



FINANCE DEPARTMENT



"A City for All Ages"

Memorandum

TO: Gregory J. Oravec, City Manager

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

Date: October 8, 2012

RE: Port St. Lucie Governmental Finance Corporation Fund

BACKGROUND

Ordinance 90-69 created the Port St. Lucie Governmental Finance Corporation as a non-profit entity to acquire properties and lease them to the City. The Ordinance allowed the Corporation to issue obligations of indebtedness for the acquisition of property, construction of facilities and the equipping of those facilities.

The Articles of Incorporation of the Port St. Lucie Governmental Finance Corporation stated "The purpose for which the Corporation is organized and the business and objectives to be carried on and promoted by the Corporation" include the following:

- To assist the City in the development, financing, construction, acquisition and operation of capital projects and equipment;
- To lease Projects to the City, pursuant to lease agreements or master lease agreements, with or without purchase options;
- To assign to a bank, leasing company, or other financial institution, all of the Corporation's right to receive payments under such agreements.

The members of the Corporation are the members of the City Council. The City Manager serves as the Secretary/Treasurer for the Corporation. Each year an annual meeting of the Corporation is held to conduct the affairs of the Corporation and receive the annual report from the Secretary/Treasurer.

SECRETARY/TREASURER ANNUAL REPORT

Attached are the unaudited Balance Sheet and Schedule of Revenues, Expenditures and Changes in Fund Balances of the Port St. Lucie Governmental Finance Corporation for the fiscal year ending September 30, 2012. These statements are based on the financial information as of September 30, 2012 and do not include any accruals for revenues earned or expenditures incurred for the fiscal year ending September 30, 2012. The financial statements have been not audited by the City's external auditors.

The Corporation has two outstanding debt obligations; the \$5,860,000 Certificate of Participation, Florida Master Lease, Series 2004 and the \$45,600,000 Refunding Certificates of Participation, Series 2008. Information on these two issues regarding the purpose of the debt and the current outstanding balance is included with this report.

"KEEP PORT ST. LUCIE BEAUTIFUL"

CITY OF PORT ST. LUCIE, FLORIDA

**Balance Sheet
Governmental Finance Corporation
September 30, 2012
Unaudited**

	<u>Governmental Finance Fund</u>
Assets:	
Restricted Assets:	
Equity in Pooled Cash	\$ 93,637
Investments	41,469
Total assets	<u><u>\$ 135,106</u></u>
Liabilities and fund balances	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ -
Total liabilities	<u>-</u>
Fund balances:	
Assigned	135,106
Undesignated	-
Total fund balances	<u><u>135,106</u></u>
Total liabilities and fund balances	<u><u>\$ 135,106</u></u>

Year Ended September 30, 2012
Unaudited

	<u>Governmental Finance Fund</u>
Revenues:	
Impact Fees	\$ 2,104,874
Interest on Investments	13,710
Total revenues	<u>2,118,584</u>
Expenditures:	
Current:	
General Government	1,628
Physical Environment	4,017
Debt Service:	
Principal	1,770,000
Interest	2,474,619
Total expenditures	<u>4,250,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,131,680)</u>
Other financing sources (uses):	
Transfers In	<u>2,218,000</u>
Total other financing sources (uses)	<u>2,218,000</u>
Net change in fund balances	86,320
Fund balance - beginning	48,786
Fund balance - ending	<u>\$ 135,106</u>

**Port St. Lucie Governmental Finance Corporation Debt Obligations
As of September 30, 2012**

\$5,860,000 Certificate of Participation, Florida Master Lease Project, Series 2004 (Public Buildings Project) – payable from the limited and special obligation of the City to make rent payments on the multiple public buildings subject to annual appropriation, due in annual principal installments ranging from \$135,000 to \$395,000 plus interest semiannually at a rate ranging from 3.375% to 4.25% through September 2023. Due to the early call of certain bonds, no principal payment is due until September 2013. Proceeds used to finance the construction of a police building, animal shelter, and administration complex.

\$45,600,000 Refunding Certificates of Participation, Series 2008 – payable from the limited and special obligation of the City to make rent payments on the multiple public buildings subject to annual appropriation, due in annual principal installments ranging from \$1,770,000 to \$3,865,000 plus interest semiannually at a rate ranging from 4.0% to 6.25% through September 2027. Proceeds were used to refund the \$44,560,000 Certificates of Participation, Series 2007, which had been issued for construction and improvements related to the medical research facility area of the City.

DEBT	BALANCE 9/30/2011	PRINCIPAL PAYMENTS FY 11/12	INTEREST PAYMENTS FY 11/12	BALANCE 9/30/2012
Certificate of Participation, 2004	\$ 3,465,000	\$ -	\$ 139,019	\$ 3,465,000
2008 COP Refunding	42,010,000	1,770,000	2,335,600	40,240,000
TOTAL	\$ 45,475,000	\$ 1,770,000	\$ 2,474,619	\$ 43,705,000