transfers in came in over the final amended budget by \$0.8 million. The actual excess of revenues and other sources over (under) expenditures and other uses came in at -\$7.1 million, which was \$7.3 million higher than the final amended budget.

### Capital Assets Activity

At the end of 2003, the County had \$333.4 million invested in a broad range of capital assets, including land, equipment, buildings, improvements, and construction in progress. The following schedule provides a summary of the County's capital assets activity.

**Capital Assets**  
(net of depreciation, in millions)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2003	2002	2003	2002	2003	2002	
Land	\$ 91.2	\$ 81.3	\$ 13.6	\$ 13.6	\$ 104.8	\$ 94.9	10.4%
Buildings and improvements	137.2	130.6	47.4	46.4	184.6	177.0	4.3%
Equipment	20.0	19.1	3.7	3.2	23.7	22.3	6.3%
Construction in progress	18.1	11.5	2.2	0.9	20.3	12.4	63.7%
Total	\$ 266.5	\$ 242.5	\$ 66.9	\$ 64.1	\$ 333.4	\$ 306.6	8.7%

Overall, the County increased its investment in capital assets by \$26.8 million. Each category of capital assets increased in fiscal year 2003. The largest increase was in land, with an increase of \$9.9 million. Construction in progress increased by \$7.9 million. Buildings and improvements increased by \$7.6 million. The increase in the investment in capital assets reflects the County's rapid population growth, and the County's need to provide infrastructure for such growth.

See Note 5, *Capital Assets*, in the *Notes to the Financial Statements* for more information.

**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

**Debt Management**

The County issued the following new debt during the fiscal year ended September 30, 2003. Additional information on the County's long-term liabilities can be found under Note 10, *Long-Term Liabilities*, in the *Notes to the Financial Statements*.

**Governmental Activities Debt**

On November 26, 2002, the County entered into an additional capital lease in the amount of \$630,915 for the purchase of computer equipment from Howard computers.

On December 2, 2002, the County issued a *Improvement Revenue Note, Series 2002B* in the amount of \$1,510,000 for improvements at the St. Lucie County Fairgrounds.

On June 6, 2003, the County issued a *Improvement Revenue Note, Series 2003* in an amount not to exceed \$7,500,000 for the purpose of paying the costs of land acquisition for parks.

On July 31, 2003, the County issued Sales Tax Refunding and Improvement Revenue Bonds, Series 2003 in the amount of \$64,230,000. These bonds were issued for the purpose of refunding the County's outstanding Sales Tax Refunding Revenue Bonds, Series 1994, dated January 1, 1994, maturing on and after October 1, 2003; and financing the costs of acquisition and construction of certain capital improvements within the County.

On September 16, 2003, the County issued a *Tourist Development Tax Revenue Bond, Series 2003* for \$6,055,000 for improvements at the Thomas J. White Stadium (also known as Tradition Field).

On September 16, 2003, the County issued a *Improvement Revenue Note, Taxable Series 2003C* for \$2,627,500 for improvements at the Thomas J. White Stadium (also known as Tradition Field).

On September 15, 2003, the County issued a Revenue Note for Environmentally Sensitive Land, Series 2003B in the amount of \$3 million. This note was paid off on September 19, 2003.

**Business Activities Debt**

On December 30, 2002, the County issued *Solid Waste System Refunding Revenue Bonds, Series 2002* in the amount of \$5,030,000 to refund bonds issued in 1993. The balance on the outstanding 1993 bonds was \$8,450,000. Consequently bonds were called in the amount of \$3,420,000 and paid for by the Bailing and Recycling Facility Fund.

**St. Lucie County, Florida**  
**Management's Discussion And Analysis (continued)**  
For the Year Ended September 30, 2003

**Requests for Information**

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have any questions concerning the information provided in this report or need additional financial information, contact the County's Finance Department, 2300 Virginia Avenue, Fort Pierce, Florida 34982 or call 772-462-1476.



St. Lucie County, Florida  
Statement of Net Assets  
September 30, 2003

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and investments	\$ 114,761,006	\$ 15,568,797	\$ 130,329,803
Accounts receivable	1,606,426	1,664,272	3,270,698
Notes receivable	735,810	-	735,810
Assessments receivable	1,626,903	-	1,626,903
Internal balances	1,165,465	(1,165,465)	-
Due from other governments	3,765,822	-	3,765,822
Deposits	75,000	-	75,000
Inventories	210,338	74,726	285,064
Total current assets	123,946,770	16,142,330	140,089,100
<b>Non-current assets:</b>			
<b>Restricted assets:</b>			
Cash and investments—landfill closure	-	6,244,374	6,244,374
Cash and investments—customer deposits	96,133	145,455	241,588
Cash and investments—debt service	-	624,164	624,164
Cash and investments—renewal and replacement	-	662,309	662,309
Cash and investments—project funds	-	81,551	81,551
Bond issuance costs, net	1,266,804	608,322	1,875,126
Notes receivable	1,780,595	-	1,780,595
Net advances	2,470,883	(2,470,883)	-
<b>Capital assets, not being depreciated:</b>			
Land	91,173,640	13,614,985	104,788,625
Construction in progress	18,070,457	2,211,928	20,282,385
<b>Capital assets, being depreciated:</b>			
Buildings and improvements	180,058,688	72,893,632	252,952,320
Machinery and equipment	51,085,567	8,969,627	60,055,194
Accumulated depreciation	(73,889,951)	(30,769,279)	(104,659,230)
Total non-current assets	272,112,816	72,816,185	344,929,001
Total assets	\$ 396,059,586	\$ 88,958,515	\$ 485,018,101
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 6,310,443	\$ 1,192,871	\$ 7,503,314
Accrued liabilities	2,541,168	130,364	2,671,532
Deposits payable	96,133	145,455	241,588
Due to other governments	561,003	-	561,003
Claims payable	885,108	-	885,108
Capital lease obligations	411,932	80,802	492,734
Notes and bonds payable, net	4,711,631	1,075,000	5,786,631
Accrued compensated absences	3,163,341	150,819	3,314,160
Deferred revenue	595,287	3,638	598,925
Total current liabilities	19,276,046	2,778,949	22,054,995
<b>Non-current liabilities:</b>			
Capital lease obligations	731,719	-	731,719
Liabilities payable from restricted assets	-	5,998,674	5,998,674
Notes and bonds payable, net	100,590,215	14,168,893	114,759,108
Accrued compensated absences	3,643,752	197,710	3,841,462
Landfill closure liability	-	6,096,668	6,096,668
Total non-current liabilities	104,965,686	26,461,945	131,427,631
Total liabilities	124,241,732	29,240,894	153,482,626
<b>Net assets</b>			
Invested in capital assets, net of related debt	160,768,405	51,596,198	212,364,603
<b>Restricted for:</b>			
Special revenue	31,457,341	-	31,457,341
Debt service	7,008,549	624,164	7,632,713
Renewal and replacement	-	662,309	662,309
Capital projects	59,271,108	81,551	59,352,659
Other purposes	2,964,423	245,700	3,210,123
Unrestricted	10,348,028	6,507,699	16,855,727
Total net assets	\$ 271,817,854	\$ 59,717,621	\$ 331,535,475

See accompanying notes.

St. Lucie County, Florida  
Statement of Activities  
For the Year Ended September 30, 2003

<u>Funcntions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 43,005,895	\$ 15,404,820	\$ 862,556	\$ 1,118,635
Public safety	44,492,138	3,586,834	1,616,982	-
Physical environment	4,960,192	26,160	1,508,113	450,480
Transportation	13,515,316	558,898	12,777,070	2,622,884
Economic environment	2,308,539	77,946	-	-
Human services	6,302,872	37,719	572,716	-
Court-related	13,493,407	8,058,790	678,933	-
Culture and recreation	11,000,052	730,216	853,426	16,516,083
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest on long-term debt	3,035,526	-	-	-
Total governmental activities	<u>142,113,937</u>	<u>28,481,383</u>	<u>18,869,796</u>	<u>20,708,082</u>
Business-type activities:				
Solid waste	7,585,728	8,353,229	-	-
Water and sewer	4,982,610	5,140,665	-	-
Sports complex	1,608,613	379,718	-	-
Golf course	1,831,299	1,218,244	-	-
Building and zoning	1,635,177	1,982,303	-	-
Total business-type activities	<u>17,643,427</u>	<u>17,074,159</u>	<u>-</u>	<u>-</u>
Total primary government	<u>159,757,364</u>	<u>45,555,542</u>	<u>18,869,796</u>	<u>20,708,082</u>

General revenues:

Taxes:  
Property taxes, levied for general purposes  
Property taxes, levied for debt service  
Sales taxes  
Franchise fees  
State shared revenues  
Fines and forfeitures  
Interest earnings  
Miscellaneous  
Unearned revenue-other governments  
Gain on sale of capital assets  
Capital lease proceeds  
Transfers  
Total general revenues and transfers  
Change in net assets  
Net assets-beginning (restated, Note 17)  
Net assets-ending

See accompanying notes.

**Net (Expense) Revenue and  
Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (25,619,884)	-	\$ (25,619,884)
(39,288,322)	-	(39,288,322)
(2,975,439)	-	(2,975,439)
2,443,536	-	2,443,536
(2,230,593)	-	(2,230,593)
(5,692,437)	-	(5,692,437)
(4,755,684)	-	(4,755,684)
7,099,673	-	7,099,673
-	-	-
-	-	-
<u>(3,035,526)</u>	-	<u>(3,035,526)</u>
<u>(74,054,676)</u>	-	<u>(74,054,676)</u>
-	767,501	767,501
-	158,055	158,055
-	(1,228,895)	(1,228,895)
-	(613,055)	(613,055)
-	347,126	347,126
<u>-</u>	<u>(569,268)</u>	<u>(569,268)</u>
<u>(74,054,676)</u>	<u>(569,268)</u>	<u>(74,623,944)</u>
77,766,786	-	77,766,786
2,687,441	-	2,687,441
7,175,727	-	7,175,727
4,059,148	-	4,059,148
14,176,406	-	14,176,406
-	-	-
1,783,451	580,911	2,364,362
5,204,060	1,971,711	7,175,771
(543,183)	-	(543,183)
(571,180)	-	(571,180)
-	-	-
<u>556,985</u>	<u>(556,985)</u>	<u>-</u>
<u>112,295,641</u>	<u>1,995,637</u>	<u>114,291,278</u>
38,240,965	1,426,369	39,667,334
233,576,889	58,291,252	291,868,141
<u>\$ 271,817,854</u>	<u>59,717,621</u>	<u>\$ 331,535,475</u>

St. Lucie County, Florida  
Balance Sheet  
Governmental Funds  
September 30, 2003

	General	Transportation Trust	Fine and Forfeiture	Port and Airport
<b>Assets</b>				
Cash and investments	\$ 19,643,882	\$ 10,335,498	\$ 2,059,360	\$ 4,838,024
Accounts receivable	172,597	1,205	76,958	72,365
Notes receivable	121,487	-	-	-
Assessments receivable	5,117	-	-	-
Due from other funds	2,659,229	-	1,399,372	139
Due from other governments	655,740	820,884	254,808	71,441
Inventories	-	108,353	-	-
Deposits	-	-	-	-
Advances to other funds	636,332	519	-	1,951,331
<b>Total assets</b>	\$ 23,894,384	\$ 11,266,459	\$ 3,790,498	\$ 6,933,300
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,121,115	\$ 691,674	\$ 369,567	\$ 125,021
Accrued liabilities	1,191,180	113,603	88,084	15,184
Deposits payable	65,477	4,881	500	25,275
Due to other funds	1,657,289	161,808	226,603	7,867
Due to other governments	561,003	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	123,330	-	59,733	-
<b>Total liabilities</b>	6,719,394	971,966	744,487	173,347
<b>Fund balances:</b>				
Reserved for:				
Advances to other funds	636,332	519	-	1,951,331
Inventory of supplies	-	108,353	-	-
Noncurrent notes receivable	73,864	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unreserved, reported in:				
Designated for emergency purposes	8,400,000	-	-	-
Undesignated general fund	8,064,794	-	-	-
Undesignated special revenue funds	-	10,185,621	3,046,011	4,808,622
<b>Total fund balances</b>	17,174,990	10,294,493	3,046,011	6,759,953
<b>Total liabilities and fund balances</b>	\$ 23,894,384	\$ 11,266,459	\$ 3,790,498	\$ 6,933,300

See accompanying notes.

Mosquito Control	Sales Tax Revenue Bond I&S	County Building	County Capital	Other Governmental Funds	Total Governmental Funds
\$ 665,989	\$ 1,414,688	\$ 27,506,140	\$ 15,617,542	\$ 32,776,016	\$ 114,857,139
8	-	-	264,600	46,777	634,510
-	-	-	-	2,394,918	2,516,405
-	-	-	-	1,621,786	1,626,903
22,639	-	-	-	113,448	4,194,827
56,342	529,072	-	-	784,994	3,173,281
101,985	-	-	-	-	210,338
-	-	-	-	75,000	75,000
-	-	-	-	92,039	2,680,221
<u>\$ 846,963</u>	<u>\$ 1,943,760</u>	<u>\$ 27,506,140</u>	<u>\$ 15,882,142</u>	<u>\$ 37,904,978</u>	<u>\$ 129,968,624</u>
\$ 115,126	\$ 83,559	\$ 135,270	\$ 433,329	\$ 1,060,199	\$ 6,134,860
26,252	123,751	-	30	331,095	1,889,179
-	-	-	-	-	96,133
160,587	-	-	-	1,175,255	3,389,409
-	-	-	-	-	561,003
-	-	-	34,530	174,808	209,338
-	-	-	-	4,434,046	4,617,109
<u>301,965</u>	<u>207,310</u>	<u>135,270</u>	<u>467,889</u>	<u>7,175,403</u>	<u>16,897,031</u>
-	-	-	-	92,039	2,680,221
101,985	-	-	-	-	210,338
-	-	-	-	-	73,864
-	1,736,450	-	-	1,888,416	3,624,866
-	-	27,370,870	15,414,253	16,457,733	59,242,856
-	-	-	-	-	8,400,000
-	-	-	-	-	8,064,794
443,013	-	-	-	12,291,387	30,774,654
<u>544,998</u>	<u>1,736,450</u>	<u>27,370,870</u>	<u>15,414,253</u>	<u>30,729,575</u>	<u>113,071,593</u>
<u>\$ 846,963</u>	<u>\$ 1,943,760</u>	<u>\$ 27,506,140</u>	<u>\$ 15,882,142</u>	<u>\$ 37,904,978</u>	<u>\$ 129,968,624</u>

St. Lucie County  
 Reconciliation of Total Governmental Fund Balance  
 to Net Assets of Governmental Activities  
 September 30, 2003

Total governmental fund balances	\$	113,071,593
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets not being depreciated (land \$91,173,640 and construction in progress \$18,070,457) used in governmental activities are not financial resources and therefore, are not reported in the funds		109,244,097
Capital assets being depreciated (building \$81,030,678, improvements \$99,028,010, equipment \$51,074,972, and accumulated depreciation \$73,886,710) used in governmental activities are not financial resources and therefore, are not reported in the funds.		157,246,950
Long-term liabilities, including bonds payable (\$84,555,000), revenue notes payable (\$21,283,793), capital lease (\$1,143,651), special assessment bonds payable (\$632,000), and accrued compensated absences (\$6,804,370) are not due and payable in the current period and therefore, are not reported in the funds.		(114,418,814)
Sales tax revenue refunding 1994 bonds were refunded during the year. The bond proceeds included a deferred amount of refunding in the amount of \$1,579,533. This amount is reflected in the Statement of Net Assets, net of amortization of \$23,288, as a decrease to the long-term notes and bonds payable amount.		1,556,245
The Sales tax revenue refunding 2003 bond proceeds also included a premium on the refunding bonds in the amount of \$392,175 and is reported less amortization expense of \$4,877; the net is reflected as an increase to long-term notes and bonds payable.		(387,298)
Accrued interest expense for general long-term debt is not a financial use and therefore, are not reported in the fund.		(640,771)
Special assessment receivables are not financial resources in the current period and therefore, are reported as deferred revenues in the funds.		1,626,904
Notes receivable from outside agencies for debt previously incurred by the County are not financial resources in the current period and therefore, are reported as deferred revenue in the funds.		2,394,918
Internal service funds are used by management to charge the costs of insurance activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		(699,183)
Grant and gas tax revenues are not recognized in the funds statement because resources are not available; however, these amounts are reported as receivables in the governmental activities column of the Statement of Net Assets.		1,556,409
Note issuance costs are financial uses in the fund statement; for full accrual, however, these expenses are reported as non-current assets in the governmental activities column of the Statement of Net Assets.		1,266,804
Net assets of governmental activities	\$	271,817,854

*See accompanying notes.*

(THIS PAGE INTENTIONALLY LEFT BLANK)

St. Lucie County, Florida  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds  
For the year ended September 30, 2003

	General	Transportation Trust	Fine and Forfeiture	Port and Airport
<b>Revenues:</b>				
Taxes	\$ 27,183,233	\$ 5,923,160	\$ 42,074,597	\$ 1,121
Licenses and permits	35,405	37,887	-	-
Intergovernmental	6,609,191	3,783,739	1,011,752	9,427,141
Charges for services	10,949,981	32,978	1,163,955	547,671
Fines and forfeitures	47,739	-	2,151,962	-
Special assessments	-	1,811,610	-	11,041
Interest	176,731	239,315	173,909	158,266
Unearned revenue	(543,183)	-	-	-
Miscellaneous	2,966,931	50,723	484,550	175,755
<b>Total revenues</b>	<b>47,426,028</b>	<b>11,879,412</b>	<b>47,060,725</b>	<b>10,320,995</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	25,155,192	79,582	1,145,115	-
Public safety	34,819,740	-	4,128,713	-
Physical environment	1,764,189	-	-	19,992
Transportation	1,770,134	7,792,584	-	1,000,614
Economic environment	849,458	-	366,420	-
Human services	3,942,413	-	-	-
Court-related	6,687,893	-	5,230,258	-
Culture and recreation	9,045,349	-	-	-
Capital outlay	3,922,730	6,202,028	206,368	709,347
<b>Debt service:</b>				
Principal retirement	739,832	-	88,771	7,982,491
Interest	155,316	-	153,561	42,834
Other	2,500	-	-	-
<b>Total expenditures</b>	<b>88,854,746</b>	<b>14,074,194</b>	<b>11,319,206</b>	<b>9,755,278</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(41,428,718)</b>	<b>(2,194,782)</b>	<b>35,741,519</b>	<b>565,717</b>
<b>Other financing sources (uses):</b>				
Operating transfers in	44,528,551	500,000	4,232,882	1,697,629
Operating transfers out	(11,104,093)	(14,442)	(40,503,781)	(799)
Proceeds from sale of capital assets	56,538	132,478	-	-
Proceeds of long-term debt	873,955	-	-	-
Proceeds of refunding bonds	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Expiration of repayment period	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>34,354,951</b>	<b>618,036</b>	<b>(36,270,899)</b>	<b>1,696,830</b>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>(7,073,767)</b>	<b>(1,576,746)</b>	<b>(529,380)</b>	<b>2,262,547</b>
Fund balances—beginning of year	24,248,757	11,872,609	3,575,391	4,497,406
Change in reserve for inventory of supplies	-	(1,370)	-	-
<b>Fund balances—end of year</b>	<b>\$ 17,174,990</b>	<b>\$ 10,294,493</b>	<b>\$ 3,046,011</b>	<b>\$ 6,759,953</b>

See accompanying notes.



Mosquito Control	Sales Tax Revenue Bond I&S	County Building	County Capital	Other Governmental Funds	Total Governmental Funds
\$ 2,429,607	\$ -	\$ -	\$ 2,614,205	\$ 11,468,438	\$ 91,694,361
-	-	-	-	85,225	158,517
111,863	6,475,795	-	2,527,712	4,082,271	34,029,464
-	-	-	-	1,778,598	14,473,183
-	-	-	-	1,491,701	3,691,402
-	-	-	-	1,741,698	3,564,349
24,632	105,054	103,119	178,601	590,376	1,750,003
-	-	-	-	-	(543,183)
8,370	-	-	673,560	1,002,805	5,362,694
<u>2,574,472</u>	<u>6,580,849</u>	<u>103,119</u>	<u>5,994,078</u>	<u>22,241,112</u>	<u>154,180,790</u>
141,582	-	9,456	1,330,494	2,013,572	29,874,993
-	-	-	-	3,013,688	41,962,141
-	-	-	721	3,144,059	4,928,961
-	-	-	-	571,765	11,135,097
11,015	-	-	-	1,073,879	2,300,772
1,813,112	-	-	-	-	5,755,525
-	-	-	-	1,173,562	13,091,713
-	-	-	170,273	523,674	9,739,296
409,983	-	314,978	7,473,765	10,287,835	29,527,034
18,470	-	-	83,244	23,230,504	32,143,312
1,007	915,905	-	51,483	1,304,357	2,624,463
-	1,148,143	-	20,000	97,377	1,268,020
<u>2,395,169</u>	<u>2,064,048</u>	<u>324,434</u>	<u>9,129,980</u>	<u>46,434,272</u>	<u>184,351,327</u>
179,303	4,516,801	(221,315)	(3,135,902)	(24,193,160)	(30,170,537)
22,619	-	-	9,209,440	4,619,849	64,810,970
(91,054)	(5,555,930)	-	(636,404)	(6,347,482)	(64,253,985)
33,040	-	-	-	-	222,056
-	-	-	1,510,000	16,404,922	18,788,877
-	37,787,440	26,834,735	-	-	64,622,175
-	(38,594,533)	-	-	-	(38,594,533)
-	-	-	-	16,161,303	16,161,303
<u>(35,395)</u>	<u>(6,363,023)</u>	<u>26,834,735</u>	<u>10,083,036</u>	<u>30,838,592</u>	<u>61,756,863</u>
143,908	(1,846,222)	26,613,420	6,947,134	6,645,432	31,586,326
426,011	3,582,672	757,450	8,467,119	24,084,143	81,511,558
(24,921)	-	-	-	-	(26,291)
<u>\$ 544,998</u>	<u>\$ 1,736,450</u>	<u>\$ 27,370,870</u>	<u>\$ 15,414,253</u>	<u>\$ 30,729,575</u>	<u>\$ 113,071,593</u>

St. Lucie County  
 Reconciliation of the Statement of Revenues,  
 Expenditures and Changes in Fund Balances of  
 Governmental Funds to the Statement of Activities  
 For the Year Ended September 30, 2003

Net change in fund balances--total governmental funds \$ 31,586,326

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$29,527,034) exceeded depreciation (\$9,912,629) in the current period.	19,614,414
Governmental funds report sale of general capital assets as financial resources, the deletion of general capital assets are not reflected in the fund statement. This is the net amount of the sale proceeds and the adjusted basis of assets deleted.	(793,236)
Repayment of bond principal (\$2,750,000), revenue notes principal (\$4,374,224), capital lease principal (\$528,380), and special assessment bonds (\$300,000) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	8,007,004
Long-term obligation was forgiven by a State Agency and is reported as payment of debt in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.	7,969,967
Long-term obligation was settled and is reported as payment of debt in the Statement of Revenues, Expenditures and Changes in Fund Balance.	16,161,303
Compensated absences reported in the Statement of Activities, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	(426,435)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and current year accruals.	(357,883)
Various debt and capital lease proceeds are an other financing source in the governmental funds, but debt and capital lease proceeds increase long-term liabilities in the Statement of Net Assets.	(18,788,877)
Bond proceeds were received for the refunding of 1994 sales tax revenue bonds. The 2003 series bond was issued for \$64,230,000 plus a bond premium of \$392,175. The bond proceeds of \$64,622,175 are reflected in the Statement of Revenues, Expenditures and Changes in Fund Balance as an other financing source; however, this amount is reflected net of amortization expense of \$4,877, as an increase in long-term liabilities in the Statement of Net Assets.	(64,617,298)
Payment to escrow agent for sales tax revenue refunding bonds is reported in the fund statements as an other financing use; the face amount of the refunded note was \$37,015,000 and is reported as a reduction of debt in the Statement of Net Assets.	37,015,000

St. Lucie County  
 Reconciliation of the Statement of Revenues,  
 Expenditures and Changes in Fund Balances of  
 Governmental Funds to the Statement of Activities  
 For the Year Ended September 30, 2003

Included in the payment to escrow agent is the amount of deferred interest to be amortized over the life of the old debt. This amount is reported as an other financing use in the Statement of Revenues, Expenditures and Changes in Fund Balance; however this amount is reported (\$1,579,533) net of amortization (\$23,288) on the Statement of Net Assets.	1,556,245
Note issuance costs are reported as expenditures when paid. This amount is reported (\$1,228,234) net of amortization (\$29,990) in government-wide.	1,193,465
Changes in inventory are reflected as reduction in fund balance; however on the Statement of Activities, it is recorded as an expense.	(26,291)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net amount between the prior year and current year accruals.	549,555
Income received in the current year for prior year's revenue is recognized in the funds statements and not on the Statement of Activities.	(345,409)
Special assessments reported in the Statement of Activities are not reported as current financial resources and therefore, are not reported as revenue in the governmental funds. This is the net amount between the prior year and current year accruals.	73,990
Internal service funds are used by management to charge the costs of insurance services to individual funds. Of the total (\$172,083) operating loss and the total non-operating revenues (\$33,448), a portion of the net loss is reported with governmental activities. The total governmental activities allocation of the loss is \$130,875; business-type activities allocation is \$7,760.	(130,875)
Change in net assets of governmental activities	\$ 38,240,965

*See accompanying notes.*

St. Lucie County, Florida  
Statement of Revenues, Expenditures and  
Changes in Fund Balances—Budget and Actual  
Governmental Funds  
For the year ended September 30, 2003

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 26,307,972	\$ 26,307,972	\$ 27,183,233	\$ 875,261
Licenses and permits	51,200	51,200	35,405	(15,795)
Intergovernmental	9,537,255	8,751,727	6,609,191	(2,142,536)
Charges for services	12,022,924	12,099,537	10,949,981	(1,149,556)
Fines and forfeitures	47,000	47,000	47,739	739
Special assessments	—	—	—	—
Interest	828,000	832,909	176,731	(656,178)
Unearned revenue	(301,042)	(301,042)	(543,183)	(242,141)
Miscellaneous	1,587,868	1,572,594	2,966,931	1,394,337
<b>Total revenues</b>	<u>50,081,177</u>	<u>49,361,897</u>	<u>47,426,028</u>	<u>(1,935,869)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	32,871,255	31,639,259	25,155,192	6,484,067
Public safety	35,321,184	35,486,141	34,819,740	666,401
Physical environment	2,281,567	2,228,124	1,764,189	463,935
Transportation	3,113,580	2,655,623	1,770,134	885,489
Economic environment	663,256	689,088	849,458	(160,370)
Human services	4,978,676	5,440,988	3,942,413	1,498,575
Court-related	6,410,024	6,653,378	6,687,893	(34,515)
Culture and recreation	9,145,716	9,776,885	9,045,349	731,536
Capital outlay	4,436,371	5,745,675	3,922,730	1,822,945
<b>Debt service:</b>				
Principal retirement	382,880	629,433	739,832	(110,399)
Interest	50,592	163,089	155,316	7,773
Other	—	2,500	2,500	—
<b>Total expenditures</b>	<u>99,655,101</u>	<u>101,110,183</u>	<u>88,854,746</u>	<u>12,255,437</u>
<b>Excess of revenues over (under) expenditures</b>	(49,573,924)	(51,748,286)	(41,428,718)	10,319,568
<b>Other financing sources (uses):</b>				
Operating transfers in	43,482,892	43,712,688	44,528,551	815,863
Operating transfers out	(4,317,075)	(6,912,731)	(11,104,093)	(4,191,362)
Proceeds from sale of capital assets	—	3,500	56,538	53,038
Proceeds of long-term debt	—	531,752	873,955	342,203
Proceeds of refunding bonds	—	—	—	—
Payment to bond refunding escrow agent	—	—	—	—
Expiration of repayment period	—	—	—	—
<b>Total other financing sources (uses)</b>	<u>39,165,817</u>	<u>37,335,209</u>	<u>34,354,951</u>	<u>(2,980,258)</u>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	(10,408,107)	(14,413,077)	(7,073,767)	7,339,310
<b>Fund balances—beginning of year</b>	21,319,382	24,290,070	24,248,757	(41,313)
<b>Change in reserve for inventory of supplies</b>	—	—	—	—
<b>Fund balances—end of year</b>	<u>\$ 10,911,275</u>	<u>\$ 9,876,993</u>	<u>\$ 17,174,990</u>	<u>\$ 7,297,997</u>

See accompanying notes.

