

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**City of Bradenton, Florida**

For Fiscal Year Ending September 30, 2003



**Carl Callahan  
City Clerk & Treasurer**

CITY OF BRADENTON, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003

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## City of Bradenton, Florida

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### Office of The City Clerk & Treasurer

January 5, 2004

The Honorable Mayor, City Council,  
and Citizens of the City of Bradenton, Florida

Dear Mayor, Council and Citizens:

I am pleased to present the City of Bradenton Comprehensive Annual Financial Report. This report addresses the City's finances for the fiscal year ended September 30, 2003. The accuracy of the data, the completeness and fairness of the presentation and disclosures are the responsibility of the City Clerk and Treasurer, the Chief Financial Officer of the City. The data presented is believed to be accurate in all material respects and is presented to fairly reflect the financial position of the City. All disclosures necessary for a comprehensive understanding of the City's financial activity are included within this Financial Report.

This transmittal letter is presented in a format similar to prior years to provide the Mayor, Council and citizens with a continuity of reporting. The Governmental Accounting Standards Board Statement No. 34 has required that a more detailed analysis of our financial statements be provided in the Management's Discussion and Analysis section of this report. Please see pages 3-11 for that analysis.

The Comprehensive Annual Financial Report (CAFR) is presented in three sections: Introductory, Financial and Statistical. The Introductory section includes this transmittal letter, a list of principal officials and the City's organizational chart. The Financial section includes the basic financial statements and the combining and individual fund statements and schedules, as well as the independent auditor's report. The Statistical section includes selected financial and demographic information that is generally presented on a multi-year basis.

This CAFR includes all funds and account groups of the City of Bradenton as well as those of the City's component unit, the Community Redevelopment Agency. The City provides a full range of services including police and fire protection, highways and streets, planning, zoning, housing, water, sewer, sanitation, parks, recreation and general administrative services.

### **ECONOMIC CONDITION AND OUTLOOK**

The City of Bradenton is located on the west coast of Florida, approximately forty (40) miles south of Tampa and twenty-six (26) miles southeast of St. Petersburg. Bradenton is bounded on the north by the Manatee River and on the west by the barrier island of Anna Maria. The City's location, along with its tropical climate, have led it to become one of the fastest growing areas in the country.

Historically, the area's economy is based on agriculture and a thriving tourist trade. Recent influxes of light industry and manufacturing, coupled with our existing base, contribute to a stable and diverse economy. The community had a 4.0% unemployment rate for 2003. This compares favorably to the statewide rate of 5.5%.

The City has experienced a positive growth rate over a wide range of economic indicators. This growth trend is expected to continue into the foreseeable future. While growth has a positive impact, it presents many challenges for the City that prides itself in providing high levels of services while maintaining a consistent property tax millage.

## MAJOR INITIATIVES

Meeting the needs of the citizens of Bradenton is a challenging and metamorphic process. The City of Bradenton, through sound and fiscally prudent budgeting and financial management, has been able to provide programs, infrastructure and facilities to meet the current and emerging needs of the community. Among the major initiatives undertaken this year were the following:

- > The City of Bradenton, through its various departments, has placed a renewed emphasis on customer service.
  - The Department of Development Services (formerly known as Planning and Development) has entered into a three-phase reorganization that places customer service as its top priority.
  - Widespread upgrades in technology will help make the City departments more accessible to the public as well as create operational efficiencies.
- > The Bradenton Police Department has added additional manpower and changed its policing techniques to be a more visible, community-oriented police force.
- > The City has established as a priority the mission to revitalize and enhance property values within its core. To this end, the City recently completed a redesigned and expanded Rossi Waterfront Park as well as a new 3<sup>rd</sup> Avenue West from U.S. 41 to 9<sup>th</sup> Street West.
- > As a Florida waterfront community, the pressure to minimize the effects of flooding is critical to our quality of life. During 2003 the City enacted an all-encompassing stormwater fee to provide a dedicated source of funds that will be used to help minimize the effects of flooding throughout the city.
- > The City of Bradenton continues to work on several fronts to assure its citizens that there is no shortage of quality affordable housing. The City has witnessed a successful completion of the first phase of Bradenton Village, a public / private Hope VI-funded development.

## FINANCIAL INFORMATION

The City Clerk and Treasurer, through the City's accounting system, is responsible for establishing and maintaining internal controls to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, along with the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

**Single Audit.** The City of Bradenton is a recipient of many grants from other governmental units which require proper internal controls be put in place to comply with applicable laws and regulations related to each grant. These internal controls are audited each year by independent auditors, and are subject to periodic evaluation by management. The results of the City's single audit for fiscal year ended September 30, 2003 will indicate no significant violations of applicable laws and regulations. Our external auditors will issue the single audit report at a date subsequent to the accompanying financial statements.

**Budgetary Controls.** Formal budget integration is employed as a management control device for all funds. The City of Bradenton follows Florida law regarding the control, adoption, and amendment of the budget. The City budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The only exception is that proprietary fund operations exclude depreciation and the results of capitalizing interest income and expenses relative to construction projects on tax-exempt borrowings. Separate budgets are adopted to control payment of revenue bond principal, interest and capital outlay for proprietary funds on a non-GAAP basis. The City continues to meet its responsibility for sound financial management, which is demonstrated by the statements and schedules included in the financial section of this report.

**Cash Management.** The City Clerk and Treasurer’s office, along with the City’s Accounting Department, monitor the daily cash needs of the City. The City Clerk, in concert with the City’s professional investment managers, invests the City’s portfolio, maximizing investment returns in accordance with the City’s investment policy.

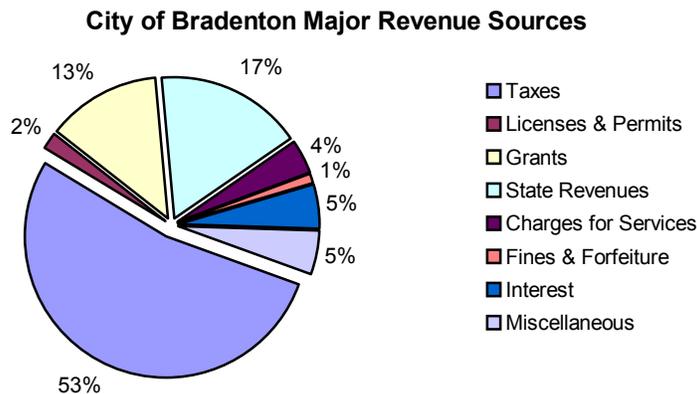
The City has a banking service agreement with Bank of America. Although not required, the City maintains a minimum balance of \$600,000 in its operating account to offset bank service charges, with the remaining balance in the operating account collateralized in accordance with Chapter 280 of the Florida Statutes. The following is a listing of the City’s investment portfolio as of the fiscal year ended September 30, 2003:

|                            |    |                     |
|----------------------------|----|---------------------|
| Repurchase Agreements      | \$ | 7,094,135           |
| State Treasurer’s Pool     |    | 527,559             |
| Government Securities      |    | 31,876,860          |
| Corporate Stock            |    | 24,076,249          |
| Mortgage backed-securities |    | 135,767             |
| Investment in Mutual Funds |    | 6,597,874           |
| International Funds        |    | 2,773,921           |
| Corporate Bonds            |    | 22,739,757          |
|                            | \$ | <u>95,822,122 *</u> |

\* Please note that this total includes \$48,130,704 invested for Trust and Agency Funds.

**General Governmental Functions.** Total general governmental revenues collected by the City of Bradenton during the past year amounted to approximately \$33.7 million. General governmental revenues include those of the General Fund, as well as Special Revenue, Debt Service and Capital Project Fund revenues. Taxes, the largest governmental source of income, are comprised of \$8.5 million ad valorem proceeds and \$9.0 million special revenue funds. Special revenue funds consist of utility taxes, public service taxes, and franchise fees.

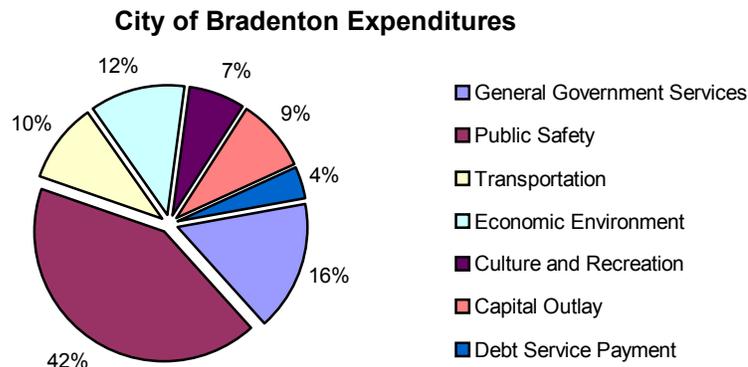
A summary of the City of Bradenton’s major revenue sources is presented below:



|                      | Fiscal Year 2003     |            | Fiscal Year 2002  |            | Fiscal Year 2001  |            |
|----------------------|----------------------|------------|-------------------|------------|-------------------|------------|
|                      | Amount               | % of Total | Amount            | % of Total | Amount            | % of Total |
| Taxes                | \$ 17,480,398        | 53%        | 16,971,802        | 52%        | 14,765,003        | 52%        |
| Licenses & Permits   | 784,674              | 2%         | 1,420,782         | 4%         | 987,560           | 3%         |
| Grants               | 4,410,438            | 13%        | 4,213,131         | 13%        | 3,275,503         | 11%        |
| State Revenues       | 5,714,642            | 17%        | 5,470,069         | 17%        | 5,352,589         | 19%        |
| Charges for Services | 1,275,207            | 4%         | 1,097,402         | 3%         | 856,800           | 3%         |
| Fines & Forfeiture   | 239,663              | 1%         | 237,750           | 1%         | 277,804           | 1%         |
| Interest             | 1,594,855            | 5%         | 1,957,806         | 6%         | 1,670,020         | 6%         |
| Miscellaneous        | 1,465,654            | 5%         | 1,346,766         | 4%         | 1,322,982         | 5%         |
|                      | <u>\$ 32,965,531</u> |            | <u>32,715,508</u> |            | <u>28,508,261</u> |            |

Comparing 2003 to 2002, increased tax revenues were generated from ad valorem proceeds, greater public service taxes and franchise fee collections. This indicates that most of the increase in revenues can be attributed to an increase in the ad valorem tax collections. While the millage rate remained the same, significant additional revenues were a result of a double-digit increase in valuations and over \$75 million in new construction.

As can be seen in the following chart and graph, all categories of governmental expenditures remained relatively the same as 2002 with the exception of capital outlay. Capital outlay increased due to the construction of the 3<sup>rd</sup> Avenue West extension and the complete renovation of Rossi Waterfront Park.



|                             | Fiscal Year 2003     |            | Fiscal Year 2002  |            | Fiscal Year 2001  |            |
|-----------------------------|----------------------|------------|-------------------|------------|-------------------|------------|
|                             | Amount               | % of Total | Amount            | % of Total | Amount            | % of Total |
| General Government Services | \$ 5,541,395         | 16%        | 5,758,074         | 19%        | 5,321,223         | 19%        |
| Public Safety               | 14,194,629           | 42%        | 12,450,866        | 42%        | 12,385,545        | 45%        |
| Transportation              | 3,468,400            | 10%        | 3,208,134         | 11%        | 2,684,227         | 10%        |
| Economic Environment        | 3,992,006            | 12%        | 3,462,585         | 11%        | 3,261,031         | 12%        |
| Culture and Recreation      | 2,252,437            | 7%         | 2,393,128         | 8%         | 2,087,401         | 8%         |
| Capital Outlay              | 3,242,213            | 9%         | 1,561,323         | 5%         | 638,399           | 2%         |
| Debt Service Payment        | 1,437,737            | 4%         | 1,304,809         | 4%         | 1,257,290         | 5%         |
|                             | <u>\$ 34,128,817</u> |            | <u>30,138,919</u> |            | <u>27,635,116</u> |            |

**Enterprise Operations.** The City's enterprise fund activities include water and sewer, sanitation, parking and golf course. As of September 30, 2003, the water-sewer fund reflected a net income of \$30,963, which was a decrease from the prior year's gain of \$803,354. The remaining enterprise funds reported a net income of \$223,728 with the sanitation fund reflecting a net income of \$237,350, parking operations a net income of \$32,184 and the golf course reporting a net operating loss of \$46,256.

The City will continue to look at its enterprise operations to ensure that these areas remain self-sufficient. A complete cost operations review of the Sanitation Department and the golf course were completed to that end.

**Pension Trust Funds.** The City maintains a single-employer defined benefit pension plan for the Police Department. City employees not eligible for the police pension plan participate in the Florida State Retirement System, a multi-employer, cost-sharing public employee pension plan. The City's fire pension plan is not maintained by City personnel. Our three pension plans are described in detail in Note L of the Financial Statements.

Assets in Excess of Actuarial Accrued Liability for the police and fire pension funds were \$1,777,615 and \$272,631, respectively. The volatility of the markets had a negative impact on both public safety pensions, but should not present an additional liability for the City. City contributions to the police and fire pension funds totaled \$639,479 and \$284,547, respectively during the fiscal year ended September 30, 2003. Fire employees directly contributed \$219,820 while police employees contributed \$249,514. Additional contributions were received from the State of Florida totaling \$518,761 for the police pension fund and \$304,819 for the fire pension fund.

Participating employers have paid the cost of the Florida State Retirement System since 1975. The current contribution rate by the City was 7.39% of each employee’s salary and 18.53% of special risk employees’ salaries. The City contributed \$758,510 to the Florida State Retirement System during the fiscal year ended September 30, 2003.

**Debt Administration.** The City Clerk and Treasurer continues to support sound, but innovative, financing to help the City plan for the future needs of its citizens. As a result of the City of Bradenton’s solid history of financial excellence, the City continues to be in the enviable position of having numerous financial institutions vying for the City’s business. The City’s obligations are summarized as follows:

|  | General<br>Obligations | Enterprise<br>Obligations |
|--|------------------------|---------------------------|
| 1995 Subordinate Lien Special Revenue Bond   | \$ 2,605,225           | 814,775                   |
| 1998 Capital Improvements Revenue Bond       | 1,759,294              | --                        |
| Utility System Refunding Revenue Bonds, 1995 | --                     | 19,697,367                |
| Franchise Fees Promissory Note Series 2000   | 5,504,075              | --                        |
| Florida Municipal Loan 2001A                 | 2,995,000              | --                        |
| <b>Total Long-Term Obligations</b>           | <b>\$ 12,863,594</b>   | <b>20,512,142</b>         |

**Risk Management.** The City has an aggressive program to train employees regarding preventative measures. The program will assist with cost containment by moderating rising worker’s compensation claims and by decreasing possible loss of time from the job.

**Medical Self-Insurance Program.** The City’s program experienced a net loss before operating transfers of \$1,045,965 during the fiscal year ended September 30, 2003. The losses were a result of an increase in prescription costs, medical claims and administrative plan costs. The City will continue to monitor the program so as to maintain its goal of excellent medical coverage at an affordable cost to the employee and ultimately the taxpayer. To that end, the City changed plan administrators at year’s end. The change was made to limit aggregate claims liability and gain the expertise of the new plan administrator.

**GASB 34.** The City of Bradenton has implemented Statement 34 of the Governmental Accounting Standards Board, which establishes an entirely new financial reporting framework for state and local governments. This new reporting model provides a clear picture of the government as a single entity. In addition to this transmittal letter, there is a more detailed explanation of governmental and business-type operations in the Management, Discussion and Analysis section of this report.

**OTHER INFORMATION**

**Independent Audit.** Chapter 11.45 of the Florida Statutes requires an independent Certified Public Accountant’s financial audit of all Florida municipalities. This requirement has been met for the fiscal year ended September 30, 2003 and the report of the independent auditors has been included in this document. 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 of 1996, the Florida Single Audit Act and the related OMB Circular A-133. The independent auditor’s report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The independent auditor’s reports related specifically to the single audit are included in a separately issued Single Audit Report.

**Awards.** The Government Finance Officers Association awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bradenton for its Comprehensive Annual Financial Report for fiscal year ended September 30, 2002. This was the twenty-seventh consecutive year that the City of Bradenton has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement of Excellence in Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements, and we are submitting the report to the GFOA to determine its eligibility for another Certificate for the fiscal year ended September 30, 2003.

**Acknowledgments.** This report was completed through the dedication of the City of Bradenton's Finance Manager and the fine staff of professionals in the Accounting Department. I would also like to express my appreciation and thanks to the firm of CPA Associates who helped us with their comments and advice. Finally, I thank the Mayor and City Council for their guidance and support in planning and conducting the financial operations of the City of Bradenton in a responsible and progressive manner.

Sincerely,

Carl Callahan  
City Clerk and Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bradenton,  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2002

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



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# PRINCIPAL CITY OFFICIALS

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## ELECTED OFFICIALS

|                       |                          |
|-----------------------|--------------------------|
| Mayor                 | <i>Wayne Poston</i>      |
| Councilman – Ward 1   | <i>Gene Gallo</i>        |
| Councilwoman – Ward 2 | <i>Marianne Barnebey</i> |
| Councilwoman – Ward 3 | <i>Michele Weaver</i>    |
| Councilman – Ward 4   | <i>Bemis Smith</i>       |
| Councilman – Ward 5   | <i>Rev. James Golden</i> |

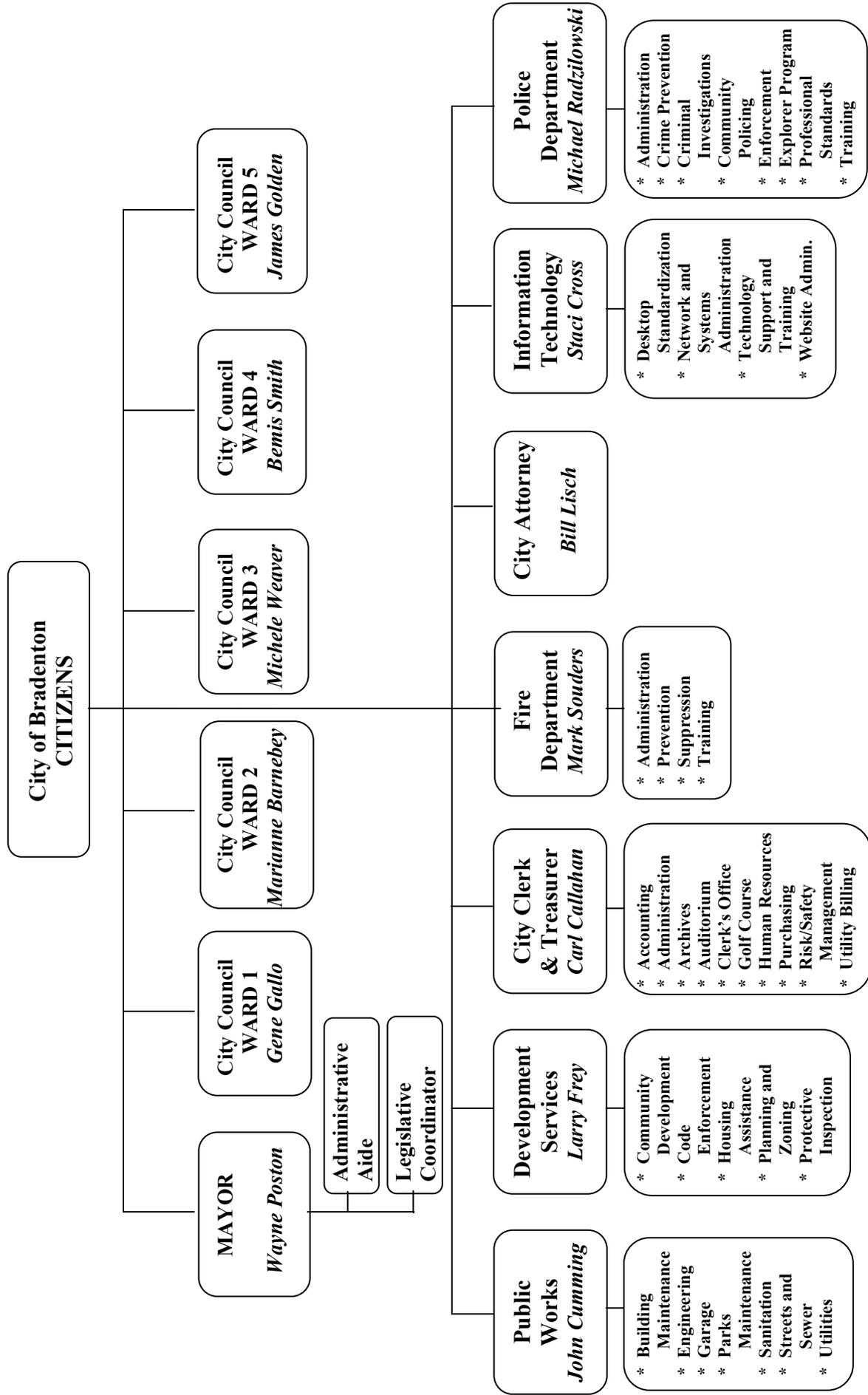
## DEPARTMENT HEADS

|                        |                            |
|------------------------|----------------------------|
| City Clerk & Treasurer | <i>Carl Callahan</i>       |
| Police Chief           | <i>Michael Radzilowski</i> |
| Fire Chief             | <i>Mark Souders</i>        |
| Development Services   | <i>Larry Frey</i>          |
| Public Works           | <i>John Cumming</i>        |
| Information Technology | <i>Staci Cross</i>         |

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# City of Bradenton Organizational Chart



City of Bradenton



Established 1903



Celebrating 100 Years  
As “The Friendly City”



## Independent Auditor's Report

The Honorable Mayor and City Council  
City of Bradenton, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bradenton, Florida, as of and for the year ended September 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bradenton's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinions.

As described in Notes A and D, the City adopted the provisions of Governmental Accounting Standards Board Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments; Statement Number 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; Statement Number 38, Certain Financial Statement Note Disclosures; and GASB Interpretation Number 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, as of October 1, 2002.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bradenton, Florida, as of September 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof 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 our report dated November 26, 2003 on our consideration of the City of Bradenton's internal control over financial reporting and 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 and budgetary comparison information on pages 3 through 11 and 52 through 55 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board Statement Number 34. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The supplementary information required by Governmental Accounting Standards Board Statements Number 25 and 27 on pages 58 and 59 is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bradenton's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*CPA Associates*

Bradenton, Florida  
November 26, 2003

## Management's Discussion and Analysis

As management of the City of Bradenton (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i – vi of this report, and the City's financial statements beginning on page 13.

### FINANCIAL HIGHLIGHTS

- > The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$123,253,684 (net assets). Of this amount, \$25,828,202 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- > The government's total net assets increased by \$3,574,741.
- > As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,140,978, a decrease of \$1,933,099 in comparison with the prior year (as restated). Approximately 85% of this total amount, \$32,421,464 is available for spending at the government's discretion (unreserved fund balance).
- > At the end of the current fiscal year, the unreserved fund balance for the general fund was \$12,878,780 or 51% of total general fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

#### 1. Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents revenue and expenses and shows how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported in a manner similar to the approach used by a private-sector business in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period, and expenses are recorded even though they may not have used cash during the current period.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation, culture and recreation, and economic environment. The business-type activities of the City include the water and sewer utility, sanitation, the parking system and the golf course (River Run Golf Links).

The financial statements also reflect the presentation of its component unit, the Community Redevelopment Agency (CRA). The Bradenton Downtown Development Authority currently serves as the CRA board, which has a stated purpose to revitalize a specific area of downtown Bradenton.

The City's government-wide financial statements can be found on pages 13-15 of this report.

## **2. Fund Financial Statements**

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements. The City's fund financial statements are divided into three categories: (a) governmental funds, (b) proprietary funds, and (c) fiduciary funds.

### **(a) Governmental Funds**

Governmental fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The statement of revenues, expenditures and changes in fund balances for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in the governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because of the difference in accounting basis used to prepare fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of net assets presented in the governmental activities column on the statement of net assets. Also, there is an analysis after the statement of revenues, expenditures and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net assets as reported in the governmental activities column in the statement of activities.

The City presents in separate columns funds that are most significant to the City (major funds) and all other governmental funds are aggregated and reported in a single column (Nonmajor funds).

The City's governmental fund financial statements are presented on pages 16-19.

### **(b) Proprietary Funds**

Proprietary fund financial statements consist of a statement of net assets; statement of revenues, expenses and changes in fund net assets; and statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

*Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utility, sanitation, golf course and parking system. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses separate internal service funds to account for its self-insurance programs. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the major enterprise funds, which are water and sewer and sanitation. The remaining nonmajor enterprise funds are combined and presented as other funds on the proprietary funds financial statements. All internal service funds are considered to be nonmajor funds and are combined into a single, aggregated presentation in the proprietary fund financial statements.

CITY OF BRADENTON, FLORIDA  
Management's Discussion & Analysis

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The proprietary fund financial statements can be found on pages 20-23 of this report.

**(c) Fiduciary Funds**

Fiduciary fund financial statements consist of a statement of fiduciary net assets and a statement of changes in fiduciary net assets. Assets held by the City for other parties, either as a trustee or as an agent, and that cannot be used to finance the City's own operating programs are reported in the fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports pension trust funds that present the results of two defined benefit pension plans.

The fiduciary fund financial statements can be found on pages 24-25 of this report.

**3. Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-50 of this report.

**4. Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This information concerns the City's progress in funding its obligation to provide pension benefits to its employees. It also includes budget-to-actual information regarding the general fund, and major special revenue funds. Required supplementary information can be found on pages 51-59 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

In accordance with GASB Statement No. 34, the City is not required to restate prior periods for the purpose of providing comparative information. In future years, this section will contain a comparative analysis of the changes in net assets and a comparison of revenues and expenses with explanations for significant differences.

The following schedule is a summary of the Statement of Net Assets found on page 13 of this report:

**City of Bradenton, Florida  
Net Assets at September 30, 2003**

|   | Governmental<br>Activities | Business-type<br>Activities | Total              |
|---|----------------------------|-----------------------------|--------------------|
| <b>Assets:</b>                                    |                            |                             |                    |
| Current and other assets                          | \$ 48,527,454              | 12,183,223                  | 60,710,677         |
| Internal balances                                 | 5,304,987                  | (5,304,987)                 | --                 |
| Capital assets, net of depreciation               | 28,922,562                 | 73,886,555                  | 102,809,117        |
| <b>Total assets</b>                               | <b>82,755,003</b>          | <b>80,764,791</b>           | <b>163,519,794</b> |
| <b>Liabilities:</b>                               |                            |                             |                    |
| Current and other liabilities                     | 3,843,299                  | 2,467,432                   | 6,310,731          |
| Long-term debt outstanding                        | 13,097,132                 | 20,858,247                  | 33,955,379         |
| <b>Total liabilities</b>                          | <b>16,940,431</b>          | <b>23,325,679</b>           | <b>40,266,110</b>  |
| <b>Net assets:</b>                                |                            |                             |                    |
| Investment in capital assets, net of related debt | 15,997,339                 | 53,383,080                  | 69,380,419         |
| Restricted  | 24,911,540                 | 3,133,523                   | 28,045,063         |
| Unrestricted                                      | 24,905,693                 | 922,509                     | 25,828,202         |
| <b>Total net assets</b>                           | <b>\$ 65,814,572</b>       | <b>57,439,112</b>           | <b>123,253,684</b> |

CITY OF BRADENTON, FLORIDA  
Management's Discussion & Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$123,253,684 at the close of the most recent fiscal year.

A significant portion of the City's net assets (54%) reflect its investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available to future spending. Although the City's investment in its capital assets is reported net of related debt, it should still be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (23%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$25,828,202) may be used to meet the government's ongoing obligations to citizens and creditors.

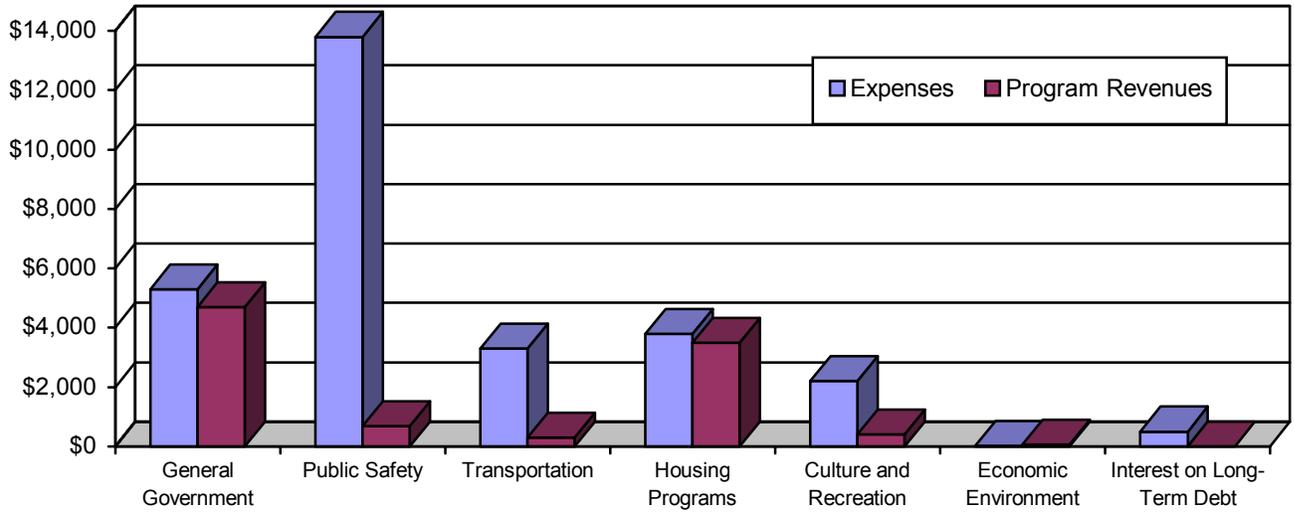
The following is a summary of the information presented in the Statement of Activities found on pages 14 and 15 of this report:

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>       |
|---|------------------------------------|-------------------------------------|--------------------|
| <b>Revenues</b>                           |                                    |                                     |                    |
| Program Revenues:                         |                                    |                                     |                    |
| Charges for services                      | \$ 3,307,422                       | 21,308,283                          | 24,615,705         |
| Operating grants and contributions        | 4,736,353                          | --                                  | 4,736,353          |
| Capital grants and contributions          | 681,758                            | --                                  | 681,758            |
| General Revenues:                         |                                    |                                     |                    |
| Property taxes                            | 8,299,374                          | --                                  | 8,299,374          |
| Other taxes                               | 12,519,284                         | --                                  | 12,519,284         |
| Other                                     | 3,177,105                          | 450,460                             | 3,627,565          |
| <b>Total Revenues</b>                     | <u>32,721,296</u>                  | <u>21,758,743</u>                   | <u>54,480,039</u>  |
| <b>Expenses</b>                           |                                    |                                     |                    |
| Governmental Activities:                  |                                    |                                     |                    |
| General government                        | 5,239,621                          | --                                  | 5,239,621          |
| Public safety                             | 13,805,051                         | --                                  | 13,805,051         |
| Transportation                            | 3,369,296                          | --                                  | 3,369,296          |
| Community Development Program             | 547,530                            | --                                  | 547,530            |
| Housing Assistance Program                | 2,776,016                          | --                                  | 2,776,016          |
| State Housing Initiatives Program         | 570,666                            | --                                  | 570,666            |
| Economic environment                      | 26,192                             | --                                  | 26,192             |
| Culture and recreation                    | 2,288,519                          | --                                  | 2,288,519          |
| Interest on long-term debt                | 590,203                            | --                                  | 590,203            |
| Business-Type Activities:                 |                                    |                                     |                    |
| Water and sewer                           | --                                 | 15,315,953                          | 15,315,953         |
| Sanitation                                | --                                 | 4,878,955                           | 4,878,955          |
| Other                                     | --                                 | 1,497,296                           | 1,497,296          |
| <b>Total Expenses</b>                     | <u>29,213,094</u>                  | <u>21,692,204</u>                   | <u>50,905,298</u>  |
| Increase in net assets before other items | 3,508,202                          | 66,539                              | 3,574,741          |
| Transfers                                 | 593                                | (593)                               | --                 |
| Increase in net assets                    | <u>3,508,795</u>                   | <u>65,946</u>                       | <u>3,574,741</u>   |
| Net assets – beginning of year            | 62,305,777                         | 57,373,166                          | 119,678,943        |
| Net assets – end of year                  | <u>\$ 65,814,572</u>               | <u>57,439,112</u>                   | <u>123,253,684</u> |

**1. Governmental Activities**

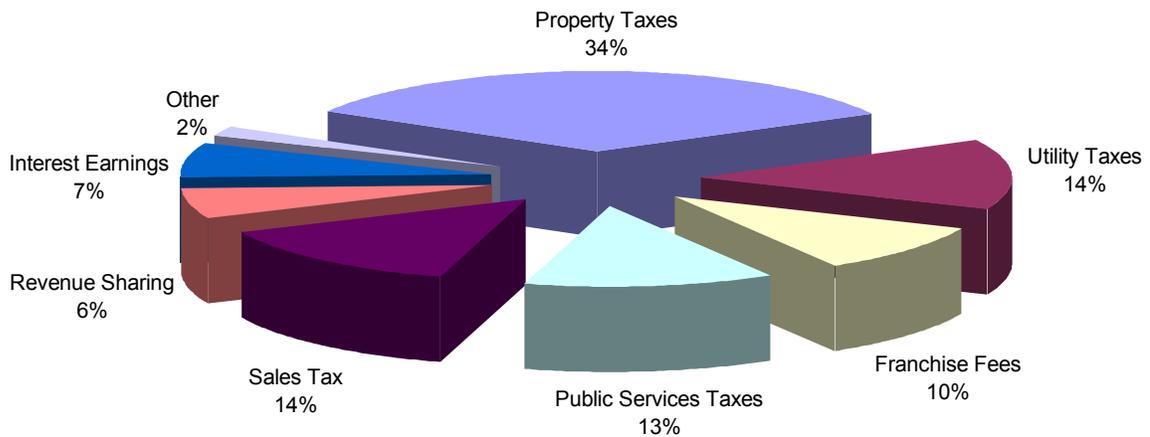
Governmental activities increased the City's net assets by \$3,508,795, accounting for 98.1% of the total growth in the net assets of the City. The following chart compares expenses with program revenues for the City's governmental activities:

**Expenses and Program Revenues - Governmental Activities**  
 (in thousands)



The following graph shows the composition of revenues for the City's governmental activities:

**Revenues by Source - Governmental Activities**

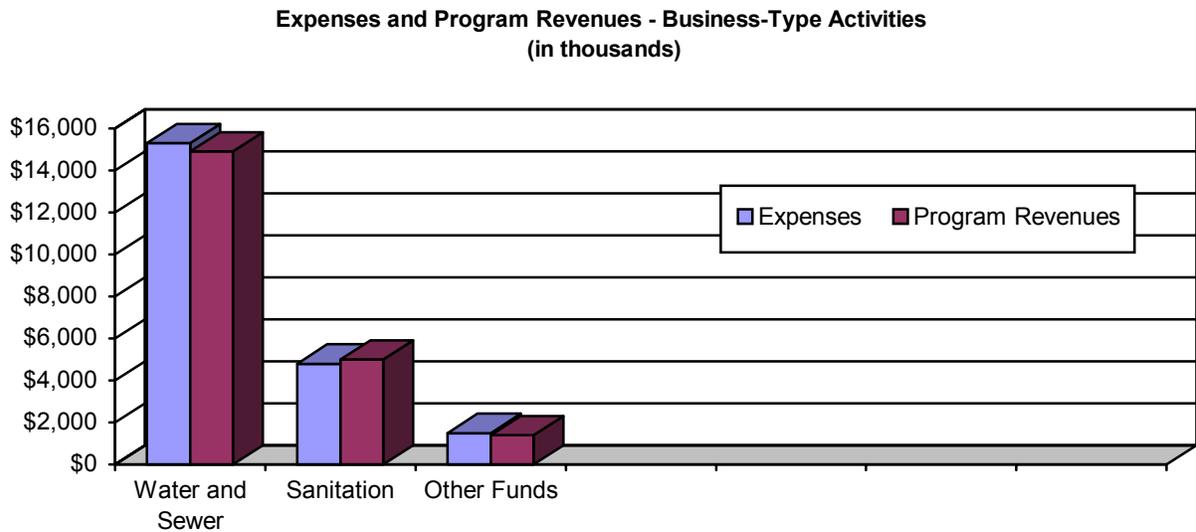


**2. Business-Type Activities**

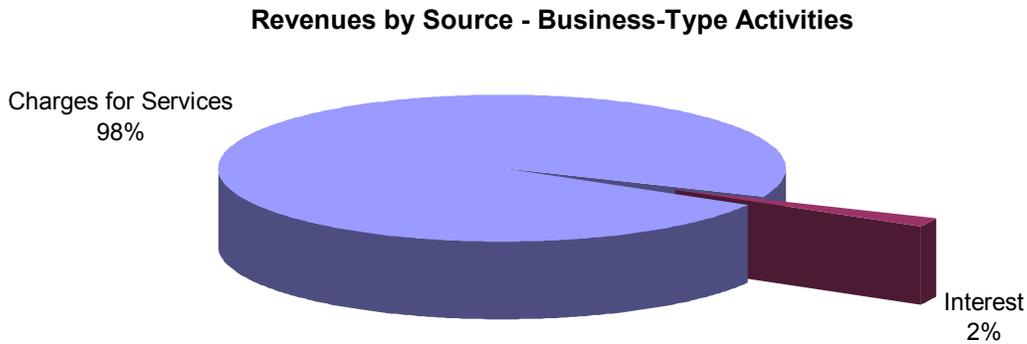
Business-type activities increased the City's net assets by \$65,946, accounting for less than 2% of the total growth in the City's net assets. Key elements for the difference between the current and prior fiscal year are:

- > Expenses for business-type activities increased \$553,036 mainly due to increased personnel costs relating to insurance.
- > Investment earnings were down by \$242,513 due to a continued softening of the interest rate environment.
- > A \$478,607 reduction in interest expense on outstanding debt helped to offset operating expense increases elsewhere.