(continued)

St. Lucie County, Florida  
Statement of Revenues, Expenditures and  
Changes in Fund Balances—Budget and Actual  
Governmental Funds (continued)  
For the year ended September 30, 2003

	Transportation Trust			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 6,168,034	\$ 5,158,899	\$ 5,923,160	\$ 764,261
Licenses and permits	10,000	10,000	37,887	27,887
Intergovernmental	7,817,119	7,540,789	3,783,739	(3,757,050)
Charges for services	—	—	32,978	32,978
Fines and forfeitures	—	—	—	—
Special assessments	9,958,938	10,417,548	1,811,610	(8,605,938)
Interest	250,310	250,310	239,315	(10,995)
Unearned revenue	—	—	—	—
Miscellaneous	164,444	129,074	50,723	(78,351)
<b>Total revenues</b>	<u>24,368,845</u>	<u>23,506,620</u>	<u>11,879,412</u>	<u>(11,627,208)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	—	179,628	79,582	100,046
Public safety	—	—	—	—
Physical environment	—	—	—	—
Transportation	11,650,880	9,483,234	7,792,584	1,690,650
Economic environment	—	—	—	—
Human services	—	—	—	—
Court-related	—	—	—	—
Culture and recreation	—	691	—	691
Capital outlay	22,678,306	22,050,520	6,202,028	15,848,492
<b>Debt service:</b>				
Principal retirement	—	93,214	—	93,214
Interest	—	11,884	—	11,884
Other	—	—	—	—
<b>Total expenditures</b>	<u>34,329,186</u>	<u>31,819,171</u>	<u>14,074,194</u>	<u>17,744,977</u>
Excess of revenues over (under) expenditures	(9,960,341)	(8,312,551)	(2,194,782)	6,117,769
<b>Other financing sources (uses):</b>				
Operating transfers in	500,000	500,000	500,000	—
Operating transfers out	(37,136)	(41,729)	(14,442)	27,287
Proceeds from sale of capital assets	—	45,000	132,478	87,478
Proceeds from debt issuance	—	13,800	—	(13,800)
Proceeds of refunding bonds	—	—	—	—
Payment to bond refunding escrow agent	—	—	—	—
Expiration of repayment period	—	—	—	—
<b>Total other financing sources (uses)</b>	<u>462,864</u>	<u>517,071</u>	<u>618,036</u>	<u>100,965</u>
Excess of revenues and other sources over (under) expenditures and other uses	(9,497,477)	(7,795,480)	(1,576,746)	6,218,734
Fund balances—beginning of year	12,213,510	12,057,161	11,872,609	(184,552)
Change in reserve for inventory of supplies	—	—	(1,370)	(1,370)
<b>Fund balances—end of year</b>	<u>\$ 2,716,033</u>	<u>\$ 4,261,681</u>	<u>\$ 10,294,493</u>	<u>\$ 6,032,812</u>

See accompanying notes.

(continued)

St. Lucie County, Florida  
Statement of Revenues, Expenditures and  
Changes in Fund Balances—Budget and Actual  
Governmental Funds (continued)  
For the year ended September 30, 2003

	<b>Fine and Forfeiture</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues:</b>				
Taxes	\$ 41,104,738	\$ 41,104,659	\$ 42,074,597	\$ 969,938
Licenses and permits	-	-	-	-
Intergovernmental	1,693,714	1,730,626	1,011,752	(718,874)
Charges for services	1,253,657	1,253,658	1,163,955	(89,703)
Fines and forfeitures	2,038,400	2,048,400	2,151,962	103,562
Special assessments	-	-	-	-
Interest	288,729	290,579	173,909	(116,670)
Unearned revenue	-	-	-	-
Miscellaneous	438,934	438,934	484,550	45,616
<b>Total revenues</b>	<u>46,818,172</u>	<u>46,866,856</u>	<u>47,060,725</u>	<u>193,869</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	17,435,583	1,775,585	1,145,115	630,470
Public safety	5,581,789	4,897,730	4,128,713	769,017
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	64,370	366,421	366,420	1
Human services	-	-	-	-
Court-related	1,744,696	5,620,776	5,230,258	390,518
Culture and recreation	-	-	-	-
Capital outlay	20,592	278,656	206,368	72,288
<b>Debt service:</b>				
Principal retirement	-	88,774	88,771	3
Interest	-	153,563	153,561	2
Other	-	-	-	-
<b>Total expenditures</b>	<u>24,847,030</u>	<u>13,181,505</u>	<u>11,319,206</u>	<u>1,862,299</u>
Excess of revenues over (under) expenditures	21,971,142	33,685,351	35,741,519	2,056,168
<b>Other financing sources (uses):</b>				
Operating transfers in	1,975,860	3,096,498	4,232,882	1,136,384
Operating transfers out	(28,107,083)	(39,986,669)	(40,503,781)	(517,112)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from debt issuance	-	137,868	-	(137,868)
Proceeds of refunding bonds	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Expiration of repayment period	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(26,131,223)</u>	<u>(36,752,303)</u>	<u>(36,270,899)</u>	<u>481,404</u>
Excess of revenues and other sources over (under) expenditures and other uses	(4,160,081)	(3,066,952)	(529,380)	2,537,572
Fund balances—beginning of year	4,273,008	3,634,391	3,575,391	(59,000)
Change in reserve for inventory of supplies	-	-	-	-
<b>Fund balances—end of year</b>	<u>\$ 112,927</u>	<u>\$ 567,439</u>	<u>\$ 3,046,011</u>	<u>\$ 2,478,572</u>

See accompanying notes.

(continued)

St. Lucie County, Florida  
Statement of Revenues, Expenditures and  
Changes in Fund Balances—Budget and Actual  
Governmental Funds (continued)  
For the year ended September 30, 2003

	Port and Airport			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ —	\$ —	\$ 1,121	\$ 1,121
Licenses and permits	—	—	—	—
Intergovernmental	7,518,541	15,872,545	9,427,141	(6,445,404)
Charges for services	558,759	526,277	547,671	21,394
Fines and forfeitures	—	—	—	—
Special assessments	28,700	28,700	11,041	(17,659)
Interest	62,175	63,675	158,266	94,591
Unearned revenue	—	—	—	—
Miscellaneous	20,000	20,000	175,755	155,755
Total revenues	<u>8,188,175</u>	<u>16,511,197</u>	<u>10,320,995</u>	<u>(6,190,202)</u>
<b>Expenditures:</b>				
Current:				
General government	2,400	2,431	—	2,431
Public safety	—	—	—	—
Physical environment	—	20,940	19,992	948
Transportation	1,666,193	1,553,704	1,000,614	553,090
Economic environment	—	—	—	—
Human services	—	—	—	—
Court-related	—	—	—	—
Culture and recreation	—	—	—	—
Capital outlay	10,744,423	10,769,599	709,347	10,060,252
Debt service:				
Principal retirement	6,513	7,982,492	7,982,491	1
Interest	22,274	42,835	42,834	1
Other	—	—	—	—
Total expenditures	<u>12,441,803</u>	<u>20,372,001</u>	<u>9,755,278</u>	<u>10,616,723</u>
Excess of revenues over (under) expenditures	(4,253,628)	(3,860,804)	565,717	4,426,521
<b>Other financing sources (uses):</b>				
Operating transfers in	1,697,491	1,738,028	1,697,629	(40,399)
Operating transfers out	(6,900)	(47,437)	(799)	46,638
Proceeds from sale of capital assets	—	—	—	—
Proceeds from debt issuance	—	1,725	—	(1,725)
Proceeds of refunding bonds	—	—	—	—
Payment to bond refunding escrow agent	—	—	—	—
Expiration of repayment period	—	—	—	—
Total other financing sources (uses)	<u>1,690,591</u>	<u>1,692,316</u>	<u>1,696,830</u>	<u>4,514</u>
Excess of revenues and other sources over (under) expenditures and other uses	(2,563,037)	(2,168,488)	2,262,547	4,431,035
Fund balances—beginning of year	2,888,750	4,027,952	4,497,406	469,454
Change in reserve for inventory of supplies	—	—	—	—
Fund balances—end of year	<u>\$ 325,713</u>	<u>\$ 1,859,464</u>	<u>\$ 6,759,953</u>	<u>\$ 4,900,489</u>

See accompanying notes.

(continued)

St. Lucie County, Florida  
Statement of Revenues, Expenditures and  
Changes in Fund Balances—Budget and Actual  
Governmental Funds (continued)  
For the year ended September 30, 2003

	Mosquito Control			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 2,511,671	\$ 2,386,088	\$ 2,429,607	\$ 43,519
Licenses and permits	—	—	—	—
Intergovernmental	186,989	178,579	111,863	(66,716)
Charges for services	—	—	—	—
Fines and forfeitures	—	—	—	—
Special assessments	—	—	—	—
Interest	55,000	55,000	24,632	(30,368)
Unearned revenue	—	—	—	—
Miscellaneous	32,000	10,250	8,370	(1,880)
Total revenues	<u>2,785,660</u>	<u>2,629,917</u>	<u>2,574,472</u>	<u>(55,445)</u>
<b>Expenditures:</b>				
Current:				
General government	105,270	141,583	141,582	1
Public safety	—	—	—	—
Physical environment	—	—	—	—
Transportation	—	—	—	—
Economic environment	1,815	11,016	11,015	1
Human services	1,929,940	1,984,992	1,813,112	171,880
Court-related	—	—	—	—
Culture and recreation	—	—	—	—
Capital outlay	347,970	517,527	409,983	107,544
Debt service:				
Principal retirement	47,092	18,471	18,470	1
Interest	1,007	1,007	1,007	—
Other	—	—	—	—
Total expenditures	<u>2,433,094</u>	<u>2,674,596</u>	<u>2,395,169</u>	<u>279,427</u>
Excess of revenues over (under) expenditures	352,566	(44,679)	179,303	223,982
<b>Other financing sources (uses):</b>				
Operating transfers in	—	—	22,619	22,619
Operating transfers out	(88,285)	(91,209)	(91,054)	155
Proceeds from sale of capital assets	—	32,000	33,040	1,040
Proceeds from debt issuance	3,725	5,175	—	(5,175)
Proceeds of refunding bonds	—	—	—	—
Payment to bond refunding escrow agent	—	—	—	—
Expiration of repayment period	—	—	—	—
Total other financing sources (uses)	<u>(84,560)</u>	<u>(54,034)</u>	<u>(35,395)</u>	<u>18,639</u>
Excess of revenues and other sources over (under) expenditures and other uses	268,006	(98,713)	143,908	242,621
Fund balances—beginning of year	119,695	425,869	426,011	142
Change in reserve for inventory of supplies	—	—	(24,921)	(24,921)
Fund balances—end of year	<u>\$ 387,701</u>	<u>\$ 327,156</u>	<u>\$ 544,998</u>	<u>\$ 217,842</u>

See accompanying notes.

(continued)



**(THIS PAGE INTENTIONALLY LEFT BLANK)**

St. Lucie County, Florida  
Statement of Net Assets  
Proprietary Funds  
September 30, 2003

	<u>Business-type Activities</u>			
	<u>Bailing &amp; Recycling Facility</u>	<u>North Hutchinson Utilities</u>	<u>South Hutchinson Utilities</u>	<u>Sports Complex</u>
<b>Assets</b>				
<b>Current assets:</b>				
Cash and investments	\$ 7,707,750	\$ 2,739,092	\$ 1,249,673	\$ -
Accounts receivable	688,917	228,870	273,236	368,945
Due from other funds	-	-	-	-
Due from other county units	-	-	-	-
Inventories	14,222	-	-	-
Total current assets	<u>8,410,889</u>	<u>2,967,962</u>	<u>1,522,909</u>	<u>368,945</u>
<b>Non-current assets:</b>				
<b>Restricted assets:</b>				
Cash and investments—landfill closure	6,244,374	-	-	-
Cash and investments—customer deposits	67,900	42,180	750	1,000
Cash and investments—debt service	73,099	707,770	455,456	-
Cash and investments—project funds	-	81,551	-	-
Bond issuance costs, net	112,944	276,875	-	-
Land	4,905,601	59,145	1,729,310	5,601,360
Buildings and improvements	24,899,602	6,215,382	19,598,491	12,722,080
Machinery and equipment	6,159,228	115,162	260,533	727,351
Accumulated depreciation	(12,955,535)	(1,832,586)	(4,699,269)	(7,737,016)
Construction in progress	1,285,356	843,357	40,045	15,215
Total non-current assets	<u>30,792,569</u>	<u>6,508,836</u>	<u>17,385,316</u>	<u>11,329,990</u>
Total assets	<u>\$ 39,203,458</u>	<u>\$ 9,476,798</u>	<u>\$ 18,908,225</u>	<u>\$ 11,698,935</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 860,788	\$ 181,796	\$ 68,480	\$ 33,789
Accrued liabilities	47,119	3,236	1,747	13,577
Deposits payable	67,900	42,180	750	1,000
Due to other funds	300,914	106,511	5,756	432,368
Claims payable	-	-	-	-
Capital lease obligations	-	-	-	-
Bonds payable, net	770,000	195,000	-	-
Accrued compensated absences	54,496	2,322	1,537	15,630
Deferred revenue	-	-	-	-
Total current liabilities	<u>2,101,217</u>	<u>531,045</u>	<u>78,270</u>	<u>496,364</u>
<b>Non-current liabilities:</b>				
Advances from other funds	-	-	-	467,000
Liabilities payable from restricted assets	5,998,674	-	-	-
Bonds payable, net	2,883,052	6,047,976	-	-
Accrued compensated absences	86,203	6,276	5,665	29,641
Landfill closure liability	6,096,668	-	-	-
Total non-current liabilities	<u>15,064,597</u>	<u>6,054,252</u>	<u>5,665</u>	<u>496,641</u>
Total liabilities	<u>17,165,814</u>	<u>6,585,297</u>	<u>83,935</u>	<u>993,005</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	20,641,200	(842,516)	16,929,110	11,328,990
<b>Restricted for:</b>				
Landfill closure	245,700	-	-	-
Debt service	73,099	707,770	455,456	-
Capital projects	-	81,551	-	-
Unrestricted	1,077,645	2,944,696	1,439,724	(623,060)
Total net assets	<u>\$ 22,037,644</u>	<u>\$ 2,891,501</u>	<u>\$ 18,824,290</u>	<u>\$ 10,705,930</u>

See accompanying notes.

<u>Business-type Activities</u>			<u>Governmental Activities</u>
<u>North County Utilities</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 889,265	\$ 2,983,017	\$ 15,568,797	-
87,204	17,100	1,664,272	8,048
-	-	-	307,742
-	-	-	-
-	60,504	74,726	-
<u>976,469</u>	<u>3,060,621</u>	<u>17,307,795</u>	<u>315,790</u>
-	-	6,244,374	-
23,625	10,000	145,455	-
50,148	-	1,286,473	-
-	-	81,551	-
218,503	-	608,322	-
13,519	1,306,050	13,614,985	-
5,166,783	4,291,294	72,893,632	-
35,723	1,671,630	8,969,627	10,595
(751,179)	(2,793,694)	(30,769,279)	(3,241)
-	27,955	2,211,928	-
<u>4,757,122</u>	<u>4,513,235</u>	<u>75,287,068</u>	<u>7,354</u>
\$ <u>5,733,591</u>	\$ <u>7,573,856</u>	\$ <u>92,594,863</u>	<u>323,144</u>
\$ 16,802	\$ 31,216	\$ 1,192,871	175,583
3,586	61,099	130,364	11,218
23,625	10,000	145,455	-
39,648	227,963	1,113,160	-
-	-	-	885,108
-	80,802	80,802	-
110,000	-	1,075,000	-
2,262	74,572	150,819	2,723
-	3,638	3,638	-
<u>195,923</u>	<u>489,290</u>	<u>3,892,109</u>	<u>1,074,632</u>
-	2,003,883	2,470,883	-
-	-	5,998,674	-
5,237,865	-	14,168,893	-
7,025	62,900	197,710	-
-	-	6,096,668	-
<u>5,244,890</u>	<u>2,066,783</u>	<u>28,932,828</u>	<u>-</u>
<u>5,440,813</u>	<u>2,556,073</u>	<u>32,824,937</u>	<u>1,074,632</u>
(883,019)	4,422,433	51,596,198	7,354
-	-	245,700	-
50,148	-	1,286,473	-
-	-	81,551	-
1,125,649	595,350	6,560,004	(758,842)
\$ <u>292,778</u>	\$ <u>5,017,783</u>	\$ <u>59,769,926</u>	<u>(751,488)</u>

St. Lucie County, Florida  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the year ended September 30, 2003

	<b>Business-type Activities</b>			
	<b>Bailing &amp; Recycling Facility</b>	<b>North Hutchinson Utilities</b>	<b>South Hutchinson Utilities</b>	<b>Sports Complex</b>
<b>Operating revenues:</b>				
Charges for services	\$ 8,353,229	\$ 2,221,800	\$ 1,433,632	\$ 379,718
Miscellaneous revenue	190,564	20,138	-	138,826
Total operating revenue	<u>8,543,793</u>	<u>2,241,938</u>	<u>1,433,632</u>	<u>518,544</u>
<b>Operating expenses:</b>				
Personal services	1,560,455	130,745	75,964	504,445
Contractual services	2,395,734	553,712	763,520	448,839
Claims expense	-	-	-	-
Supplies	283,930	652,400	4,557	65,401
Maintenance	438,926	30,770	25,436	167,567
Rentals and leases	14,916	3,387	44,322	525
Communication	13,642	11,674	11,080	57,619
Transportation	5,840	2,159	50	184
Economic environment	52,288	2,704	-	-
Depreciation	1,338,023	264,270	794,238	363,160
Amortization	36,234	20,481	-	-
Landfill closure costs	752,485	-	-	-
Total operating expenses	<u>6,892,473</u>	<u>1,672,302</u>	<u>1,719,167</u>	<u>1,607,740</u>
Operating income (loss)	1,651,320	569,636	(285,535)	(1,089,196)
<b>Nonoperating revenues (expenses):</b>				
Interest revenue	368,617	92,634	40,090	-
Intergovernmental revenue	28,613	82,800	-	-
Gain (loss) on disposal of capital assets	(136,394)	(950)	-	499
Arbitrage expense	(81,115)	-	-	-
Interest expense	(471,470)	(383,801)	-	-
Paying agent fees	(1,498)	(1,725)	-	-
Total nonoperating revenues (expenses)	<u>(293,247)</u>	<u>(211,042)</u>	<u>40,090</u>	<u>499</u>
Income (loss) before operating transfers	1,358,073	358,594	(245,445)	(1,088,697)
<b>Operating transfers:</b>				
Operating transfers in	30,353	-	47,446	636,482
Operating transfers out	(1,027,110)	(11,000)	(58,446)	(22,000)
Governmental capital asset transfers	-	-	-	13,391
Total operating transfers	<u>(996,757)</u>	<u>(11,000)</u>	<u>(11,000)</u>	<u>627,873</u>
Change in net assets	361,316	347,594	(256,445)	(460,824)
Net assets-beginning of year	21,676,328	2,543,907	19,080,735	11,166,754
Net assets-end of year	<u>\$ 22,037,644</u>	<u>\$ 2,891,501</u>	<u>\$ 18,824,290</u>	<u>\$ 10,705,930</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				
Change in net assets of business-type activities				

See accompanying notes.

<b>Business-type Activities</b>			<b>Governmental Activities</b>
<b>North County Utilities</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
\$ 1,384,311	\$ 3,301,469	\$ 17,074,159	10,370,712
15,814	139,745	505,087	186,774
<u>1,400,125</u>	<u>3,441,214</u>	<u>17,579,246</u>	<u>10,557,486</u>
128,917	2,151,762	4,552,288	932,632
327,320	398,096	4,887,221	818,959
-	-	-	8,956,512
3,049	197,868	1,207,205	6,908
54,271	79,979	796,949	-
1,200	153,482	217,832	-
11,235	41,277	146,527	9,430
470	5,949	14,652	3,446
120	7,890	63,002	-
185,357	488,977	3,434,025	1,682
12,346	-	69,061	-
-	-	752,485	-
<u>724,285</u>	<u>3,525,280</u>	<u>16,141,247</u>	<u>10,729,569</u>
675,840	(84,066)	1,437,999	(172,083)
17,403	62,167	580,911	33,448
-	-	111,413	-
(32,681)	(1,008)	(170,534)	-
-	-	(81,115)	-
(286,361)	(97,417)	(1,239,049)	-
-	-	(3,223)	-
<u>(301,639)</u>	<u>(36,258)</u>	<u>(801,597)</u>	<u>33,448</u>
374,201	(120,324)	636,402	(138,635)
-	-	714,281	-
-	(152,710)	(1,271,266)	-
-	1,341,321	1,354,712	-
-	1,188,611	797,727	-
374,201	1,068,287	1,434,129	(138,635)
(81,423)	3,949,496		(612,853)
<u>\$ 292,778</u>	<u>\$ 5,017,783</u>		<u>(751,488)</u>
		(7,760)	
		<u>\$ 1,426,369</u>	

St. Lucie County, Florida  
Statement of Cash Flows  
Proprietary Funds  
For the year ended September 30, 2003

	<b>Business-type Activities</b>			
	<b>Bailing &amp; Recycling Facility</b>	<b>North Hutchinson Utilities</b>	<b>South Hutchinson Utilities</b>	<b>Sports Complex</b>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 8,230,643	\$ 2,109,526	\$ 1,165,760	\$ 97,531
Cash paid to suppliers	(2,647,103)	(1,179,366)	(824,357)	(743,619)
Cash paid to employees	(1,501,689)	(313,935)	(79,525)	(493,492)
Cash received (paid) for internal services used	5,880	23,575	(44,881)	74,404
Other receipts (payments)	190,564	20,138	-	138,826
Net cash provided by (used for) operating activities	<u>4,278,295</u>	<u>659,938</u>	<u>216,997</u>	<u>(926,350)</u>
<b>Cash flows from noncapital financing activities</b>				
Operating transfers in	30,353	-	47,446	636,482
Operating transfers out	(1,027,110)	(11,000)	(58,446)	(22,000)
Advances from other funds	-	47,502	-	467,000
Net cash provided by (used for) noncapital financing activities	<u>(996,757)</u>	<u>36,502</u>	<u>(11,000)</u>	<u>1,081,482</u>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of assets	105,900	-	-	856
Proceeds from grants	28,613	82,800	-	-
Bond issuance costs paid on refunding bond issue	(69,876)	-	-	-
Bond premium paid and deferred refunding interest	(20,157)	-	-	-
Principal paid on capital debt	(4,120,000)	(355,000)	-	-
Interest paid on capital debt	(471,470)	(356,632)	-	-
Arbitrage paid on refunding bond issue	(81,115)	-	-	-
Purchases of capital assets	(2,774,776)	(988,363)	(312,116)	(154,988)
Payments for long-term care	(17,388)	-	-	-
Bond paying agent fees and issuance costs	(1,498)	(1,725)	-	-
Net cash used for capital and related financing activities	<u>(7,421,767)</u>	<u>(1,618,920)</u>	<u>(312,116)</u>	<u>(154,132)</u>
<b>Cash flows from investing activities</b>				
Interest on investments	368,617	92,634	40,090	-
Net cash provided by investing activities	<u>368,617</u>	<u>92,634</u>	<u>40,090</u>	<u>-</u>
Net increase (decrease) in cash and investments	(3,771,612)	(829,846)	(66,029)	1,000
Cash and investments at beginning of year	17,864,735	4,400,439	1,771,908	-
<b>Cash and investments at end of year</b>	<u>\$ 14,093,123</u>	<u>\$ 3,570,593</u>	<u>\$ 1,705,879</u>	<u>\$ 1,000</u>
<b>Cash and investments classified as:</b>				
Current assets	\$ 7,707,750	\$ 2,739,092	\$ 1,249,673	\$ -
Restricted assets	6,385,373	831,501	456,206	1,000
<b>Total cash and investments at end of year</b>	<u>\$ 14,093,123</u>	<u>\$ 3,570,593</u>	<u>\$ 1,705,879</u>	<u>\$ 1,000</u>

See accompanying notes.

<u>Business-type Activities</u>			<u>Governmental Activities</u>
<u>North County Utilities</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 1,365,039	\$ 3,295,290	\$ 16,263,789	\$ 10,290,691
(401,445)	(872,166)	(6,668,056)	(10,388,676)
(270,200)	(2,099,215)	(4,758,056)	(938,162)
(15,051)	59,323	103,250	(195,518)
15,814	139,745	505,087	186,774
<u>694,157</u>	<u>522,977</u>	<u>5,446,014</u>	<u>(1,044,891)</u>
-	-	714,281	-
-	(152,710)	(1,271,266)	-
-	240,489	754,991	-
<u>-</u>	<u>87,779</u>	<u>198,006</u>	<u>-</u>
-	-	106,756	-
-	-	111,413	-
-	-	(69,876)	-
-	-	(20,157)	-
(205,000)	(47,724)	(4,727,724)	-
(286,361)	(97,417)	(1,211,880)	-
-	-	(81,115)	-
(21,800)	(287,282)	(4,539,326)	(4,755)
-	-	(17,388)	-
-	-	(3,223)	-
<u>(513,161)</u>	<u>(432,423)</u>	<u>(10,452,519)</u>	<u>(4,755)</u>
<u>17,403</u>	<u>62,167</u>	<u>580,911</u>	<u>33,448</u>
<u>17,403</u>	<u>62,167</u>	<u>580,911</u>	<u>33,448</u>
198,399	240,500	(4,227,588)	(1,016,198)
764,639	2,752,517	27,554,238	1,021,374
<u>\$ 963,038</u>	<u>\$ 2,993,017</u>	<u>\$ 23,326,650</u>	<u>\$ 5,176</u>
\$ 889,265	\$ 2,983,017	\$ 15,568,797	\$ -
73,773	10,000	7,757,853	-
<u>\$ 963,038</u>	<u>\$ 2,993,017</u>	<u>\$ 23,326,650</u>	<u>\$ -</u>

(continued)

St. Lucie County, Florida  
Statement of Cash Flows  
Proprietary Funds  
For the year ended September 30, 2003

	<u>Business-type Activities</u>			
	<u>Bailing &amp; Recycling Facility</u>	<u>North Hutchinson Utilities</u>	<u>South Hutchinson Utilities</u>	<u>Sports Complex</u>
<b>Reconciliation of net operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ 1,651,320	\$ 569,636	\$ (285,535)	\$ (1,089,196)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,338,023	264,270	794,238	363,160
Amortization of bond issuance costs and bond discount	36,234	20,481	-	-
Landfill closure expense	752,485	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(127,586)	(71,755)	(268,622)	(283,187)
Due from other funds	-	-	-	-
Due from other county units	-	-	-	-
Inventories	6,297	-	-	-
Accounts payable	551,876	77,440	24,608	(3,484)
Accrued liabilities	17,085	(181,775)	(208)	2,484
Due to other funds	5,880	23,575	(44,881)	74,404
Claims payable	-	-	-	-
Accrued compensated absences	41,681	(1,415)	(3,353)	8,469
Deposits payable	5,000	3,503	750	1,000
Deferred revenue	-	(44,022)	-	-
<b>Net cash provided (used) by operating activities</b>	<u>\$ 4,278,295</u>	<u>\$ 659,938</u>	<u>\$ 216,997</u>	<u>\$ (926,350)</u>
<b>Noncash capital activities:</b>				
Capital assets transferred from governmental funds	-	-	-	13,391

See accompanying notes.



<u>Business-type Activities</u>			<u>Governmental Activities</u>
<u>North County Utilities</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 675,840	\$ (84,066)	\$ 1,437,999	\$ (172,083)
185,357	488,977	3,434,025	1,682
12,346	—	69,061	—
—	—	752,485	—
(18,404)	(9,182)	(778,736)	7,311
—	—	—	(186,051)
—	—	—	(87,332)
—	(382)	5,915	—
(3,780)	12,757	659,417	(490,899)
(143,912)	18,843	(287,483)	(4,806)
(15,051)	59,323	103,250	(9,467)
—	—	—	(102,522)
2,629	33,704	81,715	(724)
(868)	1,600	10,985	—
—	1,403	(42,619)	—
<u>\$ 694,157</u>	<u>\$ 522,977</u>	<u>\$ 5,446,014</u>	<u>\$ (1,044,891)</u>
—	1,341,321	1,354,711	—

St. Lucie County, Florida  
Statement of Fiduciary Net Assets  
Agency Funds  
September 30, 2003

<b>Assets</b>	
Cash and investments	\$ 36,551,752
Accounts receivable	55
Assessments receivable	89,595
Due from other governments	664,448
Total assets	<u>\$ 37,305,850</u>
<b>Liabilities</b>	
Accounts payable	\$ 1,080,881
Accrued liabilities	48,915
Deposits payable	95,198
Due to other governments	4,204,849
Agency funds on hand	31,876,007
Total liabilities	<u>\$ 37,305,850</u>

*See accompanying notes.*

**St. Lucie County, Florida**  
**Notes to Financial Statements**  
**Year Ended September 30, 2003**

<u>Note</u>	<u>Page</u>	<u>Note</u>	<u>Page</u>
1. Summary of Significant Accounting Policies		10. Long-term Liabilities	
Reporting Entity	49	Schedule of Changes in Long-Term Debt	78
Measurement Focus and Bases of Accounting	51	Schedule of Outstanding Debt	79
Basis of Presentation	54	Debt Service Requirements	81
Assets, Liabilities, and Net Assets or Equity	56	Bond Covenants	83
Cash and Investments	56	Capital Leases	83
Receivables and Payables	56	Summary of Defeased Debt Outstanding	83
Inventories	56	Special Assessment Debt	84
Restricted Assets	56	11. Segment Information	85
Capital Assets	57	12. Landfill Closure Costs	86
Capitalization of Interest	57	13. Defined Benefit Pension Plans	87
Unamortized Bond Issuance Costs	57	14. Operating Leases	88
Unamortized Bond Discounts	57	15. Conduit Debt	89
Deferred Revenues	57	16. Fund Equity	89
Accrued Compensated Absences	58	17. Fund Equity Deficit	91
Obligation for Bond Arbitrage Rebate	58	18. Restatement of Prior Year Fund Equity	91
Landfill Closure Costs	58	19. Risk Management	91
Budgets	58	20. Commitments and Contingencies	93
2. Reconciliation of Government-wide and Fund Financial Statements	59	21. Subsequent Events	93
3. Cash and Investments			
Deposits	66		
Investments	66		
4. Property Tax Revenues	68		
5. Capital Assets	69		
6. Restricted Cash and Investments	71		
7. Interfund Balances	72		
8. Interfund Transfers	73		
9. Receivable, Payable, and Advance Balances	74		

St. Lucie County, Florida  
Notes to Financial Statements  
Year Ended September 30, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 are not applied in the preparation of the financial statements of the proprietary fund types in accordance with GASB Statement 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards that which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

In June 1999, the GASB unanimously approved Statement 34-Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments. This Statement provides for the most significant change in financial reporting in over twenty years. As part of this statement, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signal, etc.). This requirement permits an optional four-year delay for implementation of the infrastructure related portion to the fiscal year ending 2006. The County has chosen to delay the implementation of infrastructure reporting in accordance with GASB Statement 34 requirements.

**A. Reporting Entity**

St. Lucie County, Florida, (the "County"), is a non-charter government pursuant to Article VIII, Section 1(f) of the Constitution of the State of Florida. The St. Lucie County financial statements contained herein include and combine the operations of the Board of County Commissioners (the "Board") and the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector (the "Constitutional Officers").

The Board funds a portion or, in certain instances, all of the operating budgets of the County's Constitutional Officers. The payments by the Board to fund the operations of the Constitutional Officers are recorded as operating transfers out on the financial statements of the Board and as operating transfers in on the financial statements of the Constitutional Officers. Constitutional Officer's excess fees to the Board are recorded as operating transfers out on the financial statements of the Constitutional Officers and as operating transfers in on the financial statements of the Board.

The Clerk of the Circuit Court serves as ex-officio Clerk of the County in accordance with Article VIII, Section (1)(d), of the Constitution of the State of Florida, and Section 125.17, Florida Statutes.

The reporting entity's financial statements should allow users to distinguish between the primary government and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued**

**A. Reporting Entity – Continued**

government (the County), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. Additionally, the County is required to consider other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Accounting principals generally accepted in the United States require that the financial statements allow the user to clearly distinguish between the primary government and its components. A component unit is a legally separate organization for which the County is financially accountable. Because of the closeness of their relationships with the primary government, the following component units are blended as though they are part of the primary government.

**Blended Component Units**

The Board also serves as ex-officio governing board and maintains accounting records for two dependent districts, as follows:

1. St. Lucie County Mosquito Control District  
(Created by Chapter 29502, Laws of Florida, Acts of 1953)
2. Erosion Control District  
(Created by Chapter 67-2001, Laws of Florida)

The financial activity of these dependent districts is blended in with the financial activity of the County in the special revenue fund types.

**Other Entities**

Pursuant to Section 159.601, Florida Statutes, the County authorized the creation of the St. Lucie County Housing Finance Authority (the "Authority") by local ordinance No. 80-3 in July 1980. The Authority participates in bond issues with larger housing authorities. These debts are not liabilities of St. Lucie County and are not reflected on the accompanying financial statements. The funds of the Authority are included as a special revenue fund in the County's financial statements.

The Central Florida Foreign-Trade Zone, Inc. (the "Trade Zone") is a nonprofit organization created to establish a foreign trade zone. The funds of the Trade Zone are included in the General Fund in the Board.

St. Lucie, Indian River, Martin, and Okeechobee counties jointly fund the Office of the Medical Examiner, 19th Judicial District. The Governor of the State of Florida appoints the Medical Examiner. The County's only financial responsibility for the Medical Examiner is to fund its

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued**

**A. Reporting Entity – Continued**

**Other Entities – Continued**

required percentage of the operating costs of that office in the General Fund in the County. The other counties participate in funding the Medical Examiner's office in the same manner. Indian River Community College maintains the accounting records for the Medical Examiner's office.

**B. Measurement Focus and Bases of Accounting**

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

**1. Government-wide Financial Statements**

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by property taxes, special assessments, rents and interest, are reported separately from business-type activities. Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33-Accounting and Financial Reporting for Nonexchange Transactions.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements, rather than as expenditures.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**B. Measurement Focus and Bases of Accounting - Continued**

**1. Government-wide Financial Statements - Continued**

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

**2. Fund Financial Statements**

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (or expenses), as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government’s governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds. The fiduciary statement includes financial information for the agency funds. The County agency funds represent assets held by the County in a custodial capacity for other individuals or governments.

**Governmental Funds**

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, as appropriate, and then from unrestricted resources. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period.

For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be accrual items and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the County receives the cash.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**B. Measurement Focus and Bases of Accounting - Continued**

**2. Fund Financial Statements – Continued**

**Governmental Funds – Continued**

The non-current portion of long-term receivables (special assessments) due to governmental funds are reported on their balance sheets because of their spending measurement focus. The non-current portions of other long-term receivables are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an “other financing source” rather than as a fund liability. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Proprietary Funds**

The County’s enterprise funds and Internal Service Fund are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

The County applies all GASB pronouncements as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, which do not conflict with, or contradict GASB pronouncements.

Proprietary fund operating revenues, such as charges for services, and operating expenses, such as salaries, supplies, and contracted services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings, and non-operating expenses, such as interest expense, loss on sale of assets, and arbitrage expense, result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as an “other financing source”.



St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**C. Basis of Presentation**

Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liability, rather than as an expense.

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category and the governmental and proprietary combined) for the determination of major funds. The County has elected to use the GASB 34 minimum criteria for major funds determination. In addition, the County chose to disclose three funds; Transportation Trust, Port and Airport, and Mosquito Control as major funds. These three funds are displayed for specific community focus or outstanding debt.

The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

**1. Governmental Major Funds:**

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial activity not accounted for in another fund.

Transportation Trust Fund - The Transportation Trust Fund accounts for the operations of the road and bridge and engineering departments. Financing is provided primarily by gas taxes.

Fine and Forfeiture Fund – The Fine and Forfeiture Fund accounts for law enforcement related projects funded by the proceeds from confiscated property, forfeitures, fines, and ad valorem taxes.

Port and Airport Fund – The Port and Airport Fund accounts for the operations of the port and airport, which are funded by the proceeds from the operations of these facilities and ad valorem taxes.

Mosquito Control Fund – The Mosquito Control Fund accounts for the operations of the Mosquito Control District which is primarily funded by ad valorem taxes.

Sales Tax Revenue Bond I&S Fund – The Sales Tax Revenue Bond I&S Fund accounts for the debt service requirements to retire the Revenue Bonds which were used to refund the County's outstanding sales tax Revenue Bonds and finance acquisition and construction of certain capital improvements within the County. This bond series is secured by a pledge of half-cent sales tax revenue.

County Building Fund – The County Building Fund accounts for the construction of county buildings, which are funded by sales tax revenue bonds.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**C. Basis of Presentation – Continued**

**1. Governmental Major Funds – Continued:**

County Capital Fund – The County Capital Fund accounts for the construction of various county projects, which are funded by ad valorem taxes and grants.

**2. Proprietary Major Funds:**

Bailing & Recycling Facility Fund – The Bailing & Recycling Facility Fund provides funding to operate the County’s landfills, a recycling division, and the hazardous waste division. In addition, estimated costs of closure and long-term care of the landfill operations are accounted for in this fund.

North Hutchinson Utilities Fund – The North Hutchinson Utilities Fund accounts for the operation of a water and sewer utility for certain residents on North Hutchinson Island.

South Hutchinson Utilities Fund – The South Hutchinson Utilities Fund accounts for the operation of a wastewater treatment plant for certain residents on South Hutchinson Island.

Sports Complex Fund – The Sports Complex Fund provides funding to operate the County’s sports complex, spring training home of the New York Mets.

North County Utilities Fund – The North County Utilities Fund (formally known as Holiday Pines Utilities Fund) accounts for the operation of a water and sewer facility for certain residents in the northern section of the county.

**3. Other Fund Types:**

Internal Service Fund – The Internal Service Fund accounts for the payment of county-wide insurance. Funding is provided by user charges to the various departments of the Board and Constitutional Officers (except the Sheriff).

Agency Funds – The Agency Funds are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals; such as Constitutional Officer investments, impact fees, public law library funds, certain sales tax revenues, various Municipal Service Benefit Units (MSBU), cash bonds, traffic fines, motor vehicle fees, ad valorem taxes, delinquent taxes, and process serving within the County.

**4. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide Statement of Net Assets.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Cash and Investments**

The County maintains cash and investment pools. Earnings from the pooled investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pool is managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts. Therefore, all balances representing participants' equity in the investment pool are classified as cash and cash equivalents for financial statement purposes. For the statement of cash flows, we consider cash and cash equivalents to include money market funds, the Local Government Surplus Funds Trust Fund (Florida State Board of Administration), and the Florida Local Government Investment Trust Fund.

In accordance with Section 125.31 and 218.415, Florida Statutes, and the County's investment policy, the County is authorized to invest in negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government, the State Investment Pool, nonnegotiable interest-bearing time certificates of deposit, money market accounts, and repurchase agreements. These investments are reported at fair value or amortized cost, based on the maturity date of the investments at the time of purchase. They are categorized as deposits, repurchase agreements, U.S. Government money market funds and securities, or state pool funds.

**2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Long-term lending/borrowing arrangements between funds are classified as advances. Any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances".

**3. Inventories**

Inventories of supplies in the special revenue funds are recognized as expenditures at the time of purchase. Inventories on hand at September 30 are recorded at cost on a first in-first out or weighted average basis. In addition, a corresponding entry is made for reservation of fund balance. Inventories in the proprietary fund types are recorded at cost using the weighted average method and recognized as expenses as they are consumed.

**4. Restricted Assets**

Certain net assets of the County are classified as restricted assets on the Statement of Net Assets because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. In a fund with both restricted and unrestricted assets, qualified expenses are first applied from restricted net assets and then from unrestricted net assets.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**D. Assets, Liabilities, and Net Assets or Equity – Continued**

**5. Capital Assets**

Capital assets, which include land, buildings, improvements, and equipment, are reported in the applicable governmental or business-type activities column. General infrastructure assets acquired prior to October 1, 1982, are not reported in the basic financial statements. These infrastructure assets will be added by September 30, 2006.

The County defines capital assets as assets with an initial, individual cost of \$750 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

Donated capital assets are recorded at estimated fair market value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend its useful life, are not capitalized.

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 7-39 years; improvements, 5-50 years; and equipment, 2-10 years.

**6. Capitalization of Interest**

Interest costs related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the County did not have any capitalized interest.

**7. Unamortized Bond Issuance Costs**

Bond issuance costs and legal fees associated with the issuance of revenue bonds are amortized over the life of the bonds using the imputed-interest method of accounting.

**8. Unamortized Bond Discounts**

Bond discounts associated with the issuance of revenue bonds are amortized according to the imputed-interest method. For financial reporting, unamortized bond discounts are netted against the applicable long-term debt.

**9. Deferred Revenues**

Deferred revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues or revenues that are measurable but not available. This practice is in accordance with the modified accrual basis of accounting.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**D. Assets, Liabilities, and Net Assets or Equity – Continued**

**10. Accrued Compensated Absences**

The County accrues unused portions of vacation pay in the period the fund liability is incurred. As permitted by Governmental Accounting Standards Board Statement No. 16, the vesting method is used to accrue sick leave liability. The liability is based on the sick leave accumulated at year-end by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments.

Even though the County has appropriated, accumulated, and earmarked expendable available fund resources for these amounts, the portion not normally expected to be liquidated with expendable available financial resources is not reported as a fund liability (in accordance with Interpretation No. 6 of the Governmental Accounting Standards Board – Recognition and Measurement of Certain Liabilities and Expenditures) in the governmental fund financial statements.

**11. Obligation for Bond Arbitrage Rebate**

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. This approach treats the rebate as an expense when it is actually payable to the federal government. In fiscal year 2003, the Bailing & Recycling Facility (formally known as Sanitary Landfill) paid \$81,115 in arbitrage expense. The County has an arbitrage liability outstanding as of September 30, 2003, in the amount of \$235,869, in the Environmental Land Capital Fund.

**12. Landfill Closure Costs**

Under the terms of current state and federal regulations, the Bailing & Recycling Facility is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to 30 years after closure. The Bailing & Recycling Facility recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period. Required obligations for closure and post-closure costs are recognized in the Bailing & Recycling Facility Fund.

**E. Budgets**

Pursuant to Section 200.065 of the Florida Statutes, budgets are prepared and adopted for the Board after public hearings for the governmental funds. The Constitutional Officers submit, at various times, to the Board and to certain divisions within the Department of Revenue, State of Florida, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them, as set forth in Chapter 129 of the Florida Statutes. The Department of Revenue, State of Florida, has the final authority on the operating budgets for the Tax Collector and Property Appraiser included in the General Fund.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**E. Budgets – Continued**

The County utilizes the same bases of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general, special revenue, debt service, and capital projects funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

“Total fund balances” as reported on the County’s Governmental Funds Balance Sheet (\$113,071,593) differs from the “net assets” of governmental activities (\$271,817,854) that are reported in the Statement of Net Assets. This difference primarily results from the long-term economic focus of the Statement of Net Assets versus the current financial resources focus of the Governmental Funds Balance Sheet. The effect of the differences is illustrated below.

**Capital related items**

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

Cost of capital assets	\$340,377,757
Accumulated depreciation	<u>(73,886,710)</u>
Total	<u>\$266,491,047</u>

**Long-term debt transactions**

Long-term liabilities applicable to the County’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Assets. Balances at September 30, 2003 were:

Bonds payable	\$ (84,555,000)
Revenue notes	(21,283,793)
Special assessment bonds	(632,000)
Capital leases	(1,143,651)
Compensated absences	<u>(6,840,370)</u>
Total	<u>\$(114,418,814)</u>

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued**

**A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets – Continued**

**Accrued interest**

Accrued liabilities in the Statement of Net Assets differs from the amount reported in governmental funds due to accrued interest on bonds, revenue notes, special assessment bonds, and capital leases.

Bonds payable		\$ (503,513)
Revenue notes		(97,611)
Special assessment bonds		(19,988)
Capital leases		<u>(19,659)</u>
Total		<u>\$ (640,771)</u>

**Deferred amount on refunding**

The Sales Tax Refunding Revenue Bonds, Series 1994, were refunded during the current year. The proceeds included a deferred amount, which is reflected net of amortization expense in the notes and bonds payable in the Statement of Net Assets.

Deferred amount on refunding		\$ 1,579,533
Amortization expense		<u>(23,288)</u>
Total		<u>\$ 1,556,245</u>

**Bond premium**

The Sales Tax Refunding Revenue Bonds, Series 2003, proceeds included a premium. The premium is reflected net of amortization expense in the notes and bonds payable in the Statement of Net Assets.

Bond premium		\$ (392,175)
Amortization expense		<u>4,877</u>
Total		<u>\$ (387,298)</u>

**Note issuance costs**

Note issuance costs in the Statement of Net Assets differs from the amount reported in governmental funds because note issuance costs are capitalized and amortized over the term of the notes, whereas these costs are reported as expenditures in the Governmental Funds Balance Sheet.

Notes issuance costs – 9/30/02		\$ 79,510
Notes issuance costs – 9/30/03		<u>1,228,234</u>
Subtotal		1,307,744
Amortization expense		<u>(40,940)</u>
Net note issuance costs		<u>\$ 1,266,804</u>

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued**

**A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government- wide Statement of Net Assets - Continued**

**Deferred revenues**

Deferred revenues in the Statement of Net Assets differ from the amount reported in governmental funds due to special assessments and note receivables. Governmental fund financial statements report unearned revenues or revenues which are measurable but not available, as deferred revenues. However, deferred revenues in governmental funds are subject to full accrual on the government-wide financial statements.

Deferred special assessment revenues	\$ 1,626,904
Deferred notes receivable revenue	<u>2,394,918</u>
Total	<u>\$ 4,021,822</u>

**Accrued grant revenues**

Some grant revenues are not recognized in the current period because the resources are not available; therefore, these revenues are not reported in the governmental funds financial statements.

Accrued grant revenues	<u>\$ 1,556,409</u>
------------------------	---------------------

**Internal service fund**

Management uses the Internal Service Fund to charge the costs of insurance activities to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets because they primarily serve governmental activities of the County.

Total Internal Service Fund deficit	\$ (751,488)
Allocation of loss to business-type activities – 9/30/02	44,545
Allocation of loss to business-type activities – 9/30/03	<u>7,760</u>
Allocation of loss to governmental activities	<u>\$ (699,183)</u>

**Elimination of interfund receivables/payables**

Interfund receivables and payables in the amount of \$882,137 between governmental funds have been eliminated for the Statement of Net Assets.



St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued**

**B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for government funds (\$31,586,326) differs from the “change in net assets” for governmental activities (\$38,240,965) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

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

Capital outlay	\$ 29,527,034
Depreciation expense	<u>(9,912,620)</u>
Difference	<u>\$ 19,614,414</u>

In the Statement of Activities, only the gain and loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the adjusted basis of the capital assets sold.

Sale of fixed assets	<u>\$ (793,236)</u>
----------------------	---------------------

**Long-term debt transactions**

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

Bonds principal payments	\$ 2,750,000
Revenue notes principal payments	4,428,624
Capital leases principal payments	528,380
Special assessment bonds payments	<u>300,000</u>
Total principal payments	<u>\$ 8,007,004</u>

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued**

**B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities – Continued**

**Long-term debt transactions – continued**

Repayment of a long-term obligation was forgiven and reported as revenue in the Statement of Activities.

Long-term obligation release	<u>\$ 7,969,967</u>
------------------------------	---------------------

The repayment terms of a long-term obligation had expired and is reported as revenue in the Statement of Activities.

Long-term obligation expired	<u>\$ 16,161,303</u>
------------------------------	----------------------

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds. The amounts listed below are the net of the prior and current fiscal years and are included in the Statement of Activities.

Net change in compensated absences	<u>\$ (426,435)</u>
------------------------------------	---------------------

Interest adjustment:

Net accrued bonds interest	\$ (458,610)
Net accrued notes interest	93,675
Net accrued capital leases interest	4,848
Net accrued special assessment interest	<u>2,204</u>
Net interest adjustment	<u>\$ (357,883)</u>

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

Debt proceeds	\$ (17,914,922)
Capital lease proceeds	<u>(873,955)</u>
Net adjustment	<u>\$ (18,788,877)</u>

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued**

**B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities – Continued**

**Long-term debt transactions – continued**

Bond Series 2003 proceeds were received to retire the Sales Tax Refunding Revenue Bonds, Series 1994, in the amount of \$37,015,000. In addition, \$27,215,000 of new bond proceeds were added to this issue. The total 2003 series bonds were issued for \$64,230,000 plus a bond premium of \$392,175. Bond proceeds increase long-term liabilities, however, these proceeds are treated as other financing sources in the governmental funds.

Total bonds proceeds	\$ (64,230,000)
Bond premium	(392,175)
Amortization expense	<u>4,877</u>
Net bond proceeds	<u>\$ (64,617,298)</u>
Payment to escrow agent to retire 1994 bonds	<u>\$ 37,015,000</u>

The deferred amount on the refunding of the 1994 series bonds was \$1,579,533 and this amount is reported net of \$23,288 amortization expense. The net deferred amount of refunding is reported as an other financing use in the governmental funds.

Deferred amount on refunding	\$ 1,579,533
Amortization expense	<u>(23,288)</u>
Net deferred amount on refunding	<u>\$ 1,556,245</u>

**Bond issuance costs**

Bond issuance costs are reported as expenditures in the governmental funds. However, in the Statement of Activities, the bond issuance costs are amortized over the terms of the bond agreement.

Bond issuance costs	\$ 1,228,234
Amortization expense	<u>(34,769)</u>
Net bond issuance costs	<u>\$ 1,193,465</u>

**Change in inventory**

Changes in inventory are reflected as a reduction in the Governmental Funds Balance Sheet. However, in the Statement of Activities, it is recorded as an expense.

Change in inventory	<u>\$ (26,291)</u>
---------------------	--------------------

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued**

**B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities – Continued**

**Accrued grant revenues**

Some grant revenues are not recognized in the current period because the resources are not available; therefore, these revenues are not reported in the fund financial statements. The additional revenues accrued at year end over the prior year amount are reflected as revenue in the Statement of Activities.

Net accrued grant revenues	\$ <u>549,555</u>
----------------------------	-------------------

**Miscellaneous revenue**

Revenue collected on notes receivable is reported in the governmental funds when it is measurable and available. However, this miscellaneous revenue is recognized when earned in the Statement of Activities.

Miscellaneous revenues	\$ <u>(345,409)</u>
------------------------	---------------------

**Special assessment revenues**

Revenues collected on special assessments are reported in the governmental funds when they become measurable and available. However, the assessment revenues are recognized when earned in the Statement of Activities.

Special assessment revenues	\$ <u>73,991</u>
-----------------------------	------------------

**Internal service fund operating loss**

The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets because they primarily serve governmental activities of the County. The operating loss is allocated between governmental activities and business-type activities based on usage of the services. In the current fiscal year, the Internal Service Fund sustained a total net operating loss of \$138,635. The loss attributable to business-type activities is \$7,760.

Internal Service Fund operating loss attributable to governmental activities	\$ <u>(130,875)</u>
---	---------------------

**Reclassification and Eliminations**

The General Fund recognizes revenues in the amount of \$842,066 for the general administrative charges to the various functions. These revenues and expenditures must be eliminated to avoid "double counting". Transfers in and transfers out in the amount of \$63,753,985 between governmental activities are eliminated in the government-wide financial statements.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 3 – CASH AND INVESTMENTS**

The County maintains cash and investment pools that are available for use by all funds except those whose cash and investments must be segregated due to bond covenants or other legal restrictions.

**A. Deposits**

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments. The carrying amount of these deposits at September 30, 2003 was \$30,712,352 and the bank balance was \$34,931,499. The deposits are insured by federal depository insurance or collateralized under the provision of Chapter 280, Florida Statutes.