The following chart compares expenses with program revenues for the City's business-type activities:



The following graph shows the composition of revenues for the City's business-type activities:



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

### 1. Governmental Funds

The fund financial statements for the governmental funds are provided on pages 16-19. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of the spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,140,978, a decrease of \$1,933,099 in comparison with the prior year (as restated). Approximately 85% of this amount (\$32,421,464) constitutes unreserved fund balance, which is available for spending at the City's discretion, subject to budgetary constraints. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has previously been committed (1) for advances due from other funds (\$5,117,285), (2) for retirement of bonds (\$279,221), and (3) for inventories and prepaid items.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General fund was \$12,878,780, while the total fund balance was \$13,201,788. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 50.1% of the total general fund expenditures, while the total fund balance represents 51.8% of the general fund expenditures.

The fund balance of the City's general fund increased \$1,377,032 during the current fiscal year. Key factors for this increase include:

- > In total, general fund revenues increased \$919,557. A significant increase in ad valorem tax revenues of \$1,273,748 resulted from increased property values coupled with an 8.9% millage rate increase.
- > The increase in ad valorem taxes noted above was offset by a reduction in building permits of \$459,417. The current year downturn was a return to historical levels after a year of unusually high building activity.
- > Overall general fund expenditures increased \$1,646,659 with the increased costs associated with public safety operations accounting for virtually all the increase.

Other governmental funds showed an overall reduction in fund balance (\$3,487,820) due to the completion of major infrastructure improvements to the City's waterfront park. Prior years' balance included previously funded debt that facilitated the commencement of the project.

### 2. Proprietary Funds

The fund financial statements for the City's proprietary funds provide essentially the same type of information found in the government-wide financial statements, but in more detail. The following are noteworthy changes from the prior year:

- > Water and sewer fund had operating income that was \$1,082,900 less than the prior year. The reduction in new construction projects coming on line in the current year accounted for a significant reduction in revenues associated with water and sewer tap fees. Core water and sewer operating income was comparable to the prior year.
- > Sanitary operations continue their positive turnaround. Operating income increased from \$38,656 to \$183,503. Slight increases in operating expenses of \$56,844 were offset by an increase in the charges for services of \$201,691. Most of the increase in revenue is attributed to an increase in market share of the City's commercial accounts.

CITY OF BRADENTON, FLORIDA  
Management's Discussion & Analysis

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference between the original budget and the final, amended budget was \$817,541 and is summarized as follows:

|                        | Original             | Final             | Variance       |
|------------------------|----------------------|-------------------|----------------|
| General government     | \$ 5,987,083         | 5,911,477         | (75,606)       |
| Public safety          | 14,345,483           | 15,273,963        | 928,480        |
| Transportation         | 3,879,813            | 3,844,480         | (35,333)       |
| Culture and recreation | 2,429,125            | 2,429,125         | --             |
|                        | <u>\$ 26,641,504</u> | <u>27,459,045</u> | <u>817,541</u> |

The \$928,480 increase in the budget for our public safety operations included the following:

- > \$201,850 increase in the Police Pension contribution in accordance with actuarial requirements
- > \$314,255 for an early buyout of a year 2000 Telesquirt fire apparatus
- > \$151,810 in forfeiture fund purchases

The above budget amendments were adopted using available fund balance. During the year, however, expenditures were less than budgetary estimates by \$2,002,183, thus eliminating the need to draw upon existing fund balances.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**1. Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2003 amounts to \$102,809,117 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and construction in progress.

Major capital asset activity during the fiscal year included the following:

- > Various system additions and improvements were completed in the water and sewer fund at a cost of \$1,198,438 while work on the Aquifer Storage Recovery test remained in progress.
- > Streetscape and lighting improvements were completed in the Village of the Arts.
- > The City invested \$2,043,139 in the construction of the 3<sup>rd</sup> Avenue West extension and \$1,082,223 in the renovation of the adjoining Rossi Waterfront Park.

**City of Bradenton, Florida**  
Capital Assets  
(Net of Depreciation)

|                          | Governmental<br>Activities | Business-Type<br>Activities | Total              |
|--------------------------|----------------------------|-----------------------------|--------------------|
| Land                     | \$ 3,168,300               | 5,182,306                   | 8,350,606          |
| Building                 | 15,580,793                 | 10,005,972                  | 25,586,765         |
| Improvements             | 3,156,547                  | 53,363,822                  | 56,520,369         |
| Machinery and equipment  | 3,891,561                  | 3,071,725                   | 6,963,286          |
| Construction in progress | 3,125,361                  | 2,262,730                   | 5,388,091          |
| Totals                   | <u>\$ 28,922,562</u>       | <u>73,886,555</u>           | <u>102,809,117</u> |

CITY OF BRADENTON, FLORIDA  
Management's Discussion & Analysis

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## 2. Long-Term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$33,375,736. The City had no general obligation debt outstanding. All of the City's debt represents bonds secured solely by specified revenue sources.

**City of Bradenton, Florida**  
Bonded Debt and Loans Payable

|                          | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>      |
|--------------------------|------------------------------------|-------------------------------------|-------------------|
| General obligation bonds | \$ --                              | --                                  | --                |
| Special obligation bonds | 10,258,369                         | --                                  | 10,258,369        |
| Revenue bonds            | <u>2,605,225</u>                   | <u>20,512,142</u>                   | <u>23,117,367</u> |
| Total bonds              | <u>\$ 12,863,594</u>               | <u>20,512,142</u>                   | <u>33,375,736</u> |

The City's total decreased by \$2,521,343. Key factors for this decrease were:

- > Scheduled principal payments of \$3,174,133 were paid when due.
- > Accreted value increase of \$652,790 on capital appreciation bonds.

Additional information concerning the City's long-term debt can be found in Note J on pages 38-41 of this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- > The Bradenton/Sarasota Metropolitan Statistical Area's unemployment rate for September 2003 was 4.0%, which is considerably lower than the state and federal rates (5.5% and 6.0% respectively).
- > The City's population grew by 4.4%, from 49,855 in 2002 to 52,181 in 2003.
- > The taxable value of commercial and residential property increased 12.5% from last year's preliminary certified taxable value.
- > The general fund property tax millage remained steady at 4.3000 mills for the 2003-2004 fiscal year. New construction and higher property values have helped to raise the additional revenues necessary to fund the increase in expenditures.
- > Water and sewer rates are increased annually by an amount that mirrors the CPI-U Index. The goal of these automatic increases is to smooth out the rate hikes and keep them as low as possible, while assuring our customers of the quality of service they expect.

### REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the City of Bradenton's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Clerk & Treasurer, 101 Old Main Street, Bradenton, Florida 34205-7865. You may also access the City's website at [www.cityofbradenton.com](http://www.cityofbradenton.com).

City of Bradenton

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*established 1903*

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Celebrating 100 Years  
as “The Friendly City”

City of Bradenton, Florida  
Statement of Net Assets  
September 30, 2003

|  | Primary Government         |                             |             | Component<br>Unit                      |
|--|----------------------------|-----------------------------|-------------|--|
|  | Governmental<br>Activities | Business-type<br>Activities | Total       | Community<br>Redevelopment<br>Agencies |
| <b>ASSETS</b>  |                            |                             |             |  |
| Cash and cash equivalents                            | \$ 40,658,522              | 6,240,858                   | 46,899,380  | 3,172,132                              |
| Investments  | 978,879                    | -                           | 978,879     | -                                      |
| Receivables (net of allowance<br>for uncollectibles) | 320,890                    | 1,311,550                   | 1,632,440   | -                                      |
| Other receivables                                    | 3,844,140                  | -                           | 3,844,140   | -                                      |
| Prepays  | 567,519                    | -                           | 567,519     | -                                      |
| Due from other governments                           | 1,834,496                  | 1,360                       | 1,835,856   | -                                      |
| Inventory  | 323,008                    | 57,957                      | 380,965     | -                                      |
| Internal balances                                    | 5,304,987                  | (5,304,987)                 | -           | -                                      |
| Restricted assets:                                   |                            |                             |             |  |
| Temporarily restricted:                              |                            |                             |             |  |
| Investments  | -                          | 4,380,559                   | 4,380,559   | -                                      |
| Deferred charges                                     | -                          | 190,939                     | 190,939     | -                                      |
| Capital assets (net of accumulated<br>depreciation): |                            |                             |             |  |
| Land   | 3,168,300                  | 5,182,305                   | 8,350,605   | -                                      |
| Buildings  | 15,580,793                 | 10,005,972                  | 25,586,765  | -                                      |
| Improvements other than buildings                    | 3,156,547                  | 53,363,821                  | 56,520,368  | -                                      |
| Machinery and equipment                              | 3,891,561                  | 3,071,727                   | 6,963,288   | 9,014                                  |
| Construction in progress                             | 3,125,361                  | 2,262,730                   | 5,388,091   | -                                      |
| Total assets   | \$ 82,755,003              | 80,764,791                  | 163,519,794 | 3,181,146                              |
| <b>LIABILITIES</b>                                   |                            |                             |             |  |
| Account payable and other<br>current liabilities     | \$ 2,083,945               | 695,349                     | 2,779,294   | 1,080,899                              |
| Accrued interest payable                             | 27,650                     | 231,931                     | 259,581     | -                                      |
| Due to other governments                             | 55,527                     | -                           | 55,527      | -                                      |
| Unearned revenue                                     | 357,936                    | 7,999                       | 365,935     | -                                      |
| Noncurrent liabilities:                              |                            |                             |             |  |
| Due within one year                                  | 1,318,241                  | 1,532,153                   | 2,850,394   | 190,113                                |
| Due in more than one year                            | 13,097,132                 | 20,858,247                  | 33,955,379  | 1,017,220                              |
| Total liabilities                                    | 16,940,431                 | 23,325,679                  | 40,266,110  | 2,288,232                              |
| <b>NET ASSETS</b>                                    |                            |                             |             |  |
| Invested in capital assets, net of<br>related debt   | 15,997,339                 | 53,383,080                  | 69,380,419  | 9,014                                  |
| Restricted for:                                      |                            |                             |             |  |
| Debt service   | 2,176,106                  | 2,883,523                   | 5,059,629   | -                                      |
| Other purposes                                       | 22,735,434                 | 250,000                     | 22,985,434  | -                                      |
| Unrestricted   | 24,905,693                 | 922,509                     | 25,828,202  | 883,900                                |
| Total net assets                                     | 65,814,572                 | 57,439,112                  | 123,253,684 | 892,914                                |
| Total liabilities and net assets                     | \$ 82,755,003              | 80,764,791                  | 163,519,794 | 3,181,146                              |

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

City of Bradenton, Florida  
Statement of Activities  
For the Year Ending September 30, 2003

| <u>Functions/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                | \$ 5,239,621            | 2,765,081                   | 997,931                                   | -                                       |
| Public safety                     | 13,805,051              | -                           | 245,366                                   | 332,713                                 |
| Transportation                    | 3,369,296               | -                           | -   | 349,045                                 |
| Community Development Program     | 547,530                 | 50,094                      | 703,415                                   | -                                       |
| Housing Assistance Program        | 2,776,016               | 4,148                       | 2,305,250                                 | -                                       |
| State Housing Initiatives Program | 570,666                 | 73,486                      | 408,296                                   | -                                       |
| Economic environment              | 26,192                  | -                           | 76,095                                    | -                                       |
| Culture and recreation            | 2,288,519               | 414,613                     | -   | -                                       |
| Interest on long-term debt        | 590,203                 | -                           | -   | -                                       |
| Total governmental activities     | <u>29,213,094</u>       | <u>3,307,422</u>            | <u>4,736,353</u>                          | <u>681,758</u>                          |
| Business-type activities:         |                         |                             |   |   |
| Water and Sewer                   | 15,315,953              | 14,919,342                  | -   | -                                       |
| Sanitation                        | 4,878,955               | 5,007,815                   | -   | -                                       |
| Other                             | 1,497,296               | 1,381,126                   | -   | -                                       |
| Total business-type activities    | <u>21,692,204</u>       | <u>21,308,283</u>           | <u>-</u>                                  | <u>-</u>                                |
| Total primary government          | <u>\$ 50,905,298</u>    | <u>24,615,705</u>           | <u>4,736,353</u>                          | <u>681,758</u>                          |
| <b>Component unit:</b>            |                         |                             |   |   |
| Community Redevelopment Agency    | <u>\$ 2,307,058</u>     | <u>-</u>                    | <u>-</u>                                  | <u>-</u>                                |

General revenues:  
Property taxes  
Utility taxes  
Franchise taxes  
Public service taxes  
Local government half-cent sales taxes  
Other taxes  
State revenue sharing

Unrestricted investment earnings  
Gain on sale of capital assets

Transfers  
Total general revenues and transfers  
Change in net assets  
Net assets - beginning  
Net assets - ending

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

Net (Expenses) Revenue and  
Changes in Net Assets

| Primary Government         |                             |                     | Component Unit                         |
|----------------------------|-----------------------------|---------------------|--|
| Governmental<br>Activities | Business-Type<br>Activities | Total               | Community<br>Redevelopment<br>Agencies |
| (1,476,609)                | -                           | (1,476,609)         | -                                      |
| (13,226,972)               | -                           | (13,226,972)        | -                                      |
| (3,020,251)                | -                           | (3,020,251)         | -                                      |
| 205,979                    | -                           | 205,979             | -                                      |
| (466,618)                  | -                           | (466,618)           | -                                      |
| (88,884)                   | -                           | (88,884)            | -                                      |
| 49,903                     | -                           | 49,903              | -                                      |
| (1,873,906)                | -                           | (1,873,906)         | -                                      |
| (590,203)                  | -                           | (590,203)           | -                                      |
| <u>(20,487,561)</u>        | <u>-</u>                    | <u>(20,487,561)</u> | <u>-</u>                               |
| -                          | (396,611)                   | (396,611)           | -                                      |
| -                          | 128,860                     | 128,860             | -                                      |
| -                          | (116,170)                   | (116,170)           | -                                      |
| <u>-</u>                   | <u>(383,921)</u>            | <u>(383,921)</u>    | <u>-</u>                               |
| <u>(20,487,561)</u>        | <u>(383,921)</u>            | <u>(20,871,482)</u> | <u>-</u>                               |
| <u>-</u>                   | <u>-</u>                    | <u>-</u>            | <u>(2,307,058)</u>                     |
| 8,299,374                  | -                           | 8,299,374           | 2,094,199                              |
| 3,426,596                  | -                           | 3,426,596           | -                                      |
| 2,370,966                  | -                           | 2,370,966           | -                                      |
| 3,055,549                  | -                           | 3,055,549           | -                                      |
| 3,338,260                  | -                           | 3,338,260           | -                                      |
| 327,913                    | -                           | 327,913             | 250,028                                |
| 1,368,709                  | -                           | 1,368,709           | -                                      |
| 1,670,473                  | 463,894                     | 2,134,367           | 63,164                                 |
| 137,923                    | (13,434)                    | 124,489             | -                                      |
| 593                        | (593)                       | -                   | -                                      |
| <u>23,996,356</u>          | <u>449,867</u>              | <u>24,446,223</u>   | <u>2,407,391</u>                       |
| 3,508,795                  | 65,946                      | 3,574,741           | 100,333                                |
| <u>62,305,777</u>          | <u>57,373,166</u>           | <u>119,678,943</u>  | <u>792,581</u>                         |
| <u>\$ 65,814,572</u>       | <u>57,439,112</u>           | <u>123,253,684</u>  | <u>892,914</u>                         |

City of Bradenton, Florida  
Balance Sheet  
Governmental Funds  
September 30, 2003

|  | <u>Special Revenue Funds</u> |                         |                          |  |   |
|--|------------------------------|-------------------------|--------------------------|--|---|
|  | <u>General<br/>Fund</u>      | <u>Utility<br/>Tax</u>  | <u>Franchise<br/>Tax</u> | <u>Local Gov't<br/>Half-Cent<br/>Sales Tax</u> | <u>Other<br/>Governmental<br/>Funds</u> |
| <b>Assets</b>  |                              |                         |                          |  |   |
| Cash and cash equivalents                            | \$ 13,995,024                | 1,741,122               | 8,761,329                | 2,318,161                                      | 5,060,417                               |
| Investments  | --                           | --                      | --                       | --   | 978,879                                 |
| Receivables (net of allowance<br>for uncollectibles) | 64,466                       | 256,424                 | --                       | --   | --                                      |
| Due from other funds                                 | 3,032                        | --                      | --                       | --   | --                                      |
| Due from other governments                           | 643,996                      | --                      | 239,992                  | 262,472  | 688,036                                 |
| Inventory  | 323,008                      | --                      | --                       | --   | --                                      |
| Advances to other funds                              | --                           | 5,117,285               | --                       | --   | 130,236                                 |
| <b>Total assets</b>                                  | <b><u>\$ 15,029,526</u></b>  | <b><u>7,114,831</u></b> | <b><u>9,001,321</u></b>  | <b><u>2,580,633</u></b>                        | <b><u>6,857,568</u></b>                 |
| <b>Liabilities and Fund Balances</b>                 |                              |                         |                          |  |   |
| <b>Liabilities:</b>                                  |                              |                         |                          |  |   |
| Accounts payable                                     | \$ 500,653                   | --                      | --                       | --   | 392,933                                 |
| Accrued salaries, wages and benefits                 | 969,149                      | --                      | --                       | --   | 33,435                                  |
| Due to other funds                                   | --                           | --                      | --                       | --   | 133,268                                 |
| Due to other governments                             | --                           | --                      | --                       | --   | 55,527                                  |
| Unearned revenue                                     | 357,936                      | --                      | --                       | --   | --                                      |
| <b>Total liabilities</b>                             | <b>1,827,738</b>             | <b>--</b>               | <b>--</b>                | <b>--</b>                                      | <b>615,163</b>                          |
| <b>Fund balances:</b>                                |                              |                         |                          |  |   |
| <b>Reserved for:</b>                                 |                              |                         |                          |  |   |
| Advances to other funds                              | --                           | 5,117,285               | --                       | --   | --                                      |
| Retirement of bonds                                  | --                           | --                      | --                       | --   | 279,221                                 |
| Inventory  | 323,008                      | --                      | --                       | --   | --                                      |
| <b>Unreserved, report in</b>                         |                              |                         |                          |  |   |
| General fund   | 12,878,780                   | --                      | --                       | --   | --                                      |
| Special revenue funds                                | --                           | 1,997,546               | 9,001,321                | 2,580,633                                      | 3,784,599                               |
| Capital projects funds                               | --                           | --                      | --                       | --   | 254,050                                 |
| Debt service funds                                   | --                           | --                      | --                       | --   | 1,924,535                               |
| <b>Total fund balances</b>                           | <b><u>13,201,788</u></b>     | <b><u>7,114,831</u></b> | <b><u>9,001,321</u></b>  | <b><u>2,580,633</u></b>                        | <b><u>6,242,405</u></b>                 |
| <b>Total liabilities and fund balances</b>           | <b><u>\$ 15,029,526</u></b>  | <b><u>7,114,831</u></b> | <b><u>9,001,321</u></b>  | <b><u>2,580,633</u></b>                        | <b><u>6,857,568</u></b>                 |

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

| Total<br>Governmental<br>Funds                               | <u>Reconciliation of Fund Balance to Net Assets</u>  |                             |
|--|--|-----------------------------|
| 31,876,053<br>978,879  | Fund Balance-below   | \$ 38,140,978               |
| 320,890<br>3,032<br>1,834,496<br>323,008<br><u>5,247,521</u> | Amounts reported for governmental activities in the statement of net assets are different because:   |                             |
| <u>40,583,879</u>  | Capital assets are used in governmental activities are not financial resources and, therefore, are not reported in the funds.  | 28,922,562                  |
|  | Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.   | 3,844,140                   |
| 893,586<br>1,002,584<br>133,268<br>55,527<br><u>357,936</u>  | Internal service funds are used by management to charge the cost of self insurance property insurance and worker's compensation insurance fund. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. | 7,859,765                   |
| 2,442,901  |  |                             |
|  | Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.   | <u>(12,952,873)</u>         |
| 5,117,285<br>279,221<br>323,008                              | Net assets of governmental activities- page 13.  | \$ <u><u>65,814,572</u></u> |
| 12,878,780<br>17,364,099<br>254,050<br><u>1,924,535</u>      |  |                             |
| <u>38,140,978</u>  |  |                             |
| <u><u>40,583,879</u></u>                                     |  |                             |

City of Bradenton, Florida  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2003

|  | Special Revenue Funds |                     |                     |                                      | Other<br>Governmental<br>Funds |
|--|-----------------------|---------------------|---------------------|--------------------------------------|--------------------------------|
|  | General<br>Fund       | Utility<br>Tax      | Franchise<br>Tax    | Local Govt<br>Half-Cent<br>Sales Tax |                                |
| <b>Revenues</b>  |                       |                     |                     |                                      |                                |
| Taxes  | \$ 8,503,174          | 3,426,596           | 2,370,966           | --                                   | 3,179,662                      |
| Licenses and permits   | 784,674               | --                  | --                  | --                                   | --                             |
| Intergovernmental grants                                     | 491,863               | --                  | --                  | --                                   | 3,918,575                      |
| Intergovernmental revenues                                   | 1,378,452             | --                  | --                  | 3,338,259                            | --                             |
| Shared revenues  | 997,931               | --                  | --                  | --                                   | --                             |
| Payments in lieu of taxes                                    | 367                   | --                  | --                  | --                                   | --                             |
| Charges for services   | 1,275,207             | --                  | --                  | --                                   | --                             |
| Fines and forfeitures  | 239,663               | --                  | --                  | --                                   | --                             |
| Interest and investment earnings                             | 647,199               | 72,409              | 397,268             | 100,303                              | 377,676                        |
| Rents  | 211,460               | --                  | --                  | --                                   | 307,917                        |
| Sales of property  | 137,923               | --                  | --                  | --                                   | --                             |
| Miscellaneous  | 678,627               | --                  | --                  | --                                   | 13,468                         |
| Special assessments - property owners                        | --                    | --                  | --                  | --                                   | 115,892                        |
| <b>Total revenues</b>  | <b>15,346,540</b>     | <b>3,499,005</b>    | <b>2,768,234</b>    | <b>3,438,562</b>                     | <b>7,913,190</b>               |
| <b>Expenditures</b>  |                       |                     |                     |                                      |                                |
| Current:   |                       |                     |                     |                                      |                                |
| General government services                                  | 5,541,395             | --                  | --                  | --                                   | --                             |
| Public safety  | 14,194,629            | --                  | --                  | --                                   | --                             |
| Transportation   | 3,468,400             | --                  | --                  | --                                   | --                             |
| Economic environment   | --                    | --                  | --                  | --                                   | 3,992,006                      |
| Culture - recreation   | 2,252,437             | --                  | --                  | --                                   | --                             |
| Debt service:  |                       |                     |                     |                                      |                                |
| Principal  | --                    | --                  | --                  | --                                   | 794,733                        |
| Interest   | --                    | --                  | --                  | --                                   | 643,004                        |
| Capital outlay   | --                    | --                  | --                  | --                                   | 3,242,213                      |
| <b>Total expenditures</b>                                    | <b>25,456,861</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>                            | <b>8,671,956</b>               |
| Excess (deficiency) of revenues<br>over (under) expenditures | ( 10,110,321)         | 3,499,005           | 2,768,234           | 3,438,562                            | ( 758,766)                     |
| <b>Other Financing Sources (Uses)</b>                        |                       |                     |                     |                                      |                                |
| Transfers from other funds                                   | 12,539,757            | 593                 | --                  | --                                   | 1,298,703                      |
| Transfers to other funds                                     | ( 281,998)            | ( 3,758,150)        | ( 2,450,200)        | ( 3,320,355)                         | ( 4,027,757)                   |
| Transfers to component unit                                  | ( 770,406)            | --                  | --                  | --                                   | --                             |
| <b>Total other financing sources (uses)</b>                  | <b>11,487,353</b>     | <b>( 3,757,557)</b> | <b>( 2,450,200)</b> | <b>( 3,320,355)</b>                  | <b>( 2,729,054)</b>            |
| Net change in fund balances                                  | 1,377,032             | ( 258,552)          | 318,034             | 118,207                              | ( 3,487,820)                   |
| Fund balances - beginning                                    | 11,824,756            | 7,373,383           | 8,683,287           | 2,462,426                            | 9,730,225                      |
| Fund balances - ending                                       | <u>\$ 13,201,788</u>  | <u>7,114,831</u>    | <u>9,001,321</u>    | <u>2,580,633</u>                     | <u>6,242,405</u>               |

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



CITY OF BRADENTON, FLORIDA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 September 30, 2003

|  | Business-type Activities - Enterprise Funds |                    |                        |                   | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--|---|--------------------|------------------------|-------------------|--|
|  | Water and<br>Sewer<br>Fund                  | Sanitation<br>Fund | Non-<br>Major<br>Funds | Total             |  |
| <b>ASSETS</b>                                      |   |                    |                        |                   |  |
| <b>Current assets:</b>                             |   |                    |                        |                   |  |
| Cash and cash equivalents                          | \$ 2,550,894                                | 863,978            | 2,825,986              | 6,240,858         | 8,782,469  |
| Customer accounts receivable                       | 1,418,833                                   | --                 | --                     | 1,418,833         | --   |
| Allowance for uncollectibles                       | ( 107,283)                                  | --                 | --                     | ( 107,283)        | --   |
| Due from other governments                         | 873   | --                 | 487                    | 1,360             | --   |
| Prepaid items                                      | --  | --                 | --                     | --                | 567,519  |
| Inventory  | --  | --                 | 57,957                 | 57,957            | --   |
| <b>Total current assets</b>                        | <b>3,863,317</b>                            | <b>863,978</b>     | <b>2,884,430</b>       | <b>7,611,725</b>  | <b>9,349,988</b>   |
| <b>Noncurrent assets:</b>                          |   |                    |                        |                   |  |
| Restricted-sinking fund reserve-investments        | 2,763,075                                   | --                 | 120,447                | 2,883,522         | --   |
| Restricted-renewal and replacement-<br>investments | 250,000                                     | --                 | --                     | 250,000           | --   |
| Unrestricted investments                           | 1,247,036                                   | --                 | --                     | 1,247,036         | --   |
| <b>Total restricted assets</b>                     | <b>4,260,111</b>                            | <b>--</b>          | <b>120,447</b>         | <b>4,380,558</b>  | <b>--</b>  |
| <b>Capital assets:</b>                             |   |                    |                        |                   |  |
| Land   | 3,003,899                                   | --                 | 2,178,406              | 5,182,305         | --   |
| Buildings  | 16,917,974                                  | 597,881            | 216,363                | 17,732,218        | --   |
| Improvements                                       | 116,644,831                                 | 453,862            | 826,108                | 117,924,801       | --   |
| Machinery and equipment                            | 3,770,558                                   | 4,526,551          | 763,998                | 9,061,107         | --   |
| Construction work in progress                      | 2,262,730                                   | --                 | --                     | 2,262,730         | --   |
| Less accumulated depreciation                      | ( 73,291,389)                               | ( 3,583,791)       | ( 1,401,426)           | ( 78,276,606)     | --   |
| <b>Total capital assets</b>                        | <b>69,308,603</b>                           | <b>1,994,503</b>   | <b>2,583,449</b>       | <b>73,886,555</b> | <b>--</b>  |
| Bond issue costs                                   | 182,657                                     | --                 | 8,282                  | 190,939           | --   |
| <b>Total noncurrent assets</b>                     | <b>73,751,371</b>                           | <b>1,994,503</b>   | <b>2,712,178</b>       | <b>78,458,052</b> | <b>--</b>  |
| <b>Total assets</b>                                | <b>\$ 77,614,688</b>                        | <b>2,858,481</b>   | <b>5,596,608</b>       | <b>86,069,777</b> | <b>9,349,988</b>   |

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

Business-type Activities - Enterprise Funds

|   | Water and<br>Sewer<br>Fund | Sanitation<br>Fund | Non-<br>Major<br>Funds | Total                | Governmental<br>Activities-<br>Internal<br>Service Funds |
|---|----------------------------|--------------------|------------------------|----------------------|--|
| <b>LIABILITIES AND NET ASSETS</b>   |                            |                    |                        |                      |  |
| <b>Current liabilities:</b>   |                            |                    |                        |                      |  |
| Accounts payable  | \$ 284,728                 | 10,901             | 4,410                  | 300,105              | 187,775  |
| Accrued payroll   | 70,831                     | 26,937             | 12,389                 | 110,157              | --   |
| Accrued vacation leave  | 174,869                    | 76,936             | 27,282                 | 279,087              | --   |
| Accrued interest  | 211,537                    | --                 | 20,394                 | 231,931              | --   |
| Estimated payable for outstanding claims  | --                         | --                 | --                     | --                   | 1,490,150  |
| Unearned revenue  | --                         | --                 | 7,999                  | 7,999                | --   |
| Current portion of long-term debt   | 1,487,468                  | 285                | 44,400                 | 1,532,153            | --   |
| <b>Total current liabilities</b>  | <b>2,229,433</b>           | <b>121,119</b>     | <b>116,880</b>         | <b>2,467,432</b>     | <b>1,677,925</b>   |
| <b>Non-current liabilities:</b>   |                            |                    |                        |                      |  |
| Long-term debt  | 18,209,899                 | --                 | 758,207                | 18,968,106           | --   |
| Less unamortized bond discount  | ( 35,721)                  | --                 | ( 17,571)              | ( 53,292)            | --   |
| Borrowing under capital leases  | 54,607                     | 1,901              | --                     | 56,508               | --   |
| Retainage on construction contracts   | 76,940                     | --                 | --                     | 76,940               | --   |
| Customer deposits   | 1,809,985                  | --                 | --                     | 1,809,985            | --   |
| Advances from other funds   | 4,242,950                  | 874,334            | --                     | 5,117,284            | --   |
| <b>Total long-term liabilities</b>  | <b>24,358,660</b>          | <b>876,235</b>     | <b>740,636</b>         | <b>25,975,531</b>    | <b>--</b>  |
| <b>Total liabilities</b>  | <b>26,588,093</b>          | <b>997,354</b>     | <b>857,516</b>         | <b>28,442,963</b>    | <b>1,677,925</b>   |
| <b>NET ASSETS</b>   |                            |                    |                        |                      |  |
| Invested in capital assets, net of related debt   | 49,592,350                 | 1,992,317          | 1,798,413              | 53,383,080           | --   |
| Restricted for: Sinking fund  | 2,763,075                  | --                 | 120,447                | 2,883,522            | --   |
| Renewal and replacement   | 250,000                    | --                 | --                     | 250,000              | --   |
| Unrestricted  | ( 1,578,830)               | ( 131,190)         | 2,820,232              | 1,110,212            | 7,672,063  |
| <b>Total net assets</b>   | <b>51,026,595</b>          | <b>1,861,127</b>   | <b>4,739,092</b>       | <b>57,626,814</b>    | <b>7,672,063</b>   |
| <b>Total liabilities and net assets</b>   | <b>\$ 77,614,688</b>       | <b>2,858,481</b>   | <b>5,596,608</b>       | <b>86,069,777</b>    | <b>9,349,988</b>   |
| Net assets-above  |                            |                    |                        | \$ 57,626,814        |  |
| Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds. |                            |                    |                        | ( 187,702)           |  |
| Net assets of business-type activities:   |                            |                    |                        | <b>\$ 57,439,112</b> |  |