**B. Investments**

Florida Statutes, the County's Investment Policy, and various bond covenants authorize investments in the following:

- Certificates of deposit
- Money market accounts
- Savings accounts
- Repurchase agreements
- Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration
- Florida Local Government Investment Trust Fund
- Obligations of the U.S. Government
- Obligations of government agencies unconditionally guaranteed by the U.S. Government
- Obligations of the Federal Farm Credit Banks
- Obligations of the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates
- Obligations of the Federal Home Loan Bank
- Obligations of the Government National Mortgage Association
- Obligations of the Federal National Mortgage Association
- Securities of any management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss.80a-1 et seq., provided the portfolio is limited to U.S. Government obligations and to repurchase agreements fully collateralized by U.S. Government obligations.

The County invested in only these types of instruments during the fiscal year.

In accordance with generally accepted accounting principles, the County's investments are categorized in the following schedule to give an indication of the level of custodial credit risk assumed at end of year. Category 2 included investments that are uninsured or unregistered, or for which the securities are held by a trust department or agent in the County's name. Investments in

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 3 – CASH AND INVESTMENTS – Continued**

**B. Investments – Continued**

the Local Government Surplus Funds Trust Fund, the Florida Local Government Investment Trust Fund, money market accounts, and guaranteed investment contracts are not categorized since the investments are not evidenced by securities that exist in physical or book entry form.

The Local Government Surplus Funds Trust Fund Investment Pool (the “Pool”) is a “2a-7” like pool, and therefore, the County’s account balance is used for fair value reporting. All units of local government in Florida are eligible, but not required, to participate in the Pool. In addition to a variety of fixed coupon investments, the Pool also purchases floating rate and adjustable rate securities. These floating rate and adjustable rate securities are used to hedge against interest rate risk and provide diversification to the portfolio. The floating rate and adjustable rate securities all float relative to prevailing short-term interest rates such as LIBOR, Prime, or Fed Funds rates. On September 30, 2003, the Pool held floating rate securities, either directly or as invested securities lending collateral, at an approximate value of \$3.92 billion.

The Pool also participates in securities lending programs. As of September 30, 2003, the collateral held by the Pool, \$5.20 billion in cash and \$4.10 billion in U.S. Government securities, exceeded the fair value of the securities underlying the agreements. As of September 30, 2003, the Pool had 794 local government participants with total investments of approximately \$16.06 billion. The portfolio’s average maturity was 76 days.

The Florida Local Government Investment Trust Fund (the “Trust”) is a professionally managed fund available only to public entities in Florida. The investment policy of the Trust restricts investments to direct obligations of, or securities fully guaranteed by the United States; obligations of certain federal agencies, including collateralized mortgage obligations; repurchase agreements; corporate bonds; and commercial paper. As of September 30, 2003, the Trust had investments, at fair value, of approximately \$541 million. Of the total investments in the Trust, 73% was invested in Treasuries, 9% was invested in money markets, 8% was invested in asset-backed securities, and 10% was invested in adjustable rate mortgages, agencies, and corporate bonds.

Except for the Pool and the Trust, investments are reported at fair value based on the average price obtained from an independent source. Fair value of the Pool and the Trust are based on the fair value per share of the underlying portfolio.

All of the County’s U.S. Treasury Securities and the U.S. Government Agencies are held in trust by the County’s custodial bank, in the County’s name.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 3 – CASH AND INVESTMENTS – Continued**

**B. Investments – Continued**

Schedule of Investments at September 30, 2003:

	<u>Category 2</u>	<u>Fair Value</u>
Money Market Fund		\$ 15,203,361
Local Government Surplus Funds Trust Fund		91,964,412
Florida Local Government Investment Trust Fund		38,141,773
Federal Farm Credit Bank Note		\$ 4,985,000
		4,985,000
Federal Home Loan Mortgage Note	5,034,400	5,034,400
U.S. Treasury Note	5,050,000	<u>5,050,000</u>
Total Investments		<u>\$160,378,946</u>

**NOTE 4 – PROPERTY TAX REVENUES**

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2002-2003 fiscal year were levied in October 2002. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on, or prior to, June 1; therefore, there were no material taxes receivable at fiscal year end.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 5 – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2003 was as follows:

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
<b><u>Governmental Activities:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 81,288,340	\$ 9,885,300	\$ -	\$ 91,173,640
Construction in Progress	<u>11,530,365</u>	<u>23,777,505</u>	<u>(17,237,413)</u>	<u>18,070,457</u>
Total capital assets, not depreciated	<u>92,818,705</u>	<u>33,662,805</u>	<u>(17,237,413)</u>	<u>109,244,097</u>
Capital assets, being depreciated:				
Buildings	77,910,635	3,120,043	-	81,030,678
Improvements	90,864,867	8,188,160	(25,017)	99,028,010
Equipment	<u>49,039,886</u>	<u>6,320,844</u>	<u>(4,275,163)</u>	<u>51,085,567</u>
Total capital assets, being depreciated	<u>217,815,388</u>	<u>17,629,047</u>	<u>(4,300,180)</u>	<u>231,144,255</u>
Less accumulated depreciation for:				
Buildings	(21,341,050)	(2,266,730)	-	(23,607,780)
Improvements	(16,877,544)	(2,321,445)	-	(19,198,989)
Equipment	<u>(29,935,922)</u>	<u>(5,324,454)</u>	<u>4,177,194</u>	<u>(31,083,182)</u>
Total accumulated depreciation	<u>(68,154,516)</u>	<u>(9,912,629)</u>	<u>4,177,194</u>	<u>(73,889,951)</u>
Total capital assets depreciated, net	<u>149,660,872</u>	<u>7,716,418</u>	<u>(122,986)</u>	<u>157,254,304</u>
Governmental Activities capital assets, net	<u>\$242,479,577</u>	<u>\$ 41,379,223</u>	<u>\$(17,360,399)</u>	<u>\$266,498,401</u>

During the process of updating the subsidiary ledger of capital assets, an additional \$5,195,573 was located for capital assets expended in prior years. These assets are reflected as an increase to the appropriate line and to fund balance.

Depreciation was charged to the following functions:

<b><u>Governmental Activities:</u></b>	
General Government	\$ 2,544,430
Public Safety	2,483,012
Physical Environment	129,537
Transportation	2,438,376
Economic Environment	207
Human Services	645,887
Culture/Recreation	1,254,586
Court Related	<u>416,594</u>
Total governmental activities depreciation expense	<u>\$ 9,912,629</u>



St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 5 – CAPITAL ASSETS – Continued**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Business-type Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$13,614,985	\$ -	\$ -	\$13,614,985
Construction in Progress	<u>866,841</u>	<u>3,051,576</u>	<u>(1,706,489)</u>	<u>2,211,928</u>
Total capital assets not depreciated	<u>14,481,826</u>	<u>3,051,576</u>	<u>(1,706,489)</u>	<u>15,826,913</u>
Capital Assets being depreciated:				
Buildings	41,079,391	187,393	(18,220)	41,248,564
Improvements	28,269,286	3,471,964	(96,182)	31,645,068
Equipment	<u>8,581,132</u>	<u>1,540,099</u>	<u>(1,151,604)</u>	<u>8,969,627</u>
Total capital assets being depreciated	<u>77,929,809</u>	<u>5,199,456</u>	<u>(1,266,006)</u>	<u>81,863,259</u>
Less accumulated depreciation for:				
Buildings	(7,812,688)	(1,418,320)	12,458	(9,218,550)
Improvements	(15,166,643)	(1,139,672)	70,712	(16,235,603)
Equipment	<u>(5,326,840)</u>	<u>(876,033)</u>	<u>887,747</u>	<u>(5,315,126)</u>
Total accumulated depreciation	<u>(28,306,171)</u>	<u>(3,434,025)</u>	<u>970,917</u>	<u>(30,769,279)</u>
Total capital assets depreciated, net	<u>49,623,638</u>	<u>1,765,431</u>	<u>(295,089)</u>	<u>51,093,980</u>
Business-type Activities capital assets, net	<u>\$ 64,105,464</u>	<u>\$ 4,817,007</u>	<u>\$(2,001,578)</u>	<u>\$ 66,920,893</u>

Depreciation was charged to the following functions:

<b><u>Business-type Activities:</u></b>	
Bailing & Recycling Facility	\$ 1,338,023
Water and Sewer	1,355,234
Golf Course	289,999
Sports Complex	363,160
Building & Zoning	<u>87,609</u>
Total business-type activities depreciation expense	<u>\$ 3,434,025</u>

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 6 – RESTRICTED CASH AND INVESTMENTS**

Various bond covenants, resolutions and state regulations require that the County restrict cash and investments within the proprietary funds. Restricted cash and investments are as follows:

	Bailing & Recycling Facility	Golf Course	H.E.W. Utilities	North Hutchinson Utilities	South Hutchinson Utilities	Sports Complex	North County Utilities	Building and Zoning	Total
Landfill closing costs	\$ 4,739,618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,739,618
Landfill post-closure	1,504,756	-	-	-	-	-	-	-	1,504,756
Customer deposits	67,900	1,500	3,500	42,180	750	1,000	23,625	5,000	145,455
Debt service	73,099	-	-	707,770	455,456	-	50,148	-	1,286,473
Project costs	-	-	-	81,551	-	-	-	-	81,551
Total	\$ 6,385,373	\$ 1,500	\$ 3,500	\$ 831,501	\$ 456,206	\$ 1,000	\$ 73,773	\$ 5,000	\$ 7,757,853

Liabilities payable from the County's proprietary funds restricted assets are as follows:

	Bailing & Recycling Facility	Golf Course	H.E.W. Utilities	North Hutchinson Utilities	South Hutchinson Utilities	Sports Complex	North County Utilities	Building and Zoning	Total
Landfill closing costs	\$ 4,739,618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,739,618
Landfill post-closure	1,259,056	-	-	-	-	-	-	-	1,259,056
Customer deposits	67,900	1,500	3,500	42,180	750	1,000	23,625	5,000	145,455
Total	\$ 6,066,574	\$ 1,500	\$ 3,500	\$ 42,180	\$ 750	\$ 1,000	\$ 23,625	\$ 5,000	\$ 6,144,129

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 7 – INTERFUND BALANCES**

Interfund balances at September 30, 2003, consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental Funds:</b>		
General Fund	\$ 927,109	\$ -
Total governmental funds	<u>\$ 927,109</u>	<u>\$ -</u>
<b>Proprietary Funds:</b>		
Bailing & Recycling Facility	\$ -	\$ 300,914
North Hutchinson Utilities	-	106,511
South Hutchinson Utilities	-	5,756
Sports Complex	-	432,368
North County Utilities	-	39,648
Subtotal major enterprise funds	<u>-</u>	<u>885,197</u>
Golf Course	-	110,023
H.E.W. Utilities	-	4,100
Building code	-	113,840
Subtotal nonmajor enterprise funds	<u>-</u>	<u>227,963</u>
Total enterprise funds	<u>-</u>	<u>1,113,160</u>
Internal Service Fund	\$ 238,356	\$ 52,305
Total proprietary funds	<u>\$ 238,356</u>	<u>\$ 1,165,465</u>
Total Interfund Balances	<u>\$ 1,165,465</u>	<u>\$ 1,165,465</u>

Amounts due to the General Fund include general and administrative charges and various reimbursements. The balance amounts due to the Internal Service Fund are outstanding insurance payables. All balances are expected to be paid within 60 days of year end.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 8 - INTERFUND TRANSFERS**

Interfund transfers for the year ended September 30, 2003, consisted of the following:

**Governmental Funds:**

Transfers to the General Fund from:

Bailing & Recycling Facility-personnel allocation	\$ 27,110
North Hutchinson Island Utilities-personnel allocation	11,000
South Hutchinson Island Utilities-personnel allocation	11,000
Sports Complex-personnel allocation	22,000
Fine and Forfeiture- operating contribution	40,350,163
Port and Airport-operating contribution	243
Mosquito Control-operating contribution	91,054
County Capital- operating contribution	19
Sales Tax Revenue Bond I&S-surplus funds	2,555,930
Total nonmajor funds-operating contribution	<u>1,460,032</u>
Total General Fund transfers	<u>44,528,551</u>

Transfer to Transportation Trust Fund from:

County Capital-project contribution	<u>500,000</u>
-------------------------------------	----------------

Transfers to Fine and Forfeiture Fund from:

General Fund-project contribution and return of operating contribution	2,515,937
Nonmajor funds-operating contribution	<u>1,716,945</u>
Total Fine and Forfeiture transfers	<u>4,232,882</u>

Transfers to Port and Airport Fund from:

General Fund-operations contribution	<u>1,697,629</u>
--------------------------------------	------------------

Transfers to Mosquito Control Fund from:

General Fund-return of operating contribution	<u>22,619</u>
---	---------------

Transfers to County Capital Fund from:

General Fund-project contribution	5,209,440
Sales Tax Revenue-project contribution	3,000,000
Bailing & Recycling Facility-project contribution	<u>1,000,000</u>
Total County Capital transfers	<u>9,209,440</u>

Transfers to nonmajor funds:

General Fund-lease revenue and operating contribution	4,416,231
Fine and Forfeiture-operations contribution	153,618
County Capital-project contribution	<u>50,000</u>
Total nonmajor funds transfers	<u>4,619,849</u>

<b>Total Governmental Funds</b>	<b><u>\$ 64,810,970</u></b>
---------------------------------	-----------------------------

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 8 - INTERFUND TRANSFERS – Continued**

**Proprietary Funds:**

Transfers to Bailing & Recycling Facility Fund from:

General Fund-lease revenues	\$ 7,000
Recycle Operating-fund consolidation	23,353
Total Bailing & Recycling Facility transfers	30,353

Transfer to South Hutchinson Utilities Fund from:

South Hutchinson Utilities Capital-project finalization	47,446
---	--------

Transfer to Sports Complex Fund from:

Tourist Development-operations contribution	636,482
---	---------

<b>Total Proprietary Funds</b>	<b>\$ 714,281</b>
--------------------------------	-------------------

**NOTE 9 – RECEIVABLE, PAYABLE, AND ADVANCE BALANCES**

**A. Accounts Receivable**

Accounts receivable at September 30, 2003, were as follows:

		<b>Grants</b>				<b>Total</b>
	<b>Customer</b>	<b>Unbilled</b>	<b>Franchise</b>	<b>Deposits</b>	<b>Miscellaneous</b>	<b>Accounts</b>
						<b>Receivable</b>
<b><u>Governmental Activities:</u></b>						
General Fund	\$ 196,527	\$ 717,390	\$ -	\$ -	\$ 30,543	\$ 944,460
Transportation Trust Fund	916	9,378	-	-	-	10,294
Fine and Forfeiture Fund	76,958	-	-	-	-	76,958
Port and Airport Fund	24,910	189,808	-	-	-	214,718
Mosquito Control Fund	8	59,054	-	-	-	59,062
County Capital Fund	-	28,252	264,600	-	-	292,852
Other governmental funds	352	7,730	-	75,000	-	83,082
Total governmental activities	\$ 299,671	\$1,011,612	\$ 264,600	\$ 75,000	\$ 30,543	\$ 1,681,426
<b><u>Business-type Activities:</u></b>						
Bailing & Recycling Facility Fund	\$ 688,917	\$ -	\$ -	\$ -	\$ -	\$ 688,917
North Hutchinson Utilities Fund	228,870	-	-	-	-	228,870
South Hutchinson Utilities Fund	273,236	-	-	-	-	273,236
Sports Complex Fund	368,945	-	-	-	-	368,945
North County Utilities Fund	87,204	-	-	-	-	87,204
Other enterprise funds	17,100	-	-	-	-	17,100
Total business-type activities	\$1,664,272	\$ -	\$ -	\$ -	\$ -	\$ 1,664,272

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 9 – RECEIVABLE, PAYABLE, AND ADVANCE BALANCES – Continued**

**B. Notes Receivable**

Notes receivable at September 30, 2003 were as follows:

**Governmental Funds:**

General Fund - Howard computer capital lease program	121,487
Communication System I&S Fund - 800MHz public safety communication system	<u>2,394,918</u>
Total governmental funds	<u>\$ 2,516,405</u>

The General Fund has a reservation of fund balance in the amount of \$73,864 for the long-term portion of the notes receivable. The Communication System I&S Fund reflects deferred revenue in the amount of \$2,394,918 for the total notes receivable balance.

**C. Special Assessments Receivable**

Special assessments receivable at September 30, 2003 were as follows:

General Fund special lighting district	\$ 5,117
Becker Road I&S Fund	1,493,765
River Branch I&S Fund	<u>128,021</u>
Total	<u>\$ 1,626,903</u>

Becker Road and the River Branch I&S Funds assessments are also reflected as deferred revenue.

**D. Payables**

Payables at September 30, 2003, were as follows:

	Accounts Payable			Accrued Liabilities			
	Vendors	Retainage	Total Accounts Payable	Accrued Salaries And Benefits	Arbitrage	Interest Payable	Total Accrued Liabilities
<b><u>Governmental Activities:</u></b>							
General Fund	\$ 2,832,158	\$ 289,785	\$ 3,121,943	\$1,191,617	\$ -	\$ 19,659	\$ 1,211,276
Transportation Trust Fund	674,953	16,721	691,674	113,603	-	-	113,603
Fine and Forfeiture Fund	369,567	-	369,567	88,084	-	-	88,084
Port and Airport Fund	125,021	-	125,021	15,184	-	31,920	47,104
Mosquito Control Fund	115,126	-	115,126	26,252	-	-	26,252
Sales Tax Revenue Fund	83,559	-	83,559	-	-	589,638	589,638
County Building Fund	133,827	1,443	135,270	-	-	-	-
County Capital Fund	277,658	155,671	433,329	30	-	4,518	4,548
Internal Service Fund	175,583	-	175,583	11,218	-	-	11,218
Other governmental funds	1,052,391	7,808	1,060,199	95,226	235,869	118,787	449,882
Total governmental activities	<u>\$ 5,839,843</u>	<u>\$ 471,428</u>	<u>\$ 6,311,271</u>	<u>\$ 1,541,214</u>	<u>\$ 235,869</u>	<u>\$ 764,522</u>	<u>\$ 2,541,605</u>

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 9– RECEIVABLE, PAYABLE, AND ADVANCE BALANCES – Continued**

**D. Payables – Continued**

Payables at September 30, 2003, were as follows:

	Accounts Payable			Accrued Liabilities			
	Vendors	Retainage	Total Accounts Payable	Accrued Salaries And Benefits	Arbitrage	Interest Payable	Total Accrued Liabilities
<b>Business-type Activities:</b>							
Bailing & Recycling Facility Fund	\$ 767,870	\$ 92,918	\$ 860,788	\$ 47,119	\$ -	\$ -	\$ 47,119
North Hutchinson Utilities Fund	101,107	80,689	181,796	3,236	-	-	3,236
South Hutchinson Utilities Fund	68,480	-	68,480	1,747	-	-	1,747
Sports Complex Fund	33,789	-	33,789	13,577	-	-	13,577
North County Utilities Fund	16,802	-	16,802	3,586	-	-	3,586
Other enterprise funds	31,216	-	31,216	61,099	-	-	61,099
Total business-type activities	\$ 1,019,264	\$ 173,607	\$ 1,192,871	\$ 130,364	\$ -	\$ -	\$ 130,364

**E. Deposits Payable**

Deposits payable at September 30, 2003, were as follows:

	Rental Deposits	Vendor Deposits	Customer Deposits	Total Deposits
<b>Governmental Activities:</b>				
General Fund	\$ 19,126	\$ 46,351	\$ -	\$ 65,477
Transportation Trust Fund	-	4,881	-	4,881
Fine and Forfeiture Fund	-	500	-	500
Port and Airport Fund	-	25,275	-	25,275
Total governmental activities	\$ 19,126	\$ 77,007	\$ -	\$ 96,133

The above amounts are reflected as restricted cash in the Statement of Net Assets.

	Rental Deposits	Vendor Deposits	Customer Deposits	Total Deposits
<b>Business-type Activities:</b>				
Bailing & Recycling Facility Fund	\$ -	\$ 67,900	\$ -	\$ 67,900
North Hutchinson Utilities Fund	-	-	42,180	42,180
South Hutchinson Utilities Fund	-	-	750	750
Sports Complex Fund	-	1,000	-	1,000
North County Utilities Fund	-	-	23,625	23,625
Other enterprise funds	1,500	5,000	3,500	10,000
Total business-type activities	\$ 1,500	\$ 73,900	\$ 70,055	\$ 145,455

The above amounts are reflected as restricted cash in the Statement of Net Assets.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 9– RECEIVABLE, PAYABLE, AND ADVANCE BALANCES – Continued**

**E. Deposits Payable – Continued**

Deposits payable at September 30, 2003, were as follows:

	<u>Rental Deposits</u>	<u>Vendor Deposits</u>	<u>Customer Deposits</u>	<u>Total Deposits</u>
<b><u>Agency Funds:</u></b>				
Law Library	\$ -	\$ -	\$ 1,970	\$ 1,970
Developer's Deposits	-	-	93,228	93,228
Total agency funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,198</u>	<u>\$ 95,198</u>

**F. Claims Payable**

Claims payable in the amount of \$885,108 represents the claims incurred but not yet reported at year end in the Internal Service Fund.

**G. Advances**

Advances at September 30, 2003, were as follows:

	<u>Advances Due To Governmental Funds</u>	<u>Advances Due From Proprietary Funds</u>
<b><u>Governmental Activities:</u></b>		
Advances from General Fund to:		
H.E.W. Utilities Fund	\$ 52,552	\$ (52,552)
Sports Complex Fund	467,000	(467,000)
Advance from Port and Airport Fund to:		
Golf Course Fund	<u>1,951,331</u>	<u>(1,951,331)</u>
Total net funds	<u>\$ 2,470,883</u>	<u>\$ (2,470,883)</u>

**H. Notes Payable – Short-term**

The County borrowed a short-term note in the amount of \$3,000,000 on September 17, 2003, and repaid the note plus interest of \$1,333 on September 19, 2003. The purpose of this note was to repay a transfer from the Environmental Land I&S to Environmental Land Acquisitions fund, which occurred in October 2001.



St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 10 – LONG-TERM LIABILITIES**

**A. Schedules of Changes in Long-Term Debt**

Long-term liability activity for the year ended September 30, 2003, was as follows:

	Beginning Balance <u>10/1/2002</u>	<u>Additions</u>	<u>Payments</u>	Ending Balance <u>9/30/2003</u>	Amounts Due within <u>One Year</u>
<b><u>Governmental Activities:</u></b>					
Bonds and notes payable:					
General obligation debt	\$ 4,030,000	\$ -	\$ 1,160,000	\$ 2,870,000	\$ 145,000
Revenue bonds	56,060,000	63,061,053	38,605,000	80,516,053	2,455,000
Revenue notes	7,743,095	17,914,922	4,374,224	21,283,793	2,106,736
Special assessment bonds	932,000	-	300,000	632,000	4,895
Other long-term liabilities	24,131,270	-	24,131,270	-	-
Total bonds and notes payable	<u>92,896,365</u>	<u>80,975,975</u>	<u>68,570,494</u>	<u>105,301,846</u>	<u>4,711,631</u>
Other liabilities:					
Capital leases	793,984	873,955	524,288	1,143,651	493,376
Compensated absences	6,381,000	3,961,123	3,535,030	6,807,093	3,503,107
Total governmental activities	<u>\$ 100,071,349</u>	<u>\$ 85,811,053</u>	<u>\$ 72,629,812</u>	<u>\$ 113,252,590</u>	<u>\$ 8,708,114</u>
<b><u>Business-type Activities:</u></b>					
Bonds and notes payable:					
Solid waste refunding debt	\$ 7,792,663	\$ 4,356,650	\$ 8,496,261	\$ 3,653,052	\$ 770,000
Water and sewer debt	12,114,533	-	523,692	11,590,841	305,000
Total bonds and notes payable	<u>19,907,196</u>	<u>4,356,650</u>	<u>9,019,953</u>	<u>15,243,893</u>	<u>1,075,000</u>
Other liabilities:					
Capital leases	128,526	-	47,724	80,802	80,802
Compensated absences	266,814	1,506,548	1,424,833	348,529	150,819
Total business-type activities	<u>\$ 20,302,536</u>	<u>\$ 5,863,198</u>	<u>\$ 10,492,510</u>	<u>\$ 15,673,224</u>	<u>\$ 1,306,621</u>

As explained in more detail later in this note, payments on the general obligation and revenue bonds that pertain to the County's governmental activities are made by the debt service funds. In addition, South County Regional Stadium and Tourist Development Tax revenue notes are paid from debt service funds; Parks Referendum Line of Credit, Port Deepening, and Beach Renourishment revenue notes are paid from special revenue funds; Public Safety 911, South County Regional Stadium Lighting, and Energy Efficiency revenue notes are paid from the General Fund. The remaining ten revenue notes are paid from various capital project funds. The compensated absences liability attributable to the governmental activities will be liquidated 53.81% by the General Fund, 46.09% by the various special revenue funds, and less than 1% by the Internal Service Fund.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 10 – LONG-TERM LIABILITIES – Continued**

**B. Schedule of Outstanding Debt**

The following is a schedule of bonds and notes outstanding at September 30, 2003:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>
<b>Governmental Funds:</b>				
<u>General Obligation Bonds:</u>				
Port and Airport Authority, Series 1997	Port of Fort Pierce property purchase	\$ 3,500,000	\$ <u>2,870,000</u>	5.0%-5.375%
<b>Total General Obligation Bonds</b>			<u>2,870,000</u>	
<u>Revenue Bonds:</u>				
Limited Ad Valorem Tax Bonds, Series 1999	Acquisition of environmentally significant lands	15,300,000	10,230,000	4.00%-4.25%
Public Improvement Revenue Refunding Bonds, Series 2000	800 MHz radio system	8,770,000	7,225,000	4.60%-5.50%
Sales Tax Revenue Refunding Bonds, Series 2003	County projects	64,230,000	<u>64,230,000</u>	2.00%-4.625%
<b>Total Revenue Bonds</b>			<u>81,685,000</u>	
<u>Revenue Notes:</u>				
Army Corps of Engineers, Series 1997	Port deepening	797,960	686,806	variable
Public Improvement Revenue Note, Series 1998A	Beach renourishment	485,000	106,332	4.83%
Improvement Revenue Note, Series 1999	Public safety-911 system upgrade	536,313	121,017	5.90%-6.10%
Public Improvement Revenue Note, Series 2000A	Construction of south county regional stadium	410,000	305,040	6.56%
Florida Power and Light, Series 2001	South county regional stadium lighting system	134,966	128,347	8.82%
Special Assessment Improvement Note, Series 2001	Interim financing of construction costs for various MSBU projects	3,500,000	1,023,000	variable
Public Improvement Revenue Note, Series 2001	Energy efficiency	3,010,595	2,868,435	4.13%
Public Improvement Revenue Note, Series 2002	Rock road jail security upgrade	2,190,000	1,998,138	3.46%
Public Improvement Revenue Bond, Series 2002B	Fairgrounds	1,510,000	1,426,756	3.80%
Improvement Revenue Note, Series 2003	Parks referendum MSTU \$7,500,000 line of credit	3,937,422	3,937,422	variable
Tourist Development Tax Revenue Bond, Series 2003	Mets stadium improvements	6,055,000	6,055,000	4.605%
Tourist Development Tax Revenue Bond, Series 2003C	Mets stadium improvements	2,627,500	<u>2,627,500</u>	5.62%
<b>Total Revenue Notes</b>			<u>21,283,793</u>	