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

CITY OF BRADENTON, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

|  | Business-type Activities - Enterprise Funds |                    |                        |                   | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--|---|--------------------|------------------------|-------------------|--|
|  | Water and<br>Sewer<br>Fund                  | Sanitation<br>Fund | Non-<br>Major<br>Funds | Totals            |  |
| Operating revenues:  |   |                    |                        |                   |  |
| Charges for services   | \$ 14,919,342                               | 5,007,815          | 1,381,126              | 21,308,283        | 4,671,859  |
| Operating expenses:  |   |                    |                        |                   |  |
| Personal services  | 4,878,028                                   | 2,332,585          | 831,244                | 8,041,857         | --   |
| Contractual services   | 901,249                                     | 67,929             | 116,414                | 1,085,592         | 1,028,960  |
| Supplies and materials   | 1,833,073                                   | 679,088            | 325,046                | 2,837,207         | 5,592  |
| Repairs and maintenance  | 368,311                                     | 48,317             | 65,504                 | 482,132           | --   |
| Utilities  | 748,892                                     | 1,198,875          | 23,846                 | 1,971,613         | --   |
| Claims   | --  | --                 | --                     | --                | 4,254,212  |
| Depreciation   | 5,362,161                                   | 497,518            | 115,466                | 5,975,145         | --   |
| Total operating expenses   | <u>14,091,714</u>                           | <u>4,824,312</u>   | <u>1,477,520</u>       | <u>20,393,546</u> | <u>5,288,764</u>   |
| Operating income (loss)  | 827,628                                     | 183,503            | ( 96,394)              | 914,737           | ( 616,905)   |
| Non-operating revenues (expenses):   |   |                    |                        |                   |  |
| Interest revenue   | 312,196                                     | 25,871             | 125,827                | 463,894           | 75,619   |
| Gain (loss) on disposition of assets   | 1,522                                       | 28,175             | ( 374)                 | 29,323            | --   |
| Interest expenses and fiscal charges   | ( 1,110,383)                                | ( 199)             | ( 43,131)              | ( 1,153,713)      | --   |
| Total non-operating revenues (expenses)  | <u>( 796,665)</u>                           | <u>53,847</u>      | <u>82,322</u>          | <u>( 660,496)</u> | <u>75,619</u>  |
| Net income (loss) before transfers   | 30,963                                      | 237,350            | ( 14,072)              | 254,241           | ( 541,286)   |
| Transfers:   |   |                    |                        |                   |  |
| Out  | ( 593)                                      | --                 | --                     | ( 593)            | --   |
| Change in net assets   | 30,370                                      | 237,350            | ( 14,072)              | 253,648           | ( 541,286)   |
| Total net assets - beginning   | <u>50,996,225</u>                           | <u>1,623,777</u>   | <u>4,753,165</u>       |                   | <u>8,213,349</u>   |
| Total net assets - ending  | <u>\$ 51,026,595</u>                        | <u>1,861,127</u>   | <u>4,739,093</u>       |                   | <u>7,672,063</u>   |
| Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds |   |                    |                        | <u>( 187,702)</u> |  |
| Change in net assets of business - type activities   |   |                    |                        | <u>\$ 65,946</u>  |  |

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

CITY OF BRADENTON, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2003

|  | Business-type Activities - Enterprise Fund: |                    |                        |              | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--|---|--------------------|------------------------|--------------|--|
|  | Water and<br>Sewer<br>Fund                  | Sanitation<br>Fund | Non-<br>Major<br>Funds | Total        |  |
| Cash flows from operating activities   |   |                    |                        |              |  |
| Receipts from charges for services   | \$ 14,665,458                               | 5,007,628          | 1,357,729              | 21,030,815   | 4,671,864  |
| Payments to suppliers  | ( 3,968,738)                                | ( 2,105,583)       | ( 530,123)             | ( 6,604,444) | ( 1,433,189)   |
| Payments for employee:   | ( 4,847,579)                                | ( 2,281,817)       | ( 832,646)             | ( 7,962,042) | ( 4,028,693)   |
| Net cash provided (used) by operating activities   | 5,849,141                                   | 620,228            | ( 5,040)               | 6,464,329    | ( 790,018)   |
| Cash flows from non-capital financing activities   |   |                    |                        |              |  |
| Repayment of advances  | ( 766,058)                                  | --                 | --                     | ( 766,058)   | --   |
| Transfers in   | --  | --                 | --                     | --           | 1,031,353  |
| Transfers out  | ( 593)                                      | --                 | --                     | ( 593)       | ( 1,031,353)   |
| Net cash provided (used) by capital and related financing activities                           | ( 766,651)                                  | --                 | --                     | ( 766,651)   | --   |
| Cash flows from capital and related financing activities:                                      |   |                    |                        |              |  |
| Repayment of capital lease:  | ( 38,536)                                   | ( 285)             | --                     | ( 38,821)    | --   |
| Principal paid on capital deb  | ( 1,682,210)                                | --                 | ( 44,400)              | ( 1,726,610) | --   |
| Interest paid on capital deb   | ( 1,084,615)                                | ( 199)             | ( 43,131)              | ( 1,127,945) | --   |
| Acquisition and construction of capital asset:   | 2,885,889                                   | ( 275,357)         | ( 120,969)             | ( 3,282,215) | --   |
| Transfer to debt service   | ( 158,364)                                  | --                 | ( 2,636)               | ( 161,000)   | --   |
| Proceeds from asset dispositor   | 5,000                                       | 30,000             | --                     | 35,000       | --   |
| Net cash provided (used) by capital and related financing activities:                          | ( 5,844,614)                                | ( 245,841)         | ( 211,136)             | ( 6,301,591) | --   |
| Cash flows from investing activities   |   |                    |                        |              |  |
| Interest received  | 312,196                                     | 25,871             | 125,827                | 463,894      | 75,618   |
| Net increase (decrease) in cash and equivalent   | ( 449,928)                                  | 400,258            | ( 90,349)              | ( 140,019)   | ( 714,400)   |
| Cash and cash equivalents, October 1, 200:   | 3,000,822                                   | 463,720            | 2,916,335              | 6,380,877    | 9,496,869  |
| Cash and cash equivalents, September 30, 200   | \$ 2,550,894                                | 863,978            | 2,825,986              | 6,240,858    | 8,782,469  |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: |   |                    |                        |              |  |
| Operating income (loss)  | \$ 827,628                                  | 183,503            | ( 96,394)              | 914,737      | ( 616,905)   |
| Adjustments to reconcile operating income to cash provided (used) by operating activities:     |   |                    |                        |              |  |
| Depreciation expense:  | 5,362,161                                   | 497,518            | 115,466                | 5,975,145    | --   |
| (Increase) decrease in accounts receivable   | ( 317,781)                                  | --                 | --                     | ( 317,781)   | --   |
| (Increase) decrease in inventories   | --  | --                 | 1,859                  | 1,859        | --   |
| (Increase) decrease in due from other fund   | --  | 35,477             | 880                    | 36,357       | --   |
| (Increase) decrease in due from other government:  | 830   | --                 | 335                    | 1,165        | 7  |
| Increase (decrease) in accounts and retainage payable  | ( 117,213)                                  | --                 | ( 34,140)              | ( 151,353)   | --   |
| Increase (decrease) in accrued payable   | 21,871                                      | 8,664              | 2,456                  | 32,991       | --   |
| Increase (decrease) in accrued vacation  | 8,578                                       | 6,628              | ( 3,502)               | 11,704       | --   |
| Increase (decrease) in deposit:  | 63,067                                      | --                 | --                     | 63,067       | --   |
| Increase (decrease) in unearned revenue  | --  | --                 | 8,000                  | 8,000        | --   |
| (Increase) decrease in prepaid item  | --  | --                 | --                     | --           | ( 343,454)   |
| Increase (decrease) in accounts payable  | --  | ( 111,562)         | --                     | ( 111,562)   | 170,335  |
| Increase (decrease) in claims payable  | --  | --                 | --                     | --           | ( 1)   |
| Total adjustments  | 5,021,513                                   | 436,725            | 91,354                 | 5,549,592    | ( 173,113)   |
| Net cash provided (used) by operating activities   | \$ 5,849,141                                | 620,228            | ( 5,040)               | 6,464,329    | ( 790,018)   |
| Noncash investing, capital and financing activities:   |   |                    |                        |              |  |
| Amortization of bond issue cost:   | \$ 22,832                                   | --                 | 685                    | 23,517       | --   |
| Amortization of underwriters discount  | \$ 4,465                                    | --                 | 1,454                  | 5,919        | --   |
| Appreciation of capital bond:  | \$ 652,790                                  | --                 | --                     | 652,790      | --   |

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

City of Bradenton, Florida  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2003

|                                    |                             |
|------------------------------------|-----------------------------|
| <b>Assets</b>                      |                             |
| Cash and cash equivalents          | \$ 1,593,480                |
| Interest receivable                | 200,091                     |
| Contributions receivable           | 370,689                     |
|                                    |                             |
| Investments, at fair value:        |                             |
| U.S. Government obligations        | 12,763,668                  |
| Domestic Corporate bonds           | 8,381,099                   |
| Money-backed securities            | 135,767                     |
| Domestic stocks                    | 24,076,249                  |
| International funds                | <u>2,773,921</u>            |
| Total investments                  | <u>48,130,704</u>           |
| Total assets                       | 50,294,964                  |
|                                    |                             |
| <b>Liabilities</b>                 |                             |
| Accounts payable                   | <u>31,715</u>               |
| Total liabilities                  | <u>31,715</u>               |
|                                    |                             |
| <b>Net Assets</b>                  |                             |
| Held in trust for pension benefits | <u><u>\$ 50,263,249</u></u> |

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

City of Bradenton, Florida  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended September 30, 2003

**Additions**

|   |                  |
|---|------------------|
| Contributions:                                |                  |
| Employer                                      | \$ 924,026       |
| Plan members                                  | 469,334          |
| State of Florida                              | 823,580          |
| Total contributions                           | <u>2,216,940</u> |
| Investment earnings:                          |                  |
| Interest                                      | 1,201,506        |
| Dividends                                     | 164,367          |
| Miscellaneous                                 | 38,360           |
| Net increase in the fair value of investments | 4,001,955        |
| Total investment earnings                     | <u>5,406,188</u> |
| Less investment expenses                      | 222,774          |
| Net investment earnings                       | <u>5,183,414</u> |
| Total additions                               | 7,400,354        |

**Deductions**

|                          |                             |
|--------------------------|-----------------------------|
| Benefits                 | 1,965,632                   |
| Refunds of contributions | 16,372                      |
| Administrative expenses  | 88,133                      |
| Total deductions         | <u>2,070,137</u>            |
| Change in net assets     | 5,330,217                   |
| Net assets - beginning   | <u>44,933,032</u>           |
| Net assets - ending      | <u><u>\$ 50,263,249</u></u> |

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

City of Bradenton



Established 1903



Celebrating 100 Years  
As “The Friendly City”



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

The financial statements of the City of Bradenton, Florida (City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles.

**1. REPORTING ENTITY**

The City of Bradenton, Florida was incorporated in 1903. It is located on the West Coast of Florida, approximately midway down the state and is comprised of 11 square miles with a population of 52,181. The current charter was authorized under Chapter 22219, Laws of Florida, Special Acts of 1943. The City is a municipal corporation and operates under a mayor-and-council form of government. It provides services to its residents in the form of law enforcement, public safety, street maintenance, code enforcement, culture and recreation, water and sewer, sanitation, planning and zoning, human resources, and general administrative services.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each distinctly presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The City currently has only one component unit, the Community Redevelopment Agency (CRA), as discussed below.

Community Redevelopment Agency (CRA)

The Community Redevelopment Agency (CRA) is a special district created by the Laws of Florida, Chapter 74-245, pursuant to F.S. Section 163.357(2). The Bradenton Downtown Development Authority currently serves as the CRA board. The purpose of the CRA is to revitalize a designated area in the downtown section of the City of Bradenton, Florida.

The Bradenton City Council, at its discretion, may rescind (1) any agreement to fund a grant or request for funds, (2) any approval of any project, or (3) the annual budget of the Bradenton Community Redevelopment Agency. Due to the above responsibilities and the ability of the City Council to influence the operation of the CRA, the financial data of the CRA has been reported as a discretely presented component unit and is accounted for as a governmental fund type.

Copies of the audited financial statements of the CRA may be obtained at the administrative offices located in the City Clerk and Treasurer’s Office of the City of Bradenton, 101 Old Main Street, Bradenton, Florida 34205.

The Mayor and/or City Council are also responsible for appointing the members of the boards of the following organizations, but the City’s accountability for these organizations does not extend beyond making the appointments.

|                              |   |
|------------------------------|---|
| Merit System Personnel Board | Code Enforcement Board  |
| Nuisance Board               | Community Development Target Area Citizens Advisory Committee |
| Planning Commission          | SHIP Advisory Committee                                       |
| Board of Adjustment          | SHIP Partnership Task Force                                   |
| Architectural Review Board   | Construction Board of Rules and Appeals                       |
| Bradenton Housing Authority  | Construction Trade Board                                      |
| Tree Board                   |   |

**2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component unit* for which the primary government is financially accountable.

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### 3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund, internal service fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered property taxes as available if they were collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxpayer-assessed property and other taxes, and charges for regularly billed or routinely provided services are recorded as revenue (1) when earned, (2) when taxpayer liability has been established and collectibility is assured, or (3) when losses can be reasonably estimated. Licenses and fees, fines and forfeitures, and miscellaneous revenues are recorded when received in cash, because they are generally not measurable until actually received. Investment income from cash deposits is recorded as revenue when earned, since it is measurable and available.

The government reports the following major governmental funds:

- a) The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- b) The *Utility Tax Special Revenue Fund* is used to account for the sources and uses of the utility tax revenues. These monies are pledged to the debt service requirements of the Utility System Revenue Bonds, Series 1988A and 1995A.
- c) The *Franchise Tax Special Revenue Fund* is used to account for the sources and uses of the franchise tax revenues.
- d) The *Local Government Half-Cent Sales Tax Special Revenues Fund* is used to account for the sources and uses of the sales taxes received from the state of Florida. These monies are pledged to the debt service requirements of the Utility System Revenue Bonds, Series 1988A and 1995A.

The government reports the following major proprietary funds:

- a) The *Water and Sewer Fund* is used to account for the activities of the City's water and wastewater utility. The City operates the water and sewer treatment plant, sewage pumping stations and collection system, the storm water runoff system, and the water distribution system.
- b) The *Sanitation Fund* is used to account for the activities of the City's sanitation system.

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

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Additionally, the government reports the following fund types:

- a) *Internal service funds* account for the property insurance, medical self-insurance, and worker's compensation self-insurance provided to other departments, on a cost reimbursement basis.
- b) The *pension trust funds* account for the activities of the City's Fire and Police pension trust funds, which accumulate resources for pension benefit payments to qualified fire and police pension employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes, and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water/sewer and sanitation enterprise funds and of the government's internal service funds are charges to customers for sales and services. The water/sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

#### **4. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

##### **a) Deposits and investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes and local ordinances authorize the government and the component units to invest in various types of investments as discussed later.

Investments for the government, as well as for its component units, are reported at fair value. The State Board of Administration Pooled Trust Fund operates in accordance with appropriate state laws and regulations. Securities traded on a national or international exchange are valued at the last reported sales quote at current exchange rates. Investments that do not have an established market are reported at estimated fair value based on market indicators regarded as measures of equity or fixed income performance results. The City does not have a significant amount of investments valued at other-than-quoted market prices. Except in the pension trust funds, amortization of premium and accretion of discount on investments purchased are not recorded over the term of the investment. The effect of this policy on the financial statements of the various funds is not significant. The reported value of the pool is the same as the fair value of the pool shares.

**b) 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 either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans.) All other outstanding balances between funds are reported as “due to / from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade receivables are shown net of an allowance for uncollectibles.

**c) Inventories and prepaid items**

All inventories are valued at cost (using average cost) in governmental-type funds and the lower of cost (average cost) or market in business-type funds. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**d) Restricted assets**

Certain proceeds of the City’s enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

**e) Capital assets**

Capital assets, which include property, buildings, improvements and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. There were no infrastructure assets added during 2003.

Capital assets do not include the infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) of the government. The City will provide this information in future reporting periods as allowed by the Governmental Accounting Standards Board Statement No. 34.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets’ lives 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 the assets constructed.

Property, plants, and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated lives:

|                                   |               |
|-----------------------------------|---------------|
| Buildings and improvements        | 20 - 50 years |
| Improvements other than buildings | 20 - 50 years |
| Equipment                         | 2 - 35 years  |

**f) Compensated absences**

Accumulated unpaid vacation pay and the benefits associated with it are accrued when incurred in all propriety fund types and in the component unit. In governmental fund types, the cost of vacation pay is recognized when payments are made to employees or when matured, as a result of employee resignation or retirement.

All vacation pay is accrued when incurred in the government-wide financial statements.

Sick leave is not recorded in the financial statements because sick leave is not vested.

**g) Long-term obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**h) Fund equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**5. ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

**NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**1. BUDGETARY INFORMATION**

The appropriated budget is the expenditure authority created by the Appropriation Ordinance, which is signed into law along with related estimated revenues for all funds.

Each fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by fund, by department, and by character (personal services, operation expenditures, capital outlay, debt service, and grants and aid). The legal level of control is the total fund appropriation. Expenditures may not exceed appropriations at this level. All budgetary revisions at this level are subject to final review by City Council. Within the control levels, with the approval of the supervising Council member of the fund, management may transfer appropriations without formal Council approval. Revisions to the budget are made throughout the year.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to October 1 the City Clerk & Treasurer submits a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them, by fund.
- b) Public hearings are conducted by the City to obtain taxpayer comments.
- c) Prior to October 1 a budget is legally enacted through the passage of an ordinance which restricts total expenditures by fund.

Budgets for governmental and fiduciary funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, either modified accrual or accrual. The budgets for proprietary fund operations are adopted on a basis consistent with accounting principles generally accepted in the United States of America except that they exclude depreciation and the results of capitalizing interest income and expense relative to

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

construction projects on tax-exempt borrowings. Separate budgets are also adopted to control payment of revenue bond principal and interest and capital outlay for proprietary funds on a non-GAAP basis.

During the prior fiscal year, four new Special Revenue Funds were created for the specific revenue purpose of Parks and Recreation Impact Fees District I and II, and Public Safety Police and Fire Protection. These funds will be budgeted in future financial statements.

Appropriations lapse at year-end.

Formal budgetary integration is employed as a management control device during the year for all funds.

The presented budgetary information has been amended. The amendments were made in a legally permissible manner.

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following fund had an excess of actual expenditures or expenses (excluding depreciation) over appropriations for the year ended September 30, 2003:

|                            | Budget       | Actual    | Excess |
|----------------------------|--------------|-----------|--------|
| Housing Assistance Program | \$ 2,716,794 | 2,755,333 | 38,539 |

The excess of actual expenditures in the above fund was due to increased operating costs and was funded by greater than anticipated revenues and by available fund balance.

**3. DEFICIT FUND EQUITY**

The 2001 Florida Municipal Loan Capital Projects fund had a deficit fund balance of \$135,355 as of September 30, 2003. The fund incurred expenditures that have not been reimbursed by two state grants.

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

**1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The detail of this \$12,952,873 difference is as follows:

|  |               |
|--|---------------|
| Bonds and notes payable  | \$ 12,863,594 |
| Accrued interest payable   | 27,650        |
| Capital leases payable   | 61,629        |
| Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i> | \$ 12,952,873 |

**2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

assets is allocated over their estimated useful lives and reported as depreciation expense.” The detail of this \$4,521,054 difference is as follows:

|  |                     |
|--|---------------------|
| Capital outlay   | \$ 5,269,592        |
| Less depreciation expense  | <u>(748,538)</u>    |
| Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ 4,521,054</u> |

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The detail of this \$794,733 difference is as follows:

|  |                     |
|--|---------------------|
| Principal repayments:  |                     |
| General obligation debt or loans   | \$ <u>(794,733)</u> |
| Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ (794,733)</u> |

**NOTE D – CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT**

Effective October 1, 2002 the City implemented the provisions of GASB Statement Number 34, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.” This statement significantly changed the financial reporting model.

Implementation of GASB Statement 34 resulted in certain retroactive adjustments to beginning net assets for governmental activities.

|  |                      |
|--|----------------------|
| Governmental net assets – old reporting model    | \$ 42,111,134        |
| Deferred compensation plan expendable trust fund | <u>(2,037,057)</u>   |
| Government fund statement beginning balance      | 40,074,077           |
| Long-term assets                                 | 3,417,249            |
| Capital assets                                   | 24,401,508           |
| net of accumulated depreciation                  |                      |
| Long-term debt                                   | (13,800,407)         |
| Internal service funds                           | <u>8,213,350</u>     |
| Governmental net assets – as restated            | <u>\$ 62,305,777</u> |

**NOTE E – DEPOSITS AND INVESTMENTS**

The City maintains a pool of cash and investments in which each fund participates on a dollar equivalent and transaction basis. The balance of the pooled cash is reflected in the balance sheets or statements of net assets, and each fund’s portion of the pooled investments is reflected in the balance sheets or statements of net assets as “Equity in Pooled Investments.” Interest is distributed monthly based upon an average monthly balance. The investments of the Police and Fire Pension Trust Funds are held by an investment banker selected by the respective individual Pension Board’s Investment Committee.

**DEPOSITS** – At September 30, 2003, the City’s cash in bank of \$10,464,786 was fully insured by Federal Depository Insurance and the multiple financial collateral pool required by Sections 280.07 and 280.08, Florida Statutes.

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

*INVESTMENTS* – State statutes authorize the City to invest its surplus public funds in the local Government Surplus Fund’s trust fund, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government and interest-bearing time deposits with banks and/or savings and loans who qualify as authorized depositories under Florida law. The pension trust funds are also authorized to invest in corporate stocks, bonds and commercial paper subject to certain restrictions.

The City invests funds throughout the year with Local Government Surplus Funds Trust Fund (SBA), an investment pool administered by the State Board of Administration, under regulatory oversight of the State of Florida. Throughout the year and as of September 30, 2003, the SBA contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one- and three-month LIBOR rates. These investments represented 1.04 % of the SBA’s portfolio at September 30, 2003. The SBA met the criteria to be “2A-7Like” as defined in GASB 31.

The City’s investments are reported at fair value, in accordance with *Governmental Accounting Standards Board (GASB) Statement No. 31*. The investments are categorized below to give an indication of the level of risk assumed by the entity at September 30, 2003. Category One includes investments that are insured or registered, or for which the securities are held by the City, or its agent, in the City’s name. Category Two includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department, or agent, in the City’s name. Category Three includes uninsured and unregistered investments for which the securities are held by the counterparty or its trust department, or agent, but not in the City’s name.

|   | Category      |     |       | Reported<br>Amount |
|---|---------------|-----|-------|--------------------|
|   | One           | Two | Three | Fair Value         |
| U.S. Government securities                      | \$ 31,876,860 | --  | --    | \$ 31,876,860      |
| Repurchase agreements                           | 7,094,135     | --  | --    | 7,094,135          |
| Corporate stocks                                | 24,076,249    | --  | --    | 24,076,249         |
| Corporate bonds                                 | 22,739,757    | --  | --    | 22,739,757         |
| Mortgage-backed securities                      | 135,767       | --  | --    | 135,767            |
| International funds                             | 2,773,921     | --  | --    | 2,773,921          |
| Total   | \$ 88,696,689 | --  | --    | 88,696,689         |
| Investment in State Treasurer’s Investment Pool |               |     |       | 527,559            |
| Investment in mutual funds                      |               |     |       | 6,597,874          |
| Total   |               |     |       | \$ 95,822,122      |

The following schedule reconciles investments reflected in the financial statements with the investment schedule above:

|                              |               |
|------------------------------|---------------|
| Investments                  |               |
| Cash and cash equivalents    | \$ 46,899,380 |
| Investments                  | 978,879       |
| Fiduciary investments        | 48,130,704    |
| Restricted                   | 4,380,559     |
| Total                        | 100,389,522   |
| Less cash / accrued interest | (4,567,400)   |
| Total                        | \$ 95,822,122 |

**NOTE F – PROPERTY TAX**

Property taxes are levied on November 1 of each year and are due and payable upon receipt of the notice of levy. The Manatee County, Florida, Tax Collector’s Office bills and collects property taxes on behalf of the City. The tax rate to finance general governmental services and general obligation debt service for the fiscal year ended September 30, 2003 was \$4.30 per \$1,000 of assessed taxable property value. Property tax revenues are recognized currently in the fiscal year for which the taxes are levied. On May 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction and the proceeds thus collected are remitted to the City.

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

No accrual for the property tax levy becoming due in November 2004 is included in the accompanying financial statements since such taxes do not meet the necessary criteria.

The property tax calendar is as follows:

|                       |  |
|-----------------------|--|
| July 1                | Assessment roll validated                              |
| September 30          | Millage resolution approved                            |
| October 1             | Beginning of fiscal year for which tax is to be levied |
| November 1            | Tax bills rendered and due                             |
| November 1 – March 31 | Property taxes due with various discount rates         |
| April 1               | Taxes delinquent                                       |
| May 31                | Tax certificates sold by County                        |

**NOTE G – CAPITAL ASSETS**

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

|   | Primary Government   |           |           | Ending<br>Balance |
|---|----------------------|-----------|-----------|-------------------|
|   | Beginning<br>Balance | Increases | Decreases |                   |
| <b>Governmental activities:</b>               |                      |           |           |                   |
| Capital assets not being depreciated:         |                      |           |           |                   |
| Land  | \$ 3,152,831         | 28,000    | 12,531    | 3,168,300         |
| Construction in progress                      | --                   | 3,125,361 | --        | 3,125,361         |
| Total capital assets not being depreciated    | 3,152,831            | 3,153,361 | 12,531    | 6,293,661         |
| Other capital assets:                         |                      |           |           |                   |
| Buildings                                     | 18,927,909           | --        | 19,496    | 18,908,413        |
| Other improvements                            | 5,906,551            | 653,437   | --        | 6,559,988         |
| Machinery and equipment                       | 10,414,174           | 1,627,711 | 685,627   | 11,356,258        |
| Total other capital assets at historical cost | 35,248,634           | 2,281,148 | 705,123   | 36,824,659        |
| Less accumulated depreciation for:            |                      |           |           |                   |
| Buildings                                     | 3,186,780            | 160,336   | 19,496    | 3,327,620         |
| Other improvements                            | 3,311,701            | 91,740    | --        | 3,403,441         |
| Machinery and equipment                       | 7,066,160            | 496,462   | 97,925    | 7,464,697         |
| Total accumulated depreciation                | 13,564,641           | 748,538   | 117,421   | 14,195,758        |
| Governmental activities capital assets, net   | \$ 24,836,824        | 4,685,971 | 600,233   | 28,922,562        |

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

|   | Primary Government   |             |           | Ending<br>Balance |
|---|----------------------|-------------|-----------|-------------------|
|   | Beginning<br>Balance | Increases   | Decreases |                   |
| <b>Business-type activities:</b>              |                      |             |           |                   |
| Capital assets not being depreciated:         |                      |             |           |                   |
| Land  | \$ 5,175,305         | 69,121      | 62,121    | 5,182,305         |
| Construction in progress                      | 2,253,806            | 8,924       | --        | 2,262,730         |
| Total capital assets not being depreciated    | 7,429,111            | 78,045      | 62,121    | 7,445,035         |
| Other capital assets:                         |                      |             |           |                   |
| Buildings                                     | 17,732,218           | --          | --        | 17,732,218        |
| Other improvements                            | 115,504,387          | 2,420,413   | --        | 117,924,800       |
| Machinery and equipment                       | 9,171,700            | 890,326     | 1,000,918 | 9,061,108         |
| Total other capital assets at historical cost | 142,408,305          | 3,310,739   | 1,000,918 | 144,718,126       |
| Less accumulated depreciation for:            |                      |             |           |                   |
| Buildings                                     | 7,400,226            | 326,020     | --        | 7,726,246         |
| Other improvements                            | 59,782,712           | 4,778,267   | --        | 64,560,979        |
| Machinery and equipment                       | 6,069,317            | 870,858     | 950,794   | 5,989,381         |
| Total accumulated depreciation                | 73,252,255           | 5,975,145   | 950,794   | 78,276,606        |
| Business-type activities capital assets, net  | \$ 76,585,161        | (2,586,361) | 112,245   | 73,886,555        |

Depreciation expense was charged to functions as follows:

|   | Depreciation<br>Expense |
|---|-------------------------|
| Governmental activities:                            |                         |
| General government                                  | \$ 249,386              |
| Public safety                                       | 170,677                 |
| Transportation                                      | 32,586                  |
| Community development                               | 3,892                   |
| Housing assistance                                  | 5,977                   |
| Culture and recreation                              | 286,020                 |
| Total governmental activities depreciation expense  | \$ 748,538              |
| Business-type activities:                           |                         |
| Water and sewer utility                             | \$ 5,362,161            |
| Sanitation  | 497,518                 |
| Parking   | 19,875                  |
| Golf course   | 95,591                  |
| Total business-type activities depreciation expense | \$ 5,975,145            |

Commitments

Commitments under uncompleted construction projects at September 30, 2003 consist of the following:

|  | Amounts<br>Authorized | Expended<br>to Date | Committed |
|--|-----------------------|---------------------|-----------|
| Capital project funds:                   |                       |                     |           |
| 3 <sup>rd</sup> Avenue East              | \$ 388,279            | 309,183             | 79,096    |
| 3 <sup>rd</sup> Avenue West              | 2,124,821             | 1,597,512           | 527,309   |
| Rossi Waterfront Park                    | 1,248,877             | 949,858             | 299,019   |
| Enterprise funds:                        |                       |                     |           |
| East Bradenton water & sewer master plan | 50,300                | 10,341              | 39,959    |
| Total                                    | \$ 3,812,277          | 2,866,894           | 945,383   |

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

**NOTE H – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund balances at September 30, 2003 consisted of:

|                          |                       | Due from / advances from: |                      |                          |                  |
|--------------------------|-----------------------|---------------------------|----------------------|--------------------------|------------------|
|                          |                       | General<br>Fund           | Water<br>Utility Tax | Nonmajor<br>Governmental | Total            |
| Due to /<br>advances to: | Nonmajor governmental | \$ 3,032                  | --                   | 130,236                  | 133,268          |
|                          | Water & sewer         | --                        | 4,242,950            | --                       | 4,242,950        |
|                          | Sanitation            | --                        | 874,334              | --                       | 874,334          |
|                          | Total                 | <u>\$ 3,032</u>           | <u>5,117,284</u>     | <u>130,236</u>           | <u>5,250,552</u> |

All advances resulted from loans made to establish working capital. There are no scheduled collections for the subsequent year.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

|               |                       | Transfers from:   |                      |                  |                        |                          |                          |                   |
|---------------|-----------------------|-------------------|----------------------|------------------|------------------------|--------------------------|--------------------------|-------------------|
|               |                       | General<br>Fund   | Water<br>Utility Tax | Franchise<br>Tax | Half-Cent<br>Sales Tax | Nonmajor<br>Governmental | Water &<br>Sewer Utility | Total             |
| Transfers to: | General fund          | \$ --             | 3,287,150            | 2,200,833        | 3,309,201              | 3,742,573                | --                       | 12,539,757        |
|               | Utility tax           | --                | --                   | --               | --                     | --                       | 593                      | 593               |
|               | Nonmajor governmental | 281,998           | 471,000              | 249,367          | 11,154                 | 285,184                  | --                       | 1,298,703         |
|               | Total                 | <u>\$ 281,998</u> | <u>3,758,150</u>     | <u>2,450,200</u> | <u>3,320,355</u>       | <u>4,027,757</u>         | <u>593</u>               | <u>13,839,053</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from the funds collecting the receipts, to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE I – CAPITAL LEASES**

The City has entered into lease agreements as lessee for financing the acquisition of copiers and a street sweeper. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

|                               | Governmental<br>Activities | Enterprise<br>Business-like<br>Activities |
|-------------------------------|----------------------------|---|
| Machinery and equipment       | \$ 1,268,159               | 204,769                                   |
| Less accumulated depreciation | (861,294)                  | (130,247)                                 |
| Total                         | <u>\$ 406,865</u>          | <u>74,522</u>                             |

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2003, were as follows:

| Year Ended September 30:                | Governmental<br>Activities | Enterprise<br>Business-like<br>Activities |
|---|----------------------------|---|
| 2004                                    | \$ 6,496                   | 37,699                                    |
| 2005                                    | 58,214                     | 21,634                                    |
| Less interest                           | (3,081)                    | (2,825)                                   |
| Present value of minimum lease payments | \$ 61,629                  | 56,508                                    |

**NOTE J – LONG-TERM LIABILITIES**

**1. LONG-TERM LIABILITY ACTIVITY**

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

|  | Beginning<br>Balance | Additions | Reductions  | Ending<br>Balance | Amounts<br>Due Within<br>One Year |
|--|----------------------|-----------|-------------|-------------------|-----------------------------------|
| <b>Governmental activities</b>                         |                      |           |             |                   |                                   |
| Bonds and notes payable:                               |                      |           |             |                   |                                   |
| Revenue bonds: Subordinate Lien                        | \$ 2,745,825         | --        | (140,600)   | 2,605,225         | 148,200                           |
| Promissory note: Capital Improvements                  | 2,109,294            | --        | (350,000)   | 1,759,294         | 350,000                           |
| Promissory note: Franchise Fees                        | 5,703,208            | --        | (199,133)   | 5,504,075         | 209,130                           |
| Promissory note: Florida Municipal                     | 3,100,000            | --        | (105,000)   | 2,995,000         | 105,000                           |
| Total bonds and notes payable                          | 13,658,327           | --        | (794,733)   | 12,863,594        | 812,330                           |
| Estimated Claims Payable for<br>Internal Service Funds | 1,490,150            | --        | --          | 1,490,150         | 490,150                           |
| Capital Leases - Copiers                               | 622,734              | --        | (561,105)   | 61,629            | 15,761                            |
| Governmental activities long-term liabilities          | \$ 15,771,211        | --        | (1,355,838) | 14,415,373        | 1,318,241                         |
| <b>Business-type activities</b>                        |                      |           |             |                   |                                   |
| Bonds and notes payable:                               |                      |           |             |                   |                                   |
| Utility System Refunding Revenue 1988A                 | \$ 2,275,000         | --        | (2,275,000) | --                | --                                |
| Utility System Refunding Revenue 1995A                 | 19,104,577           | 652,790   | (71,883)    | 19,685,484        | 1,487,468                         |
| Subordinate Lien Refunding 1995                        | 859,175              | --        | (44,400)    | 814,775           | 44,400                            |
| Total bonds and notes payable                          | 22,238,752           | 652,790   | (2,391,283) | 20,500,259        | 1,531,868                         |
| Capital lease  | 2,471                | 54,322    | (285)       | 56,508            | 285                               |
| Retainage on contracts                                 | 57,307               | 76,940    | (57,307)    | 76,940            | --                                |
| Customer deposits                                      | 1,765,005            | 309,436   | (264,456)   | 1,809,985         | --                                |
| Total long-term liabilities                            | 24,063,535           | 1,093,488 | (2,713,331) | 22,443,692        | 1,532,153                         |
| Less deferred amount on refunding                      | 71,379               | --        | (18,087)    | 53,292            | --                                |
| Business-type activities long-term liabilities         | \$ 23,992,156        | 1,093,488 | (2,695,244) | 22,390,400        | 1,532,153                         |

Payments on bonds and notes that pertain to the City's governmental activities are made by the debt service fund.

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

**2. DESCRIPTION OF DEBT**

|  | Governmental  | Business-type |
|--|---------------|---------------|
| <p>\$4,575,000 Subordinate Lien Special Revenue Refunding Bonds – Series 1995 were issued for the purpose of providing funds to refund the Golf Course Revenue Bonds – Series 1985 and the Florida League of Cities loan. The principal is being repaid through 2015 with interest at 3.7% to 5.25%. They are secured by various special revenue sources. The debt has been allocated between governmental and business-type activities.</p>   | \$ 2,605,225  | 814,775       |
| <p>\$3,150,000 Capital Improvement Revenue Bonds – Series 1998 were issued for the purpose of providing funds to finance the acquisition and construction of certain capital improvements to Pirate City, the City-owned sports complex. The principal of the bonds is being repaid quarterly at \$87,500 with a final payment of \$87,500 due June 1, 2008. Interest is paid at a variable rate, currently at 4.3500%.</p>  | 1,759,294     | --            |
| <p>\$6,113,889 The Franchise Fees Promissory note, Series 2000 was issued for the purpose of financing the costs of construction a new City Centre. The bonds are payable from and secured by a lien on certain franchise fees received by the City. The principal of the bonds is being repaid quarterly at \$124,683 with a final payment of \$124,683 due May 1, 2020. Interest is paid at a variable rate, currently at 5.25%.</p>   | 5,504,075     | --            |
| <p>\$3,100,000 The Florida Municipal Loan 2001A was issued for the purpose of financing the cost of construction of 3<sup>rd</sup> Avenue West improvements, Rossi Waterfront Park improvements and further extension of 3<sup>rd</sup> Avenue East to U.S. 41. The principal of the loan is being repaid annually with a final payment of \$235,000 due November 1, 2021. Interest is paid at a variable rate, currently 3.25%</p>  | 2,995,000     | --            |
| <p>\$21,556,990 The Utility System Refunding Bonds Series 1988A were issued as (1) \$15,220,000 of current interest-paying bonds maturing from 1995 to 1999 and from 2009 to 2011 paying interest semi-annually at rates from 6.7% to 7.1% and (2) \$6,336,990 of capital appreciation bonds paying interest at maturity from 2000 to 2008 and yielding from 7.3% to 7.75%. This issue was repaid in 2003.</p>   | --            | --            |
| <p>\$15,605,705 The City issued Utility System Refunding Revenue Bonds, Series 1995 to advance refund that portion of the City's outstanding Utility System Refunding Revenue Bonds, Series 1988A maturing in the years 2003 through 2011 inclusive and all of the City's outstanding Utility System Revenue Bonds, Series 1988B. The Series 1995A bonds are being issued as additional parity bonds under the bond resolution on a parity with the City's Utility System Refunding Revenue Bonds, Series 1988A maturing in the years 1995 through 2002 consisting of \$4,231,764 in aggregated accreted value of capital appreciation bonds as of March 1, 1995 and \$7,930,000 in aggregate principal amount of current interest bonds which are currently outstanding and yielding at 5.40% to 5.75% from 2003 to 2008.</p> | --            | 19,685,484    |
| <p>Total bonds and notes</p>   | \$ 12,863,594 | 20,500,259    |

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

**3. DEBT MATURITY**

Debt service requirements at September 30, 2003 were as follows:

| Year Ended<br>September 30 | Governmental Activities – Revenue Bonds and Notes |                  |                  |                  |
|----------------------------|---|------------------|------------------|------------------|
|                            | Revenue Bonds                                     |                  | Promissory Notes |                  |
|                            | <u>Principal</u>                                  | <u>Interest</u>  | <u>Principal</u> | <u>Interest</u>  |
| 2004                       | \$ 598,200  | 327,278          | 209,130          | 288,828          |
| 2005                       | 610,800   | 307,328          | 221,302          | 227,452          |
| 2006                       | 631,000   | 299,753          | 233,319          | 265,436          |
| 2007                       | 643,600   | 246,089          | 245,989          | 252,768          |
| 2008                       | 656,200   | 219,301          | 258,667          | 239,429          |
| 2009 – 2013                | 2,034,300   | 772,752          | 1,522,892        | 970,176          |
| 2014 – 2018                | 1,393,000   | 391,920          | 1,984,331        | 509,300          |
| 2019 – 2023                | <u>792,419</u>                                    | <u>86,488</u>    | <u>828,445</u>   | <u>44,687</u>    |
| Total                      | <u>\$ 7,359,519</u>                               | <u>2,650,909</u> | <u>5,504,075</u> | <u>2,798,076</u> |

| Year Ended<br>September 30 | Business-type Activities – Revenue Bonds |                  |
|----------------------------|--|------------------|
|                            | Water and Sewer Utility                  |                  |
|                            | <u>Principal</u>                         | <u>Interest</u>  |
| 2004                       | \$ 1,452,989                             | 1,396,828        |
| 2005                       | 3,148,904                                | 1,436,972        |
| 2006                       | 3,075,612                                | 1,510,706        |
| 2007                       | 2,997,352                                | 1,586,749        |
| 2008                       | 2,922,181                                | 1,662,955        |
| 2009 – 2013                | 6,741,221                                | 1,776,758        |
| 2014 – 2018                | <u>162,000</u>                           | <u>10,170</u>    |
| Total                      | <u>\$ 20,500,259</u>                     | <u>9,381,138</u> |

**4. OTHER LONG-TERM DEBT INFORMATION**

Subordinate Lien Special Revenue Refunding Bonds, Series 1995

These bonds are payable from and secured by a lien on the Local Government Half-Cent Sales Taxes, the Utility Taxes, and the guaranteed entitlement portion of the State revenue-sharing funds. This lien is subordinate and inferior to the lien attached to certain outstanding utility revenue bonds of the City.

Utility System Refunding Revenue Bonds, Series 1988A and 1995A

Revenues of the Utility Tax and Local Government Half-Cent Sales Tax funds together with the net revenues of the Utility System are pledged to the debt service requirements of the Utility System Refunding Revenue Bonds, Series 1988A and the Utility System Refunding Revenue Bonds, Series 1995A. After the Water and Sewer Utility has provided for the current debt service requirements, these revenues become available to finance general governmental operations.

Utility System Bonds, series 1954, 1961, 1964, 1968 and 1974 were fully defeased by the issuance of the 1977 bonds. Utility System Bonds series 1977 were fully defeased by the issuance of the 1984 bonds. Utility System Bonds series 1984 and 1985 were fully defeased by the issuance of the 1988A bonds. The 1995A bonds partially defeased the 1988A bonds. Following is a schedule of the outstanding portions of those issues:

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

Balances at September 30, 2003 are as follows:

|                                     |                      |
|-------------------------------------|----------------------|
| Utility System Bonds, Series 1984   | \$ 8,595,000         |
| Utility System Bonds, Series 1988A* | <u>17,357,367</u>    |
|                                     | <u>\$ 25,952,367</u> |

\* Partial in-substance defeasance in 1995

In accordance with bond covenants and Section 148 of the Internal Revenue Code, the City is required to rebate to the U.S. Treasury every five years, earnings on bond proceeds in excess of the bond yield. For the year ended September 30, 2003, no amounts were earned that will have to be rebated to the U.S. Treasury in 2003.

From time to time, the City 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 bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, 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 are three series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$6,150,000.

**NOTE K – SEGMENT INFORMATION**

The City issued separate revenue bonds to finance its golf course. Investors in these bonds rely solely on the revenue generated by the golf course for repayment. Summary financial information is presented below.

| <b>CONDENSED STATEMENT OF NET ASSETS</b>                                       | <b>Golf Course</b> |
|--|--------------------|
| <b>Assets:</b>   |                    |
| Current assets   | \$ 1,491,643       |
| Restricted investments   | 120,448            |
| Capital assets   | 2,290,858          |
| Other assets   | 8,282              |
| Total assets   | 3,911,231          |
| <b>Liabilities:</b>  |                    |
| Interfund payables   | 3,969              |
| Other current liabilities  | 102,203            |
| Noncurrent liabilities   | 740,636            |
| Total liabilities  | 846,808            |
| <b>Net assets:</b>   |                    |
| Invested in capital assets, net of related debt                                | 1,505,822          |
| Unrestricted   | 1,438,153          |
| Restricted   | 120,448            |
| Total net assets   | \$ 3,064,423       |
| <b>CONDENSED STATEMENT OF REVENUES, EXPENSES,<br/>AND CHANGE IN NET ASSETS</b> |                    |
| Operating revenues (pledged against bonds)                                     | \$ 1,213,248       |
| Depreciation expense   | (95,591)           |
| Other operating expenses   | (1,183,918)        |
| Operating income (loss)  | (66,261)           |
| <b>Nonoperating revenues (expenses):</b>                                       |                    |
| Interest income  | 63,510             |
| Interest expense   | (43,131)           |
| Loss on asset disposition  | (374)              |
| Change in net assets   | (46,256)           |
| Beginning net assets   | 3,110,679          |
| Ending net assets  | \$ 3,064,423       |

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

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**CONDENSED STATEMENT OF CASH FLOW**

|  |                            |
|--|----------------------------|
| Net cash provided by:                    |                            |
| Operating activities                     | \$ 1,182,804               |
| Capital and related financing activities | (210,762)                  |
| Investing activities                     | <u>63,510</u>              |
| Net increase                             | 1,035,552                  |
| Beginning cash and cash equivalents      | <u>1,577,608</u>           |
| Ending cash and cash equivalents         | <u><u>\$ 2,613,160</u></u> |

**NOTE L – EMPLOYEE RETIREMENT SYSTEMS**

**1. CITY-MAINTAINED PLANS**

The City maintains single-employer, defined benefit pension plans for the Fire and Police Departments, while all other employees participate in the Florida State Retirement System, a multiple-employer, cost-sharing public employee pension plan. For the City-maintained plans, assets are held separately and may be used only for the payment of benefits to the members of the respective plans. Each plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due pursuant to formal commitments and statutory requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The Firefighters' Pension Plan issues a financial report that includes financial statements and required supplementary information. The report may be obtained from the City of Bradenton City Clerk & Treasurer. No separate report is issued for the Police Officers' Pension Plan.

The plans have adopted Governmental Accounting Standards Board (GASB) Statement No. 25, Financial Reporting for Defined Benefit Pension Plans, and Statement No. 27, Accounting for Pensions by State and Local Governmental Employers. In addition to other disclosures the GASB requires for the current year and each of the two preceding years annual pension cost, percentage of annual pension cost contributed, and the net pension obligation at the end of the year. This information is presented later in this note. A schedule of funding progress and a schedule of employer contributions that include historical trend information about the annual required contributions of the employer are included for the Police Officers' Pension Plan as required supplementary information to the financial statements.

The administrative cost for both the Firefighters' Pension Plan and the Police Officers' Pension Plan are financed through the plan contributions and investment earnings.

**2. PLAN DESCRIPTIONS**

**FIREFIGHTERS' PENSION PLAN**

The City of Bradenton Firefighters' Retirement System (the "Plan"), a defined benefit single-employer public employee retirement plan, is administered in accordance with City of Bradenton Ordinance No. 2706 as approved April 23, 2003, along with subsequent amendments. The Plan is subject to the provisions of Chapter 175 of the Florida Statutes. The City's total payroll for Fire personnel for the year ended September 30, 2003 was \$3,330,299, compared to \$19,839,918 for the city's entire payroll. At September 30, 2003, membership consisted of:

|                                 |             |
|---------------------------------|-------------|
|                                 | <u>2003</u> |
| Retirees and beneficiaries:     |             |
| Currently receiving benefits    | 39          |
| Terminated with vested benefits | 1           |
| Current employees:              |             |
| Vested                          | 21          |
| Non-vested                      | <u>47</u>   |
| Total                           | <u>108</u>  |

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

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The Plan covers permanent and probationary City of Bradenton employees who are classified as uniform fire personnel. Any participant who has creditable service of 10 years and has attained age 55, or has creditable service of

25 years is eligible for normal retirement. Such a retiree would receive a normal retirement benefit of 3.0% of average final compensation (average of the employee's salary for the two best years of the last ten of credited service, or the career average, whichever is greater) multiplied by years of credited service.

Any participant who has creditable service of 10 years and has attained age 50 or has creditable service of 20 years is eligible for early retirement and may elect a deferred or immediate benefit. A deferred benefit is calculated and commences in accordance with the normal retirement formula except that credited service and average final compensation are determined as of the early retirement date. An immediate benefit commences on the early retirement date and is determined in accordance with an actuarially adjusted early retirement formula.

The Plan provides for pre-retirement death benefits for both vested and nonvested members. If a member was vested, the beneficiary may elect to receive a refund of the member's accumulated benefits or a computed benefit payable over ten years. The beneficiary can make an election to receive a 10-year benefit immediately, or at the retiree's scheduled early or normal retirement date. The 10-year benefit is calculated as for normal retirement based on the deceased member's credited service and average final compensation as of the date of death and reduced as for early retirement, if applicable. The beneficiary of a deceased nonvested member shall receive a refund of the member's accumulated contributions.

An annual 3-percent cost-of-living adjustment is added to normal and early retirement benefits and pre-retirement death benefits effective every October 1<sup>st</sup> following the date the retiree attains, or would have attained, age 55. These increases cease when the retiree attains, or would have attained, age 64. The monthly benefit for every retiree or their beneficiary who was receiving a normal, early, or disability retirement benefit or pre-retirement benefit or pre-retirement death benefit on or before October 1, 1999, is increased by \$10 for each year of full retirement up to a maximum of \$100.

The Plan provides disability benefits for both duty-related and non-duty-related disabilities. Disability caused by performance of duties is computed at 3 percent of average final compensation multiplied by years of credited service. Duty-related disability benefits cannot be less than 42 percent of the average final compensation of the member.

Upon the death of a line-of-duty or non-line-of-duty disabled member, the surviving spouse receives a monthly benefit equal to two-thirds of the member's monthly pension.

Every Plan participant with ten years or more of credited service is eligible to receive non-line-of-duty disability benefits. A non-line-of-duty disability is computed at 2 percent of the average final compensation multiplied by the total years of credited service. Non-line-of-duty disability benefits cannot be less than 25 percent of the average final compensation of the member.

Participants are required to contribute 7% of their annual salary to the Plan. If an employee separates from service before achieving 10 years of credited service, the employee may either request a refund of their accumulated contribution or they may leave it deposited with the Plan. If an employee has more than 10 years of credited service upon termination, the member, upon reaching normal retirement, is entitled to a monthly retirement benefit equal to 3.0 percent of their average final compensation multiplied by years of credited service, provided the member does not elect to withdraw their accumulated contributions and they survive to the normal retirement date. Other contributions are received from the State of Florida and the City. The State of Florida contribution results from the City's share of insurance tax. The City of Bradenton contributes an amount to make the fund actuarially sound, but not less than 8 percent of payroll.

#### POLICE OFFICERS' PENSION PLAN

The City of Bradenton Police Officers' Pension Plan, a defined benefit single-employer public employee retirement plan, is administered in accordance with the City charter and Florida statute 185. The City's total current year payroll for police personnel for the year ended September 30, 2003 was \$5,135,604, compared to \$19,839,918 for the entire City's payroll. At October 1, 2002 membership consisted of:

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

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Retirees, disabled participants, and beneficiaries:

|                                     |            |
|-------------------------------------|------------|
| Currently receiving benefits        | 40         |
| Terminated (not receiving benefits) | 1          |
| Members in DROP                     | 2          |
| Current employees:                  |            |
| Vested                              | 33         |
| Non-vested                          | <u>63</u>  |
| Total                               | <u>139</u> |

The Plan covers permanent City of Bradenton police officers. Normal retirement is based on 20 years of creditable service and the attainment of age 47. Such a retiree would receive a normal retirement benefit of 3% of average final compensation times credited service, plus \$7 per month for each year of service.

The Plan provides disability benefits for both duty-related and non-duty-related disabilities. All members are eligible for on-duty benefits; 10 years of service is needed for non-duty benefits. The benefit is equal to the accrued pension with a minimum equal to 60% of average final compensation for on-duty disability. Pre-retirement death benefits while on duty is the accrued pension with a minimum of 60% of average final compensation payable to spouse and \$20 per month payable on behalf of each child. For non-duty death benefits, if vested but not eligible to retire, a spouse receives accrued pension for 10 years starting when the member would have reached age 47. If eligible to retire, a spouse receives accrued pension for life. Unvested employees receive a refund of member contributions.

Participants are required to contribute 5.5% of their annual salary to the Plan. If an employee separates service from the City before achieving 10 years of credited service, the employee will receive 100% of their contributions. Other contributions are received from the State of Florida and the City of Bradenton. The State of Florida contribution results from the City's share of insurance tax. The City of Bradenton is required to fund any deficiencies between the total actuarial contribution requirement, the State Casualty Insurance Premium Tax and the employee contributions. The City's minimum contribution is 8% of annual compensation.

**3. FUNDING STATUS AND PROGRESS**

The amount shown below as the actuarial accrued liability is a measure intended to help users assess (i) a pension fund's funded status on an ongoing concern basis, and (ii) progress being made toward accumulating the assets needed to pay benefits as due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the individual entry-age actuarial cost method. Assumptions, including projected pay increases, were the same as used to determine the fund's level dollar of payroll annual required contribution between entry-age and assumed exit age. Entry-age was established by subtracting credited service from current age on the valuation date.

FIREFIGHTERS' PENSION PLAN

As of October 1, 2002, the actuarial accrued liability in excess of assets was \$1,777,615 determined as follows:

|   |                     |
|---|---------------------|
| Actuarial accrued liability                       | \$ 21,340,943       |
| Actuarial value of assets                         | <u>23,118,558</u>   |
| Excess of assets over actuarial accrued liability | <u>\$ 1,777,615</u> |

For the actuarial report dated October 1, 2002, the Plan experienced a net change of \$247,027 in the actuarial accrued liability. The principal components of unfavorable experience included a 2.7% investment return, which was significantly less than the 8.0% assumption, and average salary increases that exceeded the assumed rate.

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

POLICE OFFICERS' PENSION PLAN

As of October 1, 2002, the actuarial accrued liability in excess of assets was \$272,631 determined as follows:

|   |                   |
|---|-------------------|
| Actuarial accrued liability                     | \$ 29,263,419     |
| Actuarial value of assets                       | <u>28,990,788</u> |
| Actuarial accrued liability in excess of assets | <u>\$ 272,631</u> |

For the actuarial report dated October 1, 2002, the Plan experienced a net change of \$962,193 in the actuarial accrued liability. The losses were due to investment return less than the assumed rate, salary increases greater than expected, and two new disability retirements during the year. The net loss has increased the required employer contribution by 3.00% of covered payroll.

**4. CONTRIBUTIONS**

FIREFIGHTERS' PENSION PLAN

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due.

The annual required contribution for the current year was determined as part of the October 1, 2002, actuarial valuation using the frozen entry age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return (net of administrative expenses) and (b) projected salary increases of 6% per year. Both (a) and (b) included an inflation component of 3%. The assumptions did not include postretirement benefit increases, which are funded by State appropriation when granted. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount over the remaining 28 years of the amortization period, originally 30 years.

During the year ended September 30, 2003 contributions totaling \$911,769 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2002. The City contributed \$258,283, members contributed \$224,340, purchase of credit service amounted to \$31,493 and the State contributed \$397,653.

| Three-Year Trend Information |  |  |                                       |
|------------------------------|--|--|---------------------------------------|
| <u>Fiscal Year Ending</u>    | <u>Annual<br/>Pension<br/>Cost (APC)</u> | <u>Percentage<br/>Of APC<br/>Contributed</u> | <u>Net<br/>Pension<br/>Obligation</u> |
| September 30, 2001           | 212,332                                  | 100%   | \$ 0                                  |
| September 30, 2002           | 222,167                                  | 100%   | \$ 0                                  |
| September 30, 2003           | 239,362                                  | 100%   | \$ 0                                  |

**Schedule of Funding Progress**  
(in thousands of dollars)

| <u>Actuarial<br/>Valuation<br/>Date<br/>October 1</u> | (1)<br><u>Actuarial<br/>Value of<br/>Assets</u> | (2)<br><u>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>Entry Age</u> | (3)<br><u>Funded<br/>Ratio<br/>(1) / (2)</u> | (4)<br><u>Unfunded<br/>AAL<br/>(UAAL)<br/>(2) - (1)</u> | (5)<br><u>Covered<br/>Payroll</u> | (6)<br><u>UAAL as<br/>a Percentage<br/>of Covered<br/>Payroll<br/>(4) / (5)</u> |
|---|---|---|--|---|-----------------------------------|---|
| 2000  | 20,062  | 22,032  | 91.1   | 1,969   | 2,542                             | 77.5  |
| 2001  | 21,116  | 22,928  | 92.1   | 1,812   | 2,745                             | 66.0  |
| 2002  | 21,340  | 23,118  | 92.3   | 1,777   | 2,881                             | 61.7  |

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

Analysis of the dollar amounts of actuarial value of assets, or actuarial accrued liability, in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Firefighters' Retirement System's funding status on an ongoing-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

Valuation Date: October 1, 2002

|                                     |                          |
|-------------------------------------|--------------------------|
| Actuarial cost method               | Frozen Entry Age         |
| Amortization method                 | Level % of Pay<br>Closed |
| Remaining amortization period       | 28 years                 |
| Asset valuation method              | 4-Year Smoothing         |
| Actuarial assumptions:              |                          |
| Investment rate of return           | 8% per year              |
| Projected salary increases          | 6.0%                     |
| Includes inflation at               | 3.0%                     |
| Post-retirement COLA (age 55 to 64) | 3.0%                     |

**POLICE OFFICERS' PENSION PLAN**

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The Plan uses the Aggregate Actuarial Cost Method to determine funding requirements. This method does not identify or separately amortize unfunded actuarial liabilities. During the year ended September 30, 2003, contributions totaling \$1,407,754 were to be made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2002. The City's actual contribution was \$639,479, the State's was \$518,761, and members contributed \$249,514.

| Three-Year Trend Information |                                  |                                      |                               |
|------------------------------|----------------------------------|--------------------------------------|-------------------------------|
| <u>Fiscal Year Ending</u>    | <u>Annual Pension Cost (APC)</u> | <u>Percentage Of APC Contributed</u> | <u>Net Pension Obligation</u> |
| September 30, 2001           | 523,567                          | 133.0%                               | \$ (881,296)                  |
| September 30, 2002           | 544,670                          | 137.8%                               | (1,087,018)                   |
| September 30, 2003           | 736,169                          | 104.2%                               | (1,118,177)                   |

**Schedule of Funding Progress**  
(in thousands of dollars)

| <u>Actuarial Valuation Date</u> | (1)<br><u>Actuarial Value of Assets</u> | (2)<br><u>Actuarial Accrued Liability (AAL) Entry Age</u> | (3)<br><u>Funded Ratio (1) / (2)</u> | (4)<br><u>Unfunded AAL (UAAL) (2) - (1)</u> | (5)<br><u>Covered Payroll</u> | (6)<br><u>UAAL as a Percentage of Covered Payroll (4) / (5)</u> |
|---------------------------------|---|---|--------------------------------------|---|-------------------------------|---|
| October 1                       | Assets                                  | Entry Age   | (1) / (2)                            | (2) - (1)                                   | Payroll                       | (4) / (5)   |
| 2000                            | 26,290                                  | 21,450  | 122.6                                | (4,850)                                     | 3,930                         | (123.4)   |
| 2001                            | 28,380                                  | 26,080  | 108.8                                | (2,310)                                     | 4,580                         | (50.4)  |
| 2002                            | 28,990                                  | 29,260  | 99.1                                 | 270   | 4,430                         | 6.2   |

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

Analysis of the dollar amounts of actuarial value of assets, or actuarial accrued liability, in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Police pension plan's funding status on an ongoing-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

Additional information as of the latest actuarial valuation follows:

Valuation Date: October 1, 2002

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Aggregate                                 |
| Amortization method           | N/A                                       |
| Remaining amortization period | N/A                                       |
| Asset valuation method        | 5-year smoothed market value              |
| Actuarial assumptions:        |   |
| Investment rate of return     | 8%  |
| Projected salary increases    | 9.1% to 7.0% based on service             |
| Includes inflation at         | 4.0%                                      |
| Cost-of-living adjustments    | 2.0% (one-half assumed rate of inflation) |

**Annual Pension Cost and Net Pension Obligation**

| Employer Fiscal Year Ending September 30:   | 2003        | 2002        | 2001        |
|---|-------------|-------------|-------------|
| A. Annual Required Contribution (ARC) *     | 1,052,774   | 684,809     | 515,165     |
| B. Interest on Net Pension Obligation (NPO) | (89,454)    | (86,961)    | (70,504)    |
| C. Adjustment to ARC                        | (132,791)   | (138,321)   | (100,009)   |
| D. Annual pension cost (A + B – C)          | 1,096,111   | 736,169     | 544,670     |
| E. Actual contributions                     | **          | 767,328     | 750,392     |
| F. NPO at beginning of year                 | (1,118,177) | (1,087,018) | (881,296)   |
| G. Increase (decrease) in NPO (D – E)       | **          | (31,159)    | (205,722)   |
| H. NPO at end of year (F + G)               | **          | (1,118,177) | (1,087,018) |

\* Includes expected State contribution

\*\* To be determined

**5. INVESTMENTS**

Investments are reported at fair value in accordance with GASB Statement No. 25. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

The fair value of the investments of each of the pension plans at September 30, 2003, is as follows. Investments that represent five percent or more of the Plan's net assets are separately identified.

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

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|                                | Fair<br>Value |
|--------------------------------|---------------|
| Firefighters' Pension Plan:    |               |
| Money market funds             | \$ 782,130    |
| U.S. Government securities     | 4,695,793     |
| Mortgage-backed securities     | 135,767       |
| Common stock                   | 10,694,792    |
| Corporate bonds                | 2,374,861     |
| International funds            | 1,981,051     |
| Total                          | \$ 20,664,394 |
| Police Officers' Pension Plan: |               |
| Money market funds             | \$ 811,350    |
| U.S. Government obligations    | 8,067,875     |
| International funds            | 792,870       |
| Common stock                   | 13,381,457    |
| Corporate bonds                | 6,006,238     |
| Total                          | \$ 29,059,790 |

**6. OTHER EMPLOYEES' PENSION PLANS**

FLORIDA RETIREMENT SYSTEM

Substantially all full-time city employees (except police and fire) are participants in the Florida Retirement System, "The System", a multiple-employer, cost-sharing public retirement system. The System, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement, covers approximately 620,000 full-time employees of various governmental units within the State of Florida.

The System provides for vesting of benefits after 6 years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with 6 or more years of service. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings. City employees are not required to contribute to this retirement plan.

The City has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, 2639 Monroe Street, Building C, Tallahassee, FL 32399-1560.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates are applied to employee salaries as follows: regular employees, 7.39%; special risk employees, 18.53% and elected officials, 15.23%. The City's contributions made during the years ended September 30, 2003, 2002, and 2001 were \$758,510, \$833,853, and \$983,623 respectively, equal to the actuarially determined contribution requirements for each year. The City has determined, in accordance with GASB Statement No. 27, that there was no pension liability before or at transition.

**NOTE M – WATER AND SEWER UTILITY RATE COVENANTS**

The City has agreed, in authorizing ordinances, that it will fix, establish and maintain such rates and collect such fees, rentals and other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide "gross revenues" in each fiscal year sufficient to pay the cost of operation and maintenance of the system in such fiscal year and all reserve and other payments required to be made pursuant to the

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

ordinances, and will further be sufficient to provide an amount equal to 110% of the bond service requirement becoming due in such fiscal year on all outstanding bonds. The City has complied with these ordinances for the year ended September 30, 2003 as follows:

**WATER AND SEWER UTILITY**

|   |              |               |
|---|--------------|---------------|
| Revenues of the system  |              | \$ 14,919,342 |
| Interest earnings of the system   |              | 312,196       |
| Guaranteed state revenue  |              | 376,545       |
| Local half-cent tax revenue   |              | 3,338,259     |
| Utility tax fund  |              | 3,426,596     |
| Gross revenues of the system  |              | 22,372,938    |
| Operations and maintenance of the system<br>(excluding depreciation and amortization) |              | (8,729,553)   |
| Bond service requirement:   |              |               |
| 1995A Utility Systems Refunding Revenue Bonds   | \$ 2,763,075 |               |
|   | x 115%       |               |
|   | \$ 3,177,536 | (3,177,536)   |
| Excess rate coverage  |              | \$ 10,465,849 |

**NOTE N – DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Plan amendments have been made so that the Plan is in compliance with IRC Section 457, as amended by the 1996 changes to the tax code. The assets are now held in various custodial accounts. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the various participants of the plan.

**NOTE O – RISK MANAGEMENT AND SELF-INSURANCE PROGRAMS**

Risk Management: The government is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the government carries commercial insurance.

Medical Self-Insurance Program: The City maintains a self-insurance program with regard to medical benefits for employees and dependents. The City pays the entire cost of the program for active employees. Dependent and retiree coverage is optional and the cost is paid by employee contributions. Risks in excess of fixed individual limits of \$100,000 annually are co-insured with an outside insurance carrier.

Worker's Compensation Self-Insurance Program: The City maintains a self-insurance program with regard to worker's compensation benefits for employees. The City pays the entire cost of the program. Risks in excess of \$400,000 annually are co-insured with an outside insurance carrier.

Both the medical self-insurance and the worker's compensation plans are accounted for through separate internal service funds. Revenues for these funds consist of amounts contributed by employees and other City funds. Both revenues and the related charges are recorded as quasi-external transactions. Accordingly, the related charges are reflected as expenditure, or expense items, in the appropriate funds.

CITY OF BRADENTON, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

The plans are reviewed annually by an actuarial firm. These studies are used to determine the basis for premiums charged to various City departments and their dependents.

Estimated liabilities for claims incurred but not reported are accrued based on projections from historical data.

There have been no significant reductions in insurance coverage for the current fiscal year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The self-insurance funds establish a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the City from October 1, 2001 to September 30, 2003:

|  | Medical<br>Self-Insurance<br>Program | Worker's<br>Compensation<br>Self-Insurance<br>Program |
|--|--------------------------------------|---|
| Liability balance, September 30, 2001                | \$ --                                | 11,001  |
| Claims and changes in estimates                      | 2,902,649                            | 2,084,071   |
| Claims payments                                      | (2,707,972)                          | (799,598)   |
| Liability balance, September 30, 2002                | 194,677                              | 1,295,474   |
| Claims and changes in estimates                      | 3,082,913                            | 945,782   |
| Claims payments                                      | (3,082,913)                          | (945,782)   |
| Liability balance, September 30, 2003                | \$ 194,677                           | 1,295,474   |
| Assets available to pay claims at September 30, 2003 | \$ 578,212                           | 5,413,695   |

**NOTE P – CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

## **REQUIRED SUPPLEMENTARY INFORMATION**

In accordance with the Governmental Accounting Standards Board Statement Number 34, the following budgetary comparisons for the General Fund, the Utility Tax Special Revenue Fund, the Franchise Tax Special Revenue Fund and the Local Government Half-Cent Sales Tax Special Revenue Fund are a required part of the basic financial statements.