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 10 – LONG-TERM LIABILITIES – Continued**

**B. Schedule of Outstanding Debt – Continued**

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>
<u>Special Assessment Bonds:</u>				
Series 1996	Becker road improvements	1,860,000	505,000	5.70%-6.50%
Series 2002B	River branch estates MSBU	127,000	<u>127,000</u>	5.60%-6.50%
<b>Total Special Assessment Bonds</b>			<b><u>632,000</u></b>	
 <u>Capital Leases:</u>				
Series 1998	Purchasing 5690 duplicator	122,739	16,446	12.00%
Series 2001	Mailing machine	17,328	4,894	6.74%
Series 2001	Howard computers lease #1	665,066	335,087	3.88%
Series 2002	Howard computers lease #2	314,866	158,434	3.26%
Series 2003	Howard computers lease #3	630,915	470,877	2.39%
Series 2003	10 Ford crown victoria vehicles	243,040	<u>157,913</u>	4.15%
<b>Total Capital Leases</b>			<b><u>1,143,651</u></b>	
<b>Total Outstanding Debt – Governmental Funds</b>			<b><u>\$107,614,444</u></b>	
 <b>Proprietary Funds:</b>				
<u>Revenue Bonds:</u>				
Solid Waste System Revenue Bonds, Series 2002	Refunding 1993 bonds	\$ 5,030,000	\$ 4,330,000	2.00%-3.125%
North Hutchinson Island Water and Sewer Revenue Refunding Bonds, Series 1997	Refunding 1992 bonds	5,560,000	5,065,000	3.65%-5.70%
North Hutchinson Island Water and Sewer Revenue Bonds, Series 2002	Plant expansion	1,710,000	1,660,000	3.00%-5.00%
Holiday Pines Water and Wastewater System Revenue Bonds, Series 1999	Acquiring plant and plant expansion	5,840,000	<u>5,450,000</u>	3.40%-5.50%
<b>Total Revenue Bonds</b>			<b><u>16,505,000</u></b>	
 <u>Capital Leases:</u>				
Series 2000	80 golf carts and 2 utility vehicles for the golf course	214,934	<u>80,802</u>	6.69%
<b>Total Capital Leases</b>			<b><u>80,802</u></b>	
<b>Total Outstanding Debt – Proprietary Funds</b>			<b><u>\$ 16,585,802</u></b>	

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 10 – LONG-TERM LIABILITIES – Continued**

**C. Debt Service Requirements**

The following schedule shows debt service requirements to maturity for the County's obligations:

Fiscal Year	Governmental Activities:		Revenue Bonds		Revenue Notes		Special Assessments		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 145,000	\$ 150,503	\$ 2,455,000	\$ 4,152,459	\$ 2,106,736	\$ 691,881	\$ 4,895	\$ 40,836	\$ 493,155	\$ 36,951	\$ 5,204,786	\$ 5,072,630
2005	150,000	143,252	3,125,000	3,477,695	1,048,187	761,084	5,922	39,809	489,811	20,359	4,818,920	4,442,199
2006	160,000	135,753	3,235,000	3,375,595	1,095,492	714,354	6,261	39,471	160,685	3,845	4,657,438	4,269,018
2007	165,000	127,752	3,330,000	3,269,675	1,144,381	665,460	6,619	39,112	-	-	4,646,000	4,101,999
2008	175,000	119,503	3,435,000	3,154,215	5,132,296	604,408	6,997	38,734	-	-	8,749,293	3,916,860
2009-2013	1,025,000	450,277	14,315,000	13,842,286	6,001,022	1,921,813	41,469	187,188	-	-	21,382,491	16,401,564
2014-2018	1,050,000	145,125	11,065,000	11,361,603	4,347,993	733,668	559,837	117,107	-	-	17,022,830	12,357,503
2019-2023	-	-	11,545,000	8,521,494	216,414	101,106	-	-	-	-	11,761,414	8,622,600
2024-2028	-	-	12,975,000	5,550,556	191,272	30,158	-	-	-	-	13,166,272	5,580,714
2029-2033	-	-	16,205,000	2,316,200	-	-	-	-	-	-	16,205,000	2,316,200
<b>Total</b>	<b>\$2,870,000</b>	<b>\$1,272,165</b>	<b>\$81,685,000</b>	<b>\$59,021,778</b>	<b>\$21,283,793</b>	<b>\$6,223,932</b>	<b>\$632,000</b>	<b>\$502,257</b>	<b>\$1,143,651</b>	<b>\$61,155</b>	<b>\$107,614,444</b>	<b>\$67,081,287</b>

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 10 – LONG-TERM LIABILITIES – Continued**

**C. Debt Service Requirements – Continued**

The following schedule shows debt service requirements to maturity for the County's obligations:

Fiscal Year	Solid Waste Revenue Bonds		Water and Sewer Revenue Bonds		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 770,000	\$ 107,185	\$ 305,000	\$ 634,249	\$ 80,802	-	\$ 1,155,802	\$ 741,434
2005	790,000	91,785	315,000	621,391	-	-	1,105,000	713,176
2006	805,000	75,985	330,000	607,711	-	-	1,135,000	683,696
2007	815,000	58,275	345,000	593,044	-	-	1,160,000	651,319
2008	845,000	33,825	360,000	1,442,256	-	-	1,205,000	1,476,081
2009-2013	305,000	9,531	2,090,000	2,342,724	-	-	2,395,000	2,352,255
2014-2018	-	-	2,705,000	1,645,136	-	-	2,705,000	1,645,136
2019-2023	-	-	3,060,000	974,613	-	-	3,060,000	974,613
2024-2028	-	-	1,995,000	502,137	-	-	1,995,000	502,137
2029-2033	-	-	670,000	50,387	-	-	670,000	50,387
<b>Total</b>	<b>\$4,330,000</b>	<b>\$ 376,586</b>	<b>\$12,175,000</b>	<b>\$ 9,413,648</b>	<b>\$ 80,802</b>	<b>\$ -</b>	<b>\$16,585,802</b>	<b>\$ 9,790,234</b>

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 10 – LONG-TERM LIABILITIES – Continued**

**D. Bond Covenants**

The Solid Waste System Revenue Refunding Bonds, Series 2002, require the landfill to deposit monthly into the sinking fund; one-sixth of the interest becoming due on the next interest date, one-twelfth of the principal becoming due on the next principal maturity date, and one-twelfth of the maturity amount of compounding interest becoming due on the next principal maturity date, plus one-twelfth of the amortization for any term bonds becoming due in the current year.

The County has covenanted on the above bonds to establish and maintain rates that will provide for 115 percent of the debt service requirement and 100 percent of the operating expenses and the reserve account credit facility costs, if any, during the year.

The North Hutchinson Island Water and Sewer System Revenue Refunding Bonds, Series 1997, and the North Hutchinson Island Water and Sewer System Revenue Bonds, Series 2002, require that money in the revenue fund be applied on a monthly basis; first to pay operating expenses, and next to deposit into the sinking fund one-sixth of the interest and one-twelfth of the principal accruing on the next payment dates. The reserve account must be maintained at its reserve account requirement. Money must next be deposited into the renewal and replacement fund equal to one-twelfth of the renewal and replacement requirement until a balance of \$500,000 is attained. Unrestored withdrawals must be paid into the renewal and replacement fund.

The Holiday Pines Water and Wastewater System Revenue Bonds, Series 1999, require that money in the revenue fund be applied on a monthly basis; first to pay operating expenses and next to deposit into the sinking fund one-sixth of the interest and one-twelfth of the principal accruing on the next payment dates. The reserve account must be maintained at its reserve account requirement. Money must next be deposited into the renewal and replacement fund equal to one-twelfth of the renewal and replacement requirement until a balance of \$300,000 is attained. Unrestored withdrawals must be paid into the renewal and replacement fund.

**E. Capital Leases**

The County has entered into a capital lease for golf carts at an interest rate of 6.69 percent. The assets and liabilities are recorded in the golf course fund. Equipment under capital leases in the golf course fund totaled \$80,802 as of September 30, 2003. The County also entered into a capital lease during the year for ten patrol cars. The amount capitalized as equipment totaled \$243,040. The County had entered into a capital lease for a mail machine in the prior year. The amount capitalized as equipment totaled \$17,328.

**F. Summary of Defeased Debt Outstanding**

In prior years, the County has defeased certain debt, the proceeds of which were placed in an irrevocable trust to provide for all future debt service payments on the defeased bonds. As such, the trust assets and related liability are not included in the accompanying financial statements.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 10 – LONG-TERM LIABILITIES – Continued**

**F. Summary of Defeased Debt Outstanding – Continued**

Following is a schedule of defeased debt at September 30, 2003:

<u>Bond Issue</u>	<u>Beginning Balance 10/01/2002</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending Balance 9/30/2003</u>
Utility Series 1990	\$14,345,000	\$ -	\$ -	\$14,345,000
Utility Series 1993	50,320,000	-	(1,765,000)	48,555,000
Sales Tax Refunding, Series 1994	-	37,015,000	-	37,015,000
Total defeased debt	<u>\$64,665,000</u>	<u>\$ 37,015,000</u>	<u>\$ (1,765,000)</u>	<u>\$99,915,000</u>

On July 13, 2003, the Board of County Commissioners issued \$64,230,000 of Sales Tax Revenue Refunding Bonds with interest rates ranging from 2.0% to 4.625%. This issue advance refunded the remaining \$37,015,000 of 1994 Sales Tax Refunding Revenue Bonds. The interest rates on the 1994 series ranges from 2.5% to 5.0%. The 1994 bonds final maturity date is October 1, 2023, and are callable on October 1, 2003. The 2003 bonds were issued at a net premium of \$392,175 and after paying issuance costs of \$1,146,984, the net proceeds were \$62,690,841. Of this amount, \$36,623,628 was used to purchase U.S. government securities. The securities were deposited in an irrevocable trust with the Bank of New York to provide debt service payments until the bonds were called on October 1, 2003 and the outstanding balance of defeased debt was retired. The advance refunding met the requirements of an in-substance debt defeasance and the 1994 bonds were removed from the St. Lucie County's government-wide financial statements. The aggregate difference in debt service between the refunded debt (\$69,886,987) and the refunding debt (\$59,642,765) is \$10,244,222. The net economic gain resulting from the refunding is \$1,784,405.

**G. Special Assessment Debt**

The County is acting as the agent for the property owners in several municipal service taxing/benefit units located within the County. The County is not liable for repayment of the debt and is only collecting the assessments and forwarding the collections to the paying agent. As such, the debt related to these bond issues is not reflected on the accompanying financial statements.

The amount of the debt outstanding at September 30, 2003 is as follows:

F.F.A.	\$ 15,000
South Hutchinson Island	605,000
Driftwood Manor	54,500
King Orange	115,000
South Hutchinson Island Wastewater System	12,670,000
Combined Special Assessment Debt	106,161
Ideal Holding	81,493
Westglen	49,032
Rouse Road	140,000
Total	<u>\$13,836,186</u>

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 11 – SEGMENT INFORMATION**

The County maintained nine enterprise funds, which provide sanitary landfill services; a golf course; water and sewer districts (H.E.W. Utilities, North Hutchinson Utilities, South Hutchinson Utilities, North County Utilities, and Airport Utilities); a professional baseball complex; and building and zoning services. Segment information for the year ended September 30, 2003 was as follows:

	Bailing & Recycling Facility	Golf Course	H.E.W. Utilities	North Hutchinson Utilities	South Hutchinson Utilities	Sports Complex	North County Utilities	Airport Utilities	Building Code	Total
Operating revenues	\$ 8,543,793	\$ 1,357,607	\$ 86,847	\$ 2,241,938	\$ 1,433,632	\$ 518,544	\$ 1,400,125	\$ 14,255	\$ 1,982,505	\$ 17,579,246
Depreciation and amortization	1,374,257	289,999	6,156	284,751	794,238	363,160	197,703	105,213	87,609	3,503,086
Operating income/(loss)	1,651,320	(374,032)	34,007	569,636	(285,535)	(1,089,196)	675,840	(93,715)	349,674	1,437,999
Operating transfers in	30,353	-	-	-	47,446	636,482	-	-	-	714,281
Operating transfers out	(1,027,110)	-	-	(11,000)	(58,446)	(22,000)	-	-	(152,710)	(1,271,266)
Capital assets transferred, net	-	-	-	-	-	13,391	-	1,341,321	-	1,354,712
Changes in net assets	361,316	(455,730)	35,205	347,594	(256,445)	(460,824)	374,201	1,247,610	241,202	1,434,129
Net working capital	6,309,672	425,520	76,230	2,396,098	1,444,639	(127,419)	780,546	12,322	2,057,259	13,374,867
Total assets	39,203,458	3,569,553	222,997	9,476,798	18,908,225	11,698,935	5,733,591	1,249,224	2,532,082	92,594,863
Revenue bonds payable, net	3,653,052	-	-	6,242,976	-	-	5,347,865	-	-	15,243,893
Total net assets	22,037,644	1,321,336	156,321	2,891,501	18,824,290	10,705,930	292,778	1,247,610	2,292,516	59,769,926
Cash flows from:										
Operating activities	4,278,295	(43,052)	46,422	659,938	216,997	(926,350)	694,157	5,245	514,362	5,446,014
Noncapital financing activities	(996,757)	240,489	-	36,502	(11,000)	1,081,482	-	-	152,710	198,006
Capital activities	(7,421,767)	(328,966)	(4,244)	(1,618,920)	(312,116)	(154,132)	(513,161)	-	(99,213)	(10,425,519)
Investing activities	368,617	16,727	1,198	92,634	40,090	-	17,403	4	44,238	580,911



St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 12 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the County to incur various estimated costs of closing landfill sites and providing for the long-term care and maintenance of the landfill sites for up to 30 years after closure.

The amounts amortized are placed in interest bearing accounts in accordance with state regulations. The County utilized the landfill capacity used method to determine the amortization expense and accumulated amortization of these estimated costs. As of the balance sheet date, the estimated capacity used is 82.11 percent for the existing Class I Phase II landfill and 27.76 percent for the existing construction debris (C&D) landfill. All capacity has been used for the Class I Phase I site and the Airport site.

The County is required by state and federal laws and regulations to fund the liabilities associated with the estimated costs of closure and long-term care and maintenance of its landfill sites. The liabilities included in the balance sheet for these estimated costs at September 30, 2003 are as follows:

	Liability From Restricted Assets	Other Current Liabilities	Total
Existing landfill sites:			
Class I Phase II closure costs	\$4,056,876	\$ (143,913)	\$ 3,912,963
C&D closure costs	681,977	(126,175)	555,802
C&D Processing Facility closure costs	765	-	765
Class I Phase II long-term maintenance	1,104,189	1,758,632	2,862,821
C&D long-term maintenance	154,867	317,164	472,031
Total existing landfill sites	5,998,674	1,805,708	7,804,382
Previous landfill sites:			
Class I Phase I long-term maintenance	-	1,452,737	1,452,737
Airport site long-term maintenance	-	2,838,223	2,838,223
Total previous landfill sites	-	4,290,960	4,290,960
Total liabilities	\$5,998,674	\$6,096,668	\$12,095,342

The County has restricted cash in an amount equal to the liability from restricted assets above. The federal and state regulations also require the County to provide for the estimated long-term care and maintenance costs for the next year at the Class I Phase I site and the Airport site. The County has reserved \$245,700 of retained earnings to comply with this regulation. Cash has been restricted for these amounts also.

The remaining estimated costs at the existing landfills, which total \$4,738,853, will be recognized in future years as the remaining estimated capacity is filled. The amounts are based on the cost estimates for closure and postclosure care as of the balance sheet date.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 12 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS – Continued**

The County currently expects to close the existing Class I Phase II landfill in 2007, and the existing C&D site in the year 2026. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has established liabilities for the estimated postclosure care and maintenance on the previous landfill sites. The estimated costs for the postclosure care and maintenance of these sites are reflected as landfill closure liabilities in the accompanying balance sheet

**NOTE 13 – DEFINED BENEFIT PENSION PLANS**

All St. Lucie County qualified employees participate in the Florida Retirement System (the “System”), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS) administered by the State of Florida Department of Administration.

Benefits are determined by Category and length of service as follows:

<b>Membership Category</b>	<b>Benefit</b>	<b>Vesting</b>	<b>July 1, 2003 Employer Contribution Rate</b>	<b>July 1, 2002 Employer Contribution Rate</b>
Regular	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age.	After 6 years of creditable service.	7.39%	5.76%
Special Risk	3% times years of service times average compensation (5 highest years) if age 62 or 25 years of service at any age.	After 6 years of creditable service.	16.01%	18.53%
Senior Management	2.0% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age.	After 6 years of creditable service.	9.37%	6.06%
Elected State Officer (include County officials)	3% times years of service times average compensation (5 highest years) with 6 years of ESOC service and age 62 or 6 years any service and age 62 or 30 years any service regardless of age.	After 6 years of creditable service.	15.23%	11.86%
Deferred Retirement Option Program (DROP) from FRS	Accumulated FRS benefits earn 6.5% Effective annual rate of interest compounded monthly for a period up to 60 months after becoming vested having reached normal retirement date and remaining employed.	Subject to normal System vesting provisions for membership category.	9.11%	9.11%

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 13 – DEFINED BENEFIT PENSION PLANS – Continued**

No employee contributions are required. The System also provides disability and survivors' benefits. Benefits are established by State Statute.

The contribution requirement for the years ended September 30, 2003, 2002, and 2001 was \$5,177,411, \$5,175,545, and \$5,650,402, respectively, which is equal to the required contribution for each year.

Participating employer contributions are based upon actuarially determined state-wide rates established by the State of Florida, that are expressed as percentages of annual covered payroll, adequate to accumulate sufficient assets to pay benefits when due.

The Florida Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Division of Retirement, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560 or by calling 850-488-5541.

**NOTE 14 – OPERATING LEASES**

The County has entered into various operating leases both as lessor and lessee. Lease revenues totaled \$1,190,992 and lease expenditures totaled \$442,875 for the current fiscal year.

The following is a schedule by year of the future minimum lease receipts and payments of the various non-cancelable operating leases in which the County is involved:

<b>Year ended September 30</b>	<b><u>Receipts</u></b>	<b><u>Payments</u></b>
2004	\$ 974,486	\$ 455,516
2005	439,998	429,055
2006	413,043	410,575
2007	412,484	400,077
2008	409,668	401,754
2009 – 2013	2,009,234	461,779
2014 – 2018	1,905,768	12,000
2019 – 2023	1,455,216	12,000
2024 – 2028	1,155,213	12,000
2029 – 2033	1,134,733	12,000
2034 – 2038	1,099,358	11,400
2039 – 2043	549,536	10,200
2044 – 2048	-	9,000
2049 – 2053	-	3,300
Total	<u>\$11,958,737</u>	<u>\$ 2,640,656</u>

Most leases provide for future increases based upon the consumer price index. Those increases are not reflected in the computation of future lease receipts. The property being leased in

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 14 – OPERATING LEASES – Continued**

included in the Statement of Net Assets has a carrying value of \$297,713. For fiscal year 2002, total depreciation expense for depreciable property being leased is \$12,944.

**NOTE 15 – CONDUIT DEBT**

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The County has also participated with other counties in the issuance of Housing Authority Bonds to provide down payment and other financial assistance to low and moderate income individuals and families. The bonds are secured by the property financed and are payable solely from payments received on the underlying debt. Upon repayment of the bonds, ownership of the required facilities transfers to the private-sector entity, or individuals, served by the bond issuance.

Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2003 there were 7 series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for these series as of September 30, 2003, was \$347,078,143.

The St. Lucie County Housing Finance Authority has participated with other authorities on nine Housing Finance Authority bonds. The County's participation in these nine issues totaled \$56,057,928.

**NOTE 16 – FUND EQUITY**

**A. Restricted Net Assets**

The County has established certain restrictions within the net assets section of the proprietary funds. Restricted net assets at September 30, 2003, consist of the following:

	Bailing & Recycling Facility	North Hutchinson Utilities	South Hutchinson Utilities	North County Utilities	Total Restricted Net Assets
Restricted for:					
Debt service	\$ 73,099	\$ 551,065	\$ -	\$ -	\$ 624,164
Renewal and replacement	-	156,705	455,456	50,148	662,309
Capital projects	-	81,551	-	-	81,551
Landfill postclosure	245,700	-	-	-	245,700
Total restricted net assets	\$ 318,799	\$ 789,321	\$ 455,456	\$ 50,148	\$ 1,613,724

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 16 – FUND EQUITY – Continued**

**B. Reserved Fund Balances**

The County has established certain restrictions within the net assets section of the governmental funds. Reserved fund balances at September 30, 2003, consist of the following:

	Advances		Noncurrent		Capital Projects	Total Fund Balance Reservation
	To Other		Notes	Debt		
	Funds	Inventory	Receivable	Service		
Reserved for:						
General Fund	\$ 636,332	\$ -	\$ 73,864	\$ -	\$ -	\$ 710,196
Transportation Trust	519	108,353	-	-	-	108,872
Port and Airport	1,951,331	-	-	-	-	1,951,331
Mosquito Control	-	101,985	-	-	-	101,985
Sales Tax Revenue Bond I&S	-	-	-	1,736,450	-	1,736,450
County Building	-	-	-	-	27,370,870	27,370,870
County Capital	-	-	-	-	15,414,253	15,414,253
South County Regional Stadium I & S	-	-	-	25	-	25
Communication System I & S	-	-	-	334,451	-	334,451
Beach Bond I & S	-	-	-	60,104	-	60,104
Becker Road I & S	-	-	-	210,019	-	210,019
Port Development I & S	-	-	-	299,542	-	299,542
Tourist Development 4th Cent I & S	-	-	-	218,805	-	218,805
Environmental Land I & S	-	-	-	740,412	-	740,412
River Branch I&S	-	-	-	25,058	-	25,058
South County Regional Stadium	-	-	-	-	(73,064)	(73,064)
Beach Bond	-	-	-	-	256,756	256,756
Impact Fee	-	-	-	-	14,500	14,500
Port Development	-	-	-	-	215,631	215,631
Sports Complex Improvements	-	-	-	-	7,774,425	7,774,425
Environmental Land Capital	-	-	-	-	7,484,378	7,484,378
MSBU Internal Financed Projects	92,039	-	-	-	321,217	413,256
MSBU External Financed Projects	-	-	-	-	463,890	463,890
Total reserved fund balances	<u>\$2,680,221</u>	<u>\$ 210,338</u>	<u>\$ 73,864</u>	<u>\$ 3,624,866</u>	<u>\$ 59,242,856</u>	<u>\$65,832,145</u>

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 17 – FUND EQUITY DEFICIT**

The following funds have a deficit fund balance or net assets balance at September 30, 2003:

<u>Fund Name</u>	<u>Deficit</u>
Library Fund	\$ (69,281)
South County Regional Capital Project Fund	(73,064)
Internal Service Fund	(751,488)

**NOTE 18 – RESTATEMENT OF PRIOR YEAR FUND EQUITY**

The following proprietary funds' retained earnings were adjusted for the prior fiscal years' future payments:

	<u>North Hutchinson Island Utility</u>	<u>North County Utility</u>
Net Assets, September 30, 2002	\$1,968,650	\$ (138,875)
Future payment paid in FY 00	-	7,314
Future payment paid in FY 01	-	35,764
Future payment paid in FY 02	<u>575,257</u>	<u>14,374</u>
Net Assets Restated, October 1, 2002	<u>\$2,543,907</u>	<u>\$ (81,423)</u>

The beginning net assets on the Statement of Activity was restated for land acquired in prior years. Consequently, beginning net assets was restated in the following manner:

Net Assets, Governmental Activities, October 1, 2002	\$228,381,316
Additional Capital Assets – land	<u>5,195,573</u>
Restated Net Assets, Governmental Activities, October 1, 2002	<u>\$233,576,889</u>

**NOTE 19 – RISK MANAGEMENT**

**General Liability, Property and Worker's Compensation**

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions, injuries to employees, and natural disasters. The County and other Constitutional Officers (other than the Sheriff), comprising the primary government, participate in a public entity risk pool for the purpose of obtaining various insurance coverage other than health and life insurance. Other members of the pool consist of two municipalities and a county. The pool was created by an interlocal agreement under the provisions of Section 163.01, Florida Statutes. The governing Board of Directors of the pool, which is composed of representatives of each of the members, has the authority to contract for claims servicing and risk management and loss prevention services. The County pays its share of contributions into the pool based on the value of covered property, prior claims experience, and allocated expenses. Required

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 19 – RISK MANAGEMENT – Continued**

**General Liability, Property and Worker’s Compensation – Continued**

contributions are considered expenditures when the liability is incurred. Members of the pool are responsible for deficiencies arising from specific claims if claims are in excess of reinsurance limits. The County has no other costs, other than deductible amounts, in connection with the risk pool.

The County is self insured for group health and life insurance covering employees and their eligible dependents. As required by Section 112.081, Florida Statutes, retirees and their eligible dependents are provided the same health care coverage as is offered to active employees, however, the retirees are responsible for payment of the premiums. Medical claims are paid from premiums contributed by employees, retirees and by the County. Premiums and contributions are determined by projected claims based on historical and actuarial experience. The self insurance plan assumes all risk for claims up to \$125,000 per individual, per year, and has purchased a reinsurance policy to cover claims in excess of this amount. There was one claim in excess of this limit for fiscal years 2000 through 2003.

The claims liability of \$885,108, reported at September 30, 2003, is based on the requirements of generally accepted governmental accounting standards, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. Estimates for claims incurred but not reported are actuarially determined and recorded.

The Sheriff joined with other Sheriffs in the state to form the Florida Sheriff Self Insurance Fund, a public entity risk pool, under the provisions of state statutes. The Sheriff pays its share of contributions into the pool based on the value of the property covered, prior claims experience and allocation of experience. These contributions are considered expenditures when the liability is incurred. The Sheriff paid \$250,000 during the current fiscal year for a claim in excess of coverage limits. The Sheriff has no other costs other than deductible amounts in connection with the risk pool.

The Sheriff also participates in a group health insurance risk pool and a workman’s compensation risk pool together with other Sheriffs in the state. These plans are administered by the Florida Sheriff’s Association Multiple Employer Trust and the Florida Sheriff’s Association respectively. An expenditure is recognized for contributions made by the Sheriff into the pools based on historical claims information.

The Sheriff also continues to carry commercial insurance for the risk of loss on watercraft and aviation equipment.

St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 19 – RISK MANAGEMENT – Continued**

**General Liability, Property and Worker’s Compensation – Continued**

Changes in the fund’s claims liability amount during the current and prior fiscal year are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Changes in Estimates and Claims</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2001-2002	\$ 721,947	\$8,593,080	\$ 8,327,397	\$987,630
2002-2003	987,630	8,477,532	8,580,054	885,108

**NOTE 20 – COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

Various suits and claims arising in the ordinary course of County operations are pending. The County is party to litigation under which it is the opinion of the County Attorney that the potential amount of the County’s liability in these matters will not be material to the financial statements. Accordingly, no provision has been made in the financial statements for these contingencies.

**B. Construction Contracts**

At September 30, 2003, the County has various contracts for engineering and construction projects in process totaling \$36,125,465, for which goods and services have not been received.

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits the claims for reimbursement to the grantor agency would become a liability of the County. In the opinion of management, any such adjustment would not be significant.

**NOTE 21 – SUBSEQUENT EVENTS**

Subsequent to September 30, 2003, the County issued the following debt:

On October 27, 2003, the County secured permanent financing in the amount of \$258,000 for the Treasure Cove MSBU. This loan will repay an interim borrowing of \$225,461 from the MSBU external line of credit.

On December 11, 2003, the County made one draw in the amount of \$1,340,000 from the parks referendum line of credit. These proceeds will be used to fund Lakewood Park and Lawnwood Stadium improvements.



St. Lucie County, Florida  
Notes to Financial Statements (continued)  
Year Ended September 30, 2003

**NOTE 21 – SUBSEQUENT EVENTS – Continued**

On January 12, 2004, the County borrowed \$626,539.48 from SunTrust Leasing Corporation, for the purchase of computer equipment for various Board departments and the State Attorney's office.

On January 15, 2004, the County issued \$350,000, Improvement Revenue Notes, Series 2004A, for the construction of the equestrian center at the fairgrounds.

St. Lucie County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2003

	Special Revenue			
	Grants and Donations	Library	Additional Court Costs	Drug Abuse
<b>Assets</b>				
Cash and investments	\$ 124,236	\$ 21,797	\$ -	\$ 16,319
Accounts receivable	-	-	-	-
Notes receivable	-	-	-	-
Assessments receivable	-	-	-	-
Deposits	-	-	-	-
Due from other county units	4,498	-	7,833	438
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 128,734	\$ 21,797	\$ 7,833	\$ 16,757
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 12,501	\$ 7,833	\$ 35
Accrued liabilities	-	2,341	-	-
Due to other funds	-	76,236	-	-
Advances from other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	91,078	7,833	35
<b>Fund balances:</b>				
Reserved for:				
Advances to other funds	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unreserved (deficit)	128,734	(69,281)	-	16,722
Total fund balances	128,734	(69,281)	-	16,722
Total liabilities and fund balances	\$ 128,734	\$ 21,797	\$ 7,833	\$ 16,757

**Special Revenue**

<u>Special Assessment District</u>	<u>Plan Maintenance RAD</u>	<u>Tourism Development 1st, 2nd, 3rd, &amp; 5th Cent</u>	<u>Court Facility</u>	<u>SLC Housing Finance Authority</u>	<u>Environmental Land Acquisitions</u>
\$ 5,614,793	\$ 34,386	\$ 306,249	\$ 1,123,235	\$ 44,214	\$ 66,774
19	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50,070	-	191,905	9,914	-	-
3,014	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,667,896</u>	<u>\$ 34,386</u>	<u>\$ 498,154</u>	<u>\$ 1,133,149</u>	<u>\$ 44,214</u>	<u>\$ 66,774</u>
\$ 156,661	\$ 7,836	\$ 18,778	\$ -	\$ -	\$ -
60,212	2,466	6,141	-	-	-
354,572	3,500	5,450	-	-	-
-	-	-	-	-	-
-	18,241	-	-	-	-
<u>571,445</u>	<u>32,043</u>	<u>30,369</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,096,451	2,343	467,785	1,133,149	44,214	66,774
<u>5,096,451</u>	<u>2,343</u>	<u>467,785</u>	<u>1,133,149</u>	<u>44,214</u>	<u>66,774</u>
<u>\$ 5,667,896</u>	<u>\$ 34,386</u>	<u>\$ 498,154</u>	<u>\$ 1,133,149</u>	<u>\$ 44,214</u>	<u>\$ 66,774</u>

*(continued)*

St. Lucie County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds (continued)  
September 30, 2003

	<u>Special Revenue</u>			
	<u>Court Administrator</u>	<u>Erosion Control</u>	<u>Housing Assistance SHIP</u>	<u>Boating Improvement Projects</u>
<b>Assets</b>				
Cash and investments	\$ 1,277,039	\$ 1,931,211	\$ 578,026	\$ 136,742
Accounts receivable	-	-	-	-
Notes receivable	-	-	-	-
Assessments receivable	-	-	-	-
Deposits	-	-	-	-
Due from other county units	23,357	8,495	-	-
Due from other governments	107,132	-	-	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 1,407,528</u>	<u>\$ 1,939,706</u>	<u>\$ 578,026</u>	<u>\$ 136,742</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 5,313	\$ 35,652	\$ 1,005	\$ -
Accrued liabilities	13,235	8,378	2,453	-
Due to other funds	119,294	105,314	386	-
Advances from other funds	-	-	-	-
Deferred revenue	120,493	260,562	-	-
<b>Total liabilities</b>	<u>258,335</u>	<u>409,906</u>	<u>3,844</u>	<u>-</u>
<b>Fund balances:</b>				
Reserved for:				
Advances to other funds	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unreserved (deficit)	<u>1,149,193</u>	<u>1,529,800</u>	<u>574,182</u>	<u>136,742</u>
<b>Total fund balances</b>	<u>1,149,193</u>	<u>1,529,800</u>	<u>574,182</u>	<u>136,742</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,407,528</u>	<u>\$ 1,939,706</u>	<u>\$ 578,026</u>	<u>\$ 136,742</u>

**Special Revenue**

<u>Bluefield Ranch Improvements</u>	<u>Law Enforcement</u>	<u>Art in Public Places</u>	<u>Economic Development</u>	<u>Clerk Special Revenue Fund</u>	<u>Sheriff Special Revenue Fund</u>
\$ 104,130	\$ 16,590	\$ 192,535	\$ 176,508	\$ 897,840	\$ 496,820
-	-	-	-	-	46,425
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	75,000
-	76,822	-	850	-	-
-	-	-	-	-	502,664
-	-	-	-	-	-
<u>\$ 104,130</u>	<u>\$ 93,412</u>	<u>\$ 192,535</u>	<u>\$ 177,358</u>	<u>\$ 897,840</u>	<u>\$ 1,120,909</u>
\$ -	\$ -	\$ -	\$ -	\$ 17,388	\$ 43,714
-	-	-	-	-	-
-	-	-	-	-	510,503
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	17,388	554,217
-	-	-	-	-	-
-	-	-	-	-	-
104,130	93,412	192,535	177,358	880,452	566,692
<u>104,130</u>	<u>93,412</u>	<u>192,535</u>	<u>177,358</u>	<u>880,452</u>	<u>566,692</u>
<u>\$ 104,130</u>	<u>\$ 93,412</u>	<u>\$ 192,535</u>	<u>\$ 177,358</u>	<u>\$ 897,840</u>	<u>\$ 1,120,909</u>

*(continued)*

St. Lucie County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds (continued)  
September 30, 2003

**Debt Service**

	<b>South County Regional Stadium I &amp; S</b>	<b>Communication System I &amp; S</b>	<b>Beach Bond I &amp; S</b>	<b>Becker Road I &amp; S</b>
<b>Assets</b>				
Cash and investments	\$ 25	\$ 301,743	47,976	\$ 208,873
Accounts receivable	-	-	-	-
Notes receivable	-	2,394,918	-	-
Assessments receivable	-	-	-	1,493,765
Deposits	-	-	-	-
Due from other county units	-	32,708	12,128	1,146
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 25</b>	<b>\$ 2,729,369</b>	<b>60,104</b>	<b>\$ 1,703,784</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	-	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	-	2,394,918	-	1,493,765
<b>Total liabilities</b>	<b>-</b>	<b>2,394,918</b>	<b>-</b>	<b>1,493,765</b>
<b>Fund balances:</b>				
<b>Reserved for:</b>				
Advances to other funds	-	-	-	-
Debt service	25	334,451	60,104	210,019
Capital projects	-	-	-	-
Unreserved (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>25</b>	<b>334,451</b>	<b>60,104</b>	<b>210,019</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25</b>	<b>\$ 2,729,369</b>	<b>60,104</b>	<b>\$ 1,703,784</b>

Debt Service				Capital Projects	
Port Development I & S	Tourist Development 4th Cent I & S	Environmental Land I & S	River Branch I & S	South County Regional Stadium	Beach Bond
\$ 296,857	\$ 170,829	\$ 718,874	\$ 25,058	\$ 9,736	\$ 256,756
-	-	333	-	-	-
-	-	-	-	-	-
-	-	-	128,021	-	-
-	-	-	-	-	-
2,685	47,976	21,205	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 299,542</u>	<u>\$ 218,805</u>	<u>\$ 740,412</u>	<u>\$ 153,079</u>	<u>\$ 9,736</u>	<u>\$ 256,756</u>
\$ -	\$ -	\$ -	\$ -	\$ 550	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	82,250	-
-	-	-	128,021	-	-
-	-	-	<u>128,021</u>	<u>82,800</u>	-
-	-	-	-	-	-
299,542	218,805	740,412	25,058	-	-
-	-	-	-	(73,064)	256,756
-	-	-	-	-	-
<u>299,542</u>	<u>218,805</u>	<u>740,412</u>	<u>25,058</u>	<u>(73,064)</u>	<u>256,756</u>
<u>\$ 299,542</u>	<u>\$ 218,805</u>	<u>\$ 740,412</u>	<u>\$ 153,079</u>	<u>\$ 9,736</u>	<u>\$ 256,756</u>

(continued)

St. Lucie County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds (continued)  
September 30, 2003

Capital Projects

	Impact Fee	Port Development	Sports Complex Improvements	Environmental Land Capital
<b>Assets</b>				
Cash and investments	\$ 71,342	\$ 215,631	\$ 8,462,059	\$ 7,733,497
Accounts receivable	-	-	-	-
Notes receivable	-	-	-	-
Assessments receivable	-	-	-	-
Deposits	-	-	-	-
Due from other county units	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	\$ 71,342	\$ 215,631	\$ 8,462,059	\$ 7,733,497
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 38,796	\$ -	\$ 687,634	\$ 13,250
Accrued liabilities	-	-	-	235,869
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	18,046	-	-	-
<b>Total liabilities</b>	56,842	-	687,634	249,119
<b>Fund balances:</b>				
Reserved for:				
Advances to other funds	-	-	-	-
Debt service	-	-	-	-
Capital projects	14,500	215,631	7,774,425	7,484,378
Unreserved (deficit)	-	-	-	-
<b>Total fund balances</b>	14,500	215,631	7,774,425	7,484,378
<b>Total liabilities and fund balances</b>	\$ 71,342	\$ 215,631	\$ 8,462,059	\$ 7,733,497



<b>Capital Projects</b>		
<b>MSBU Internal Financed Projects</b>	<b>MSBU External Financed Projects</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 413,099	\$ 477,174	\$ 32,568,973
-	-	46,777
-	-	2,394,918
-	-	1,621,786
-	-	75,000
157	488	492,675
-	-	612,810
92,039	-	92,039
<u>\$ 505,295</u>	<u>\$ 477,662</u>	<u>\$ 37,904,978</u>

\$ -	\$ 13,253	\$ 1,060,199
-	-	331,095
-	-	1,175,255
92,039	519	174,808
-	-	4,434,046
<u>92,039</u>	<u>13,772</u>	<u>7,175,403</u>

92,039	-	92,039
-	-	1,888,416
321,217	463,890	16,457,733
-	-	12,291,387
<u>413,256</u>	<u>463,890</u>	<u>30,729,575</u>
<u>\$ 505,295</u>	<u>\$ 477,662</u>	<u>\$ 37,904,978</u>

St. Lucie County, Florida  
Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the year ended September 30, 2003

Special Revenue

	<u>Grants and Donations</u>	<u>Library</u>	<u>Additional Court Costs</u>	<u>Drug Abuse</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	139,058	249,088	-	-
Charges for services	-	-	286,229	-
Fines and forfeitures	61,299	-	-	10,370
Special assessments	-	-	-	-
Interest	3,692	1,975	27	219
Miscellaneous	1,280	1,183	-	-
<b>Total revenues</b>	<u>205,329</u>	<u>252,246</u>	<u>286,256</u>	<u>10,589</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	208,882	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Court-related	-	-	286,256	455
Culture and recreation	4,807	227,073	-	-
Capital outlay	3,622	188,477	-	-
<b>Debt service:</b>				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
<b>Total expenditures</b>	<u>217,311</u>	<u>415,550</u>	<u>286,256</u>	<u>455</u>
Excess of revenues over (under) expenditures	(11,982)	(163,304)	-	10,134
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Expiration of repayment period	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(11,982)	(163,304)	-	10,134
Fund balance (deficit)—beginning of year	140,716	94,023	-	6,588
Fund balance (deficit)—end of year	<u>\$ 128,734</u>	<u>\$ (69,281)</u>	<u>\$ -</u>	<u>\$ 16,722</u>

**Special Revenue**

<b>Special Assessment District</b>	<b>Plan Maintenance RAD</b>	<b>Tourism Development 1st, 2nd, 3rd, &amp; 5th Cent</b>	<b>Court Facility</b>	<b>SLC Housing Finance Authority</b>	<b>Environmental Land Acquisitions</b>
\$ 5,883,124	\$ -	\$ 1,501,282	\$ -	\$ -	\$ -
4,054	-	-	-	-	-
117,766	-	-	-	-	1,530
175,118	-	-	343,505	-	-
68,341	-	-	-	-	-
9,641	-	-	-	-	-
140,659	707	8,705	19,641	1,064	1,443
165,388	220,316	17,597	-	5,000	-
<u>6,564,091</u>	<u>221,023</u>	<u>1,527,584</u>	<u>363,146</u>	<u>6,064</u>	<u>2,973</u>
1,697,078	-	3,577	-	11,609	-
609,312	216,866	-	-	-	-
740,096	-	-	-	-	-
129,139	-	-	-	-	-
-	-	524,067	-	-	-
367,591	-	-	-	-	-
-	-	-	-	-	-
4,253,821	3,450	-	-	-	-
787,486	-	16,161,303	-	-	-
171,951	-	59,339	-	-	-
83,750	-	-	-	-	-
<u>8,840,224</u>	<u>220,316</u>	<u>16,748,286</u>	<u>-</u>	<u>11,609</u>	<u>-</u>
(2,276,133)	707	(15,220,702)	363,146	(5,545)	2,973
1,218,166	-	20,472	-	-	-
(1,627,287)	-	(738,164)	-	-	-
-	-	-	-	-	-
3,937,422	-	-	-	-	-
-	-	16,161,303	-	-	-
<u>3,528,301</u>	<u>-</u>	<u>15,443,611</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,252,168	707	222,909	363,146	(5,545)	2,973
3,844,283	1,636	244,876	770,003	49,759	63,801
<u>\$ 5,096,451</u>	<u>\$ 2,343</u>	<u>\$ 467,785</u>	<u>\$ 1,133,149</u>	<u>\$ 44,214</u>	<u>\$ 66,774</u>

*(continued)*

St. Lucie County, Florida  
Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds (continued)  
For the year ended September 30, 2003

Special Revenue

	<u>Court Administrator</u>	<u>Erosion Control</u>	<u>Housing Assistance SHIP</u>	<u>Recycling</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ 910,984	\$ -	\$ -
Licenses and permits	3,225	-	-	-
Intergovernmental	321,934	1,255,097	537,804	-
Charges for services	230,300	-	-	-
Fines and forfeitures	143,542	-	-	-
Special assessments	-	-	-	-
Interest	24,178	48,735	12,650	445
Miscellaneous	1,350	-	106,433	-
<b>Total revenues</b>	<u>724,529</u>	<u>2,214,816</u>	<u>656,887</u>	<u>445</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	97,280	104,028	-	-
Public safety	-	-	-	-
Physical environment	-	1,724,763	-	-
Transportation	-	-	-	-
Economic environment	-	-	549,812	-
Court-related	461,526	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	16,608	1,023,308	-	-
<b>Debt service:</b>				
Principal retirement	-	101,433	-	-
Interest	-	7,504	-	-
Other	-	-	-	-
<b>Total expenditures</b>	<u>575,414</u>	<u>2,961,036</u>	<u>549,812</u>	<u>-</u>
<b>Excess of revenues over (under) expenditures</b>	149,115	(746,220)	107,075	445
<b>Other financing sources (uses):</b>				
Operating transfers in	153,618	58,488	-	-
Operating transfers out	-	(34,176)	-	(23,353)
Proceeds from sale of capital assets	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Expiration of repayment period	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>153,618</u>	<u>24,312</u>	<u>-</u>	<u>(23,353)</u>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	302,733	(721,908)	107,075	(22,908)
<b>Fund balance (deficit)—beginning of year</b>	846,460	2,251,708	467,107	22,908
<b>Fund balance (deficit)—end of year</b>	<u>\$ 1,149,193</u>	<u>\$ 1,529,800</u>	<u>\$ 574,182</u>	<u>\$ -</u>

**Special Revenue**

<b>Boating Improvement Project</b>	<b>Bluefield Ranch Improvements</b>	<b>Law Enforcement</b>	<b>Art in Public Places</b>	<b>Economic Development</b>	<b>Clerk Special Revenue Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ 6,560	\$ -
-	-	-	-	77,946	-
-	-	-	-	-	336,434
-	-	178,338	-	-	-
-	-	-	-	-	-
3,118	2,275	4,181	2,676	4,847	-
-	-	-	-	-	11,924
<u>3,118</u>	<u>2,275</u>	<u>182,519</u>	<u>2,676</u>	<u>89,353</u>	<u>348,358</u>
-	-	-	-	100,000	-
-	-	-	-	-	57,734
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,139	-	-
16,392	-	-	6,000	-	115,986
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,392</u>	<u>-</u>	<u>-</u>	<u>11,139</u>	<u>100,000</u>	<u>173,720</u>
(13,274)	2,275	182,519	(8,463)	(10,647)	174,638
36,797	-	-	103,449	850	-
-	-	(293,201)	-	(1,690)	(62,103)
-	-	-	-	-	-
-	-	-	-	-	-
<u>36,797</u>	<u>-</u>	<u>(293,201)</u>	<u>103,449</u>	<u>(840)</u>	<u>(62,103)</u>
23,523	2,275	(110,682)	94,986	(11,487)	112,535
113,219	101,855	204,094	97,549	188,845	767,917
<u>\$ 136,742</u>	<u>\$ 104,130</u>	<u>\$ 93,412</u>	<u>\$ 192,535</u>	<u>\$ 177,358</u>	<u>\$ 880,452</u>

*(continued)*

St. Lucie County, Florida  
Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds (continued)  
For the year ended September 30, 2003

	Special Revenue	Debt Service		
	Sheriff Special Revenue Fund	South County Regional Stadium I & S	Communication System I & S	Beach Bond I & S
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 851,269
Licenses and permits	-	-	-	-
Intergovernmental	812,699	54,636	-	-
Charges for services	743,446	-	-	-
Fines and forfeitures	872,730	-	450,282	-
Special assessments	-	-	-	-
Interest	-	-	9,595	7,226
Miscellaneous	17,217	-	432,926	-
<b>Total revenues</b>	<u>2,446,092</u>	<u>54,636</u>	<u>892,803</u>	<u>858,495</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	1,978,628	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Court-related	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	585,626	-	-	-
<b>Debt service:</b>				
Principal retirement	-	33,526	510,000	1,020,000
Interest	-	21,086	389,322	33,150
Other	-	-	2,500	-
<b>Total expenditures</b>	<u>2,564,254</u>	<u>54,612</u>	<u>901,822</u>	<u>1,053,150</u>
Excess of revenues over (under) expenditures	(118,162)	24	(9,019)	(194,655)
<b>Other financing sources (uses):</b>				
Operating transfers in	272,014	44	156,811	12,118
Operating transfers out	-	-	(300,000)	(37,563)
Proceeds from sale of capital assets	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Expiration of repayment period	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>272,014</u>	<u>44</u>	<u>(143,189)</u>	<u>(25,445)</u>
Excess of revenues and other sources over (under) expenditures and other uses	153,852	68	(152,208)	(220,100)
Fund balance (deficit)—beginning of year	412,840	(43)	486,659	280,204
Fund balance (deficit)—end of year	<u>\$ 566,692</u>	<u>\$ 25</u>	<u>334,451</u>	<u>\$ 60,104</u>

Debt Service					Capital Projects
Becker Road I & S	Port Development I & S	Tourist Development 4th Cent I & S	Environmental Land I & S	River Branch I & S	South County Regional Stadium
\$ 348	\$ 271,426	\$ 373,788	\$ 1,564,398	\$ 5,259	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
184,119	-	-	-	9,036	-
8,294	7,346	1,231	31,154	306	313
-	-	-	-	-	11,750
<u>192,761</u>	<u>278,772</u>	<u>375,019</u>	<u>1,595,552</u>	<u>14,601</u>	<u>12,063</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
300,000	140,000	180,000	4,080,000	-	-
52,181	154,003	2,782	460,143	4,379	-
2,127	18,500	9,500	1,000	-	-
<u>354,308</u>	<u>312,503</u>	<u>192,282</u>	<u>4,541,143</u>	<u>4,379</u>	<u>-</u>
(161,547)	(33,731)	182,737	(2,945,591)	10,222	12,063
1,146	2,682	3,368	3,145,783	15,122	-
(3,689)	(11,455)	(11,214)	(61,016)	(286)	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(2,543)</u>	<u>(8,773)</u>	<u>(7,846)</u>	<u>3,084,767</u>	<u>14,836</u>	<u>-</u>
(164,090)	(42,504)	174,891	139,176	25,058	12,063
374,109	342,046	43,914	601,236	-	(85,127)
<u>\$ 210,019</u>	<u>\$ 299,542</u>	<u>\$ 218,805</u>	<u>\$ 740,412</u>	<u>\$ 25,058</u>	<u>\$ (73,064)</u>

(continued)

St. Lucie County, Florida  
Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds (continued)  
For the year ended September 30, 2003

**Capital Projects**

	<b>Beach Bond</b>	<b>Impact Fee</b>	<b>Port Development</b>	<b>Sports Complex Improvements</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	153,527	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	-	1,408,243	-	-
Interest	5,691	-	4,711	14,231
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>5,691</u>	<u>1,561,770</u>	<u>4,711</u>	<u>14,231</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	345,000	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Court-related	-	-	-	-
Culture and recreation	-	26,650	-	260,005
<b>Capital outlay</b>	-	930,820	-	1,169,680
<b>Debt service:</b>				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>1,302,470</u>	<u>-</u>	<u>1,429,685</u>
<b>Excess of revenues over (under) expenditures</b>	5,691	259,300	4,711	(1,415,454)
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	(262,374)	-	(37,500)
Proceeds from sale of capital assets	-	-	-	-
Proceeds of long-term debt	-	-	-	8,682,500
Expiration of repayment period	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(262,374)</u>	<u>-</u>	<u>8,645,000</u>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	5,691	(3,074)	4,711	7,229,546
<b>Fund balance (deficit)—beginning of year</b>	251,065	17,574	210,920	544,879
<b>Fund balance (deficit)—end of year</b>	<u>\$ 256,756</u>	<u>\$ 14,500</u>	<u>\$ 215,631</u>	<u>\$ 7,774,425</u>



<b>Capital Projects</b>			
<b>Environmental Land Capital</b>	<b>MSBU Internal Financed Projects</b>	<b>MSBU External Financed Projects</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ 100,000	\$ -	\$ 11,468,438
-	-	-	85,225
243,816	-	-	3,886,955
-	-	-	2,115,032
-	-	-	1,784,902
-	25,290	105,369	1,741,698
190,800	13,808	14,433	590,376
10,304	-	137	1,002,805
<u>444,920</u>	<u>139,098</u>	<u>119,939</u>	<u>22,675,431</u>
-	-	-	2,013,572
-	-	-	3,071,422
334,200	-	-	3,144,059
-	108,896	333,730	571,765
-	-	-	1,073,879
-	-	-	1,115,828
-	-	-	523,674
1,545,601	-	428,444	10,287,835
-	-	-	23,313,748
-	-	-	1,355,840
-	-	-	117,377
<u>1,879,801</u>	<u>108,896</u>	<u>762,174</u>	<u>46,588,999</u>
(1,434,881)	30,202	(642,235)	(23,913,568)
-	157	489	5,201,574
(3,128,092)	(1,922)	(573,714)	(7,208,799)
-	-	-	-
3,000,000	-	785,000	16,404,922
-	-	-	16,161,303
<u>(128,092)</u>	<u>(1,765)</u>	<u>211,775</u>	<u>30,559,000</u>
(1,562,973)	28,437	(430,460)	6,645,432
9,047,351	384,819	894,350	24,084,143
<u>\$ 7,484,378</u>	<u>\$ 413,256</u>	<u>\$ 463,890</u>	<u>\$ 30,729,575</u>

St. Lucie County, Florida  
Combining Statement of Net Assets  
Nonmajor Enterprise Funds  
September 30, 2003

	Golf Course	H.E.W. Utilities	Airport Utilities	Building Code	Total
<b>Assets</b>					
<b>Current assets:</b>					
Cash and investments	\$ 636,948	\$ 81,599	\$ 5,249	\$ 2,259,221	\$ 2,983,017
Accounts receivable	904	8,328	7,868	-	17,100
Inventories	60,504	-	-	-	60,504
Total current assets	<u>698,356</u>	<u>89,927</u>	<u>13,117</u>	<u>2,259,221</u>	<u>3,060,621</u>
<b>Non-current assets:</b>					
<b>Restricted assets:</b>					
Cash and investments—customer deposits	1,500	3,500	-	5,000	10,000
Land	1,268,050	38,000	-	-	1,306,050
Buildings and improvements	2,826,848	123,126	1,341,320	-	4,291,294
Machinery and equipment	1,137,343	4,202	-	530,085	1,671,630
Accumulated depreciation	(2,362,544)	(63,713)	(105,213)	(262,224)	(2,793,694)
Construction in progress	-	27,955	-	-	27,955
Total non-current assets	<u>2,871,197</u>	<u>133,070</u>	<u>1,236,107</u>	<u>272,861</u>	<u>4,513,235</u>
Total assets	<u>\$ 3,569,553</u>	<u>\$ 222,997</u>	<u>\$ 1,249,224</u>	<u>\$ 2,532,082</u>	<u>\$ 7,573,856</u>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 23,825	\$ 5,648	\$ -	\$ 1,743	\$ 31,216
Accrued liabilities	24,356	203	345	36,195	61,099
Deposits payable	1,500	3,500	-	5,000	10,000
Due to other funds	110,023	4,100	-	113,840	227,963
Capital lease obligations	80,802	-	-	-	80,802
Accrued compensated absences	28,692	246	450	45,184	74,572
Deferred revenue	3,638	-	-	-	3,638
Total current liabilities	<u>272,836</u>	<u>13,697</u>	<u>795</u>	<u>201,962</u>	<u>489,290</u>
<b>Non-current liabilities:</b>					
Advances from other funds	1,951,331	52,552	-	-	2,003,883
Accrued compensated absences	24,050	427	819	37,604	62,900
Total non-current liabilities	<u>1,975,381</u>	<u>52,979</u>	<u>819</u>	<u>37,604</u>	<u>2,066,783</u>
Total liabilities	<u>2,248,217</u>	<u>66,676</u>	<u>1,614</u>	<u>239,566</u>	<u>2,556,073</u>
<b>Net assets</b>					
Invested in capital assets, net of related debt	2,788,895	129,570	1,236,107	267,861	4,422,433
Unrestricted	(1,467,559)	26,751	11,503	2,024,655	595,350
Total net assets	<u>\$ 1,321,336</u>	<u>\$ 156,321</u>	<u>\$ 1,247,610</u>	<u>\$ 2,292,516</u>	<u>\$ 5,017,783</u>