CITY OF BRADENTON, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|   | Budgeted Amount      |                   | Actual            | Variance          |
|---|----------------------|-------------------|-------------------|-------------------|
|   | Original             | Final             |                   |                   |
| Revenues:   |                      |                   |                   |                   |
| Taxes   | \$ 8,369,284         | 8,380,586         | 8,503,174         | 122,588           |
| License and permits                               | 776,050              | 780,004           | 784,674           | 4,670             |
| Intergovernmental grants                          | 213,408              | 491,863           | 491,863           | --                |
| Intergovernmental revenues                        | 1,319,548            | 1,378,230         | 1,378,452         | 222               |
| Shared revenues                                   | 831,240              | 997,929           | 997,932           | 3                 |
| Payments in lieu of taxes                         | 6,000                | 367               | 367               | --                |
| Charges for services                              | 1,083,422            | 1,275,181         | 1,275,206         | 25                |
| Fines and forfeitures                             | 198,500              | 239,661           | 239,663           | 2                 |
| Interest  | 630,000              | 647,198           | 647,199           | 1                 |
| Rents   | 250,929              | 210,417           | 211,460           | 1,043             |
| Sales of property                                 | 35,000               | 137,921           | 137,923           | 2                 |
| Miscellaneous                                     | 99,000               | 678,632           | 678,627           | ( 5)              |
| Cash carryforward                                 | 2,419,409            | 723,205           | --                | ( 723,205)        |
| <b>Total revenues</b>                             | <b>16,231,790</b>    | <b>15,941,194</b> | <b>15,346,540</b> | <b>( 594,654)</b> |
| Expenditures:                                     |                      |                   |                   |                   |
| General government services                       | 5,987,083            | 5,911,477         | 5,541,395         | 370,082           |
| Public safety                                     | 14,345,483           | 15,273,963        | 14,194,629        | 1,079,334         |
| Transportation                                    | 3,879,813            | 3,844,480         | 3,468,400         | 376,080           |
| Culture - recreation                              | 2,429,125            | 2,429,125         | 2,252,437         | 176,688           |
| <b>Total expenditures</b>                         | <b>26,641,504</b>    | <b>27,459,045</b> | <b>25,456,861</b> | <b>2,002,184</b>  |
| Excess (deficiency) of revenues over expenditures | ( 10,409,714)        | ( 11,517,851)     | ( 10,110,321)     | 1,407,530         |
| Other financing sources (uses):                   |                      |                   |                   |                   |
| Transfers from other funds                        | 11,616,712           | 12,539,757        | 12,539,757        | --                |
| Transfers to other funds                          | ( 381,998)           | ( 251,500)        | ( 281,998)        | ( 30,498)         |
| Transfers to component unit                       | ( 825,000)           | ( 770,406)        | ( 770,406)        | --                |
| <b>Total other financing sources (uses)</b>       | <b>10,409,714</b>    | <b>11,517,851</b> | <b>11,487,353</b> | <b>( 30,498)</b>  |
| Net change in fund balances                       | --                   | --                | 1,377,032         | 1,377,032         |
| Fund balance - October 1, 2002                    | 11,824,756           | 11,824,756        | 11,824,756        | --                |
| Fund balance - September 30, 2003                 | <u>\$ 11,824,756</u> | <u>11,824,756</u> | <u>13,201,788</u> | <u>1,377,032</u>  |

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
UTILITY TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | Budgeted Amount |              | Actual       | Variance   |
|--|-----------------|--------------|--------------|------------|
|  | Original        | Final        |              |            |
| Revenues:  |                 |              |              |            |
| Taxes  | \$ 2,977,500    | 2,977,500    | 3,426,596    | 449,096    |
| Interest   | 14,000          | 14,000       | 72,409       | 58,409     |
| Total revenues   | 2,991,500       | 2,991,500    | 3,499,005    | 507,505    |
| Other financing sources (uses):                        |                 |              |              |            |
| Transfers from:  |                 |              |              |            |
| Enterprise Fund  | 1,000,000       | 766,650      | 593          | ( 766,057) |
| Transfers to:  |                 |              |              |            |
| General Fund   | ( 3,520,500)    | ( 3,287,150) | ( 3,287,150) | --         |
| Debt Service Fund                                      | ( 471,000)      | ( 471,000)   | ( 471,000)   | --         |
| Total other financing sources (uses)                   | ( 2,991,500)    | ( 2,991,500) | ( 3,757,557) | ( 766,057) |
| Excess (deficit) of revenues over other financing uses | --              | --           | ( 258,552)   | ( 258,552) |
| Fund Balance - October 1, 2002                         | 7,373,383       | 7,373,383    | 7,373,383    | --         |
| Fund balance - September 30, 2003                      | \$ 7,373,383    | 7,373,383    | 7,114,831    | ( 258,552) |

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
FRANCHISE TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | Budgeted Amount |              | Actual       | Variance  |
|--|-----------------|--------------|--------------|-----------|
|  | Original        | Final        |              |           |
| Revenues:                                    |                 |              |              |           |
| Taxes  | \$ 2,000,200    | 2,000,200    | 2,370,966    | 370,766   |
| Interest                                     | 450,000         | 450,000      | 397,268      | ( 52,732) |
| Total revenues                               | 2,450,200       | 2,450,200    | 2,768,234    | 318,034   |
| Other financing uses:                        |                 |              |              |           |
| Transfers to:                                |                 |              |              |           |
| General Fund                                 | ( 2,200,833)    | ( 2,200,833) | ( 2,200,833) | --        |
| Debt Service Fund                            | ( 249,367)      | ( 249,367)   | ( 249,367)   | --        |
| Total other financing uses                   | ( 2,450,200)    | ( 2,450,200) | ( 2,450,200) | --        |
| Excess of revenues over other financing uses | --              | --           | 318,034      | 318,034   |
| Fund balance - October 1, 2002               | 8,683,287       | 8,683,287    | 8,683,287    | --        |
| Fund balance - September 30, 2003            | \$ 8,683,287    | \$ 8,683,287 | 9,001,321    | 318,034   |

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
LOCAL GOVERNMENT HALF-CENT SALES TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | Budgeted Amount |              | Actual       | Variance |
|--|-----------------|--------------|--------------|----------|
|  | Original        | Final        |              |          |
| Revenues:                                    |                 |              |              |          |
| Intergovernmental                            | \$ 3,230,355    | 3,230,355    | 3,338,259    | 107,904  |
| Interest                                     | 90,000          | 90,000       | 100,303      | 10,303   |
| Total revenues                               | 3,320,355       | 3,320,355    | 3,438,562    | 118,207  |
| Other financing uses:                        |                 |              |              |          |
| Transfers to:                                |                 |              |              |          |
| General Fund                                 | ( 3,309,201)    | ( 3,309,201) | ( 3,309,201) | --       |
| Debt Service Fund                            | ( 11,154)       | ( 11,154)    | ( 11,154)    | --       |
| Total other financing uses                   | ( 3,320,355)    | ( 3,320,355) | ( 3,320,355) | --       |
| Excess of revenues over other financing uses | --              | --           | 118,207      | 118,207  |
| Fund Balance - October 1, 2002               | 2,462,426       | 2,462,426    | 2,462,426    | --       |
| Fund balance - September 30, 2003            | \$ 2,462,426    | 2,462,426    | 2,580,633    | 118,207  |

City of Bradenton



Established 1903



Celebrating 100 Years  
As “The Friendly City”



## **REQUIRED SUPPLEMENTARY INFORMATION**

In accordance with the Governmental Accounting Standards Board Statement Numbers 25 and 27, the following historical trend information of the City's Police Pension Trust Fund is a required part of the basic financial statements.

CITY OF BRADENTON, FLORIDA  
 POLICE OFFICER'S PENSION PLAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 (in millions of dollars)

| Actuarial<br>Valuation<br>Date | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Liability<br>(AAL)<br>Entry Age | (3)<br>Funded<br>Ratio<br>(1) / (2) | (4)<br>Unfunded<br>AAL<br>(UAAL)<br>(2) - (1) | (5)<br>Covered<br>Payroll | (6)<br>UAAL as<br>A Percentage<br>Of Covered<br>Payroll<br>(4) / (5) |
|--------------------------------|--|---|-------------------------------------|---|---------------------------|--|
| <u>October 1</u>               |  |   |                                     |   |                           |  |
| 1998                           | 20.71                                  | 18.63   | 111.2                               | (2.08)  | 3.21                      | (65.0)   |
| 1999                           | 23.45                                  | 20.97   | 111.9                               | (2.48)  | 3.61                      | (68.7)   |
| 2000                           | 26.29                                  | 21.44   | 122.6                               | (4.84)  | 3.93                      | (123.4)  |
| 2001                           | 28.38                                  | 26.08   | 108.8                               | (2.31)  | 4.58                      | (50.4)   |
| 2002                           | 28.99                                  | 29.26   | 99.1                                | .27   | 4.42                      | 6.2  |

Analysis of the dollar amounts of actuarial value of assets or actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Police Officers' Pension Plan Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjust for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| <u>Year<br/>Ended<br/>September 30,</u> | <u>Annual<br/>Required<br/>Contribution</u> | <u>Percentage<br/>Contributed</u> |
|---|---|-----------------------------------|
| 1997                                    | \$672,953                                   | 100%                              |
| 1998                                    | 566,834                                     | 100%                              |
| 1999                                    | 457,195                                     | 100%                              |
| 2000                                    | 501,920                                     | 100%                              |
| 2001                                    | 515,165                                     | 100%                              |
| 2002                                    | 684,809                                     | 100%                              |
| 2003                                    | 1,052,774                                   | 100%                              |

CITY OF BRADENTON, FLORIDA  
POLICE OFFICERS' PENSION PLAN  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedule was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

|                               |   |
|-------------------------------|---|
| Valuation date                | 10/01/02  |
| Actuarial cost method         | Aggregate                                       |
| Amortization method           | N/A   |
| Remaining amortization period | N/A   |
| Asset valuation method        | 5-year smoothed market value                    |
| Actuarial assumptions:        |   |
| Investment rate of return     | 8.0%  |
| Projected salary increases    | 9.1 to 7.0% depending on service                |
| Includes inflation at         | 4.0%  |
| Cost of living adjustments    | 2.0% (one-half of assumed<br>Rate of inflation) |

## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

These financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type. Individual fund statements are presented when there is only one fund of a given type. They are also necessary to present budgetary comparisons.

Financial schedules are also presented that provide greater detailed information than reported in the financial statements. Schedules also present information that is spread throughout the statements that can be brought together and shown in greater detail.

CITY OF BRADENTON, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|                                   | <u>Budgeted Amount</u> |                   | <u>Actual</u>     | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> |
|-----------------------------------|------------------------|-------------------|-------------------|--|
|                                   | <u>Original</u>        | <u>Final</u>      |                   |  |
| Taxes:                            |                        |                   |                   |  |
| General property taxes            | \$ 8,176,786           | 8,176,786         | 8,299,374         | 122,588  |
| Other taxes                       | 192,498                | 203,800           | 203,800           | --   |
| Total taxes                       | 8,369,284              | 8,380,586         | 8,503,174         | 122,588  |
| Licenses and permits:             |                        |                   |                   |  |
| Occupational licenses             | 420,000                | 420,000           | 293,320           | ( 126,680)                                       |
| Building permits                  | 285,750                | 285,750           | 416,993           | 131,243  |
| Electrical permits                | 65,000                 | 67,929            | 67,930            | 1  |
| Other licenses and permits        | 2,300                  | 3,325             | 3,325             | --   |
| Penalties                         | 3,000                  | 3,000             | 3,106             | 106  |
| Total licenses and permits        | 776,050                | 780,004           | 784,674           | 4,670  |
| Intergovernmental grants          | 213,408                | 491,863           | 491,863           | --   |
| Intergovernmental revenues:       |                        |                   |                   |  |
| State revenue sharing             | 1,264,228              | 1,301,659         | 1,301,660         | 1  |
| State mobile home licenses        | 23,000                 | 35,607            | 35,607            | --   |
| State alcoholic beverage licenses | 21,000                 | 31,442            | 31,443            | 1  |
| Other grants                      | 11,320                 | 9,522             | 9,742             | 220  |
| Total intergovernmental revenues  | 1,319,548              | 1,378,230         | 1,378,452         | 222  |
| Shared revenues:                  |                        |                   |                   |  |
| Ninth cent gas tax                | 236,988                | 271,841           | 271,842           | 1  |
| Four cent gas tax                 | 424,157                | 511,601           | 511,602           | 1  |
| Two cent gas tax                  | 170,095                | 214,487           | 214,488           | 1  |
| Total shared revenues             | 831,240                | 997,929           | 997,932           | 3  |
| Payments in lieu of taxes         | 6,000                  | 367               | 367               | --   |
| Charges for services:             |                        |                   |                   |  |
| General government fees           | 926,244                | 1,096,131         | 1,096,036         | ( 95)  |
| Marina rental revenue             | 65,178                 | 72,473            | 72,474            | 1  |
| Culture and recreation            | 92,000                 | 106,577           | 106,696           | 119  |
| Total charges for services        | 1,083,422              | 1,275,181         | 1,275,206         | 25   |
| Fines and forfeitures             | 198,500                | 239,661           | 239,663           | 2  |
| Interest                          | 630,000                | 647,198           | 647,199           | 1  |
| Rents                             | 250,929                | 210,417           | 211,460           | 1,043  |
| Sales of property                 | 35,000                 | 137,921           | 137,923           | 2  |
| Miscellaneous                     | 99,000                 | 678,632           | 678,627           | ( 5)   |
| Cash carryforward                 | 2,419,409              | 723,205           | --                | ( 723,205)                                       |
| Total revenues                    | <u>\$ 16,231,790</u>   | <u>15,941,194</u> | <u>15,346,540</u> | <u>( 594,654)</u>                                |

CITY OF BRADENTON, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|                                  | Budgeted Amount |           | Actual  | Variance<br>Favorable<br>(Unfavorable) |
|----------------------------------|-----------------|-----------|---------|--|
|                                  | Original        | Final     |         |  |
| General Government:              |                 |           |         |  |
| Legislative:                     |                 |           |         |  |
| Personal services                | \$ 364,228      | 364,228   | 343,567 | 20,661                                 |
| Operating expenditures           | 161,240         | 102,697   | 98,489  | 4,208                                  |
| Total legislative                | 525,468         | 466,925   | 442,056 | 24,869                                 |
| Executive - City Clerk:          |                 |           |         |  |
| Personal services                | 367,142         | 364,142   | 328,661 | 35,481                                 |
| Operating expenditures           | 723,410         | 632,002   | 627,954 | 4,048                                  |
| Capital outlay                   | 3,500           | 31,500    | 30,895  | 605                                    |
| Total executive - City Clerk     | 1,094,052       | 1,027,644 | 987,510 | 40,134                                 |
| Financial & administration:      |                 |           |         |  |
| Personal services                | 231,567         | 233,167   | 218,679 | 14,488                                 |
| Operating expenditures           | 39,398          | 34,063    | 15,833  | 18,230                                 |
| Capital outlay                   | 2,083           | 3,833     | 3,620   | 213                                    |
| Total financial & administration | 273,048         | 271,063   | 238,132 | 32,931                                 |
| Personnel & services:            |                 |           |         |  |
| Personal services                | 202,042         | 202,042   | 180,342 | 21,700                                 |
| Operating expenditures           | 79,550          | 54,103    | 52,688  | 1,415                                  |
| Capital outlay                   | 1,000           | --        | --      | --                                     |
| Total personnel & services       | 282,592         | 256,145   | 233,030 | 23,115                                 |
| Administration:                  |                 |           |         |  |
| Personal services                | 173,155         | 173,155   | 153,925 | 19,230                                 |
| Operating expenditures           | 15,650          | 15,650    | 7,618   | 8,032                                  |
| Capital outlay                   | 20,000          | 20,000    | 15,897  | 4,103                                  |
| Total administration             | 208,805         | 208,805   | 177,440 | 31,365                                 |
| Legal counsel:                   |                 |           |         |  |
| Operating expenditures           | 165,000         | 165,000   | 132,060 | 32,940                                 |
| Purchasing:                      |                 |           |         |  |
| Personal services                | 200,383         | 200,383   | 189,645 | 10,738                                 |
| Operating expenditures           | 30,365          | 45,075    | 36,301  | 8,774                                  |
| Capital outlay                   | 2,400           | 26,658    | 26,456  | 202                                    |
| Total purchasing                 | 233,148         | 272,116   | 252,402 | 19,714                                 |

(Continued)

CITY OF BRADENTON, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)  
For the Fiscal Year Ended September 30, 2003

|                              | Budgeted Amount |           | Actual    | Variance                   |
|------------------------------|-----------------|-----------|-----------|----------------------------|
|                              | Original        | Final     |           | Favorable<br>(Unfavorable) |
| Garage:                      |                 |           |           |                            |
| Personal services:           | \$ 602,436      | 577,092   | 504,043   | 73,049                     |
| Operating expenditures:      | 375,925         | 460,078   | 447,272   | 12,806                     |
| Capital outlay:              | 51,250          | 49,250    | 47,435    | 1,815                      |
| Total garage                 | 1,029,611       | 1,086,420 | 998,750   | 87,670                     |
| Janitorial services:         |                 |           |           |                            |
| Personal services            | 104,902         | 104,902   | 88,748    | 16,154                     |
| Operating expenditures       | 241,526         | 241,526   | 236,148   | 5,378                      |
| Capital Outlay               | 20,000          | --        | --        | --                         |
| Total janitorial services    | 366,428         | 346,428   | 324,896   | 21,532                     |
| Data processing:             |                 |           |           |                            |
| Personal services            | 426,819         | 399,491   | 393,452   | 6,039                      |
| Operating expenditures       | 367,008         | 405,940   | 399,627   | 6,313                      |
| Capital outlay               | 525,000         | 515,396   | 515,025   | 371                        |
| Total data processing        | 1,318,827       | 1,320,827 | 1,308,104 | 12,723                     |
| Electrical Maintenance:      |                 |           |           |                            |
| Personal services            | 331,057         | 331,057   | 311,725   | 19,332                     |
| Operating expenditures       | 24,800          | 23,403    | 17,272    | 6,131                      |
| Capital outlay               | --              | 1,397     | 1,397     | --                         |
| Total electrical maintenance | 355,857         | 355,857   | 330,394   | 25,463                     |
| Carpentry Maintenance:       |                 |           |           |                            |
| Personal services            | 123,347         | 123,347   | 110,686   | 12,661                     |
| Operating expenditures       | 7,500           | 8,901     | 5,936     | 2,965                      |
| Capital outlay               | 3,400           | 1,999     | --        | 1,999                      |
| Total carpentry maintenance  | 134,247         | 134,247   | 116,622   | 17,625                     |
| Total General Government     | 5,987,083       | 5,911,477 | 5,541,396 | 370,081                    |
| Public Safety:               |                 |           |           |                            |
| Law enforcement:             |                 |           |           |                            |
| Personal services            | 6,895,969       | 7,097,819 | 6,852,812 | 245,007                    |
| Operating expenditures       | 841,039         | 1,017,988 | 1,003,060 | 14,928                     |
| Capital outlay               | 732,105         | 717,862   | 401,310   | 316,552                    |
| Total law enforcement        | 8,469,113       | 8,833,669 | 8,257,182 | 576,487                    |
| Dispatching:                 |                 |           |           |                            |
| Personal services            | 520,576         | 520,576   | 430,318   | 90,258                     |
| Operating expenditures       | 28,860          | 28,760    | 19,420    | 9,340                      |
| Capital outlay               | 54,100          | 54,200    | 40,060    | 14,140                     |
| Total dispatching            | 603,536         | 603,536   | 489,798   | 113,738                    |

(Continued)

CITY OF BRADENTON, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)  
For the Fiscal Year Ended September 30, 2003

|                                  | Budgeted Amount |            | Actual     | Variance                   |
|----------------------------------|-----------------|------------|------------|----------------------------|
|                                  | Original        | Final      |            | Favorable<br>(Unfavorable) |
| Fire control:                    |                 |            |            |                            |
| Personal services                | \$ 4,662,109    | 4,619,470  | 4,258,558  | 360,912                    |
| Operating expenditures           | 485,152         | 824,438    | 800,816    | 23,622                     |
| Capital outlay                   | 125,573         | 392,850    | 388,275    | 4,575                      |
| Total fire control               | 5,272,834       | 5,836,758  | 5,447,649  | 389,109                    |
| Total Public Safety              | 14,345,483      | 15,273,963 | 14,194,629 | 1,079,334                  |
| Transportation:                  |                 |            |            |                            |
| Roads & streets facilities:      |                 |            |            |                            |
| Personal services                | 849,582         | 784,099    | 722,038    | 62,061                     |
| Operating expenditures           | 954,151         | 1,012,301  | 993,883    | 18,418                     |
| Capital outlay                   | 102,350         | 108,350    | 112,332    | ( 3,982)                   |
| Total roads & streets facilities | 1,906,083       | 1,904,750  | 1,828,253  | 76,497                     |
| Engineering:                     |                 |            |            |                            |
| Personal services                | 308,749         | 306,944    | 262,016    | 44,928                     |
| Operating expenditures           | 21,660          | 23,465     | 20,483     | 2,982                      |
| Capital outlay                   | 25,000          | 25,000     | 18,612     | 6,388                      |
| Total engineering                | 355,409         | 355,409    | 301,111    | 54,298                     |
| Planning and development:        |                 |            |            |                            |
| Personal services                | 1,031,509       | 1,018,348  | 904,443    | 113,905                    |
| Operating expenditures           | 111,458         | 127,759    | 116,258    | 11,501                     |
| Capital outlay                   | 79,483          | 43,983     | 38,105     | 5,878                      |
| Total planning and development   | 1,222,450       | 1,190,090  | 1,058,806  | 131,284                    |
| Code enforcement                 |                 |            |            |                            |
| Personal services                | 204,048         | 204,048    | 173,248    | 30,800                     |
| Operating expenditures           | 37,450          | 41,810     | 16,625     | 25,185                     |
| Capital outlay                   | 49,000          | 43,000     | 12,344     | 30,656                     |
| Total code enforcement           | 290,498         | 288,858    | 202,217    | 86,641                     |

(Continued)

CITY OF BRADENTON, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)  
For the Fiscal Year Ended September 30, 2003

|                                     | Budgeted Amount      |                   | Actual            | Variance                   |
|-------------------------------------|----------------------|-------------------|-------------------|----------------------------|
|                                     | Original             | Final             |                   | Favorable<br>(Unfavorable) |
| Risk management:                    |                      |                   |                   |                            |
| Personal services                   | \$ 90,693            | 90,693            | 67,723            | 22,970                     |
| Operating expenditures              | 14,680               | 14,680            | 10,290            | 4,390                      |
| Total risk management               | <u>105,373</u>       | <u>105,373</u>    | <u>78,013</u>     | <u>27,360</u>              |
| Total Transportation                | <u>3,879,813</u>     | <u>3,844,480</u>  | <u>3,468,400</u>  | <u>376,080</u>             |
| Culture - recreation:               |                      |                   |                   |                            |
| Parks and recreation:               |                      |                   |                   |                            |
| Personal services                   | 1,249,686            | 1,242,661         | 1,105,588         | 137,073                    |
| Operating expenditures              | 209,000              | 222,025           | 218,105           | 3,920                      |
| Capital outlay                      | 138,200              | 132,200           | 135,397           | ( 3,197)                   |
| Total parks and recreation          | <u>1,596,886</u>     | <u>1,596,886</u>  | <u>1,459,090</u>  | <u>137,796</u>             |
| Pirate City Complex:                |                      |                   |                   |                            |
| Personal services                   | 195,782              | 183,408           | 173,996           | 9,412                      |
| Operating expenditures              | 292,800              | 290,733           | 288,051           | 2,682                      |
| Capital outlay                      | 99,190               | 113,631           | 113,631           | --                         |
| Grants and aid                      | 22,100               | 22,100            | 22,000            | 100                        |
| Total Pirate City Complex           | <u>609,872</u>       | <u>609,872</u>    | <u>597,678</u>    | <u>12,194</u>              |
| Special recreation facilities:      |                      |                   |                   |                            |
| Personal services                   | 184,867              | 184,867           | 170,671           | 14,196                     |
| Operating expenditures              | 35,000               | 35,000            | 24,088            | 10,912                     |
| Capital outlay                      | 2,500                | 2,500             | 910               | 1,590                      |
| Total special recreation facilities | <u>222,367</u>       | <u>222,367</u>    | <u>195,669</u>    | <u>26,698</u>              |
| Total Culture - Recreation          | <u>2,429,125</u>     | <u>2,429,125</u>  | <u>2,252,437</u>  | <u>176,688</u>             |
| Total expenditures                  | <u>\$ 26,641,504</u> | <u>27,459,045</u> | <u>25,456,862</u> | <u>2,002,183</u>           |

## Nonmajor Governmental Funds

### Special Revenue Funds

Special Revenues are used to account for the proceeds of specific revenue sources (other than special assessments) or to finance specified activities as required by law or administrative regulation.

**Parks & Recreation Impact Fee – District 1 Fund** – To account for the receipt, custody and expenditure (including operating transfers) of impact fee revenue.

**Parks & Recreation Impact Fee – District II Fund** - To account for the receipt, custody and expenditure (including operating transfers) of impact fee revenue.

**Public Safety Police Protection Fund** – To account for the receipt, custody and expenditure (including operating transfers) of impact fee revenue.

**Public Safety Fire Protection Fund** – To account for the receipt, custody and expenditure (including operating transfers) of impact fee revenue.

**Community Development Program Fund** – To account for the receipt, custody and expenditure of community development program grant funds.

**Housing Assistance Program Fund** – To account for the receipt, custody, and expenditure of housing assistance program grant funds.

**Public Service Tax Fund** – To account for the receipt, custody, and expenditure (including operating transfers) of Public Service Tax received from the State of Florida.

**Municipal Waterfront Park Fund** – To account for the receipt, custody and expenditure (including operating transfers) of all revenues generated by the Waterfront Park Project.

**State Housing Initiatives Partnership Program (S.H.I.P.P.)** – To account for the receipt, custody and expenditure of State Housing Initiatives Partnership Program grant funds.

**Local Law Enforcement Block Grant Fund** – To account for the receipt, custody, and expenditure of Local Law Enforcement Block Grant funds.

## Nonmajor Governmental Funds (continued)

### Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**1995 Subordinate Lien Special Revenue Refunding Bonds** – 3.7% to 5.3% interest rates, payable in installments from \$145,000 to \$270,000, maturing in 2015.

**Franchise Fees Promissory Note 2000** - Variable interest rate, currently at 5.2500%, due in quarterly installments of principal and interest, maturing in 2020.

**1998 Capital Improvement Revenue Bonds** – Variable interest rate, currently at 1.31876%, due in quarterly installments of principal and interest, maturing in 2008.

**Florida Municipal Loan 2001A** – 3.25% to 5.25% interest rates, payable in installments from \$100,000. to \$235,000, maturing in 2021.

### Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**General Projects Fund** – To account for general City construction projects that are financed by general government resources.

**Florida Municipal Loan Series 2001A Project Fund** – To account for the financing and construction of the waterfront park and 3<sup>rd</sup> Avenue extension projects.

City of Bradenton, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2003

Special Revenue Funds

|   | Parks &<br>Recreational<br>Impact Fee -<br>District I | Parks &<br>Recreational<br>Impact Fee -<br>District II | Public<br>Safety<br>Police<br>Protection | Public<br>Safety<br>Fire<br>Protection | Community<br>Development<br>Program |
|---|---|--|--|--|-------------------------------------|
| <b>Assets</b>                           |   |  |  |  |                                     |
| Cash and cash equivalents               | \$ 9,515  | 7,525  | 47,281                                   | 62,035                                 | 220,185                             |
| Investments                             | --  | --   | --                                       | --                                     | --                                  |
| Due from other governments              | --  | --   | --                                       | --                                     | --                                  |
| Advances to other funds                 | --  | --   | --                                       | --                                     | --                                  |
| Total assets                            | <u>\$ 9,515</u>                                       | <u>7,525</u>   | <u>47,281</u>                            | <u>62,035</u>                          | <u>220,185</u>                      |
| <b>Liabilities</b>                      |   |  |  |  |                                     |
| Accounts payable                        | \$ --   | --   | --                                       | --                                     | 4,357                               |
| Due to other funds                      | --  | --   | --                                       | --                                     | 1,486                               |
| Due to other governments                | --  | --   | --                                       | --                                     | --                                  |
| Accrued salaries, wages and<br>benefits | --  | --   | --                                       | --                                     | 16,222                              |
| Total liabilities                       | --  | --   | --                                       | --                                     | 22,065                              |
| <b>Fund Balances</b>                    |   |  |  |  |                                     |
| Reserved for retirement of bonds        | --  | --   | --                                       | --                                     | --                                  |
| Unreserved, undesignated                | 9,515   | 7,525  | 47,281                                   | 62,035                                 | 198,120                             |
| Total fund balances                     | <u>9,515</u>  | <u>7,525</u>   | <u>47,281</u>                            | <u>62,035</u>                          | <u>198,120</u>                      |
| Total liabilities and fund balances     | <u>\$ 9,515</u>                                       | <u>7,525</u>   | <u>47,281</u>                            | <u>62,035</u>                          | <u>220,185</u>                      |

Special Revenue Funds

| Housing<br>Assistance<br>Program | Public<br>Service<br>Tax | Municipal<br>Waterfront<br>Park | State Housing<br>Initiatives<br>Partnership<br>Program | Local Law<br>Enforcement<br>Block Grant | Total            |
|----------------------------------|--------------------------|---------------------------------|--|---|------------------|
| 227,890                          | 973,384                  | 633,988                         | 757,341  | 24,728                                  | 2,963,872        |
| 414,857                          | --                       | --                              | --   | --                                      | 414,857          |
| --                               | 506,688                  | --                              | --   | --                                      | 506,688          |
| --                               | --                       | --                              | --   | --                                      | --               |
| <u>642,747</u>                   | <u>1,480,072</u>         | <u>633,988</u>                  | <u>757,341</u>   | <u>24,728</u>                           | <u>3,885,417</u> |
| 4,312                            | --                       | --                              | 155  | --                                      | 8,824            |
| 1,546                            | --                       | --                              | --   | --                                      | 3,032            |
| 53,647                           | --                       | 1,880                           | --   | --                                      | 55,527           |
| <u>15,928</u>                    | <u>--</u>                | <u>--</u>                       | <u>1,285</u>   | <u>--</u>                               | <u>33,435</u>    |
| 75,433                           | --                       | 1,880                           | 1,440  | --                                      | 100,818          |
| --                               | --                       | --                              | --   | --                                      | --               |
| <u>567,314</u>                   | <u>1,480,072</u>         | <u>632,108</u>                  | <u>755,901</u>   | <u>24,728</u>                           | <u>3,784,599</u> |
| <u>567,314</u>                   | <u>1,480,072</u>         | <u>632,108</u>                  | <u>755,901</u>   | <u>24,728</u>                           | <u>3,784,599</u> |
| <u>642,747</u>                   | <u>1,480,072</u>         | <u>633,988</u>                  | <u>757,341</u>   | <u>24,728</u>                           | <u>3,885,417</u> |

(Continued)

City of Bradenton  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
September 30, 2003

Debt Service Funds

|  | 1995 Subordinate<br>Lien Special<br>Revenue<br>Refunding Bonds | Franchise<br>Fees<br>Promissory<br>Note 2000 | 1998 Capital<br>Improvement<br>Revenue<br>Bonds | Florida<br>Municipal<br>Loan<br>2001A | Total            |
|--|--|--|---|---------------------------------------|------------------|
| <b>Assets</b>                              |  |  |   |                                       |                  |
| Cash and cash equivalents                  | 1,131,780  | 363,900                                      | 219,555   | 111,921                               | 1,827,156        |
| Investments                                | 376,600  | --   | --  | --                                    | 376,600          |
| Due from other governments                 | --   | --   | --  | --                                    | --               |
| Advances to other funds                    | --   | --   | --  | --                                    | --               |
| <b>Total assets</b>                        | <b>1,508,380</b>   | <b>363,900</b>                               | <b>219,555</b>                                  | <b>111,921</b>                        | <b>2,203,756</b> |
| <b>Liabilities</b>                         |  |  |   |                                       |                  |
| Accounts payable                           | --   | --   | --  | --                                    | --               |
| Due to other funds                         | --   | --   | --  | --                                    | --               |
| Due to other governments                   | --   | --   | --  | --                                    | --               |
| Accrued salaries, wages and<br>benefits    | --   | --   | --  | --                                    | --               |
| <b>Total liabilities</b>                   | <b>--</b>  | <b>--</b>                                    | <b>--</b>                                       | <b>--</b>                             | <b>--</b>        |
| <b>Fund Balances</b>                       |  |  |   |                                       |                  |
| Reserved for retirement of bonds           | 279,221  | --   | --  | --                                    | 279,221          |
| Unreserved, undesignated                   | 1,229,159  | 363,900                                      | 219,555   | 111,921                               | 1,924,535        |
| <b>Total fund balances</b>                 | <b>1,508,380</b>   | <b>363,900</b>                               | <b>219,555</b>                                  | <b>111,921</b>                        | <b>2,203,756</b> |
| <b>Total liabilities and fund balances</b> | <b>1,508,380</b>   | <b>363,900</b>                               | <b>219,555</b>                                  | <b>111,921</b>                        | <b>2,203,756</b> |

Capital Projects Funds

| General<br>Projects | Florida<br>Municipal<br>Loan<br>Series 2001 A | Total          | Total<br>Nonmajor<br>Governmental<br>Funds |
|---------------------|---|----------------|--|
| 269,389             | --  | 269,389        | 5,060,417                                  |
| --                  | 187,422                                       | 187,422        | 978,879                                    |
| --                  | 181,348                                       | 181,348        | 688,036                                    |
| 130,236             | --  | 130,236        | 130,236                                    |
| <u>399,625</u>      | <u>368,770</u>                                | <u>768,395</u> | <u>6,857,568</u>                           |
| 10,220              | 373,889                                       | 384,109        | 392,933                                    |
| --                  | 130,236                                       | 130,236        | 133,268                                    |
| --                  | --  | --             | 55,527                                     |
| --                  | --  | --             | 33,435                                     |
| 10,220              | 504,125                                       | 514,345        | 615,163                                    |
| --                  | --  | --             | 279,221                                    |
| 389,405             | ( 135,355)                                    | 254,050        | 5,963,184                                  |
| 389,405             | ( 135,355)                                    | 254,050        | 6,242,405                                  |
| <u>399,625</u>      | <u>368,770</u>                                | <u>768,395</u> | <u>6,857,568</u>                           |

City of Bradenton, Florida  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2003

Special Revenue Funds

|   | Parks &<br>Recreational<br>Impact Fee -<br>District I | Parks &<br>Recreational<br>Impact Fee -<br>District II | Public<br>Safety<br>Police<br>Protection | Public<br>Safety<br>Fire<br>Protection | Cigarette<br>Tax    |
|---|---|--|--|--|---------------------|
| <b>Revenues</b>                                   |   |  |  |  |                     |
| Taxes   | \$ 8,949  | 6,719  | 43,554                                   | 56,860                                 | --                  |
| Intergovernmental grants                          | --  | --   | --                                       | --                                     | --                  |
| Interest  | 154   | 197  | 1,032                                    | 1,388                                  | --                  |
| Rents   | --  | --   | --                                       | --                                     | --                  |
| Miscellaneous                                     | --  | --   | --                                       | --                                     | --                  |
| Special assessments - property owners             | --  | --   | --                                       | --                                     | --                  |
| <b>Total revenues</b>                             | <b>9,103</b>  | <b>6,916</b>   | <b>44,586</b>                            | <b>58,248</b>                          | <b>--</b>           |
| <b>Expenditures</b>                               |   |  |  |  |                     |
| Current:  |   |  |  |  |                     |
| Economic environment                              | --  | --   | --                                       | --                                     | --                  |
| Debt Service:                                     |   |  |  |  |                     |
| Principal   | --  | --   | --                                       | --                                     | --                  |
| Interest  | --  | --   | --                                       | --                                     | --                  |
| Capital outlay                                    | --  | --   | --                                       | --                                     | --                  |
| <b>Total expenditures</b>                         | <b>--</b>   | <b>--</b>  | <b>--</b>                                | <b>--</b>                              | <b>--</b>           |
| Excess (deficit) of revenues<br>over expenditures | 9,103   | 6,916  | 44,586                                   | 58,248                                 | --                  |
| <b>Other Financing Sources (Uses):</b>            |   |  |  |  |                     |
| Transfers from other funds                        | --  | --   | --                                       | --                                     | --                  |
| Transfers to other funds                          | --  | --   | --                                       | --                                     | ( 1,060,786)        |
| <b>Total other financing sources (uses)</b>       | <b>--</b>   | <b>--</b>  | <b>--</b>                                | <b>--</b>                              | <b>( 1,060,786)</b> |
| <b>Net change in fund balances</b>                | <b>9,103</b>  | <b>6,916</b>   | <b>44,586</b>                            | <b>58,248</b>                          | <b>( 1,060,786)</b> |
| Fund balances - beginning                         | 412   | 609  | 2,695                                    | 3,787                                  | 1,060,786           |
| <b>Fund balances - ending</b>                     | <b>\$ 9,515</b>                                       | <b>7,525</b>   | <b>47,281</b>                            | <b>62,035</b>                          | <b>--</b>           |