St. Lucie County, Florida  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the year ended September 30, 2003

	Golf Course	H.E.W. Utilities	Airport Utilities	Building Code	Total
<b>Operating revenues:</b>					
Charges for services	\$ 1,218,244	\$ 86,667	\$ 14,255	\$ 1,982,303	\$ 3,301,469
Miscellaneous revenue	139,363	180	-	202	139,745
Total operating revenue	<u>1,357,607</u>	<u>86,847</u>	<u>14,255</u>	<u>1,982,505</u>	<u>3,441,214</u>
<b>Operating expenses:</b>					
Personal services	805,048	5,081	1,762	1,339,871	2,151,762
Contractual services	239,618	41,153	995	116,330	398,096
Supplies	158,263	-	-	39,605	197,868
Maintenance	65,250	-	-	14,729	79,979
Rentals and leases	151,944	-	-	1,538	153,482
Communication	12,250	450	-	28,577	41,277
Transportation	1,377	-	-	4,572	5,949
Economic environment	7,890	-	-	-	7,890
Depreciation	289,999	6,156	105,213	87,609	488,977
Total operating expenses	<u>1,731,639</u>	<u>52,840</u>	<u>107,970</u>	<u>1,632,831</u>	<u>3,525,280</u>
Operating income (loss)	(374,032)	34,007	(93,715)	349,674	(84,066)
<b>Nonoperating revenues (expenses):</b>					
Interest revenue	16,727	1,198	4	44,238	62,167
Loss on disposal of capital assets	(1,008)	-	-	-	(1,008)
Interest expense	(97,417)	-	-	-	(97,417)
Total nonoperating revenues (expenses)	<u>(81,698)</u>	<u>1,198</u>	<u>4</u>	<u>44,238</u>	<u>(36,258)</u>
Income (loss) before operating transfers	(455,730)	35,205	(93,711)	393,912	(120,324)
<b>Operating transfers:</b>					
Operating transfers out	-	-	-	(152,710)	(152,710)
Governmental capital assets transfer	-	-	1,341,321	-	1,341,321
Total operating transfers	<u>-</u>	<u>-</u>	<u>1,341,321</u>	<u>(152,710)</u>	<u>1,188,611</u>
Change in net assets	(455,730)	35,205	1,247,610	241,202	1,068,287
Net assets-beginning of year	1,777,066	121,116	-	2,051,314	3,949,496
Net assets-end of year	<u>\$ 1,321,336</u>	<u>\$ 156,321</u>	<u>\$ 1,247,610</u>	<u>\$ 2,292,516</u>	<u>\$ 5,017,783</u>

Board of County Commissioners  
St. Lucie County, Florida  
Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the year ended September 30, 2003

	Golf Course	H.E.W. Utilities	Airport Utilities	Building Code	Total
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 1,219,628	\$ 86,971	\$ 6,388	\$ 1,982,303	\$ 3,295,290
Cash paid to suppliers	(629,482)	(36,017)	(995)	(205,672)	(872,166)
Cash paid to employees	(786,545)	(5,069)	(148)	(1,307,453)	(2,099,215)
Cash received for internal services used	13,984	357	-	44,982	59,323
Other receipts (payments)	139,363	180	-	202	139,745
Net cash provided by (used for) operating activities	<u>(43,052)</u>	<u>46,422</u>	<u>5,245</u>	<u>514,362</u>	<u>522,977</u>
<b>Cash flows from noncapital financing activities</b>					
Operating transfers out	-	-	-	(152,710)	(152,710)
Advances from other funds	240,489	-	-	-	240,489
Net cash provided by (used for) noncapital financing activities	<u>240,489</u>	<u>-</u>	<u>-</u>	<u>(152,710)</u>	<u>87,779</u>
<b>Cash flows from capital and related financing activities</b>					
Purchases of capital assets	(183,825)	(4,244)	-	(99,213)	(287,282)
Principal paid on capital debt	(47,724)	-	-	-	(47,724)
Interest paid on capital debt	(97,417)	-	-	-	(97,417)
Net cash used for capital and related financing activities	<u>(328,966)</u>	<u>(4,244)</u>	<u>-</u>	<u>(99,213)</u>	<u>(432,423)</u>
<b>Cash flows from investing activities</b>					
Interest on investments	16,727	1,198	4	44,238	62,167
Net cash provided by investing activities	<u>16,727</u>	<u>1,198</u>	<u>4</u>	<u>44,238</u>	<u>62,167</u>
Net increase (decrease) in cash and investments	(114,802)	43,376	5,249	306,677	240,500
Cash and cash equivalents at beginning of year	753,250	41,723	-	1,957,544	2,752,517
<b>Cash and investments at end of year</b>	<u>\$ 638,448</u>	<u>\$ 85,099</u>	<u>\$ 5,249</u>	<u>\$ 2,264,221</u>	<u>\$ 2,993,017</u>
Cash and investments classified as:					
Current assets	\$ 636,948	\$ 81,599	\$ 5,249	\$ 2,259,221	\$ 2,983,017
Restricted assets	1,500	3,500	-	5,000	10,000
<b>Total cash and investments at end of year</b>	<u>\$ 638,448</u>	<u>\$ 85,099</u>	<u>\$ 5,249</u>	<u>\$ 2,264,221</u>	<u>\$ 2,993,017</u>
<b>Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities</b>					
Operating income (loss)	\$ (374,032)	\$ 34,007	\$ (93,715)	\$ 349,674	\$ (84,066)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	289,999	6,156	105,213	87,609	488,977
Changes in assets and liabilities:					
Accounts receivable	(19)	(1,296)	(7,867)	-	(9,182)
Inventories	(382)	-	-	-	(382)
Accounts payable	7,492	5,586	-	(321)	12,757
Accrued liabilities	5,144	(29)	345	13,383	18,843
Due to other funds	13,984	357	-	44,982	59,323
Accrued compensated absences	13,359	41	1,269	19,035	33,704
Deposits payable	-	1,600	-	-	1,600
Deferred revenue	1,403	-	-	-	1,403
<b>Net cash provided by (used for) operating activities</b>	<u>\$ (43,052)</u>	<u>\$ 46,422</u>	<u>\$ 5,245</u>	<u>\$ 514,362</u>	<u>\$ 522,977</u>
<b>Noncash capital activities:</b>					
Capital assets transferred from governmental funds			\$ 1,341,321		\$ 1,341,321

St. Lucie County, Florida  
Statement of Changes of Assets and Liabilities  
Agency Funds  
September 30, 2003

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Assets</b>				
Cash and investments	\$ 27,658,859	\$ 911,407,749	\$ 902,514,856	\$ 36,551,752
Accounts receivable	-	66	11	55
Assessments receivable	109,042	7,431	26,878	89,595
Due from other county units	-	49,476	49,476	-
Due from other governments	50,370	672,029	57,951	664,448
Total assets	<u>\$ 27,818,271</u>	<u>912,136,751</u>	<u>902,649,172</u>	<u>37,305,850</u>
<b>Liabilities</b>				
Accounts payable	\$ 453,831	4,369,621	3,742,571	1,080,881
Accrued liabilities	17,126	758,514	726,725	48,915
Deposits payable	60,367	34,831	-	95,198
Due to other county units	-	2,385,155	2,385,155	-
Due to other governments	3,961,786	388,038,067	387,795,004	4,204,849
Advances from other funds	-	123,330	123,330	-
Agency funds on hand	23,325,161	55,303,234	46,752,388	31,876,007
Total liabilities	<u>\$ 27,818,271</u>	<u>451,012,752</u>	<u>441,525,173</u>	<u>37,305,850</u>



This aerial photo is at the south 8<sup>th</sup> hole at one of the PGA Village's five golf courses. St. Lucie County is home to approximately fifteen public and private golf courses. Among them is the PGA Village™, located conveniently off Interstate 95 in St. Lucie West. The PGA Village™ is a private and semi-private golf resort community with four PGA owned and operated championship courses, and one private course. The PGA Learning Center™, located at PGA Village™, has a 35-acre, state-of-the-art learning center that is open to the public year round.

St. Lucie County, Florida

TABLE 1

General Governmental Expenditures by Function (1)

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Environment	Human Services	Court Related	Culture & Recreation	Capital Outlay	Debt Service	Total
1994	\$22,216,539 24%	\$28,531,886 31%	\$563,068 1%	\$6,358,943 7%	\$691,830 1%	\$5,166,614 6%	\$ - 0%	\$6,038,174 6%	\$15,796,613 17%	\$6,960,888 7%	\$92,324,555 100%
1995	25,133,230 24%	28,606,434 27%	1,143,025 1%	9,075,334 8%	841,477 1%	5,478,300 5%	- 0%	6,495,152 6%	18,265,355 17%	11,875,216 11%	106,913,523 100%
1996	25,025,555 23%	30,169,771 28%	770,264 1%	7,637,204 7%	945,908 1%	5,103,857 5%	- 0%	6,158,757 5%	25,661,021 23%	7,879,897 7%	109,352,234 100%
1997	24,590,009 22%	31,393,288 29%	848,513 1%	7,227,166 6%	872,216 1%	5,111,030 5%	- 0%	6,601,398 6%	26,180,079 24%	6,403,564 6%	109,227,263 100%
1998	31,374,775 27%	32,549,550 28%	4,187,279 3%	7,732,475 7%	1,188,797 1%	5,055,392 4%	- 0%	7,011,724 6%	23,072,551 19%	6,141,371 5%	118,313,914 100%
1999	28,634,733 21%	33,494,146 25%	6,508,244 5%	7,478,672 6%	1,468,055 1%	5,100,416 4%	4,490,375 3%	7,714,463 6%	22,353,364 17%	16,643,727 12%	133,886,195 100%
2000	29,450,811 23%	36,258,763 29%	2,304,455 2%	7,999,211 6%	2,265,136 2%	8,115,046 6%	5,139,898 4%	8,220,567 7%	17,597,646 14%	9,212,360 7%	126,563,893 100%
2001	29,993,249 23%	38,449,081 30%	2,417,755 2%	8,096,142 6%	1,331,142 1%	5,340,658 4%	5,569,046 4%	8,402,305 7%	19,129,199 15%	9,428,457 8%	128,157,034 100%
2002	29,321,919 22%	38,654,144 29%	2,913,452 2%	9,553,781 7%	1,598,102 1%	5,549,952 4%	11,697,588 9%	8,801,135 7%	15,646,208 12%	9,806,522 7%	133,542,803 100%
2003	29,874,993 16%	41,962,141 23%	4,928,961 3%	11,135,097 6%	2,300,772 1%	5,755,525 3%	13,091,713 7%	9,739,296 5%	29,527,034 16%	36,035,795 20%	184,351,327 100%

(1) Includes all governmental fund types and expendable trust funds for fiscal years ending on or before 9/30/01. Expendable trust funds reclassified as special revenue funds beginning 10/01/01. Excludes other financing uses (such as transfers out).

Sources:

St. Lucie County, Florida, General Purpose Financial Statements for fiscal years ending 1994 through 2001 except fiscal years ending 95, 96 and 97.

Combined statements for fiscal years ending 95 through 97 were prepared by the finance staff.

Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds for fiscal year ending 2002 and 2003.

St. Lucie County, Florida

TABLE 2

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fine and Forfeiture	Special Assessments	Interest (2)	Miscellaneous	Total
1994	\$59,213,170 68%	\$502,553 1%	\$16,691,139 19%	\$6,045,881 7%	\$2,342,150 3%	\$ - 0%	\$3,837,111 4%	-\$1,881,571 -2%	\$86,750,433 100%
1995	59,880,032 59%	206,786 0%	18,360,665 18%	7,783,236 8%	2,459,396 2%	7,633,000 7%	3,002,989 3%	2,646,750 3%	101,972,854 100%
1996	61,636,702 64%	172,332 0%	18,876,152 20%	8,582,520 9%	2,340,688 2%	33,915 0%	1,921,996 2%	3,194,609 3%	96,758,914 100%
1997	63,812,731 62%	204,681 0%	19,976,346 19%	8,423,325 8%	2,455,233 3%	109,549 0%	2,869,543 3%	5,542,275 5%	103,393,683 100%
1998	76,227,772 63%	179,012 0%	20,507,317 17%	12,451,303 10%	2,361,672 2%	2,058,708 2%	2,833,767 2%	5,143,965 4%	121,763,516 100%
1999	78,031,341 65%	153,033 0%	18,504,407 15%	12,642,358 10%	2,679,373 2%	1,067,006 1%	3,769,563 3%	4,219,303 4%	121,066,384 100%
2000	79,117,764 59%	149,766 0%	25,749,366 19%	12,626,463 9%	3,045,392 2%	741,796 1%	4,755,769 4%	7,905,197 6%	134,091,513 100%
2001	80,600,745 62%	181,399 0%	20,847,711 16%	13,541,799 11%	2,646,018 2%	1,214,814 1%	4,747,524 4%	5,559,838 4%	129,339,848 100%
2002	85,342,596 64%	382,672 0%	22,479,016 17%	12,473,204 9%	3,213,635 2%	2,133,699 2%	2,387,575 2%	4,599,333 4%	133,011,730 100%
2003	91,694,361 59%	158,517 0%	34,029,464 22%	14,473,183 9%	3,691,402 2%	3,564,349 3%	1,750,003 2%	4,819,511 3%	154,180,790 100%

(1) Includes all governmental fund types and expendable trust funds for fiscal years ending on or before 9/30/01. Expendable trust funds reclassified as special revenue funds beginning 10/01/01. Excludes other financing sources (such as transfers, debt proceeds and inventory adjustments).

(2) Interest income taken from Annual Financial Report for fiscal years ending 92, 93 and 94.

Sources:

St. Lucie County, Florida, General Purpose Financial Statements for fiscal years ending 1994 through 2001 except fiscal years ending 95, 96 and 97. Combined statements for fiscal years ending 95 through 97 were prepared by the finance staff.

Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds for fiscal year ending 2002 and 2003.



St. Lucie County, Florida

TABLE 3

Property Tax Levies and Collections-Based Upon Tax Year

Last Ten Fiscal Years

Fiscal Year Ending	Tax Roll Year	(1) Total Tax Levy	(2) Current Tax Collections	Ratio of Current Tax Collections to Tax Levy	(3) Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
1994	1993	57,680,432	55,474,368	96.18%	24,819	55,499,187	96.22%
1995	1994	58,801,046	56,186,452	95.55%	28,093	56,214,545	95.60%
1996	1995	59,804,589	56,937,191	95.21%	45,550	56,982,741	95.28%
1997	1996	63,856,874	58,901,721	92.24%	58,902	58,960,623	92.33%
1998	1997	69,840,231	62,396,863	89.34%	112,314	62,509,177	89.50%
1999	1998	69,423,281	65,877,203	94.89%	215,878	66,093,081	95.20%
2000	1999	75,271,557	68,796,412	91.40%	292,815	69,089,227	91.79%
2001	2000	72,581,559	69,297,447	95.48%	296,227	69,593,674	95.88%
2002	2001	77,423,881	73,837,398	95.37%	232,602	74,070,000	95.67%
2003	2002	83,274,093	79,943,761	96.00%	124,138	80,067,899	96.15%

- (1) Total tax levy amounts reflect property taxes collected on behalf of St. Lucie County only. This amount represents the original levy plus additions, penalties, errors, and other adjustments.
- (2) Current tax collections excludes allowable discounts and represents only the cash collected. All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in December, 2% in January and 1% in February. The taxes paid in March are not discounted.
- (3) On or before June 1, certificates are sold for all delinquent taxes on real property. Unsold certificates are held by the County.

Source: St. Lucie County Tax Collector, modified by the Clerk of the Circuit Court to reflect property taxes collected on behalf of the County.

St. Lucie County, Florida

TABLE 4

Assessed and Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ending	Tax Roll Year	Real Property Assessed Value	Personal Property Assessed Value	Centrally Assessed Property Value	Total Assessed Value	Exemptions	Total Actual Taxable Value	Percentage of Total Taxable Value to Total Assessed Value
1994	1993	\$8,024,117,370	\$1,889,064,340	\$11,688,767	\$9,924,870,477	\$2,949,711,436	\$6,975,159,041	70.28%
1995	1994	8,244,588,220	2,035,458,830	17,299,020	10,297,346,070	3,200,829,402	7,096,516,668	68.92%
1996	1995	8,596,766,870	2,037,560,548	16,464,201	10,650,791,619	3,753,625,432	6,897,166,188	64.76%
1997	1996	8,560,726,430	2,096,312,171	16,151,748	10,673,190,349	3,187,160,159	7,486,030,190	70.14%
1998	1997	9,343,487,530	2,370,554,352	20,793,714	11,734,835,596	3,797,433,513	7,937,402,083	67.64%
1999	1998	8,831,739,704	2,400,354,912	20,078,095	11,252,172,711	3,514,112,130	7,738,060,581	68.77%
2000	1999	9,143,434,572	2,755,058,503	20,589,492	11,919,082,567	3,728,915,943	8,190,166,624	68.71%
2001	2000	9,456,625,302	2,554,860,134	21,927,154	12,033,412,590	3,894,017,228	8,139,395,362	67.64%
2002	2001	10,024,540,206	2,644,462,608	23,048,371	12,692,051,185	4,024,359,580	8,667,691,605	68.29%
2003	2002	11,137,285,779	2,733,093,433	24,436,863	13,894,816,075	4,454,345,106	9,440,470,969	67.94%

Source: St. Lucie County Property Appraiser

Note: Amounts shown reflect all taxing authorities in St. Lucie County.

St. Lucie County, Florida

TABLE 5

Property Tax Rates - Direct and Overlapping Governments

(Per \$1,000 of Assessed Value)

Last Ten Fiscal Years

Fiscal Year Ending	Tax Roll Year	County-Wide Millage	County-Wide Debt Millage	School District Millage	Other Taxing Authorities	Total County-Wide Millage	Unincorporated Area Millage	City of Fort Pierce	City of Port St. Lucie	Town of St. Lucie Village
1994	1993	7.9466	0.3176	9.6730	2.8960	20.8332	0	7.4141	3.5034	0.9845
1995	1994	7.7119	0.3171	9.9220	2.8868	20.8378	0.3551	7.3305	3.5034	0.9730
1996	1995	7.8084	0.3120	9.5560	2.9743	20.6507	0.3728	7.3305	3.8400	0.9420
1997	1996	7.9003	0.4155	9.6740	3.3298	21.3196	0.4320	7.3305	3.8400	0.9338
1998	1997	7.8915	0.4333	9.6530	3.3918	21.3696	0.8105	7.3305	3.9400	0.8955
1999	1998	7.8915	0.4407	9.3810	3.4840	21.1972	0.8543	7.3305	3.9400	1.0000
2000	1999	7.8915	0.4703	9.0250	3.7936	21.1804	1.0541	7.3305	3.9400	0.9890
2001	2000	7.8915	0.4161	9.0530	3.8021	21.1627	1.0541	7.3305	3.9400	0.9700
2002	2001	7.9551	0.3525	11.4320	3.7996	23.5392	1.0541	7.3305	4.2733	0.9100
2003	2002	7.9551	0.2917	8.8090	3.7996	20.8554	1.1149	7.3305	4.6066	0.9000

Source: St. Lucie County Office of Management and Budget

St. Lucie County, Florida

TABLE 6

Principal Taxpayers

September 30, 2003

Taxpayer	Type of Business	2002 Assessed Valuation	2002 Actual Valuation	Percent of Total Assessed Valuation
1 Florida Power & Light Corp.	Utility	\$1,810,886,313	\$1,048,430,466	12.95%
2 Tropicana Products	Food Manufacturer	140,623,174	140,623,174	1.01%
3 BellSouth Telecommunications	Communications	101,558,585	101,558,585	0.73%
4 Wynne Building Corp.	Land Development	93,049,552	89,071,641	0.67%
5 St. Lucie West Development Corp.	Land Development	30,203,895	25,803,042	0.22%
6 Reserve Homes Ltd., LP	Land Development	22,785,700	22,785,700	0.16%
7 Lawnwood Medical Center/HCA	Hospital Facility	22,594,900	22,594,900	0.16%
8 Levitt Homes, Inc.	Land Development	21,072,200	2,107,200	0.15%
9 Walmart Stores, Inc.	Retail Facility	21,048,700	21,048,700	0.15%
10 Metropolitan Life Insurance Co.	Financial/Insurance	20,370,000	20,370,000	0.15%
Total taxable assessed value of 10 largest taxpayers		2,284,193,019	1,494,393,408	16.33%
Total taxable assessed value of other taxpayers		11,700,623,056		83.67%
Total taxable assessed value of all taxpayers		<u>\$13,984,816,075</u>		<u>100.00%</u>

Source: St. Lucie County Property Appraiser

St. Lucie County, Florida

TABLE 7

Special Assessment Billings and Collections

Last Ten Fiscal Years

Fiscal Year Ending	Tax Roll Year	Becker Road				River Branch			
		Special Assessments Beginning Balance	Special Assessments Billings	Special Assessments Collections	Special Assessments Outstanding At Year End	Special Assessments Beginning Balance	Special Assessments Billings	Special Assessments Collections	Special Assessments Outstanding At Year End
1994	1993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	1994	-	-	-	-	-	-	-	-
1996	1995	-	-	-	-	-	-	-	-
1997	1996	-	1,841,354	-	1,841,354	-	-	-	-
1998	1997	1,841,354	954,819	206,352	2,589,821	-	-	-	-
1999	1998	2,589,821	196,171	208,358	2,577,634	-	-	-	-
2000	1999	2,577,634	245,543	302,204	2,520,973	-	-	-	-
2001	2000	2,520,973	(622,202) (1)	302,202	1,596,569	-	-	-	-
2002	2001	1,596,569	142,160	190,933	1,547,796	-	133,326	-	133,326
2003	2002	1,547,796	130,437	184,468	1,493,765	133,326	8,990	14,295	128,021

(1) Special assessments were adjusted for prior year's over assessments.

Note: St. Lucie County is obligated for two special assessments. Both are municipal service benefit units for which the County is obligated to budget and appropriate funds.

Source: St. Lucie County Tax Collector-special report for assessment balances at end of fiscal year.

**St. Lucie County, Florida**

**TABLE 8**

**Computation of Legal Debt Margin**

September 30, 2003

Neither the Florida Constitution, Florida Statutes nor St. Lucie County place a limit on the amount of debt the voter may approve by referendum. As of September 30, 2003, the County had \$84,550,000 of general obligation and voted debt outstanding. Based on the assessed valuation of \$10,777 million for the fiscal year ending September 30, 2003, the County's general obligation and voted debt ratio currently equals 0.79 percent (0.79%).

St. Lucie County, Florida

TABLE 9

Ratio of Net General Bonded Debt to Taxable Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year Ending	Tax Roll Year	(1) Population	(2) Total Taxable Value	Gross General Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Total Taxable Value	Net Bonded Debt Per Capita
1994	1993	166,803	\$6,975,159,041	\$9,070,000	\$118,273	\$8,951,727	0.0013%	\$53.67
1995	1994	171,160	7,096,516,668	7,565,000	49,836	7,515,164	0.0011%	43.91
1996	1995	175,458	6,897,166,188	5,960,000	11,503	5,948,497	0.0009%	33.90
1997	1996	179,133	7,486,030,190	8,750,000	42,995	8,707,005	0.0012%	48.61
1998	1997	183,222	7,937,402,083	7,990,000	138,829	7,851,171	0.0010%	42.85
1999	1998	186,905	7,738,060,581	21,410,000	2,706,773	18,703,227	0.0024%	100.07
2000	1999	192,695	8,190,166,624	19,485,000	4,169,805	15,315,195	0.0019%	79.48
2001	2000	198,253	8,139,395,362	17,465,000	3,565,077	13,899,923	0.0017%	70.11
2002	2001	203,360	8,667,691,605	15,340,000	971,649	14,368,351	0.0017%	70.65
2003	2002	208,444	9,440,470,969	13,100,000	1,015,731	12,084,269	0.0013%	57.97

Note: Amounts shown reflect all taxing authorities in St. Lucie County.

(1) Source: Bureau of Economic and Business Research University of Florida for 1994-2002; St. Lucie County for 2003.

(2) Source: St. Lucie County Property Appraiser.

**St. Lucie County, Florida**

**TABLE 10**

**Ratio of Annual Debt Service Expenditures for General Bonded Debt  
to Total General Governmental Expenditures**

**Last Ten Fiscal Years**

<b>Fiscal Year Ending</b>	<b>Tax Roll Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>General Governmental Expenditures</b>	<b>Ratio of Debt Service to General Expenditures</b>
1994	1993	1,405,000	634,441	2,039,441	\$22,216,539	9.180%
1995	1994	1,505,000	548,281	2,053,281	25,133,230	8.170%
1996	1995	1,605,000	453,427	2,058,427	25,025,555	8.225%
1997	1996	710,000	349,158	1,059,158	24,590,009	4.307%
1998	1997	760,000	577,659	1,337,659	31,374,775	4.263%
1999	1998	1,880,000	799,437	2,679,437	28,634,733	9.357%
2000	1999	1,925,000	961,893	2,886,893	29,450,811	9.802%
2001	2000	2,020,000	863,115	2,883,115	29,993,249	9.613%
2002	2001	2,125,000	758,063	2,883,063	29,321,919	9.832%
2003	2002	2,240,000	645,963	2,885,963	29,874,993	9.660%



**St. Lucie County, Florida**

**TABLE 11**

**Computation of Direct and Overlapping Debt**

September 30, 2003

<b>Jurisdiction</b>	<b>Gross Debt Outstanding</b>	<b>Percentage Applicable To County Residents</b>	<b>Amount Applicable To County Residents</b>
<b>St. Lucie County:</b>			
Port and Airport Authority, Series 1997	\$2,870,000	100%	\$2,870,000
Limited Ad Valorem Tax Bonds, Series 1999	10,230,000	100%	10,230,000
	<u>13,100,000</u>		<u>13,100,000</u>
<b>St. Lucie County School Board:</b>			
Series 1996A	10,635,000	100%	10,635,000
Series 1997	13,095,000	100%	13,095,000
Series 2003, Refunding	4,500,000	100%	4,500,000
	<u>28,230,000</u>		<u>28,230,000</u>
<b>Total</b>	<u>\$41,330,000</u>		<u>\$41,330,000</u>

The above information on bonded debt does not include self-supporting and non-self supporting revenue bonds.

Source: St. Lucie County School Board

**St. Lucie County, Florida**  
**Revenue Bond Coverage**  
**Bailing and Recycling Facility**  
**Last Ten Fiscal Years**

**TABLE 12**

Fiscal Year	Operating Revenue	Debt Service Requirement	(1) Annual Debt Service Coverage
1994	\$6,591,490	\$830,822	7.93%
1995	7,017,240	1,004,194	6.99%
1996	6,938,419	1,009,864	6.87%
1997	5,753,786	1,065,014	5.40%
1998	5,137,429	1,046,163	4.91%
1999	4,939,194	1,046,665	4.72%
2000	5,675,688	1,040,605	5.45%
2001	6,284,322	1,043,405	6.02%
2002	7,098,053	1,044,046	6.80%
2003	8,543,793	786,176	10.87%

(1) Rate covenant criteria requires gross revenues to exceed 115% of debt service requirement.

Source: Segment information footnote from audit reports.

St. Lucie County, Florida

TABLE 13

Revenue Bond Coverage

North Hutchinson Island Water & Sewer System

Last Ten Fiscal Years

Fiscal Year	(1) Operating Revenue	(2) Other Income	Total Revenue	(3) Operating Expense	Net Available for Debt Service	Debt Service Requirement	(4) Annual Debt Service Coverage
1994	\$1,203,685	\$62,116	\$1,265,801	\$672,409	\$593,392	\$435,721	1.36%
1995	1,060,384	31,532	1,091,916	746,704	345,212	437,772	0.79%
1996	1,166,683	60,980	1,227,663	850,630	377,033	434,196	0.87%
1997	1,255,425	49,540	1,304,965	800,774	504,191	436,615	1.15%
1998	1,412,959	35,812	1,448,771	951,772	496,999	434,102	1.14%
1999	1,614,164	106,813	1,720,977	1,139,952	581,025	451,313	1.29%
2000	1,548,773	147,432	1,696,205	1,195,410	500,795	450,416	1.11%
2001	1,732,037	66,309	1,798,346	1,132,212	666,134	432,910	1.54%
2002	1,718,856	41,295	1,760,151	1,198,866	561,285	513,977	1.09%
2003	1,913,968	41,249	1,955,217	1,255,221	699,996	541,663	1.29%

(1) Includes water, sewer and reclaimed water revenue.

(2) Interest income and miscellaneous revenue.

(3) Excludes depreciation, amortization and interest expenses.

(4) Rate covenant stated net available for debt service shall equal or exceed 110% of the debt service requirement.

Source: Continual disclosure reports prepared by St. Lucie County Clerk of the Circuit Court

**St. Lucie County, Florida**

**TABLE 14**

**Revenue Bond Coverage**

**Holiday Pines Water & Sewer System**

**Last Five Fiscal Years (1)**

<b>Fiscal Year</b>	<b>(2) Operating Revenue</b>	<b>(3) Other Income</b>	<b>(4) Total Revenue</b>	<b>(4) Operating Expense</b>	<b>Net Available for Debt Service</b>	<b>Debt Service Requirement</b>	<b>(5) Annual Debt Service Coverage</b>
1999	150,227	13,930	164,157	50,036	114,121	68,527	1.67%
2000	688,783	93,939	782,722	272,188	510,534	387,224	1.32%
2001	699,935	103,338	803,273	315,033	488,240	389,164	1.25%
2002	715,713	363,978	1,079,691	379,842	699,849	390,411	1.79%
2003	756,760	628,088	1,384,848	457,297	927,551	391,631	2.37%

(1) Utility system was purchased in July 1999.

(2) Includes water, sewer and reclaimed water revenue.

(3) Interest income, miscellaneous revenue, guaranteed revenues, and capital facilities charges.

(4) Excludes depreciation, amortization and interest expenses.

(5) Rate covenant stated net available for debt service shall equal or exceed 120% of the debt service requirement.

Source: Continual disclosure reports prepared by St. Lucie County Clerk of the Circuit Court

**St. Lucie County, Florida**

**TABLE 15**

**Demographic Statistics**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) Per Capita Income</b>	<b>(3) School Enrollment</b>	<b>(2) Unemployment Rate</b>
1994	166,803	\$17,015	25,040	14.3%
1995	171,160	\$18,126	25,886	12.4%
1996	175,458	\$18,839	26,489	12.3%
1997	179,133	\$19,688	27,179	10.7%
1998	183,222	\$20,525	27,735	10.3%
1999	186,905	\$20,965	28,366	9.0%
2000	192,695	\$21,993	28,663	7.7%
2001	198,253	not available	29,113	8.2%
2002	203,360	not available	30,069	8.1%
2003	206,964	not available	31,123	7.5%

**Sources:**

(1) University of Florida Bureau of Economic and Business Research for 1994 -200

(2) Florida Research and Economic Database ([www.fred.labormarketinfo.com](http://www.fred.labormarketinfo.com))

(3) St. Lucie School Board

**St. Lucie County, Florida**

**TABLE 16**

**Property Value, Construction Statistics, and Bank Deposits**

Last Ten Fiscal Years

Fiscal Year	(1) Property Value Total	(2) Building Permit Information						Commercial Bank Deposits
		Single Family		Multifamily		Commercial		
		Number of Permits	Value of Permits	Number of Permits	Value of Permits	Number of Permits	Value of Permits	
1994	\$9,924,870,477	n/a	n/a	n/a	n/a	n/a	n/a	\$1,645,770
1995	10,297,346,070	n/a	n/a	n/a	n/a	n/a	n/a	1,704,197
1996	10,650,791,619	421	\$39,822,347	9	\$15,053,726	166	\$18,543,806	1,752,612
1997	10,673,190,349	357	35,417,136	17	19,933,162	115	15,368,298	1,789,472
1998	11,734,835,596	372	35,221,173	8	10,882,049	138	25,394,262	1,762,023
1999	11,252,172,711	319	33,569,855	25	19,790,502	130	19,922,548	1,784,668
2000	11,919,082,567	335	42,734,578	22	11,444,841	143	29,654,726	1,885,346
2001	12,033,412,590	363	49,159,068	25	13,604,981	122	22,299,208	2,057,848
2002	12,692,051,185	436	59,123,124	47	50,432,700	150	27,178,520	2,292,746
2003	13,894,816,075	540	77,832,893	32	23,397,775	138	15,862,671	2,575,196

Sources: (1) St. Lucie County Property Appraiser

(2) St. Lucie County Community Development Department - unincorporated area only.

(3) FDIC website, as of June 30. [www.fdic.gov](http://www.fdic.gov)

n/a = not available



St. Lucie County is known for preserving environmentally sensitive lands and maintaining pristine parks. From horseback riding along the beach to canoeing and camping at the Savannas Recreation Area, St. Lucie County offers diverse forms of recreation. Residents and visitors are invited to explore and experience, firsthand, the County's 38 parks and 21 miles of beautiful beaches.



# Berger, Toombs, Elam & Frank

Certified Public Accountants Chartered

SunTrust Bank Building  
Suite 300  
111 Orange Avenue  
Fort Pierce, Florida 34950

772/461-6120  
FAX: 772/468-9278

## **Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Honorable Board of County Commissioners  
St. Lucie County, Florida

We have audited the basic financial statements of St. Lucie County, Florida (the County) as of and for the year ended September 30, 2003, and have issued our report thereon dated March 1, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### ***Compliance***

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over the financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of County Commissioners, management, federal and state awarding agencies, pass-through entities and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam  
& Frank*

Fort Pierce, Florida  
March 1, 2004





# Berger, Toombs, Elam & Frank

Certified Public Accountants Chartered

SunTrust Bank Building  
Suite 300  
111 Orange Avenue  
Fort Pierce, Florida 34950

772/461-6120

FAX: 772/468-9278

## **Report of Independent Certified Public Accountants on Compliance with Requirements Applicable to Major Federal Programs and State Projects and Internal Control Over Compliance**

The Honorable Board of County Commissioners  
St. Lucie County, Florida

### ***Compliance***

We have audited the compliance of St. Lucie County, Florida (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that are applicable to each of its major federal programs and state projects for the year ended September 30, 2003. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the St. Lucie County, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2003. The results of our auditing procedures disclosed no instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 or Chapter 10.550.

### ***Internal Control Over Compliance***

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards programs and state financial assistance projects. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal awards program or state financial assistance project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.



# Berger, Toombs, Elam & Frank

Certified Public Accountants Chartered

SunTrust Bank Building  
Suite 300  
111 Orange Avenue  
Fort Pierce, Florida 34950

772/461-6120

FAX: 772/468-9278

The Honorable Board of County Commissioners  
St. Lucie County, Florida

Page two

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal awards program or state financial assistance project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of County Commissioners, management, and applicable federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam  
& Frank*

Fort Pierce, Florida  
March 1, 2004

**St. Lucie County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Projects**  
**For the Fiscal Year Ended September 30, 2003**

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<b>US Department of Agriculture</b>				
Direct Programs:				
Urban Mobile Irrigation Lab FY 03	10.902	68-4209-3-0109	\$ 52,786	
<b>Total Department of Agriculture</b>			<u>52,786</u>	
<b>US Department of Health and Human Services</b>				
Indirect Programs:				
Passed through Department of Revenue:				
Child Support Enforcement	93.563	CC563	588,931	
Domestic Relations Officer 00/03	93.563	IZ116	58,236	
Domestic Relations Officer 03/04	93.563	QJ318	19,898	
Passed through FL Dept of Community Affairs:				
Community Service Block Grant 02/03	93.569	03SB2K120001027	211,958	
<b>Total Department of Health and Human Services</b>			<u>879,022</u>	
<b>Federal Transit Administration</b>				
Direct Programs:				
49 USC Section 5307	20.507	FL-90-X286		\$ 8
49 USC Section 5307	20.507	FL-90-X311		1,121
49 USC Section 5307	20.507	FL-90-X338		11
FTA USC Section 5307 FY 98/99	20.507	FL-90-X365		58,030
FTA USC Section 5307 FY 99/00	20.507	FL-90-X387		7,754
FTA USC Section 5307 FY 01/02	20.507	FL-90-X442		36,940
FTA USC Section 5307 FY 02/03	20.507	FL-90-X475		887,436
FTA USC Section 5307 Operating Assistance	20.507	FL-90-X462		429,128
Indirect Programs:				
Passed through FL Dept of Transportation:				
Section 8 FTA Planning Grant 00/01	20.505	AJ575	5,027	
<b>Total Federal Transit Administration</b>			<u>5,027</u>	<u>1,420,428</u>
<b>US National Oceanic &amp; Atmospheric Administration</b>				
Direct Programs:				
Coastal Improvement/Bear Point Integration	11.419	NA170Z2138	6,005	
Indirect Programs:				
Passed through FL Dept of Environmental Protect.:				
Indian River Lagoon Scenic Highway	11.419	CZ301	10,831	
Vitolo Park/Middle Cove-Public Access	11.419	CZ311	18,200	
<b>Total National Oceanic &amp; Atmospheric Administration</b>			<u>35,037</u>	

**St. Lucie County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Projects (Continued)**  
**For the Fiscal Year Ended September 30, 2003**

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<b>US Department of Justice</b>				
Direct Programs:				
Local Law Enforcement Block Grant FY03	16.592	2002-LB-BX-1085	\$ 64,981	
FY2003 Bulletproof Vest Partnership Grant Act	16.607	01004870	960	
Violence Against Women	16.588	2002CWBX0001	91,879	
Community Oriented Policing Service	16.71	2001SHW0625	58,477	
Community Oriented Policing Service	16.71	2002SHWX0663	12,735	
Crime Laboratory Improvement Program			96,245	
Gang Resistance Education Training Program	16.544	2003F2328FLAP	8,678	
Indirect Programs:				
Passed through FL DLE Office of Criminal Affairs:				
Edward Byrne Federal Anti-Drug Abuse 02/03	16.579	03CJ5A106601193	71,037	
Passed through Office of Attorney General:				
Victims of Crime Act	16.575	V2246	35,159	
<b>Total Department of Justice</b>			<u>440,151</u>	
<b>US Department of Homeland Security</b>				
Indirect Programs:				
Passed through FL Dept of Community Affairs:				
Operation Liberty Shield			7,382	
<b>Total US Department of Homeland Security</b>			<u>7,382</u>	
<b>US Department of Interior &amp; Wildlife</b>				
Direct Programs:				
Coastal Native Vegetation Restoration	15.614	14484018100J021	9,001	
<b>Total US Department of Interior &amp; Wildlife</b>			<u>9,001</u>	
<b>US Department of Transportation</b>				
Direct Programs:				
T/W A-3 Construction Mark & Light	20.106	3-12-0023-2032	3,140	
Rehabilitation of Runway 14/32 Phase 1	20.106	DTFA0601A80272	76,257	
Conduct Environmental Assessment R/W 9L-27R	20.106	I231200232101/2003	28,690	
Install Perimeter Fencing	20.106	31200230222002	166,666	
Conduct Noise Compatability Study Update	20.106	31200230222002	19,860	
Indirect Programs:				
Passed through FL Dept of Transportation:				
USDOT/FDOT Bike & Pedestrian Coord.	20.600	AL143	41	
FDOT Bicycle/Pedestrian FY 02/03	20.600	AM889	50,254	
<b>Total US Department of Transportation</b>			<u>344,907</u>	

**St. Lucie County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Projects (Continued)**  
**For the Fiscal Year Ended September 30, 2003**

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<b>Federal Highway Administration</b>				
Indirect Programs:				
Passed through FL Dept of Transportation:				
TSCP Transportation for 21st Century	20.215	AI982	\$ 27,111	
Section 112/MPO/FHWA 02/03	20.205	A5115	220,358	
Section 112/MPO/FHWA 03/04	20.205	A4114	55,018	
Hurricane Floyd Damage/Roads	20.205	AJ274	<u>15,345</u>	
<b>Total Federal Highway Administration</b>			<u>317,831</u>	
<b>Federal Emergency Management</b>				
Indirect Programs:				
Passed through FL Dept of Community Affairs:				
Hazardous Materials 01/02	83.012	02CP11106622038	378	
Emergency Management Preparedness FY03	83.552	03BG04106601056	135,403	
Hazardous Materials 02/03	83.012	03CP11106601181	6,569	
FEMA Hurricane Shutter Grant	83.548	03HM3M106601001	468,594	
Hurricane Irene	83.544	00RMW106601025	<u>11,086</u>	
<b>Total Federal Emergency Management</b>			<u>622,031</u>	
<b>National Endowment for Humanities</b>				
Indirect Programs:				
Passed through FL Humanities Council:				
Zora Neale Hurston Dust Tracks Trail	45.129	050025734	<u>20,625</u>	
<b>Total National Endowment for Humanities</b>			<u>20,625</u>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS:</b>			<u>\$ 2,733,800</u>	<u>\$ 1,420,428</u>

**St. Lucie County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Projects (Continued)**  
**For the Fiscal Year Ended September 30, 2003**

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<b>Florida Boating Improvement</b>				
Direct Projects:				
Florida Boating Improvement Program 97/98	77.006		\$ 35,960	
Florida Boating Improvement Program 98/99	77.006		46,548	
Florida Boating Improvement Program 96	77.006		86,210	
Florida Boating Improvement Program 99/00	77.006		71,456	
Florida Boating Improvement Program 00/01	77.006		108,992	
Florida Boating Improvement Program 01/02	77.006		<u>16,392</u>	
<b>Total Florida Boating Improvement</b>			<u>365,557</u>	
<b>Division of Cultural Affairs</b>				
Direct Projects:				
Local Arts Agency Grant	45.005	03-8006		<u>\$ 1,120</u>
<b>Total Division of Cultural Affairs</b>				<u>1,120</u>
<b>Wireless 911 Emergency System</b>				
Direct Projects:				
911 Emergency Telephone System	72.001		<u>200,760</u>	
<b>Total Wireless 911 Emergency System</b>			<u>200,760</u>	
<b>Florida Department of Community Affairs</b>				
Direct Projects:				
Emergency Medical Services	64.005	C1059	137,938	
Community Service Block Grant 02/03	93.569	03SB2K120001027	211,958	
Operation Liberty Shield			7,382	
Hazardous Materials 01/02	83.012	02CP11106622038	378	
Emergency Management Preparedness FY03	83.552	03BG04106601056	135,403	
Hazardous Materials 02/03	83.012	03CP11106601181	6,569	
FEMA Hurricane Shutter Grant	83.548	03HM3M106601001	468,594	
Hurricane Shutter Grant	83.548	00RMW106601025	11,086	
Hurricane Irene	52.011	00RMW106601025	<u>11,086</u>	
<b>Total Florida Department of Community Affairs</b>			<u>990,394</u>	
<b>Florida Communities Trust</b>				
Direct Projects:				
Acquire Indrio Blueway Buffer	52.002	03CT7J02F2A1091	327,600	
Ten Mile Creek East	52.002	03CT8A02F2A1056	<u>20,400</u>	
<b>Total Florida Communities Trust</b>			<u>348,000</u>	

**St. Lucie County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Projects (Continued)**  
**For the Fiscal Year Ended September 30, 2003**

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<b>FL Dept of Agriculture &amp; Consumer Services</b>				
Direct Projects:				
Mosquito Control-State 1	42.003	SA003	\$ 46,354	
Project Plant Rescuers	42.009	11558	<u>13,016</u>	
<b>Total FL Dept of Agriculture &amp; Consumer Svcs</b>			<u>59,370</u>	
<b>FL Dept of Environmental Protection</b>				
Direct Projects:				
Indian River Lagoon Scenic Highway	11.419	CZ301	10,831	
Vitolo Park/Middle Cove-Public Access	11.419	CZ311	18,200	
Regional Attenuation Facility	37.047	SP440	30,120	
Ft. Pierce Inlet Boat Launch Area	37.017	60063	354,780	
FDEP Canal and Storm Water Retrofit	37.039	SP559	214,294	
FDEP Airport Industrial Park Wastewater	37.039	LP0201	4,000	
Ft. Pierce Beach Restoration Project	37.003	98SL1	1,383,504	
So. Co. Post-Storm Beach Condition Study	37.003	01SL1	733	
Waste Tire FY03	37.015	WT356	<u>28,613</u>	
<b>Total FL Dept of Environmental Protection</b>			<u>2,045,075</u>	
<b>Florida Department of Juvenile Justice</b>				
Direct Projects:				
Juvenile Mental Health Collaborative 02/03	80.002	Q2044	<u>100,000</u>	
<b>Total Florida Department of Juvenile Justice</b>			<u>100,000</u>	
<b>FL Dept of Recreation Assistance Program</b>				
Direct Projects:				
Savanna Recreation Area-Phase 1	37.017	F0281	3,230	
Ancient Oaks	37.017	F3532	<u>32,150</u>	
<b>Total FL Dept of Recreation Assistance Program</b>			<u>35,380</u>	
<b>Florida Department of Transportation</b>				
Direct Projects:				
Section 8 FTA Planning Grant 00/01	20.505	AJ575	5,027	
USDOT/FDOT Bike & Pedestrian Coord.	20.600	AL143	41	
FDOT Bicycle/Pedestrian FY 02/03	20.600	AM889	50,254	
TSCP Transportation for 21st Century	20.215	AI982	27,111	
Section 112/MPO/FHWA 02/03	20.205	A5115	220,358	
Section 112/MPO/FHWA 03/04	20.205	A4114	55,018	
Hurricane Floyd Damage/Roads	20.205	AJ274	15,345	
So. 25th Street Widening	N/A	AJ275	24,389	
Traffic Signal System Grant		AM028	<u>16,618</u>	
<b>Total Florida Department of Transportation</b>			<u>414,161</u>	

**St. Lucie County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Projects (Continued)**  
**For the Fiscal Year Ended September 30, 2003**

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<b>FL Dept of Transp/Airport Improvements</b>				
Direct Projects:				
Construction of Perimeter Fencing	55.004	AI213	\$ 32,933	
Taxiway A-3 Phase 1 Construction Mark Light	55.004	AI910	405	
Purchase Fire Protection Equipment	55.004	AK241	11,016	
Construct Taxiway "A" Extension	55.004	AK265	43,552	
Environmental Assessment	55.004	AL125	24,243	
Install Safety Fencing	55.004	AL124	14,516	
Industrial Park West Development	55.004	AL493	72,072	
Drainage Improvements	55.004	AL643	26,700	
Design Runway 14/32 Rehabilitation	55.004	AL 642	8,473	
Conduct Part 150 Study	55.004	AL869	2,207	
Rehabilitate Airfield Lighting	55.004	AL870	130,360	
Aggressive Driving Grant		FS032714	40,647	
<b>Total FL Dept of Transp/Airport Improvements</b>			<u>407,124</u>	
<b>Florida Division of Historic Resources</b>				
Direct Projects:				
Reflection of FL Fishing and Boat History	45.017	M4264	58,405	
<b>Total Florida Division of Historic Resources</b>			<u>58,405</u>	
<b>Florida Fish &amp; Wildlife</b>				
Direct Projects:				
Ft. Pierce Inlet Boat Ramp Phase 1-Restrooms	77.006	FWCC01246	6,878	
<b>Total Florida Fish &amp; Wildlife</b>			<u>6,878</u>	
<b>Florida Housing Finance Corporation</b>				
Direct Projects:				
State Housing Initiative 01/02	52.901		112,653	
FHFA State Housing Initiative 02/03	52.901		426,880	
FHFA State Housing Initiative 03/04	52.901		10,279	
State Housing Initiative 99/00	52.901		151	
<b>Total Florida Housing Finance Corporation</b>			<u>549,963</u>	
<b>Florida State Courts Administration</b>				
Direct Projects:				
Civil Traffic Infraction Hearing Officer 01/02	42.014		1,161	
Civil Traffic Infraction Hearing Officer 02/03	42.014		16,329	
<b>Total Florida State Courts Administration</b>			<u>17,490</u>	



**St. Lucie County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Projects (Continued)**  
**For the Fiscal Year Ended September 30, 2003**

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<b>Florida State Division of Library</b>				
Direct Projects:				
State Aid to Libraries	45.030	02-ST-56	\$ 415,550	
<b>Total Florida State Division of Library</b>			<u>415,550</u>	
<b>Florida Tourism, Trade &amp; Economic Development</b>				
Direct Projects:				
Tropicana Signal Upgrade (Glades&Midway)	31.002	02/0356A	70,250	
<b>Total FL Tourism, Trade &amp; Economic Develop.</b>			<u>70,250</u>	
<b>Florida Transport Disadvantaged</b>				
Direct Projects:				
TDC Trip Grant FY02/03	55.001	AL992	319,293	
TDC Planning Grant FY02/03	55.002	AL934	19,515	
<b>Total Florida Transport Disadvantaged</b>			<u>338,809</u>	
<b>Justice Administrative Commission</b>				
Direct Projects:				
Child Dependency Court Representation 02/03	21.001		68,891	
<b>Total Justice Administrative Commission</b>			<u>68,891</u>	
<b>FL Dept of Highway Safety &amp; Motor Vehicles</b>				
Direct Projects:				
Choose Life Specialty Plate Fee		0301	10,687	
Florida Arts License Plate	45.013			\$ 6,121
<b>Total FL Dept of Highway Safety &amp; Motor Vehicles</b>			<u>10,687</u>	<u>6,121</u>
<b>Florida Department of Revenue</b>				
Direct Projects:				
Child Support Enforcement	93.563	CC563	588,931	
Domestic Relations Officer 00/03	93.563	IZ116	58,236	
Domestic Relations Officer 03/04	93.563	QJ318	19,898	
<b>Total Florida Department of Revenue</b>			<u>667,065</u>	
<b>FL DLE Office of Criminal Affairs</b>				
Direct Programs:				
Edward Byrne Federal Anti-Drug Abuse 02/03	16.579	03CJ5A106601193	71,037	
<b>Total FL DLE Office of Criminal Affairs</b>			<u>71,037</u>	

**St. Lucie County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Projects (Continued)**  
**For the Fiscal Year Ended September 30, 2003**

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<b>Florida Office of Attorney General</b>				
Direct Programs:				
Victims of Crime Act	16.575	V2246	<u>\$ 35,159</u>	
<b>Total Florida Office of Attorney General</b>			<u>35,159</u>	
<b>Florida Humanities Council</b>				
Direct Programs:				
Zora Neale Hurston Dust Tracks Trail	45.129	50025734	<u>20,625</u>	
<b>Total Florida Humanities Council</b>			<u>20,625</u>	
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE:</b>			<u>\$ 7,296,630</u>	<u>\$ 7,241</u>

St. Lucie County, Florida

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

Year ended September 30, 2003

**1. Summary of Significant Accounting Policies**

**General**

The Schedule of Expenditures of Federal Awards and State Financial Assistance has been prepared using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become measurable and available as net current assets and expenditures when the related fund liability is incurred.

**2. Program Clusters**

OMB Circular A-133 defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, similar programs deemed to be a cluster of programs are tested accordingly.

**3. Contingency**

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

St. Lucie County  
 Schedule of Findings and Questioned Cost - Federal Awards and State Projects  
 September 30, 2003

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued	Unqualified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ X _____	No
Reportable condition(s) identified not considered to be material weakness?	_____ Yes	_____ X _____	None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X _____	No

Federal Awards and State Projects

Internal control over major program:			
Material weakness(es) identified?	_____ Yes	_____ X _____	No
Reportable condition(s) identified not considered to be material weakness?	_____ Yes	_____ X _____	None reported
Type of auditor's report issued on compliance for major federal programs and state projects	Unqualified		
Any audit findings disclosed that are required to be reported in regards to the major federal programs or state projects?	_____ Yes	_____ X _____	No

Identification of major programs:

<u>CFDA</u>	
<u>Number</u>	<u>Name of Federal Program or Cluster</u>
20.507	FTA Section 5307 Grant
83.548	Hazard Mitigation Grant
93.563	Child Support Enforcement
<u>CSFA</u>	
<u>Number</u>	<u>Name of State Program or Cluster</u>
37.003	Beach Erosion Control Program
37.017	Florida Recreational Development Assistance Program
45.030	State Aid to Librarian
52.002	Florida Forever Act
52.091	FHFA - State Housing Initiatives Partnership
55.001	Commission for the Transportation Disadvantage (CTD) and Equipment Grant Program
55.004	Aviation Development Grant
77.006	Florida Boating Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs \$ 300,000

Auditee qualifies as low-risk audit? \_\_\_\_\_ X \_\_\_\_\_ Yes \_\_\_\_\_ No

**Section II - Financial Statement Findings**

There were no reportable conditions, material weakness, or instances of noncompliance related to the financial statements.

**Section III - Federal Award Findings and Questioned Cost**

There were no audit findings related to federal awards required to be reported by Circular A-133, Section 510(A).