Special Revenue Funds

| Community<br>Development<br>Program | Housing<br>Assistance<br>Program | Discretionary<br>Sales<br>Tax | Public<br>Service<br>Tax | Municipal<br>Waterfront<br>Park | State Housing<br>Initiatives<br>Partnership<br>Program | Local Law<br>Enforcement<br>Block Grant | Total        |
|-------------------------------------|----------------------------------|-------------------------------|--------------------------|---------------------------------|--|---|--------------|
| --                                  | --                               | 8,031                         | 3,055,549                | --                              | --   | --                                      | 3,179,662    |
| 703,415                             | 2,305,250                        | --                            | --                       | --                              | 408,296  | 76,095                                  | 3,493,056    |
| 3,011                               | 8,879                            | --                            | 27,515                   | 32,698                          | 8,268  | 391                                     | 83,533       |
| --                                  | --                               | --                            | --                       | 307,917                         | --   | --                                      | 307,917      |
| 7,386                               | 6,082                            | --                            | --                       | --                              | --   | --                                      | 13,468       |
| 42,707                              | --                               | --                            | --                       | --                              | 73,185   | --                                      | 115,892      |
| 756,519                             | 2,320,211                        | 8,031                         | 3,083,064                | 340,615                         | 489,749  | 76,486                                  | 7,193,528    |
| 601,224                             | 2,755,333                        | --                            | --                       | --                              | 563,039  | 72,410                                  | 3,992,006    |
| --                                  | --                               | --                            | --                       | --                              | --   | --                                      | --           |
| --                                  | --                               | --                            | --                       | --                              | --   | --                                      | --           |
| --                                  | --                               | --                            | --                       | --                              | --   | --                                      | --           |
| 601,224                             | 2,755,333                        | --                            | --                       | --                              | 563,039  | 72,410                                  | 3,992,006    |
| 155,295                             | ( 435,122)                       | 8,031                         | 3,083,064                | 340,615                         | ( 73,290)  | 4,076                                   | 3,201,522    |
| --                                  | --                               | --                            | --                       | --                              | --   | --                                      | --           |
| ( 95,609)                           | --                               | ( 28,680)                     | ( 2,426,500)             | ( 361,282)                      | --   | --                                      | ( 3,972,857) |
| ( 95,609)                           | --                               | ( 28,680)                     | ( 2,426,500)             | ( 361,282)                      | --   | --                                      | ( 3,972,857) |
| 59,686                              | ( 435,122)                       | ( 20,649)                     | 656,564                  | ( 20,667)                       | ( 73,290)  | 4,076                                   | ( 771,335)   |
| 138,434                             | 1,002,436                        | 20,649                        | 823,508                  | 652,775                         | 829,191  | 20,652                                  | 4,555,934    |
| 198,120                             | 567,314                          | --                            | 1,480,072                | 632,108                         | 755,901  | 24,728                                  | 3,784,599    |

(continued)

City of Bradenton, Florida  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2003

|   | Debt Service Funds   |  |   |                                       |                  |
|---|--|--|---|---------------------------------------|------------------|
|   | 1995 Subordinate<br>Lien Special<br>Revenue<br>Refunding Bonds | Franchise<br>Fees<br>Promissory<br>Note 2000 | 1998 Capital<br>Improvement<br>Revenue<br>Bonds | Florida<br>Municipal<br>Loan<br>2001A | Total            |
| <b>Revenues</b>                                   |  |  |   |                                       |                  |
| Taxes   | --   | --   | --  | --                                    | --               |
| Intergovernmental grants                          | --   | --   | --  | --                                    | --               |
| Interest  | 62,044   | --   | --  | 116                                   | 62,160           |
| Rents   | --   | --   | --  | --                                    | --               |
| Miscellaneous                                     | --   | --   | --  | --                                    | --               |
| Special assessments - property owners             | --   | --   | --  | --                                    | --               |
| <b>Total revenues</b>                             | <b>62,044</b>  | <b>--</b>                                    | <b>--</b>                                       | <b>116</b>                            | <b>62,160</b>    |
| <b>Expenditures</b>                               |  |  |   |                                       |                  |
| Current:  |  |  |   |                                       |                  |
| Economic environment                              | --   | --   | --  | --                                    | --               |
| Debt Service:                                     |  |  |   |                                       |                  |
| Principal   | 140,600  | 199,133                                      | 350,000   | 105,000                               | 794,733          |
| Interest  | 132,898  | 295,887                                      | 63,275  | 150,944                               | 643,004          |
| Capital outlay                                    | --   | --   | --  | --                                    | --               |
| <b>Total expenditures</b>                         | <b>273,498</b>   | <b>495,020</b>                               | <b>413,275</b>                                  | <b>255,944</b>                        | <b>1,437,737</b> |
| Excess (deficit) of revenues<br>over expenditures | ( 211,454)   | ( 495,020)                                   | ( 413,275)                                      | ( 255,828)                            | ( 1,375,577)     |
| Other Financing Sources (Uses):                   |  |  |   |                                       |                  |
| Transfers from other funds                        | 203,652  | 249,367                                      | 471,000   | 256,504                               | 1,180,523        |
| Transfers to other funds                          | --   | --   | --  | --                                    | --               |
| <b>Total other financing sources (uses)</b>       | <b>203,652</b>   | <b>249,367</b>                               | <b>471,000</b>                                  | <b>256,504</b>                        | <b>1,180,523</b> |
| Net change in fund balances                       | ( 7,802)   | ( 245,653)                                   | 57,725  | 676                                   | ( 195,054)       |
| Fund balances - beginning                         | 1,516,182  | 609,553                                      | 161,830   | 111,245                               | 2,398,810        |
| Fund balances - ending                            | <u>1,508,380</u>   | <u>363,900</u>                               | <u>219,555</u>                                  | <u>111,921</u>                        | <u>2,203,756</u> |

Capital Projects Funds

| General<br>Projects | Florida<br>Municipal<br>Loan<br>Series 2001 A | Total            | Total<br>Nonmajor<br>Governmental<br>Funds |
|---------------------|---|------------------|--|
| --                  | --  | --               | 3,179,662                                  |
| --                  | 425,519                                       | 425,519          | 3,918,575                                  |
| 17,408              | 214,575                                       | 231,983          | 377,676                                    |
| --                  | --  | --               | 307,917                                    |
| --                  | --  | --               | 13,468                                     |
| --                  | --  | --               | 115,892                                    |
| <u>17,408</u>       | <u>640,094</u>                                | <u>657,502</u>   | <u>7,913,190</u>                           |
| --                  | --  | --               | 3,992,006                                  |
| --                  | --  | --               | 794,733                                    |
| --                  | --  | --               | 643,004                                    |
| <u>116,852</u>      | <u>3,125,361</u>                              | <u>3,242,213</u> | <u>3,242,213</u>                           |
| <u>116,852</u>      | <u>3,125,361</u>                              | <u>3,242,213</u> | <u>8,671,956</u>                           |
| ( 99,444)           | ( 2,485,267)                                  | ( 2,584,711)     | ( 758,766)                                 |
| 118,180             | --  | 118,180          | 1,298,703                                  |
| --                  | ( 54,900)                                     | ( 54,900)        | ( 4,027,757)                               |
| <u>118,180</u>      | <u>( 54,900)</u>                              | <u>63,280</u>    | <u>( 2,729,054)</u>                        |
| 18,736              | ( 2,540,167)                                  | ( 2,521,431)     | ( 3,487,820)                               |
| <u>370,669</u>      | <u>2,404,812</u>                              | <u>2,775,481</u> | <u>9,730,225</u>                           |
| <u>389,405</u>      | <u>( 135,355)</u>                             | <u>254,050</u>   | <u>6,242,405</u>                           |

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
COMMUNITY DEVELOPMENT PROGRAM FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | Budgeted Amount |           | Actual    | Variance   |
|--|-----------------|-----------|-----------|------------|
|  | Original        | Final     |           |            |
| Revenues:  |                 |           |           |            |
| Intergovernmental                                      | \$ 564,100      | 679,100   | 703,415   | 24,315     |
| Unexpended grant funds carryover                       | --              | 675,564   | --        | ( 675,564) |
| Interest   | --              | 3,000     | 3,011     | 11         |
| Miscellaneous  | --              | 13,976    | 7,386     | ( 6,590)   |
| Special assessments - property owners                  | --              | 21,578    | 42,707    | 21,129     |
| Total revenues   | 564,100         | 1,393,218 | 756,519   | ( 636,699) |
| Expenditures:  |                 |           |           |            |
| Economic environment:                                  |                 |           |           |            |
| Personal services                                      | 245,617         | 289,117   | 239,754   | 49,363     |
| Operating expenditures                                 | 82,783          | 162,206   | 102,348   | 59,858     |
| Capital outlay   | 82,700          | 324,261   | 61,838    | 262,423    |
| Public assistance                                      | 153,000         | 308,857   | 197,284   | 111,573    |
| Contingency  | --              | 213,168   | --        | 213,168    |
| Total expenditures                                     | 564,100         | 1,297,609 | 601,224   | 696,385    |
| Excess of revenues over expenditures                   | --              | 95,609    | 155,295   | 59,686     |
| Transfers to:  |                 |           |           |            |
| General Fund   | --              | ( 95,609) | ( 95,609) | --         |
| Excess of revenues and other sources over expenditures | --              | --        | 59,686    | 59,686     |
| Fund balance - October 1, 2002                         | 138,434         | 138,434   | 138,434   | --         |
| Fund balance - September 30, 2003                      | \$ 138,434      | 138,434   | 198,120   | 59,686     |

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
HOUSING ASSISTANCE PROGRAM FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|                                      | Budgeted Amount     |                  | Actual           | Variance          |
|--------------------------------------|---------------------|------------------|------------------|-------------------|
|                                      | Original            | Final            |                  |                   |
| Revenues:                            |                     |                  |                  |                   |
| Intergovernmental                    | \$ 2,500,000        | 2,500,000        | 2,305,250        | ( 194,750)        |
| Interest                             | 25,000              | 25,000           | 8,879            | ( 16,121)         |
| Miscellaneous                        | 500                 | 500              | 6,082            | 5,582             |
| Cash carryforward                    | 164,294             | 191,294          | --               | ( 191,294)        |
| Total revenues                       | <u>2,689,794</u>    | <u>2,716,794</u> | <u>2,320,211</u> | <u>( 396,583)</u> |
| Expenditures:                        |                     |                  |                  |                   |
| Economic environment:                |                     |                  |                  |                   |
| Personal services                    | 195,013             | 192,213          | 204,021          | ( 11,808)         |
| Operating expenditures               | 100,781             | 112,481          | 92,062           | 20,419            |
| Capital outlay                       | --                  | 18,100           | 16,642           | 1,458             |
| Public assistance                    | 2,394,000           | 2,394,000        | 2,442,608        | ( 48,608)         |
| Total expenditures                   | <u>2,689,794</u>    | <u>2,716,794</u> | <u>2,755,333</u> | <u>( 38,539)</u>  |
| Excess of revenues over expenditures | --                  | --               | ( 435,122)       | ( 435,122)        |
| Fund balance - October 1, 2002       | <u>1,002,436</u>    | <u>1,002,436</u> | <u>1,002,436</u> | --                |
| Fund balance - September 30, 2003    | <u>\$ 1,002,436</u> | <u>1,002,436</u> | <u>567,314</u>   | <u>( 435,122)</u> |

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
PUBLIC SERVICE TAX  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | Budgeted Amount |              | Actual       | Variance |
|--|-----------------|--------------|--------------|----------|
|  | Original        | Final        |              |          |
| Revenues:  |                 |              |              |          |
| Taxes  | \$ 2,400,000    | 2,400,000    | 3,055,549    | 655,549  |
| Interest   | 26,500          | 26,500       | 27,515       | 1,015    |
| Total revenues   | 2,426,500       | 2,426,500    | 3,083,064    | 656,564  |
| Other financing uses:                                  |                 |              |              |          |
| Transfers to:  |                 |              |              |          |
| General Fund   | ( 2,426,500)    | ( 2,426,500) | ( 2,426,500) | --       |
| Excess (deficit) of revenues over other financing uses | --              | --           | 656,564      | 656,564  |
| Fund balance - October 1, 2002                         | 823,508         | 823,508      | 823,508      | --       |
| Fund balance - September 30, 2003                      | \$ 823,508      | 823,508      | 1,480,072    | 656,564  |

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
MUNICIPAL WATERFRONT PARK FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | Budgeted Amount |            | Actual     | Variance  |
|--|-----------------|------------|------------|-----------|
|  | Original        | Final      |            |           |
| Revenues:  |                 |            |            |           |
| Interest   | \$ 36,000       | 36,000     | 32,698     | ( 3,302)  |
| Rents  | 325,282         | 325,282    | 307,917    | ( 17,365) |
| Total revenues   | 361,282         | 361,282    | 340,615    | ( 20,667) |
| Other financing uses:                                  |                 |            |            |           |
| Transfers to:  |                 |            |            |           |
| General Fund   | ( 104,778)      | ( 104,778) | ( 104,778) | --        |
| Debt Service   | ( 256,504)      | ( 256,504) | ( 256,504) | --        |
| Total other financing uses                             | ( 361,282)      | ( 361,282) | ( 361,282) | --        |
| Excess (deficit) of revenues over other financing uses | --              | --         | ( 20,667)  | ( 20,667) |
| Fund balance - October 1, 2002                         | 652,775         | 652,775    | 652,775    | --        |
| Fund balance - September 30, 2003                      | \$ 652,775      | 652,775    | 632,108    | ( 20,667) |

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM (S.H.I.P.P.) FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | Budgeted Amount |           | Actual    | Variance   |
|--|-----------------|-----------|-----------|------------|
|  | Original        | Final     |           |            |
| Revenues:                                      |                 |           |           |            |
| Intergovernmental                              | \$ 421,225      | 421,225   | 408,296   | ( 12,929)  |
| Unexpended grant funds carryover               | --              | 796,089   | --        | ( 796,089) |
| Interest                                       | 11,800          | 11,800    | 8,268     | ( 3,532)   |
| Special assessments - property owners          | 10,000          | 10,000    | 73,185    | 63,185     |
| Total revenues                                 | 443,025         | 1,239,114 | 489,749   | ( 749,365) |
| Expenditures:                                  |                 |           |           |            |
| Economic environment:                          |                 |           |           |            |
| Personal services                              | 35,435          | 37,435    | 32,580    | 4,855      |
| Operating expenditures                         | 6,688           | 9,288     | 4,681     | 4,607      |
| Public assistance                              | 379,102         | 694,102   | 525,778   | 168,324    |
| Reserve for contingencies                      | 21,800          | 498,289   | --        | 498,289    |
| Total expenditures                             | 443,025         | 1,239,114 | 563,039   | 676,075    |
| Excess (deficit) of revenues over expenditures | --              | --        | ( 73,290) | ( 73,290)  |
| Fund balance - October 1, 2002                 | 829,191         | 829,191   | 829,191   | --         |
| Fund balance - September 30, 2003              | \$ 829,191      | 829,191   | 755,901   | ( 73,290)  |

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | Budgeted Amount  |               | Actual        | Variance      |
|--|------------------|---------------|---------------|---------------|
|  | Original         | Final         |               |               |
| Revenues:  |                  |               |               |               |
| Intergovernmental grants   | \$ 76,095        | 76,095        | 76,095        | --            |
| Interest   | --               | --            | 391           | 391           |
| Total revenues   | <u>76,095</u>    | <u>76,095</u> | <u>76,486</u> | <u>391</u>    |
| Expenditures:  |                  |               |               |               |
| Economic environment:  |                  |               |               |               |
| Personal services  | --               | 17,620        | 17,620        | --            |
| Operating expenditures   | --               | 7,591         | 7,591         | --            |
| Capital outlay   | --               | 47,199        | 47,199        | --            |
| Contingencies  | 84,550           | 12,140        | --            | 12,140        |
| Total expenditures   | <u>84,550</u>    | <u>84,550</u> | <u>72,410</u> | <u>12,140</u> |
| Excess (deficit) of revenues over expenditures                               | ( 8,455)         | ( 8,455)      | 4,076         | 12,531        |
| Other financing sources (uses):  |                  |               |               |               |
| Transfers in   | 8,455            | 8,455         | --            | ( 8,455)      |
| Excess(deficiency) of revenues and other financing sources over expenditures | --               | --            | 4,076         | 4,076         |
| Fund balance - October 1, 2002   | <u>20,652</u>    | <u>20,652</u> | <u>20,652</u> | <u>--</u>     |
| Fund balance - September 30, 2003  | <u>\$ 20,652</u> | <u>20,652</u> | <u>24,728</u> | <u>4,076</u>  |

CITY OF BRADENTON, FLORIDA  
DEBT SERVICE FUND  
1995 SUBORDINATE LIEN SPECIAL REVENUE REFUNDING BONDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|   | <u>Budgeted Amount</u> |                  | <u>Actual</u>    | <u>Variance</u> |
|---|------------------------|------------------|------------------|-----------------|
|   | <u>Original</u>        | <u>Final</u>     |                  |                 |
| Revenues:   |                        |                  |                  |                 |
| Interest  | \$ 72,000              | 72,000           | 62,044           | ( 9,956)        |
| Total revenues  | 72,000                 | 72,000           | 62,044           | ( 9,956)        |
| Expenditures:   |                        |                  |                  |                 |
| Loan principal repayments   | 140,600                | 140,600          | 140,600          | --              |
| Interest on bonds   | 132,252                | 132,252          | 132,252          | --              |
| Fiscal and service charges  | 2,800                  | 2,800            | 646              | 2,154           |
| Total expenditures  | 275,652                | 275,652          | 273,498          | 2,154           |
| Excess (deficit) of revenues over expenditures                                  | ( 203,652)             | ( 203,652)       | ( 211,454)       | ( 7,802)        |
| Other financing sources:  |                        |                  |                  |                 |
| Transfers from local Government   |                        |                  |                  |                 |
| General Fund  | 192,498                | 192,498          | 192,498          | --              |
| Half-Cent Sales Tax Fund  | 11,154                 | 11,154           | 11,154           | --              |
| Total other financing sources   | 203,652                | 203,652          | 203,652          | --              |
| Excess (deficit) of revenues and other sources over expenditures and other uses | --                     | --               | ( 7,802)         | ( 7,802)        |
| Fund balance - October 1, 2002  | 1,516,182              | 1,516,182        | 1,516,182        | --              |
| Fund balance - September 30, 2003   | <u>\$ 1,516,182</u>    | <u>1,516,182</u> | <u>1,508,380</u> | <u>( 7,802)</u> |

CITY OF BRADENTON, FLORIDA  
DEBT SERVICE FUND  
FRANCHISE FEES PROMISSORY NOTE 2000  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | Budgeted Amount |            | Actual     | Variance   |
|--|-----------------|------------|------------|------------|
|  | Original        | Final      |            |            |
| Revenues   |                 |            |            |            |
| Cash carryforward  | \$ 249,367      | 249,367    | --         | ( 249,367) |
| Total revenues   | 249,367         | 249,367    | --         | ( 249,367) |
| Expenditures:  |                 |            |            |            |
| Loan principal repayments  | 199,133         | 199,133    | 199,133    | --         |
| Interest on bonds  | 299,601         | 299,601    | 295,887    | 3,714      |
| Total expenditures   | 498,734         | 498,734    | 495,020    | 3,714      |
| Excess (deficit) of revenues over expenditures                   | ( 249,367)      | ( 249,367) | ( 495,020) | ( 245,653) |
| Other financing sources:   |                 |            |            |            |
| Transfers from Franchise Tax Fund                                | 249,367         | 249,367    | 249,367    | --         |
| Excess (deficit) of revenues and other sources over expenditures | --              | --         | ( 245,653) | ( 245,653) |
| Fund balance - October 1, 2002                                   | 609,553         | 609,553    | 609,553    | --         |
| Fund balance - September 30, 2003                                | \$ 609,553      | 609,553    | 363,900    | ( 245,653) |

CITY OF BRADENTON, FLORIDA  
DEBT SERVICE FUND  
1998 CAPITAL IMPROVEMENT REVENUE BONDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | <u>Budgeted Amount</u>   |                       | <u>Actual</u>         | <u>Variance</u>      |
|--|--------------------------|-----------------------|-----------------------|----------------------|
|  | <u>Original</u>          | <u>Final</u>          |                       |                      |
| Expenditures:  |                          |                       |                       |                      |
| Loan principal repayments  | \$ 350,000               | 350,000               | 350,000               | --                   |
| Interest on bonds  | 121,000                  | 121,000               | 63,275                | 57,725               |
| Total expenditures   | <u>471,000</u>           | <u>471,000</u>        | <u>413,275</u>        | <u>57,725</u>        |
| Excess (deficit) of revenues over expenditures                   | ( 471,000)               | ( 471,000)            | ( 413,275)            | 57,725               |
| Other financing sources:   |                          |                       |                       |                      |
| Transfer from Utility Tax Fund                                   | 471,000                  | 471,000               | 471,000               | --                   |
| Excess (deficit) of revenues and other sources over expenditures | --                       | --                    | 57,725                | 57,725               |
| Fund balance - October 1, 2002                                   | <u>161,830</u>           | <u>161,830</u>        | <u>161,830</u>        | <u>--</u>            |
| Fund balance - September 30, 2003                                | <u><u>\$ 161,830</u></u> | <u><u>161,830</u></u> | <u><u>219,555</u></u> | <u><u>57,725</u></u> |

CITY OF BRADENTON, FLORIDA  
DEBT SERVICE FUND  
FLORIDA MUNICIPAL LOAN 2001A  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | <u>Budgeted Amount</u> |                | <u>Actual</u>  | <u>Variance</u> |
|--|------------------------|----------------|----------------|-----------------|
|  | <u>Original</u>        | <u>Final</u>   |                |                 |
| Revenues:  |                        |                |                |                 |
| Interest   | \$ --                  | --             | 116            | 116             |
| Total Revenues   | <u>--</u>              | <u>--</u>      | <u>116</u>     | <u>116</u>      |
| Expenditures:  |                        |                |                |                 |
| Loan principal repayments  | 105,000                | 105,000        | 105,000        | --              |
| Interest on bonds  | 147,956                | 147,956        | 149,601        | ( 1,645)        |
| Fees and expenses  | 3,548                  | 3,548          | 1,343          | 2,205           |
| Total expenditures   | <u>256,504</u>         | <u>256,504</u> | <u>255,944</u> | <u>560</u>      |
| Excess (deficit) of revenues over expenditures                   | ( 256,504)             | ( 256,504)     | ( 255,828)     | 676             |
| Other financing sources:   |                        |                |                |                 |
| Transfer from General Fund                                       | <u>256,504</u>         | <u>256,504</u> | <u>256,504</u> | <u>--</u>       |
| Excess (deficit) of revenues and other sources over expenditures | --                     | --             | 676            | 676             |
| Fund balance - October 1, 2002                                   | <u>111,245</u>         | <u>111,245</u> | <u>111,245</u> | <u>--</u>       |
| Fund balance - September 30, 2003                                | <u>\$ 111,245</u>      | <u>111,245</u> | <u>111,921</u> | <u>676</u>      |

CITY OF BRADENTON, FLORIDA  
CAPITAL PROJECTS FUND  
GENERAL PROJECTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|  | <u>Budgeted Amount</u> |                   | <u>Actual</u>  | <u>Variance</u> |
|--|------------------------|-------------------|----------------|-----------------|
|  | <u>Original</u>        | <u>Final</u>      |                |                 |
| Revenues:  |                        |                   |                |                 |
| Interest   | \$ 55,500              | 28,862            | 17,408         | ( 11,454)       |
| Total revenues   | 55,500                 | 28,862            | 17,408         | ( 11,454)       |
| Expenditures:  |                        |                   |                |                 |
| Capital outlay   | 145,000                | 118,362           | 116,852        | 1,510           |
| Excess (deficiency) of revenues over expenditures  | ( 89,500)              | ( 89,500)         | ( 99,444)      | ( 9,944)        |
| Other financing sources (uses):  |                        |                   |                |                 |
| Transfers in from Discretionary Sales Tax Fund   | --                     | --                | 28,680         | 28,680          |
| Transfers in from General Fund   | 89,500                 | 89,500            | 89,500         | --              |
| Total other financing sources (uses)   | 89,500                 | 89,500            | 118,180        | 28,680          |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | --                     | --                | 18,736         | 18,736          |
| Fund balance - October 1, 2002   | 370,669                | 370,669           | 370,669        | --              |
| Fund balance - September 30, 2003  | <u>\$ 370,669</u>      | <u>\$ 370,669</u> | <u>389,405</u> | <u>18,736</u>   |

CITY OF BRADENTON, FLORIDA  
CAPITAL PROJECTS FUND  
FLORIDA MUNICIPAL LOAN SERIES 2001A  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2003

|   | <u>Budgeted Amount</u>  |                      | <u>Actual</u>         | <u>Variance</u>         |
|---|-------------------------|----------------------|-----------------------|-------------------------|
|   | <u>Original</u>         | <u>Final</u>         |                       |                         |
| <b>Revenues:</b>  |                         |                      |                       |                         |
| Intergovernmental grants  | \$ 1,500,000            | 425,519              | 425,519               | --                      |
| Interest  | --                      | 214,575              | 214,575               | --                      |
| Cash carryover  | --                      | <u>2,564,806</u>     | --                    | <u>( 2,564,806)</u>     |
| <br>Total revenues  | <br>1,500,000           | <br>3,204,900        | <br>640,094           | <br>( 2,564,806)        |
| <b>Expenditures:</b>  |                         |                      |                       |                         |
| Capital outlay  | <u>3,150,000</u>        | <u>3,150,000</u>     | <u>3,125,361</u>      | <u>24,639</u>           |
| <br>Excess (deficiency) of revenues over expenditures   | <br>( 1,650,000)        | <br>54,900           | <br>( 2,485,267)      | <br>( 2,540,167)        |
| <b>Other financing sources (uses):</b>  |                         |                      |                       |                         |
| Transfers out   | ( 54,900)               | ( 54,900)            | ( 54,900)             | --                      |
| Reserve for contingency   | 545,100                 | --                   | --                    | --                      |
| Proceeds from loan  | <u>2,250,000</u>        | <u>--</u>            | <u>--</u>             | <u>--</u>               |
| <br>Total other financing sources (uses)  | <br><u>2,740,200</u>    | <br><u>( 54,900)</u> | <br><u>( 54,900)</u>  | <br><u>--</u>           |
| <br>Excess (deficiency) of revenues and other financing<br>sources over expenditures and other uses | <br>1,090,200           | <br>--               | <br>( 2,540,167)      | <br>( 2,540,167)        |
| <br>Fund balance - October 1, 2002  | <br><u>2,404,812</u>    | <br><u>2,404,812</u> | <br><u>2,404,812</u>  | <br><u>--</u>           |
| <br>Fund balance - September 30, 2003   | <br><u>\$ 3,495,012</u> | <br><u>2,404,812</u> | <br><u>( 135,355)</u> | <br><u>( 2,540,167)</u> |

City of Bradenton



Established 1903



Celebrating 100 Years  
As “The Friendly City”



## **Nonmajor Enterprise Funds**

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises in that the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

**Parking Operations Fund** – To account for the financing, operation, and maintenance of the City's parking system.

**Golf Course Fund** – To account for the financing, operation and maintenance of the City's golf course.

CITY OF BRADENTON, FLORIDA  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 September 30, 2003

|   | Parking<br>Operations<br>Fund | Golf<br>Course<br>Fund | Total            |
|---|-------------------------------|------------------------|------------------|
| <b>ASSETS</b>                                   |                               |                        |                  |
| Current assets:                                 |                               |                        |                  |
| Cash and cash equivalents                       | \$ 1,392,656                  | 1,433,330              | 2,825,986        |
| Due from other governments                      | 131                           | 356                    | 487              |
| Inventory                                       | --                            | 57,957                 | 57,957           |
| <b>Total current assets</b>                     | <b>1,392,787</b>              | <b>1,491,643</b>       | <b>2,884,430</b> |
| Noncurrent assets:                              |                               |                        |                  |
| Restricted - sinking fund reserve - investments | --                            | 120,447                | 120,447          |
| Capital assets:                                 |                               |                        |                  |
| Land  | 222,500                       | 1,955,906              | 2,178,406        |
| Buildings                                       | --                            | 216,363                | 216,363          |
| Improvements                                    | 220,000                       | 606,108                | 826,108          |
| Machinery and equipment                         | 23,053                        | 740,945                | 763,998          |
| Less accumulated depreciation                   | ( 172,962)                    | ( 1,228,464)           | ( 1,401,426)     |
| <b>Total capital assets</b>                     | <b>292,591</b>                | <b>2,290,858</b>       | <b>2,583,449</b> |
| Bond issue costs                                | --                            | 8,282                  | 8,282            |
| <b>Total non current assets</b>                 | <b>292,591</b>                | <b>2,419,587</b>       | <b>2,712,178</b> |
| <b>Total assets</b>                             | <b>\$ 1,685,378</b>           | <b>3,911,230</b>       | <b>5,596,608</b> |
| <b>LIABILITIES</b>                              |                               |                        |                  |
| Current liabilities:                            |                               |                        |                  |
| Accounts payable                                | \$ 447                        | 3,969                  | 4,416            |
| Accrued payroll                                 | 1,600                         | 10,789                 | 12,389           |
| Accrued vacation leave                          | 3,180                         | 24,102                 | 27,282           |
| Accrued interest                                | --                            | 20,394                 | 20,394           |
| Current portion of long-term debt               | --                            | 44,400                 | 44,400           |
| Unearned revenue                                | 5,481                         | 2,518                  | 7,999            |
| <b>Total current liabilities</b>                | <b>10,708</b>                 | <b>106,172</b>         | <b>116,880</b>   |
| Noncurrent liabilities                          |                               |                        |                  |
| Long-term debt                                  | --                            | 758,207                | 758,207          |
| Less unamortized bond discount                  | --                            | ( 17,571)              | ( 17,571)        |
| <b>Total non-current liabilities</b>            | <b>--</b>                     | <b>740,636</b>         | <b>740,636</b>   |
| <b>Total liabilities</b>                        | <b>10,708</b>                 | <b>846,808</b>         | <b>857,516</b>   |
| <b>NET ASSETS</b>                               |                               |                        |                  |
| Invested in capital assets, net of related debt | 292,591                       | 1,505,822              | 1,798,413        |
| Restricted for: Sinking fund                    | --                            | 120,447                | 120,447          |
| Unrestricted                                    | 1,382,079                     | 1,438,153              | 2,820,232        |
| <b>Total net assets</b>                         | <b>1,674,670</b>              | <b>3,064,422</b>       | <b>4,739,092</b> |
| <b>Total liabilities and net assets</b>         | <b>\$ 1,685,378</b>           | <b>3,911,230</b>       | <b>5,596,608</b> |

CITY OF BRADENTON, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 For the Fiscal Year Ended September 30, 2003

|   | <u>Parking<br/>Operations<br/>Fund</u> | <u>Golf<br/>Course<br/>Fund</u> | <u>Total</u>     |
|---|--|---------------------------------|------------------|
| Operating revenues:                     |  |                                 |                  |
| Charges for services                    | \$ 167,878                             | 1,213,248                       | 1,381,126        |
| Operating expenses:                     |  |                                 |                  |
| Personal services                       | 109,327                                | 721,917                         | 831,244          |
| Contractual services                    | 29,043                                 | 87,371                          | 116,414          |
| Supplies and materials                  | 39,386                                 | 285,660                         | 325,046          |
| Repairs and maintenance                 | 380                                    | 65,124                          | 65,504           |
| Utilities                               | --                                     | 23,846                          | 23,846           |
| Depreciation                            | 19,875                                 | 95,591                          | 115,466          |
| Total operating expenses                | <u>198,011</u>                         | <u>1,279,509</u>                | <u>1,477,520</u> |
| Operating income (loss)                 | ( 30,133)                              | ( 66,261)                       | ( 96,394)        |
| Non-operating revenues (expenses):      |  |                                 |                  |
| Interest revenue                        | 62,317                                 | 63,510                          | 125,827          |
| Interest expenses and fiscal charges    | --                                     | ( 43,131)                       | ( 43,131)        |
| Gain (loss) on disposition of assets    | --                                     | ( 374)                          | ( 374)           |
| Total non-operating revenues (expenses) | <u>62,317</u>                          | <u>20,005</u>                   | <u>82,322</u>    |
| Change in net assets                    | 32,184                                 | ( 46,256)                       | ( 14,072)        |
| Total net assets - beginning            | <u>1,642,486</u>                       | <u>3,110,679</u>                | <u>4,753,165</u> |
| Total net assets - ending               | <u>\$ 1,674,670</u>                    | <u>3,064,423</u>                | <u>4,739,093</u> |

City of Bradenton, Florida  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended September 30, 2003

|  | Parking<br>Operations<br>Fund | Golf<br>Course<br>Fund | Totals           |
|--|-------------------------------|------------------------|------------------|
| <b>Cash Flows From Operating Activities:</b>   |                               |                        |                  |
| Receipts from charges for services   | \$ 174,796                    | 1,182,933              | 1,357,729        |
| Payments to suppliers  | (69,004)                      | (461,119)              | (530,123)        |
| Payments for employees   | (114,180)                     | (718,466)              | (832,646)        |
| Net cash provided (used) by operating activities   | <u>(8,388)</u>                | <u>3,348</u>           | <u>(5,040)</u>   |
| <b>Cash Flows From Capital and Related Financing Activities:</b>                                     |                               |                        |                  |
| Principal paid on capital debt   | -                             | (44,400)               | (44,400)         |
| Interest paid on capital debt  | -                             | (43,131)               | (43,131)         |
| Acquisition and construction of capital assets   | -                             | (120,969)              | (120,969)        |
| Transfer to debt service   | -                             | (2,636)                | (2,636)          |
| Net cash provided (used) by capital and related financing activities                                 | <u>-</u>                      | <u>(211,136)</u>       | <u>(211,136)</u> |
| <b>Cash Flows From Investing Activities</b>  |                               |                        |                  |
| Interest received  | 62,317                        | 63,510                 | 125,827          |
| Net increase (decrease) in cash and equivalents  | <u>53,929</u>                 | <u>(144,278)</u>       | <u>(90,349)</u>  |
| Cash and cash equivalents, October 1, 2002   | <u>1,338,727</u>              | <u>1,577,608</u>       | <u>2,916,335</u> |
| Cash and cash equivalents, September 30, 2003  | <u>\$ 1,392,656</u>           | <u>1,433,330</u>       | <u>2,825,986</u> |
| <b>Reconciliation of operating income(loss) to net cash provided (used) by operating activities:</b> |                               |                        |                  |
| Operating income (loss)  | \$ (30,133)                   | (66,261)               | (96,394)         |
| <b>Adjustments to reconcile operating income to cash provided (used) by operating activities:</b>    |                               |                        |                  |
| Depreciation expense   | 19,875                        | 95,591                 | 115,466          |
| (Increase) decrease in inventories   | -                             | 1,859                  | 1,859            |
| (Increase) decrease in due from other funds  | 1,236                         | (356)                  | 880              |
| (Increase) decrease in due from other governments  | 201                           | 134                    | 335              |
| Increase (decrease) in accounts and retainage payable  | (196)                         | (33,944)               | (34,140)         |
| Increase (decrease) in accrued payroll   | (129)                         | 2,585                  | 2,456            |
| Increase (decrease) in accrued vacation  | (4,724)                       | 1,222                  | (3,502)          |
| Increase (decrease) in unearned revenues   | 5,482                         | 2,518                  | 8,000            |
| Total adjustments  | <u>21,745</u>                 | <u>69,609</u>          | <u>91,354</u>    |
| Net cash provided (used) by operating activities   | <u>\$ (8,388)</u>             | <u>3,348</u>           | <u>(5,040)</u>   |
| <b>Noncash investing, capital and financing activities:</b>  |                               |                        |                  |
| Amortization of bond issue costs   | \$ -                          | 685                    | 685              |
| Amortization of underwriters discount  | \$ -                          | 1,454                  | 1,454            |

## **Internal Service Funds**

Internal Service Funds account for the costs of operating certain facilities used by the other City departments. Actual costs include depreciation on the assets used to provide the services. The costs are billed to other departments based on the cost of providing units of service.

**Property Insurance** – To account for insurance of properties for all City departments.

**Medical Self-Insurance Program** – To account for the receipt, custody and expense of medical self-insurance program funds.

**Workmen's Compensation Self-Insurance Program** – To account for the receipt, custody and expense of workmen's compensation self-insurance program funds.

CITY OF BRADENTON, FLORIDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
September 30, 2003

|  | Property<br>Insurance | Medical<br>Self-Insurance<br>Program | Workmen's<br>Compensation<br>Self-Insurance<br>Program | Total            |
|--|-----------------------|--------------------------------------|--|------------------|
| <b>Assets</b>                            |                       |                                      |  |                  |
| <b>Current assets</b>                    |                       |                                      |  |                  |
| Cash and cash equivalents                | \$ 1,680,565          | 391,773                              | 6,710,131  | 8,782,469        |
| Prepaid items                            | --                    | 567,519                              | --   | 567,519          |
| <b>Total current assets</b>              | <b>\$ 1,680,565</b>   | <b>959,292</b>                       | <b>6,710,131</b>                                       | <b>9,349,988</b> |
| <b>Liabilities</b>                       |                       |                                      |  |                  |
| <b>Current liabilities:</b>              |                       |                                      |  |                  |
| Accounts payable                         | 409                   | 186,404                              | 962  | 187,775          |
| Estimated payable for outstanding claims | --                    | 194,676                              | 1,295,474  | 1,490,150        |
| <b>Total current liabilities</b>         | <b>409</b>            | <b>381,080</b>                       | <b>1,296,436</b>                                       | <b>1,677,925</b> |
| <b>Net assets</b>                        |                       |                                      |  |                  |
| Unrestricted                             | 1,680,156             | 578,212                              | 5,413,695  | 7,672,063        |
| <b>Total liabilities and net assets</b>  | <b>\$ 1,680,565</b>   | <b>959,292</b>                       | <b>6,710,131</b>                                       | <b>9,349,988</b> |

CITY OF BRADENTON, FLORIDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
For the Fiscal Year Ended September 30, 2003

|                                    | Property<br>Insurance | Medical<br>Self-Insurance<br>Program | Workmen's<br>Compensation<br>Self-Insurance<br>Program | Total        |
|------------------------------------|-----------------------|--------------------------------------|--|--------------|
| Operating revenues:                |                       |                                      |  |              |
| Charges for services               | \$ 547,690            | 2,405,911                            | 1,718,258  | 4,671,859    |
| Operating expenses:                |                       |                                      |  |              |
| Contractual services               | 437,186               | 377,847                              | 213,927  | 1,028,960    |
| Supplies and materials             | --                    | 1,176                                | 4,416  | 5,592        |
| Claims                             | 225,517               | 3,082,913                            | 945,782  | 4,254,212    |
| Total operating expenses           | 662,703               | 3,461,936                            | 1,164,125  | 5,288,764    |
| Operating income (loss)            | ( 115,013)            | ( 1,056,025)                         | 554,133  | ( 616,905)   |
| Non-operating revenues (expenses): |                       |                                      |  |              |
| Interest income                    | 65,559                | 10,060                               | --   | 75,619       |
| Income (loss) before transfers     | ( 49,454)             | ( 1,045,965)                         | 554,133  | ( 541,286)   |
| Transfers:                         |                       |                                      |  |              |
| In                                 | --                    | 1,031,353                            | --   | 1,031,353    |
| Out                                | --                    | --                                   | ( 1,031,353)   | ( 1,031,353) |
| Net transfers                      | --                    | 1,031,353                            | ( 1,031,353)   | --           |
| Change in net assets               | ( 49,454)             | ( 14,612)                            | ( 477,220)   | ( 541,286)   |
| Total net assets - beginning       | 1,729,610             | 592,824                              | 5,890,915  | 8,213,349    |
| Total net assets - ending          | \$ 1,680,156          | 578,212                              | 5,413,695  | 7,672,063    |

City of Bradenton, Florida  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended September 30, 2003

|  | Property<br>Insurance | Medical<br>Self-Insurance<br>Program | Worker's<br>Compensation<br>Self-Insurance<br>Program | Total            |
|--|-----------------------|--------------------------------------|---|------------------|
| <b>Cash Flows From Operating Activities:</b>   |                       |                                      |   |                  |
| Receipts from charges for services   | \$ 547,690            | 2,405,910                            | 1,718,264   | 4,671,864        |
| Payments to suppliers  | (678,379)             | (536,074)                            | (218,736)   | (1,433,189)      |
| Payments for employees   | --                    | (3,082,912)                          | (945,781)   | (4,028,693)      |
| Net cash provided (used) by operating activities   | <u>(130,689)</u>      | <u>(1,213,076)</u>                   | <u>553,747</u>  | <u>(790,018)</u> |
| <b>Cash flows From Noncapital Financing Activities:</b>  |                       |                                      |   |                  |
| Transfers in   | --                    | 1,031,353                            | --  | 1,031,353        |
| Transfers out  | --                    | --                                   | (1,031,353)   | (1,031,353)      |
| Net cash provided (used) by capital and related financing activities                                 | <u>--</u>             | <u>1,031,353</u>                     | <u>(1,031,353)</u>                                    | <u>--</u>        |
| <b>Cash Flows From Investing Activities</b>  |                       |                                      |   |                  |
| Interest received  | <u>65,559</u>         | <u>10,059</u>                        | <u>--</u>   | <u>75,618</u>    |
| Net increase (decrease) in cash and equivalents  | (65,130)              | (171,664)                            | (477,606)   | (714,400)        |
| Cash and cash equivalents, October 1, 2002   | <u>1,745,695</u>      | <u>563,437</u>                       | <u>7,187,737</u>                                      | <u>9,496,869</u> |
| Cash and cash equivalents, September 30, 2003  | <u>\$ 1,680,565</u>   | <u>391,773</u>                       | <u>6,710,131</u>                                      | <u>8,782,469</u> |
| <b>Reconciliation of operating income(loss) to net cash provided (used) by operating activities:</b> |                       |                                      |   |                  |
| Operating income (loss)  | \$ (115,013)          | (1,056,025)                          | 554,133   | (616,905)        |
| <b>Adjustments to reconcile operating income to cash provided (used) by operating activities:</b>    |                       |                                      |   |                  |
| (Increase) decrease in due from other governments  | --                    | --                                   | 7   | 7                |
| (Increase) decrease in prepaid items   | --                    | (343,454)                            | --  | (343,454)        |
| Increase (decrease) in accounts payable  | (15,676)              | 186,404                              | (393)   | 170,335          |
| Increase (decrease) in claims payable  | --                    | (1)                                  | --  | (1)              |
| Total adjustments  | <u>(15,676)</u>       | <u>(157,051)</u>                     | <u>(386)</u>  | <u>(173,113)</u> |
| Net cash provided (used) by operating activities   | <u>\$ (130,689)</u>   | <u>(1,213,076)</u>                   | <u>553,747</u>  | <u>(790,018)</u> |

## **Fiduciary Funds**

### **Trust Funds**

Trust Funds are used to account for assets held by the government in a trustee capacity. They are accounted for in essentially the same manner as enterprise funds since capital maintenance is critical.

#### **Pension Trust Funds**

**Firefighters' Pension Fund** – To account for the financial operation and condition of the firemen's pension fund.

**Police Officers' Pension Fund** – To account for the financial operation and condition of the police pension fund.

#### **Agency Funds**

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The city maintains no agency funds at this time.

City of Bradenton, Florida  
Combining Statement of Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2003

|  | <u>Pension Trust Funds</u>            |  | <u>Totals</u>     |
|--|---------------------------------------|--|-------------------|
|  | <u>Firemen's<br/>Pension<br/>Fund</u> | <u>Police Officers'<br/>Pension<br/>Fund</u> |                   |
| <b>Assets</b>  |                                       |  |                   |
| Cash and cash equivalents                                | \$ 782,130                            | 811,350                                      | 1,593,480         |
| Interest receivable                                      | 63,377                                | 136,714                                      | 200,091           |
| Contributions receivable                                 | 102,583                               | 268,106                                      | 370,689           |
| Investments, at fair value:                              |                                       |  |                   |
| U.S. Government obligations                              | 4,695,793                             | 8,067,875                                    | 12,763,668        |
| Domestic Corporate bonds                                 | 2,374,861                             | 6,006,238                                    | 8,381,099         |
| Money-backed securities                                  | 135,767                               | -  | 135,767           |
| Domestic stocks  | 10,694,792                            | 13,381,457                                   | 24,076,249        |
| International funds                                      | 1,981,051                             | 792,870                                      | 2,773,921         |
| Total investments  | <u>19,882,264</u>                     | <u>28,248,440</u>                            | <u>48,130,704</u> |
| Total assets   | 20,830,354                            | 29,464,610                                   | 50,294,964        |
| <b>Liabilities</b>                                       |                                       |  |                   |
| Accounts payable   | <u>31,715</u>                         | <u>-</u>                                     | <u>31,715</u>     |
| Total liabilities  | <u>31,715</u>                         | <u>-</u>                                     | <u>31,715</u>     |
| <b>Net Assets</b>  |                                       |  |                   |
| Held in trust for pension benefits<br>and other purposes | <u>\$ 20,798,639</u>                  | <u>29,464,610</u>                            | <u>50,263,249</u> |

City of Bradenton, Florida  
Combining Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended September 30, 2003

|   | Pension Trust Funds          |                                     | Totals            |
|---|------------------------------|-------------------------------------|-------------------|
|   | Firemen's<br>Pension<br>Fund | Police Officers'<br>Pension<br>Fund |                   |
| <b>Additions</b>                              |                              |                                     |                   |
| Contributions:                                |                              |                                     |                   |
| Employer                                      | \$ 284,547                   | 639,479                             | 924,026           |
| Plan members                                  | 219,820                      | 249,514                             | 469,334           |
| State of Florida                              | 304,819                      | 518,761                             | 823,580           |
| Total contributions                           | <u>809,186</u>               | <u>1,407,754</u>                    | <u>2,216,940</u>  |
| Investment earnings:                          |                              |                                     |                   |
| Interest                                      | 420,512                      | 780,994                             | 1,201,506         |
| Dividends                                     | 71,640                       | 92,727                              | 164,367           |
| Miscellaneous                                 | -                            | 38,360                              | 38,360            |
| Net increase in the fair value of investments | <u>1,932,154</u>             | <u>2,069,801</u>                    | <u>4,001,955</u>  |
| Total investment earnings                     | <u>2,424,306</u>             | <u>2,981,882</u>                    | <u>5,406,188</u>  |
| Less investment expenses                      | <u>105,258</u>               | <u>117,516</u>                      | <u>222,774</u>    |
| Net investment earnings                       | <u>2,319,048</u>             | <u>2,864,366</u>                    | <u>5,183,414</u>  |
| Total additions                               | 3,128,234                    | 4,272,120                           | 7,400,354         |
| <b>Deductions</b>                             |                              |                                     |                   |
| Benefits                                      | 1,039,766                    | 925,866                             | 1,965,632         |
| Refunds of contributions                      | -                            | 16,372                              | 16,372            |
| Administrative expenses                       | 40,289                       | 47,844                              | 88,133            |
| Total deductions                              | <u>1,080,055</u>             | <u>990,082</u>                      | <u>2,070,137</u>  |
| Change in net assets                          | 2,048,179                    | 3,282,038                           | 5,330,217         |
| Net assets - beginning                        | <u>18,750,460</u>            | <u>26,182,572</u>                   | <u>44,933,032</u> |
| Net assets - ending                           | <u>\$ 20,798,639</u>         | <u>29,464,610</u>                   | <u>50,263,249</u> |

City of Bradenton



Established 1903



Celebrating 100 Years  
As “The Friendly City”



**Capital Assets Used in the Operation  
Of Governmental Funds**

CITY OF BRADENTON, FLORIDA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 COMPARATIVE SCHEDULES BY SOURCE  
 September 30, 2003 AND 2002

|   | 2003          | 2002       |
|---|---------------|------------|
| Governmental funds capital assets:                          |               |            |
| Land  | \$ 3,168,300  | 3,152,831  |
| Buildings   | 18,908,413    | 18,927,909 |
| Improvements other than buildings                           | 6,559,988     | 5,906,551  |
| Equipment   | 5,376,719     | 4,482,033  |
| Automotive  | 5,979,539     | 5,932,141  |
| Construction in progress                                    | 3,125,361     | --         |
| Total governmental funds capital assets                     | \$ 43,118,320 | 38,401,465 |
| Investments in governmental funds capital assets by source: |               |            |
| General fund  | \$ 24,640,902 | 23,146,249 |
| Special revenue fund  | 938,388       | 841,547    |
| Capital projects funds                                      | 11,222,338    | 8,096,977  |
| General investment acquired prior to October 1, 1985        | 6,316,692     | 6,316,692  |
| Total governmental funds capital assets                     | \$ 43,118,320 | 38,401,465 |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement on net assets.

City of Bradenton



Established 1903



Celebrating 100 Years  
As “The Friendly City”



CITY OF BRADENTON, FLORIDA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
September 30, 2003

| <u>FUNCTION AND ACTIVITY</u>            | <u>Total</u>         |
|---|----------------------|
| General government:                     |                      |
| Legislative                             | \$ 36,912            |
| Executive - city clerk                  | 11,247,952           |
| Administration                          | 87,584               |
| Human resources                         | 18,198               |
| Finance                                 | 34,925               |
| Purchasing                              | 93,059               |
| Garage                                  | 238,438              |
| Facility maintenance                    | 49,106               |
| Electrical                              | 124,108              |
| Carpentry                               | 5,563                |
| Information technology                  | 1,388,425            |
| Public safety:                          |                      |
| Law enforcement                         | 3,572,204            |
| Dispatching                             | 156,852              |
| Fire control                            | 5,115,483            |
| Protective inspection                   | 258,729              |
| Code enforcement                        | 15,658               |
| Transportation:                         |                      |
| Road & streets facilities               | 1,623,806            |
| Engineering                             | 97,275               |
| Risk safety                             | 19,908               |
| Culture and recreation:                 |                      |
| Parks & recreation                      | 6,624,693            |
| Special recreation                      | 1,130,250            |
| Pirate City complex                     | 7,526,564            |
| Economic environment:                   |                      |
| Community development                   | 207,948              |
| Housing                                 | 319,319              |
| Construction in progress                | <u>3,125,361</u>     |
| Total governmental funds capital assets | <u>\$ 43,118,320</u> |

| Land             | Buildings         | Improvements<br>other than<br>Buildings | Automotive       | Equipment        |
|------------------|-------------------|---|------------------|------------------|
| --               | --                | --                                      | --               | 36,912           |
| 2,558,542        | 8,528,437         | 37,877                                  | 29,452           | 93,644           |
| --               | --                | --                                      | --               | 87,584           |
| --               | --                | --                                      | --               | 18,198           |
| --               | --                | 1,950                                   | --               | 32,975           |
| --               | 18,042            | 42,151                                  | 13,716           | 19,150           |
| 25,090           | 41,418            | 85,482                                  | 44,331           | 42,117           |
| --               | --                | 4,500                                   | 24,324           | 20,282           |
| --               | --                | 5,893                                   | 105,892          | 12,323           |
| --               | --                | 3,830                                   | --               | 1,733            |
| --               | --                | 381,010                                 | --               | 1,007,415        |
| --               | --                | 68,816                                  | 1,698,544        | 1,804,844        |
| --               | --                | --                                      | --               | 156,852          |
| 119,829          | 1,859,855         | 187,105                                 | 1,940,870        | 1,007,824        |
| --               | --                | 15,994                                  | 185,087          | 57,648           |
| --               | --                | --                                      | 12,344           | 3,314            |
| --               | --                | 344,552                                 | 1,194,333        | 84,921           |
| --               | --                | --                                      | 47,904           | 49,371           |
| --               | --                | --                                      | 16,830           | 3,078            |
| 395,943          | 685,303           | 4,671,995                               | 509,423          | 362,029          |
| --               | 955,988           | 79,080                                  | --               | 95,182           |
| --               | 6,795,876         | 392,306                                 | 66,531           | 271,851          |
| 68,895           | --                | 73,984                                  | 30,066           | 35,003           |
| --               | 23,495            | 163,462                                 | 59,892           | 72,470           |
| --               | --                | --                                      | --               | --               |
| <u>3,168,299</u> | <u>18,908,414</u> | <u>6,559,987</u>                        | <u>5,979,539</u> | <u>5,376,720</u> |

CITY OF BRADENTON, FLORIDA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
 For the Fiscal Year Ended September 30, 2003

| <u>FUNCTION AND ACTIVITY</u>            | Governmental<br>Funds Capital<br>Assets<br><u>October 1, 2002</u> |
|---|---|
| General government:                     |   |
| Legislative                             | \$ 34,848   |
| Executive - city clerk                  | 11,255,601  |
| Administration                          | 77,897  |
| Human resources                         | 18,198  |
| Finance                                 | 26,929  |
| Purchasing                              | 72,555  |
| Garage                                  | 191,003   |
| Facility maintenance                    | 48,394  |
| Electrical                              | 122,711   |
| Carpentry                               | 5,563   |
| Information technology                  | 914,742   |
| Public safety:                          |   |
| Law enforcement                         | 3,280,330   |
| Dispatching                             | 116,792   |
| Fire control                            | 4,736,732   |
| Protective inspection                   | 189,647   |
| Code enforcement                        | 45,424  |
| Transportation:                         |   |
| Road & streets facilities               | 1,511,474   |
| Engineering                             | 78,662  |
| Risk safety                             | 19,908  |
| Culture and recreation:                 |   |
| Parks & recreation                      | 6,666,477   |
| Special recreation                      | 1,129,340   |
| Pirate City complex                     | 7,331,230   |
| Economic environment:                   |   |
| Community development                   | 209,985   |
| Housing                                 | 317,023   |
| Construction in progress                | <u>          --</u>   |
| Total governmental funds capital assets | <u><u>\$ 38,401,465</u></u>                                       |

| Additions        | Deductions     | Interdepartmental |                | Governments       |
|------------------|----------------|-------------------|----------------|-------------------|
|                  |                | Transfers         |                | Funds Capital     |
|                  |                | In                | Out            | Assets            |
|                  |                |                   |                | September 30,2003 |
| --               | --             | 2,064             | --             | 36,912            |
| 30,895           | 35,314         | 34,829            | 38,059         | 11,247,952        |
| 15,897           | 4,093          | 1,464             | 3,581          | 87,584            |
| --               | --             | --                | --             | 18,198            |
| 3,619            | 1,702          | 11,824            | 5,745          | 34,925            |
| 26,456           | 3,410          | --                | 2,542          | 93,059            |
| 47,435           | --             | --                | --             | 238,438           |
| --               | --             | 1,567             | 855            | 49,106            |
| 1,397            | --             | --                | --             | 124,108           |
| --               | --             | --                | --             | 5,563             |
| 518,992          | 35,992         | 16,723            | 26,040         | 1,388,425         |
| 524,084          | 223,797        | 23,103            | 31,516         | 3,572,204         |
| 40,060           | --             | --                | --             | 156,852           |
| 388,275          | 25,056         | 37,151            | 21,619         | 5,115,483         |
| 29,171           | 6,628          | 48,773            | 2,234          | 258,729           |
| 12,344           | --             | --                | 42,110         | 15,658            |
| 112,332          | --             | --                | --             | 1,623,806         |
| 18,613           | --             | --                | --             | 97,275            |
| --               | --             | --                | --             | 19,908            |
| 140,397          | 180,601        | --                | 1,580          | 6,624,693         |
| 910              | --             | --                | --             | 1,130,250         |
| 202,031          | 6,697          | --                | --             | 7,526,564         |
| --               | 1,016          | --                | 1,021          | 207,948           |
| 16,642           | 13,750         | 2,100             | 2,696          | 319,319           |
| <u>3,125,361</u> | <u>--</u>      | <u>--</u>         | <u>--</u>      | <u>3,125,361</u>  |
| <u>5,254,911</u> | <u>538,056</u> | <u>179,598</u>    | <u>179,598</u> | <u>43,118,320</u> |

City of Bradenton



Established 1903



Celebrating 100 Years  
As “The Friendly City”



## **Statistical Data**

**(Unaudited)**

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These tables reflect social and economic data, financial trends and the fiscal capacity of the government necessary for complete disclosure of the City's financial activity. These tables are not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and are, therefore, not covered by the auditor's opinion.

CITY OF BRADENTON, FLORIDA  
GENERAL GOVERNMENT REVENUE BY SOURCE (1)  
LAST TEN FISCAL YEARS  
September 30, 2003  
(Unaudited)

| Fiscal<br>Year | Taxes      | Licenses and<br>Permits | Intergovernmental<br>Revenue | Charges for<br>Services | Fines and<br>Forfeitures |
|----------------|------------|-------------------------|------------------------------|-------------------------|--------------------------|
| 1994 (2)       | 9,600,938  | 316,886                 | 1,176,974                    | 261,923                 | 191,583                  |
| 1995 (2)       | 13,080,179 | 377,950                 | 1,134,409                    | 236,562                 | 181,012                  |
| 1996 (2)       | 13,732,789 | 375,639                 | 1,133,127                    | 253,207                 | 187,917                  |
| 1997           | 13,750,386 | 419,684                 | 1,101,004                    | 174,076                 | 159,860                  |
| 1998           | 14,774,813 | 539,172                 | 1,194,872                    | 601,424                 | 201,492                  |
| 1999           | 15,781,349 | 506,585                 | 7,787,540                    | 683,678                 | 204,590                  |
| 2000           | 12,146,115 | 703,928                 | 7,790,791                    | 301,949                 | 195,662                  |
| 2001           | 14,305,673 | 987,560                 | 7,781,300                    | 856,800                 | 277,804                  |
| 2002           | 16,971,802 | 1,420,782               | 8,463,905                    | 1,097,402               | 237,750                  |
| 2003           | 17,480,398 | 784,674                 | 9,127,149                    | 1,275,207               | 239,663                  |

(1) This table includes General, Special Revenue and Debt Service and Capital Projects Funds.

(2) The Community Redevelopment Agency was "blended" as a special revenue fund of the primary government.

| <u>All Other<br/>Revenues</u> | <u>Total</u> |
|-------------------------------|--------------|
| 6,887,731                     | 18,436,035   |
| 7,339,396                     | 22,349,508   |
| 8,060,304                     | 23,742,983   |
| 8,937,961                     | 24,542,971   |
| 9,246,692                     | 26,558,465   |
| 3,046,484                     | 28,010,226   |
| 3,373,233                     | 24,511,678   |
| 4,447,750                     | 28,656,887   |
| 4,279,237                     | 32,470,878   |
| 4,058,440                     | 32,965,531   |

CITY OF BRADENTON, FLORIDA  
GENERAL FUND AND RELATED FUND EXPENDITURES BY FUNCTION (1)  
LAST TEN FISCAL YEARS  
September 30, 2003  
(Unaudited)

| <u>Fiscal<br/>Year</u> | <u>General<br/>Government</u> | <u>Public<br/>Safety</u> | <u>Transportation</u> | <u>Economic<br/>Environment</u> | <u>Culture -<br/>Recreation</u> |
|------------------------|-------------------------------|--------------------------|-----------------------|---------------------------------|---------------------------------|
| 1994 (2)               | 2,202,144                     | 8,196,605                | 1,405,175             | 2,509,940                       | 1,634,276                       |
| 1995 (2)               | 2,220,632                     | 8,160,572                | 1,292,709             | 2,568,349                       | 1,823,652                       |
| 1996 (2)               | 2,144,168                     | 8,558,953                | 1,428,319             | 2,439,753                       | 1,787,788                       |
| 1997                   | 2,090,395                     | 8,672,543                | 1,653,651             | 2,352,157                       | 1,724,272                       |
| 1998                   | 2,717,503                     | 8,489,528                | 2,239,655             | 2,761,172                       | 1,678,192                       |
| 1999                   | 3,853,816                     | 9,355,526                | 2,436,014             | 2,909,744                       | 1,837,988                       |
| 2000                   | 3,237,142                     | 10,302,399               | 2,549,168             | 2,581,123                       | 1,933,266                       |
| 2001                   | 5,621,677                     | 12,385,545               | 2,684,227             | 3,261,031                       | 2,087,401                       |
| 2002                   | 5,758,074                     | 12,450,866               | 3,208,134             | 3,462,585                       | 2,393,128                       |
| 2003                   | 5,541,395                     | 14,194,629               | 3,468,400             | 3,992,006                       | 2,252,437                       |

(1) This table includes General, Special Revenue and Debt Service Funds.

(2) The Community Redevelopment Agency was "blended" as a special revenue fund of the primary government.

| <u>Non -<br/>Departmental</u> | <u>Debt<br/>Service</u> | <u>Total</u> |
|-------------------------------|-------------------------|--------------|
| 14,363                        | 385,415                 | 16,347,918   |
| --                            | 392,856                 | 16,458,770   |
| --                            | 368,825                 | 16,727,806   |
| --                            | 707,671                 | 17,200,689   |
| --                            | 1,178,446               | 19,064,496   |
| --                            | 1,622,192               | 22,015,280   |
| --                            | 1,467,456               | 22,070,554   |
| --                            | 1,257,290               | 27,297,171   |
| --                            | 1,304,809               | 28,577,596   |
| --                            | 1,437,737               | 30,886,604   |

CITY OF BRADENTON, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
September 30, 2003  
(Unaudited)

| Fiscal<br>Year | Total Tax<br>Levy | Current Tax<br>Collections | Percent<br>Levy<br>Collected | Delinquent Tax<br>Collection | Total Tax<br>Collections |
|----------------|-------------------|----------------------------|------------------------------|------------------------------|--------------------------|
| 1994           | 2,884,595         | 2,775,647                  | 96.22                        | (1)                          | 2,775,647                |
| 1995           | 2,904,405         | 2,767,139                  | 95.27                        | (1)                          | 2,767,139                |
| 1996           | 2,961,242         | 2,861,976                  | 96.65                        | (1)                          | 2,861,976                |
| 1997           | 3,133,885         | 3,026,767                  | 96.58                        | (1)                          | 3,026,767                |
| 1998           | 3,218,236         | 3,093,042                  | 96.11                        | (1)                          | 3,093,042                |
| 1999           | 4,596,471         | 4,446,506                  | 96.74                        | (1)                          | 4,446,506                |
| 2000           | 5,166,437         | 4,986,249                  | 96.51                        | (1)                          | 4,986,249                |
| 2001           | 6,825,091         | 6,588,163                  | 96.50                        | (1)                          | 6,588,163                |
| 2002           | 7,322,648         | 7,051,495                  | 96.30                        | (1)                          | 7,051,495                |
| 2003           | 8,604,010         | 8,299,374                  | 96.46                        | (1)                          | 8,299,374                |

(1) The Manatee County Tax Collector auctions current year delinquent tax certificates in June of each year. Accordingly, there are no delinquent and uncollected current year property taxes.

| <u>Total Collections<br/>as Percent of<br/>Current Levy</u> | <u>Outstanding<br/>Delinquent<br/>Taxes</u> | <u>Outstanding Delinquent<br/>Taxes as Percent of<br/>Current Levy</u> |
|---|---|--|
| 96.22   | (1)   | (1)  |
| 95.27   | (1)   | (1)  |
| 96.65   | (1)   | (1)  |
| 96.58   | (1)   | (1)  |
| 96.11   | (1)   | (1)  |
| 96.74   | (1)   | (1)  |
| 96.51   | (1)   | (1)  |
| 96.50   | (1)   | (1)  |
| 96.30   | (1)   | (1)  |
| 96.46   | (1)   | (1)  |

CITY OF BRADENTON, FLORIDA  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 September 30, 2003  
 (Unaudited)

| Fiscal Year | Real Property (1) |                        | Personal Property (1) |                        |
|-------------|-------------------|------------------------|-----------------------|------------------------|
|             | Assessed Value    | Estimated Actual Value | Assessed Value        | Estimated Actual Value |
| 1994        | 1,148,146,655     | 1,148,146,655          | 168,302,342           | 168,302,342            |
| 1995        | 1,192,045,298     | 1,192,045,298          | 160,098,321           | 160,098,321            |
| 1996        | 1,248,194,826     | 1,248,194,826          | 202,610,638           | 202,610,638            |
| 1997        | 1,282,374,819     | 1,282,374,819          | 205,113,445           | 205,113,445            |
| 1998        | 1,332,736,595     | 1,332,736,595          | 225,389,202           | 225,389,202            |
| 1999        | 1,369,960,963     | 1,369,960,963          | 244,550,698           | 244,550,698            |
| 2000        | 1,463,914,427     | 1,463,914,427          | 264,005,873           | 264,005,873            |
| 2001        | 1,586,912,538     | 1,586,912,538          | 226,605,333           | 226,605,333            |
| 2002        | 1,728,472,073     | 1,728,472,073          | 273,680,808           | 273,680,808            |
| 2003        | 1,954,926,925     | 1,954,926,925          | 350,277,020           | 350,277,020            |

(1) Source: Manatee County Property Appraiser's Office.

| <u>Total Assessed Value</u> | <u>Total Estimated Actual Value</u> | <u>Ratio of Total Assessed to Total Estimated Actual Value</u> |
|-----------------------------|-------------------------------------|--|
| 1,316,448,997               | 1,316,448,997                       | 100  |
| 1,352,143,619               | 1,352,143,619                       | 100  |
| 1,450,805,464               | 1,450,805,464                       | 100  |
| 1,487,488,264               | 1,487,488,264                       | 100  |
| 1,558,125,797               | 1,558,125,797                       | 100  |
| 1,614,511,661               | 1,614,511,661                       | 100  |
| 1,727,920,300               | 1,727,920,300                       | 100  |
| 1,813,517,871               | 1,813,517,871                       | 100  |
| 1,981,742,680               | 1,981,742,680                       | 100  |
| 2,305,203,945               | 2,305,203,945                       | 100  |

CITY OF BRADENTON, FLORIDA  
PROPERTY TAX RATES AND TAX LEVIES  
LAST TEN FISCAL YEARS  
September 30, 2003  
(Unaudited)

| TAX RATES      |           |                          |   |                  |               |
|----------------|-----------|--------------------------|---|------------------|---------------|
| Debt Levy      |           |                          |   |                  |               |
| Fiscal<br>Year | Operating | Manatee<br>Consolidation | Bradenton and<br>Manatee<br>Consolidation | Total<br>Millage | Total<br>Levy |
| 1994           | 2.2558    | .0                       | .0  | 2.2558           | 2,904,405     |
| 1995           | 2.2063    | .0                       | .0  | 2.2063           | 2,961,242     |
| 1996           | 2.1901    | .0                       | .0  | 2.1901           | 3,133,885     |
| 1997           | 2.1601    | .0                       | .0  | 2.1601           | 3,218,236     |
| 1998           | 2.1495    | .0                       | .0  | 2.9500           | 4,594,520     |
| 1999           | 2.9500    | .0                       | .0  | 2.9500           | 4,596,471     |
| 2000           | 3.2000    | .0                       | .0  | 3.2000           | 5,166,437     |
| 2001           | 3.9500    | .0                       | .0  | 3.9500           | 6,825,091     |
| 2002           | 3.9500    | .0                       | .0  | 3.9500           | 7,322,648     |
| 2003           | 4.3000    | .0                       | .0  | 4.3000           | 8,911,090     |

CITY OF BRADENTON, FLORIDA  
COMPUTATION OF LEGAL DEBT MARGIN  
September 30, 2003  
(Unaudited)

There is no debt limit mandated by law.

CITY OF BRADENTON, FLORIDA  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET  
BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
September 30, 2003  
(Unaudited)

| <u>Fiscal<br/>Year</u> | <u>Population (1)</u> | <u>(Unadjusted)<br/>Assessed Value</u> | <u>Gross<br/>Bonded Debt</u> | <u>Less Debt<br/>Service Amounts</u> |
|------------------------|-----------------------|--|------------------------------|--------------------------------------|
| 1994                   | 46,626                | 1,316,448,997                          | --                           | --                                   |
| 1995                   | 47,679                | 1,352,143,619                          | --                           | --                                   |
| 1996                   | 48,031                | 1,450,805,464                          | --                           | --                                   |
| 1997                   | 48,011                | 1,487,488,264                          | --                           | --                                   |
| 1998                   | 48,029                | 1,558,125,797                          | --                           | --                                   |
| 1999                   | 48,782                | 1,614,511,661                          | --                           | --                                   |
| 2000                   | 49,336                | 1,727,920,300                          | --                           | --                                   |
| 2001                   | 49,504                | 1,813,517,871                          | --                           | --                                   |
| 2002                   | 49,855                | 1,981,742,680                          | --                           | --                                   |
| 2003                   | 52,181                | 2,305,203,945                          | --                           | --                                   |

(1) U.S. Census Bureau; all other amounts from the Manatee County Property Appraisers Office

| <u>Net<br/>Bonded Debt</u> | <u>Ratio of Net<br/>Bonded Debt of<br/>Assessed Value</u> | <u>Net Bonded<br/>Per Capita</u> |
|----------------------------|---|----------------------------------|
| --                         | --  | --                               |
| --                         | --  | --                               |
| --                         | --  | --                               |
| --                         | --  | --                               |
| --                         | --  | --                               |
| --                         | --  | --                               |
| --                         | --  | --                               |
| --                         | --  | --                               |
| --                         | --  | --                               |
| --                         | --  | --                               |

CITY OF BRADENTON, FLORIDA  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 September 30, 2003  
 (Unaudited)

|                                       | <u>Net Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>to the<br/>City of Bradenton</u> | <u>Amount *<br/>Applicable<br/>to the<br/>City of Bradenton</u> |
|---------------------------------------|---------------------------------|---|---|
| I. <u>City of Bradenton, Florida:</u> |                                 |   |   |
| General Obligation bonds              | \$ --                           | 100%  | \$ --   |
| II. <u>Manatee County:</u>            |                                 |   |   |
| General Obligation bonds              | 29,240,000                      | 15.12   | 4,421,088   |
| II. School Board of Manatee County:   |                                 |   |   |
| General Obligation bonds              | --                              | 15.12   | <u>          --</u>   |
| Total overlapping debt                |                                 |   | <u><u>\$ 4,421,088</u></u>                                      |

\* Applicable Portion of General Obligation Debt Based Upon Ratio of City's Net Taxable Assessed Valuation to that of the County.

CITY OF BRADENTON, FLORIDA  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT  
TO TOTAL GENERAL FUND AND RELATED EXPENDITURES  
LAST TEN FISCAL YEARS  
September 30, 2003  
(Unaudited)

| Fiscal<br>Year | Principal | Interest | Total<br>Debt Service | Expenditures<br>(1) | Ratio of Debt<br>Service to<br>General Fund and<br>Related Expenditures |
|----------------|-----------|----------|-----------------------|---------------------|---|
| 1994           | --        | --       | --                    | 16,347,918          | --  |
| 1995           | --        | --       | --                    | 16,458,770          | --  |
| 1996           | --        | --       | --                    | 16,727,806          | --  |
| 1997           | --        | --       | --                    | 17,999,789          | --  |
| 1998           | --        | --       | --                    | 19,064,496          | --  |
| 1999           | --        | --       | --                    | 22,015,280          | --  |
| 2000           | --        | --       | --                    | 22,070,555          | --  |
| 2001           | --        | --       | --                    | 27,297,173          | --  |
| 2002           | --        | --       | --                    | 28,577,596          | --  |
| 2003           | --        | --       | --                    | 34,128,817          | --  |

(1) These expenditures include General, Special Revenue, Debt Service Funds, Capital Project and Fiduciary Funds.

Note:

Prior to 2003 the Expenditures only included General, Special Revenue and Debt Service Funds.

CITY OF BRADENTON, FLORIDA  
 UTILITY SYSTEM REVENUE BOND COVERAGE  
 LAST TEN FISCAL YEARS  
 September 30, 2003  
 (Unaudited)

| Fiscal<br>Year | Gross Income         |                    |            | Expenses (a) | Net Revenue<br>Available for<br>Debt Service |
|----------------|----------------------|--------------------|------------|--------------|--|
|                | Operating<br>Revenue | Interest<br>Income | Total      |              |  |
| 1994           | 8,574,545            | 309,646            | 8,884,191  | 6,267,765    | 2,616,426                                    |
| 1995           | 8,872,083            | 111,355            | 8,983,438  | 6,175,551    | 2,807,887                                    |
| 1996           | 8,598,265            | 105,831            | 8,704,096  | 6,547,114    | 2,156,982                                    |
| 1997           | 8,915,432            | 296,017            | 9,211,449  | 6,500,861    | 2,710,588                                    |
| 1998           | 9,086,493            | 321,268            | 9,407,761  | 6,607,520    | 2,800,241                                    |
| 1999           | 11,295,768           | 219,525            | 11,515,293 | 6,833,692    | 4,681,601                                    |
| 2000           | 11,396,373           | 268,617            | 11,664,990 | 7,168,811    | 4,496,179                                    |
| 2001           | 13,440,196           | 402,102            | 13,842,298 | 7,793,854    | 6,048,444                                    |
| 2002           | 15,544,696           | 483,071            | 16,027,767 | 8,269,989    | 7,757,778                                    |
| 2003           | 14,919,342           | 312,196            | 15,231,538 | 8,729,553    | 6,501,985                                    |

(a) Excluding depreciation

Debt Service Requirements

| <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Coverage</u> |
|------------------|-----------------|--------------|-----------------|
| 1,530,000        | 1,231,140       | 2,761,140    | 0.948           |
| 1,505,000        | 1,365,352       | 2,870,352    | 0.978           |
| 1,780,000        | 976,305         | 2,756,305    | 0.782           |
| 1,780,000        | 856,233         | 2,636,233    | 1.028           |
| 1,900,000        | 726,055         | 2,626,055    | 1.066           |
| 2,073,400        | 773,976         | 2,847,376    | 1.644           |
| 2,120,000        | 1,309,035       | 3,429,035    | 1.311           |
| 2,330,000        | 430,260         | 2,760,260    | 2.191           |
| 2,330,000        | 427,510         | 2,757,510    | 2.813           |
| 1,487,468        | 1,275,607       | 2,763,075    | 2.353           |

CITY OF BRADENTON, FLORIDA  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS  
 September 30, 2003  
 (Unaudited)

| Fiscal<br>Year | (1)<br>Population | Per Capita<br>Income | Median<br>Age | School Enrollment (2) |          | Unemployment<br>Rate (3) |
|----------------|-------------------|----------------------|---------------|-----------------------|----------|--------------------------|
| 1994           | 46,626            | N/A                  | N/A           | 30,073                | ( 6,315) | 5.3                      |
| 1995           | 46,679            | N/A                  | N/A           | 31,732                | ( 6,695) | 4.9                      |
| 1996           | 48,031            | N/A                  | N/A           | 37,039                | ( 7,295) | 4.4                      |
| 1997           | 48,011            | N/A                  | N/A           | 36,667                | ( 7,700) | 3.1                      |
| 1998           | 48,029            | N/A                  | N/A           | 34,374                | ( 8,200) | 2.3                      |
| 1999           | 48,782            | N/A                  | N/A           | 35,413                | ( 6,656) | 2.8                      |
| 2000           | 49,336            | N/A                  | N/A           | 38,938                | ( 7,398) | 2.8                      |
| 2001           | 49,504            | N/A                  | N/A           | 38,005                | ( 7,221) | 3.3                      |
| 2002           | 49,855            | N/A                  | N/A           | 39,079                | ( 7,350) | 4.3                      |
| 2003           | 52,181            | N/A                  | N/A           | 40,067                | ( 7,480) | 4.2                      |

(1) Bureau of Economic and Business Research, Division of Population Studies, College of Business Administration, University of Florida.

(2) Manatee County School Board - Figures represent total enrollment, Manatee County. Figures in parentheses are estimated city residents enrolled in county schools.

(3) From the office of Manatee County Economic Analyst.

CITY OF BRADENTON, FLORIDA  
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS  
September 30, 2003  
(Unaudited)

| Fiscal Year | Bank (1)                   |                   | Construction (2)  |                                 | City Property Value (3)                 |                                       |
|-------------|----------------------------|-------------------|-------------------|---------------------------------|---|---------------------------------------|
|             | Deposits<br>(in Thousands) | Permits<br>Issued | Estimated<br>Cost | Total<br>Assessed<br>Valuations | Homestead<br>other Wholly<br>Exemptions | Net Taxable<br>Assessed<br>Valuations |
| 1994        | 2,394,000                  | 1,617             | 29,857,568        | 1,854,435,370                   | 537,986,373                             | 1,316,448,997                         |
| 1995        | 2,473,000                  | 3,875             | 44,082,392        | 1,895,781,751                   | 543,638,132                             | 1,352,143,619                         |
| 1996        | 2,605,000                  | 4,149             | 35,069,917        | 1,955,035,647                   | 504,230,183                             | 1,450,805,464                         |
| 1997        | 2,781,000                  | 4,170             | 44,212,780        | 1,994,197,732                   | 506,709,468                             | 1,487,488,264                         |
| 1998        | 2,964,000                  | 3,997             | 63,237,849        | 2,082,836,919                   | 524,711,122                             | 1,558,125,797                         |
| 1999        | 3,092,000                  | 3,811             | 40,327,309        | 2,175,102,887                   | 560,591,226                             | 1,614,511,661                         |
| 2000        | 2,962,000                  | 3,950             | 43,942,625        | 2,329,939,648                   | 602,019,348                             | 1,727,920,300                         |
| 2001        | 3,121,983                  | 4,422             | 98,305,154        | 2,494,726,535                   | 538,817,074                             | 1,586,912,538                         |
| 2002        | 3,482,846                  | 5,607             | 171,305,600       | 2,733,542,793                   | 732,610,169                             | 1,728,472,073                         |
| 2003        | 3,609,152                  | 3,307             | 50,194,285        | 2,842,977,291                   | 300,223,284                             | 1,954,926,925                         |

(1) 1991-1999 Revised amounts to reflect FDIC deposit information: previously used Manatee County Economic Analyst which is no longer in existence

(2) Based on building permits issued by the City of Bradenton Department of Planning and Development for the fiscal year.

(3) Source: Manatee County Property Appraiser's Office.

CITY OF BRADENTON, FLORIDA  
INSURANCE IN FORCE  
September 30, 2003  
(Unaudited)

| <u>Type of Policy</u>       | <u>Type of Coverage</u>   |
|-----------------------------|---|
| General Liability           | Blanket coverage - Bodily injury and Property damage to City structures, furniture and equipment, Comprehensive automobile liability, General Liability |
| Public Officials Liability  | Wrongful Acts/Employment Practice Violations  |
| Worker's Compensation       | Worker's Compensation, in excess of \$500,000   |
| Pollution Liability         | Third Party   |
| Special Events - Auditorium | Events held at Auditorium Only  |
| Special Events - RWFP       | Coverage for events held at Anthony T. Rossi Park   |
| Pollution Liability - UST   | Underground Storage Tanks   |

\*Wyman, Green, and Blalock holds \$1,000 on deposit to cover advance premium payments of special event applications for the use of the park and \$500 for the Auditorium

| <u>Limits of Coverage</u>          | <u>Carrier</u>                  | <u>Term of Policy</u> | <u>Annual Premium</u>   |
|------------------------------------|---------------------------------|-----------------------|-------------------------|
| \$1,000,000                        | Risk Management Associates      | 10/1/02-9/30/03       | \$369,985               |
| \$1,000,000                        | Risk Management Associates      | 10/1/02-9/30/03       | 49,868                  |
| Statutory limits, State of Florida | Mid-West Employers Casualty-RMA | 10/1/02-9/30/03       | 77,388                  |
| \$500,000                          | Risk Management Associates      | 10/1/02-9/30/03       | 12,061                  |
| \$1,000,000 per occurrence         | Wyman, Green & Blalock          | 11/2/02 - 11/2/03     | 2,671                   |
| \$1,000,000 per occurrence         | Wyman, Green & Blalock          | 7/1/02 - 6/30/03      | \$1,000 Deposit Only    |
| \$1,000,000                        | Wyman, Green & Blalock          | 6/13/02 - 6/13/03     | <u>1,270</u>            |
|                                    |                                 |                       | <u><u>\$513,243</u></u> |

CITY OF BRADENTON, FLORIDA  
 PRINCIPAL TAXPAYERS  
 September 30, 2003  
 (Unaudited)

| <u>Taxpayer</u>                | <u>Type of Business</u>       | <u>2003 Assessed<br/>Valuation</u> | <u>Percentage of<br/>Total Assessed<br/>Valuation</u> |
|--------------------------------|-------------------------------|------------------------------------|---|
| Tropicana Products Inc         | Manufacturing Company         | \$ 402,398,787                     | 20.31%  |
| Manatee Memorial Hospital, LP  | Hospital and Medical Services | 68,826,842                         | 3.47%   |
| HCA Health Services of Florida | Hospital and Medical Services | 46,171,852                         | 2.33%   |
| WaL-Mart                       | Retail                        | 26,875,396                         | 1.36%   |
| Carlton Arms of Bradenton      | Rental Apartments             | 25,091,491                         | 1.27%   |
| Westport Holdings LLC          | Rental Property               | 23,246,658                         | 1.17%   |
| CMC Bradenton LLC              | Rental Property               | 15,503,190                         | 0.78%   |
| EQR Sawgrass Cove Vistas Inc   | Rental Property               | 13,952,321                         | 0.70%   |
| TC-Perico Company              | Rental Property               | 12,021,842                         | 0.61%   |
| City of Bradenton<br>(Lessee)  | Municipality                  | <u>9,683,864</u>                   | <u>0.49%</u>  |
|                                |                               | <u><u>\$ 643,772,243</u></u>       | <u><u>32.48%</u></u>                                  |

CITY OF BRADENTON, FLORIDA  
MISCELLANEOUS STATISTICAL DATA

September 30, 2003

(Unaudited)

|   |                    |                      |
|---|--------------------|----------------------|
| Date of incorporation                           | 1903               |                      |
| Date first charter adopted                      | 1903               |                      |
| Date present charter adopted                    | 1909               |                      |
| Form of Government                              | Mayor and Council  |                      |
| Present area                                    | 11 Square miles    |                      |
| <b>MILES OF STREETS AND ALLEYS</b>              |                    |                      |
| Streets   | 139                |                      |
| Alleys  | 16                 |                      |
| Easements                                       | No definite record |                      |
| <b>MILES OF SEWERS</b>                          |                    |                      |
| Sanitary  | 146.2              |                      |
| Water   | 183.8              |                      |
| Storm   | 75                 |                      |
| <b>FIRE PROTECTION</b>                          |                    |                      |
| Number of stations                              | 3                  |                      |
| Number of certified officers                    | 68                 |                      |
| <b>POLICE PROTECTION</b>                        |                    |                      |
| Number of stations                              | 1                  |                      |
| Number of sworn officers                        | 101                |                      |
| <b>PARKS AND RECREATION</b>                     |                    |                      |
| Number of tennis courts                         | 5                  |                      |
| Number of recreational parks                    | 10                 |                      |
| Number of municipal golf courses                | 1                  |                      |
| <b>EDUCATION (1)</b>                            |                    |                      |
| Number of schools                               | 5                  | High Schools         |
|   | 8                  | Middle Schools       |
|   | 30                 | Elementary Schools   |
|   | 1                  | Vocational/Technical |
| Number of administrative and professional staff | 172                |                      |
| Number of classroom teachers                    | 2,376              |                      |
| Number of students                              | 40,067             |                      |
| <b>CITY EMPLOYEES</b>                           |                    |                      |
| As of September 30, 2003                        | 605                | Including part-time  |
|   | 560                | Full-time            |
| <b>ELECTIONS</b>                                |                    |                      |
| Number of registered city voters                | 28,540             |                      |

(1) In Manatee County

CITY OF BRADENTON, FLORIDA  
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003  
(Unaudited)

| Name                     | Positions                               | Salary    |
|--------------------------|---|-----------|
| Wayne H. Poston          | Mayor                                   | \$52,098  |
| Gene D. Gallo            | Council Member, Ward I                  | 26,049    |
| Marianne P. Barnebey     | Council Member, Ward II                 | 26,049    |
| Michele J. Weaver        | Council Member, Ward III and Vice Mayor | 26,049    |
| Bemis Smith              | Council Member, Ward IV                 | 26,049    |
| Reverend James T. Golden | Council Member, Ward V                  | 27,249 ** |
| Carl A. Callahan         | City Clerk and Treasurer                | 98,828    |
| John W. Cumming          | Commissioner of Public Works            | 95,055    |
| Larry Frey               | Director of Development Services        | 75,000    |
| Staci Cross              | Director of Information Technology      | 80,000    |
| Mark L. Souders          | Fire Chief                              | 92,506    |
| Michael Radzilowski      | Police Chief                            | 94,652    |

\* Covered under public employees blanket bond

\*\*Tampa Bay representative of the Regional Planning Council earns \$1,200

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members  
of the Council of the  
City of Bradenton, Florida

We have audited the basic financial statements of the City of Bradenton, Florida, as of and for the year ended September 30, 2003, and have issued our report thereon dated November 26, 2003. 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 City of Bradenton's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic 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 City of Bradenton's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic 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 basic 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 financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of the City of Bradenton in a separate letter dated November 26, 2003.

This report is intended solely for the information of the Mayor and Members of the Council, management, the Auditor General of the State of Florida and 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 users.

*CPA Associates*

Bradenton, Florida  
November 26, 2003

City of Bradenton



Established 1903



Celebrating 100 Years  
As “The Friendly City”



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND INTERNAL CONTROL OVER COMPLIANCE  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT

The Honorable Mayor and Members  
of the Council of the  
City of Bradenton, Florida

**Compliance**

We have audited the compliance of the City of Bradenton, Florida, 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 City of Bradenton'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 City of Bradenton's management. Our responsibility is to express an opinion on the City of Bradenton's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 City of Bradenton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Bradenton's compliance with those requirements.

In our opinion, the City of Bradenton 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.

**Internal Control over Compliance**

The management of the City of Bradenton is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the City of Bradenton's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purposes 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.

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 program or state 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.

#### **Schedule of Expenditures of Federal Awards and State Financial Assistance**

We have audited the basic financial statements of the City of Bradenton, Florida, as of and for the year ended September 30, 2003, and have issued our report thereon dated November 26, 2003. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General and are not a required part of the basic financial statements of City of Bradenton, Florida. 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 taken as a whole.

This report is intended solely for the information of the Mayor and Members of the Council, management, the Auditor General of the State of Florida and 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 users.

*CPA Associates*

Bradenton, Florida  
November 26, 2003

ANNUAL CERTIFICATION FOR THE SEWAGE SYSTEM  
CAPITAL IMPROVEMENT ACCOUNT ESTABLISHED FOR THE  
STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL  
PROTECTION GRANT NUMBER 681120 TO THE  
CITY OF BRADENTON, FLORIDA

The Honorable Mayor and  
Members of the Council of the  
City of Bradenton, Florida

and

The Florida Department of Environmental Protection  
Bureau of Local Government Wastewater Financial Assistance  
Tallahassee, Florida

We have audited the basic financial statements of the City of Bradenton, Florida for the year ended September 30, 2003, and have issued our report thereon dated November 26, 2003. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 the basic financial statements are free of material misstatement.

In conjunction with that audit, we performed tests of the City's compliance with the grant agreement, Section 403.1826(6) of the Florida Statutes, and Chapter 17-501.610(2)(b) of the Florida Administrative Code, specifically as it relates to the maintenance of a "**Sewage System Capital Improvement Account**," through September 30, 2003. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Bradenton, Florida complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those provisions.

This report is intended solely for the information of the Mayor, City Council, management, and the Florida Department of Environmental Protection is not intended to be and should not be used by anyone other than these specified users.

*CPA Association*

Bradenton, Florida  
November 26, 2003

CITY OF BRADENTON, FLORIDA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended September 30, 2003

Part I – Summary of Auditor’s Results

**Basic Financial Statement Section**

Type of auditor’s report issued: Unqualified Opinion

Internal control over financial reporting:

Material weakness (es) identified? \_\_\_\_\_ yes   x   no

Reportable condition(s) identified not considered to be material weaknesses? \_\_\_\_\_ yes   x   no

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes   x   no

**Federal Awards Section**

Dollar threshold used to determine Type A programs: \$300,000

Auditee qualified as low-risk auditee?   x   yes \_\_\_\_\_ no

Type of auditor’s report on compliance for major programs: Unqualified Opinion

Internal Control over compliance:

Material weakness(es) identified? \_\_\_\_\_ yes   x   no

Were reportable condition(s) identified not considered to be material weakness(es)? \_\_\_\_\_ yes   x   no

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a))? \_\_\_\_\_ yes   x   no

Identification of major programs

| CFDA Number(s) | Name of Federal Program or Cluster  |
|----------------|---|
| 14.871         | Department of Housing and Urban Development – Section 8 Housing Choice Vouchers Program |

CITY OF BRADENTON, FLORIDA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
 For the Year Ended September 30, 2003

Part I – Summary of Auditor’s Results (continued)

**State Awards Section**

Dollar threshold used to determine Type A projects: \_\_\_\_\_ \$300,000 \_\_\_\_\_

Type of auditor’s report on compliance for major projects: \_\_\_\_\_ Unqualified Opinion \_\_\_\_\_

Internal Control over compliance:

Material weakness(es) identified? \_\_\_\_\_ yes      x   no

Were reportable condition(s) identified not considered  
to be material weakness(es)? \_\_\_\_\_ yes      x   no

Any audit findings disclosed that are required to be reported in  
accordance with Rule 10.557, rules of the Auditor General of  
the State of Florida? \_\_\_\_\_ yes      x   no

Identification of major projects

| CSFA Number(s) | Name of State Project |
|----------------|-----------------------|
|----------------|-----------------------|

|        |  |
|--------|--|
| 52.901 | Florida Housing Finance Agency – State Housing Initiatives Partnership Program |
|--------|--|

Part II – Schedule of Basic Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of Government Auditing Standards.

No reportable conditions, material weaknesses and instances of noncompliance, including questioned costs, related to the basic financial statements were noted.

Part III – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies reportable conditions, material weaknesses, and instances of noncompliance, including known fraud and questioned costs, related to the audit of federal and state programs, as required to be reported by Circular A-133 Section .510 (a) and Rule 10.554(1)(J) 4, Rules of the Auditor General of the State of Florida.

No reportable conditions, material weaknesses, and instances of noncompliance, including known fraud and questioned costs, related to the audit of federal and state projects were identified.

Part IV – Summary Schedule of Prior Audit Findings

There were no prior audit findings for federal or state projects.

CITY OF BRADENTON, FLORIDA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 For the Fiscal Year Ended September 30, 2003

|   | Federal<br>CFDA<br>Number | Grant<br>ID Number | Actual<br>Expenditures     |
|---|---------------------------|--------------------|----------------------------|
| <b><u>Federal Awards</u></b>                                      |                           |                    |                            |
| <u>Department of Housing and Urban Development:</u>               |                           |                    |                            |
| Community Development Block Grant Program                         | 14.218                    | B01MC120024        | \$ 483,954                 |
| Community Development Block Grant Program                         | 14.218                    | B02MC120024        | 117,270                    |
| Section 8 Housing Choice Vouchers Program                         | 14.871                    | F1101VO            | <u>2,755,333</u>           |
| Total Department of Housing and Urban Development                 |                           |                    | 3,356,557                  |
| <u>Department of Justice:</u>                                     |                           |                    |                            |
| Local Law Enforcement Block Grant Program                         | 16.592                    | 2001 LB-BX-3844    | 76,095                     |
| Office of Community Oriented Policing Services (COPS)             | 16.710                    | 95 CFWX0567        | 197,825                    |
| Office of Community Oriented Policing Services (COPS)<br>Dispatch | 16.710                    | 2000CMWX0321       | <u>38,420</u>              |
| Total Department of Justice                                       |                           |                    | <u>312,340</u>             |
| Total Federal Expenditures  |                           |                    | <u><u>\$ 3,668,897</u></u> |

|   | CSFA<br>Number | Grant<br>ID Number | Actual<br>Expenditures   |
|---|----------------|--------------------|--------------------------|
| <b><u>State Financial Assistance</u></b>      |                |                    |                          |
| <u>Florida Housing Finance Agency:</u>        |                |                    |                          |
| State Housing Initiatives Partnership Program | 52.901         | N/A                | <u>\$ 563,039</u>        |
| Total State Financial Assistance              |                |                    | <u><u>\$ 563,039</u></u> |

See accompanying notes.

CITY OF BRADENTON, FLORIDA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

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**NOTE A – GENERAL**

The accompanying schedules of expenditures of federal awards and expenditures of state financial assistance present the activity of all federal and state financial assistance programs of the City of Bradenton, Florida. The City of Bradenton reporting entity is defined in Note A of the City's basic financial statements found on page 27 of this report. All federal and state financial assistance received directly from federal and state agencies as well as federal and state financial assistance passed through other government agencies is included in these schedules.

**NOTE B – BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and expenditures of state financial assistance are presented using the modified accrual basis of accounting, which is described in Note A of the City's basic financial statements found on page 27 of this report.

**NOTE C – MAJOR PROGRAMS OR PROJECTS**

| <u>Federal Program Name</u>   | <u>CFDA Number</u> |
|---|--------------------|
| Section 8 Housing Choice Vouchers Program   | 14.871             |
| <br>  |                    |
| <u>State Project Name</u>   | <u>CSFA Number</u> |
| Florida Housing Finance Agency –<br>State Housing Initiatives Partnership Program | 52.901             |

City of Bradenton



Established 1903



Celebrating 100 Years  
As “The Friendly City”



## MANAGEMENT LETTER – LOCAL GOVERNMENTAL ENTITIES

The Honorable Mayor and  
Members of Council of the  
City of Bradenton, Florida

We have audited the basic financial statements of the City of Bradenton, Florida, as of and for the fiscal year ended September 30, 2003, and have issued our report thereon dated November 26, 2003.

We conducted our audit in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in the *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*. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program and State Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated November 26, 2003, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General. Those rules (Section 10.554(1)(g) 1.a.) require that we address in the management letter, if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs, whether or not inaccuracies, shortages, defalcations, fraud, and/or violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, irregularities, shortages, defalcations, and/or violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554(1)(g) 1.b.) require that we address in the management letter, if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs, whether or not recommendations made in the preceding annual financial audit report have been followed. The recommendations made in the preceding annual financial audit report have been corrected, except for those reported below under the heading *Prior Year Findings and Recommendations*.

As required by the Rules of the Auditor General (Section 10.554(1)(g) (2.)), the scope of our audit included a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City of Bradenton, Florida complied with Section 218.415, Florida Statutes.

The Rules of Auditor General (Section 10.554(1)(g) (4.)) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Matters required to be disclosed and other matters are reported under the headings *Status of Prior Year Recommendations and Current Audit Findings and Recommendations*.

The Rules of the Auditor General (Section 10.554(1)(g) (5.)) also require that the name of official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The City has disclosed this information in the notes to the basic financial statements.

As required by the Rules of the Auditor General (Section 10.554(1)(g) 6.a.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, regarding financial emergencies. In connection with our audit, we determined that the City of Bradenton, Florida is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(g) 6.b.), we determined that the annual financial report for the City of Bradenton, Florida for the fiscal year ended September 30, 2003, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2003.

As required by the Rules of the Auditor General (Sections 10.554(g)(6) c. and 10.556), we applied financial condition assessment procedures as of the fiscal year end. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. No findings were noted in this regard.

This management letter is intended solely for the information of the City of Bradenton, Florida and management, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*CPA Associates*

Bradenton, Florida  
November 26, 2003

## STATUS OF PRIOR AUDIT RECOMMENDATIONS

### **Utility Fund Operating Deficits**

In previous management letters, we noted that there has been a declining trend in the ability to be self-sufficient for the Water and Sewer Utility Fund. The City has continually subsidized this fund for the past several years.

During the prior audits, we noted the City had enacted a rate increase effective October 1, 1998, with step increases at various intervals, including the fiscal year 2003 increases, which is reducing this trend.

We continue to recommend that the City monitor the status of the Water and Sewer Utility Fund.

### **Advances To/From Other Funds**

During the prior audits, we noted several large advances to/from the various funds of the City. However, this long-term interfund borrowing is being done "interest free." This situation is the same in the current year.

We continue to recommend that the City consider charging interest on the long-term loans that are made between various City funds.

### **Pooled Cash and Investments**

During the prior audits, we noted that some of the pooled cash investment earnings (appreciation/depreciation on investments) were not properly recorded. This caused the various equities in pooled investments and related interest earnings accounts to be misstated.

During the current audit, we noted there were problems with the "interest allocation program" for several separate months. These problems were corrected prior to year end by the City.

We continue to recommend that the City monitor the recording of the pooled cash and investment activity on an ongoing basis.

### **Utility Deposits**

During the prior audit, we noted that there were over 800 utility deposits being held by the City for customer accounts that had been "turned off" in the past. These deposits should either have been returned to the customer or included in the City accounts at the time that final bills were prepared for the respective accounts. Some of the accounts have been inactive for several years. City staff stated that there has not been a policy for them to follow in this regard.

We recommended that the City establish a formal policy in the handling of customer deposits. In addition, we recommended that City staff research the validity of the affected deposits, and take the appropriate actions to either return them to appropriate customers, turn them over to the State of Florida as unclaimed properties, or include them in the proper City revenue accounts.

During the current audit, we noted that the City has established a policy in regards to the handling of utility deposits and have been working on the 800 utility deposits noted above.

### **Undistributed Collections and Unearned Revenues**

During the prior audit of the General Fund, we noted that the undistributed collections and the deferred revenues related to the recording of the occupational licenses were both overstated. These accounts were adjusted during the audit.

During the current audit, we noted no problems with the above related accounts.

## CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

### **Budgeted Expenditures**

During the audit, we noted that there were no budgeted expenditures recorded until year-end for the following, even though Council approved the purchases on an ongoing basis, as documented in the Council minutes.

1. Forfeiture fund purchases
2. Unclaimed property expenditures
3. Bullet proof vest purchases

Even after the final budget adjustments were made to the accounting records, the unclaimed property expenditures were not formally authorized by a budget amendment.

We recommend the City consider periodic (perhaps quarterly or semi annually) budget amendments to reflect the approvals made by Council for these types of expenditures.

### **Payroll Files**

During the audit, we noted that the employee payroll files were not efficiently organized, often requiring a “near complete” search to provide payroll documentation and other information needed for the audit. We believe the human resource and other City departments would benefit from the organization of these files.

### **Additional GASB 34 Recordkeeping Requirements**

During the current year, in accordance with the Governmental Accounting Standards Board, the City adopted the provisions of Statement Number 34 and related provisions. To comply with those requirements, the City must maintain additional accounting and/or financial records to convert the governmental fund statements to the accrual basis for the City-wide statements. For example:

1. Long-term receivable records must be maintained
2. Infrastructure asset records must be maintained
3. Depreciation expense and related accumulated depreciation schedules must be maintained for general government capital assets, including the infrastructure
4. Information related to new (and future) general government bonds and notes, such as issue costs, premiums and/or discounts, underwriters premiums/discounts, gains and losses, etc. must be maintained, including schedules for the amortization of those items
5. Information for other long-term liabilities, such as lawsuits or settlements requiring payments over time, must be maintained

We recommend that the City maintain adequate records that will facilitate the future conversion of the governmental fund statements to the basic City-wide statements.

City of Bradenton



Established 1903



Celebrating 100 Years  
As “The Friendly City”





To: Mayor and City Council

From: Carl Callahan, City Clerk & Treasurer

Date: January 5, 2004

Subject: Response to Management Letter – Fiscal Year Ending September 30, 2003

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The following is a summation of my responses to the recommendations made by CPA Associates. These recommendations are based upon their financial audit of the City of Bradenton records for the fiscal year ending September 30, 2003.

### **STATUS OF PRIOR AUDIT RECOMMENDATIONS**

#### **Utility Fund Operating Deficits**

Auditor's Comments / Recommendations:

In previous management letters, we noted that there has been a declining trend in the ability to be self-sufficient for the Water and Sewer Utility Fund. The City has continually subsidized this fund for the past several years.

During the prior audits, we noted the City had enacted a rate increase effective October 1, 1998, with step increases at various intervals, including the fiscal year 2003 increases, which is reducing this trend.

We continue to recommend that the City monitor the status of the Water and Sewer Utility Fund.

*City's Response:*

*Recently enacted rate increases have significantly reduced the Utility Fund operating deficits. The rate increases are on a cost-of-living basis. If increases above this amount are warranted, they will be evaluated at the appropriate time.*

#### **Advances to/From Other Funds**

Auditor's Comments / Recommendations:

During the prior audits, we noted several large advances to/from the various funds of the City. However, this long-term interfund borrowing is being done "interest free." This situation is the same in the current year.

We continue to recommend that the City consider charging interest on the long-term loans that are made between various City funds.

*City's Response:*

*The 2004 budget continues the recent trend of repaying the most significant balances owed. The outstanding balances have been significantly reduced. Depending on the nature of the loan, the City will consider charging interest on any outstanding balance.*

### **Pooled Cash and Investments**

#### Auditor's Comments / Recommendations:

During the prior audits, we noted that some of the pooled cash investment earnings (appreciation/depreciation on investments) were not properly recorded. This caused the various equities in pooled investments and related interest earnings accounts to be misstated.

During the current audit, we noted there were problems with the "interest allocation program" for several separate months. These problems were corrected prior to year-end by the City.

We continue to recommend that the City monitor the recording of the pooled cash and investment activity on an ongoing basis.

#### *City's Response:*

*As recommended in the prior year, the City more closely monitored the recording of pooled cash investment earnings. The City has implemented new financial software that includes an "interest allocation program" to more accurately record investment earnings.*

### **Utility Deposits**

#### Auditor's Comments / Recommendations:

During the prior audit, we noted that there were over 800 utility deposits being held by the City for customer accounts that had been "turned off" in the past. These deposits should either have been returned to the customer or included in the City accounts at the time that the final bills were prepared for the respective accounts. Some of the accounts have been inactive for several years. City staff stated that there has not been a policy for them to follow in this regard.

We recommend that the City establish a formal policy in the handling of customer deposits. In addition, we recommend that City staff research the validity of the affected deposits, and take the appropriate actions to either return them to the appropriate customers, turn them over to the State of Florida as unclaimed property, or include them in the proper City revenue accounts.

During the current audit, we noted that the City has established a policy in regard to the handling of utility deposits and have been working on the 800 utility deposits noted above.

#### *City's Response:*

*The City has established a formal policy for handling customer utility deposits. The policy calls for the City to use the deposit to first offset any outstanding balance on the respective accounts. Any unused balance will be returned to the customer. If the customer cannot be located the balance of the deposit will be held for the appropriate time, after which it will be turned over to the State of Florida as unclaimed property.*

### **Undistributed Collections and Unearned Revenues**

#### Auditor's Comments / Recommendations:

During the prior audit of the General Fund, we noted that the undistributed collections and the deferred revenues related to the recording of the occupational licenses were both overstated. These accounts were adjusted during the audit.

During the current audit, we noted no problems with the above-related accounts.

#### *City's Response:*

*The City will continue to monitor the collections and deferred revenues associated with recording occupational licenses.*

## **CURRENT AUDIT FINDINGS AND RECOMMENDATIONS**

### **Budgeted Expenditures**

Auditor's Comments / Recommendations:

During the audit, we noted that there were no budgeted expenditures recorded until year-end for the following, even though Council approved the purchases on an ongoing basis as documented in the Council minutes.

1. Forfeiture fund purchased
2. Unclaimed property expenditures
3. Bullet proof vest purchases

Even after the final budget adjustments were made to the accounting records, the unclaimed property expenditures were not formally authorized by a budget amendment.

We recommend the City consider periodic (perhaps quarterly or semi-annually) budget amendments to reflect the approvals made by Council for these types of expenditures.

*City's Response:*

*The City will recommend quarterly budget amendments to reflect additional expenditures approved by City Council.*

### **Payroll Files**

Auditor's Comments / Recommendations:

During the audit, we noted that the employee payroll files were not efficiently organized, often requiring a "near complete" search to provide payroll documentation and other information needed for the audit. We believe the Human Resource and other City departments would benefit from the organization of these files.

*City's Response:*

*The City will undergo a complete review and reorganization of the Human Resource files.*

### **Additional GASB 34 Recordkeeping Requirements**

Auditor's Comments / Recommendations:

During the current year, in accordance with the Governmental Accounting Standards Board, the City adopted the provisions of Statement Number 34 and related provisions. To comply with those requirements, the City must maintain additional accounting and/or financial records to convert the governmental fund statements to the accrual basis for the City-wide statements. For example:

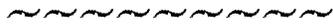
1. Long-term receivable records must be maintained
2. Infrastructure asset records must be maintained
3. Depreciation expense and related accumulated depreciation schedules must be maintained for general government capital assets, including the infrastructure
4. Information related to new (and future) general government bonds and notes, such as issue costs, premiums and/or discounts, underwriters premiums/discounts, gains and losses, etc. must be maintained, including schedules for the amortization of those items
5. Information for other long-term liabilities such as lawsuits or settlements requiring payments over time must be maintained

We recommend that the City maintain adequate records that will facilitate the future conversion of the governmental fund statements to the basic City-wide statements.

*City's Response:*

*The City will maintain adequate records that will facilitate the future conversion of the governmental fund statements to the basic City-wide statements.*

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