

City of Bradenton, Florida

Comprehensive Annual Financial Report

Fiscal Year Ending September 30, 2004



Carl Callahan

City Clerk & Treasurer

CITY OF BRADENTON, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

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City of Bradenton

Tomorrow's Next "Great City" ... Today!



City of Bradenton, Florida

Office of the City Clerk & Treasurer

March 4, 2005

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 (CAFR). This report addresses the City's finances for the fiscal year ended September 30, 2004. 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.

The State of Florida requires that all general-purpose local governments publish, each year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards. This CAFR will aid the governmental entity and its citizens in assessing the accountability of the government by: (1) assessing financial condition and results of operations, (2) determining compliance with finance-related laws and regulations, and (3) evaluating the effectiveness of City operations.

The City of Bradenton CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes a table of contents, this letter of transmittal, and the City's organization chart. This transmittal letter offers a brief overview of the City's structure and services.

The Financial Section includes the Management's Discussion and Analysis (MD&A), the basic financial statements, combining financial statements and supplemental information as well as the independent auditor's report. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the MD&A. The MD&A provides an excellent overview of the City's financial data in a format that compares the data with the prior year. The MD&A may be found in the Financial Section immediately following the independent auditor's report.

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 3.7% unemployment rate for 2004. This compares favorably to the statewide rate of 4.9%.

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 moderate 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, under the direction of our Information Technology Department, revamped our business process systems. The applications for financial reporting, payroll, permitting and purchasing all came on line during the current year. Utility billing and liens are scheduled for next year, and will complete our migration from our mainframe technology.
- > As an actively growing community, the City continues to experience various opportunities for development. The City has cultivated a mix of housing opportunities. The Hope VI project continues to be the cornerstone of our affordable housing initiative, while progress continues on a variety of housing options in the residential market for the downtown area and along our available waterfront.
- > The City continues to place an emphasis on maintaining the availability of a reliable water source. Enhancing that water source is evidenced by the preliminary studies for the expansion of the Evers Reservoir and the completion of our Aquifer Storage and Recovery (ASR) wells, which look at alternative methods of storing a large volume of water for future uses.
- > Although not anticipated at the beginning of the fiscal year, the City was committed to utilizing all available resources to fund emergency preparation and cleanup operations for Hurricanes Charlie, Frances and Jeanne.

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 this 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, 2004 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, 2004:

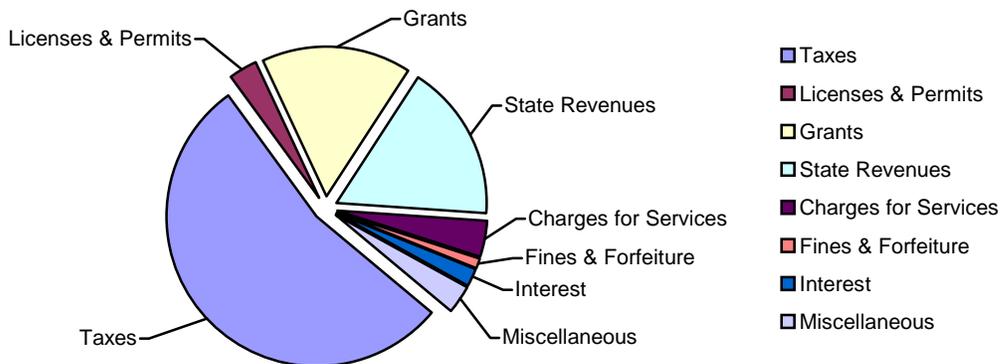
Repurchase Agreements	\$ 4,103,148
State Treasurer's Pool	534,577
Government Securities	31,070,261
Corporate Stock	26,749,524
Limited Partnership	37,062
Investment in Mutual Funds	8,289,841
International Funds	5,484,032
Corporate Bonds	24,658,791
	\$ 100,927,236

* Please note that this total includes \$53,154,525 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 \$33.9 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 \$9.5 million ad valorem proceeds and \$9.7 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:

City of Bradenton Major Revenue Sources

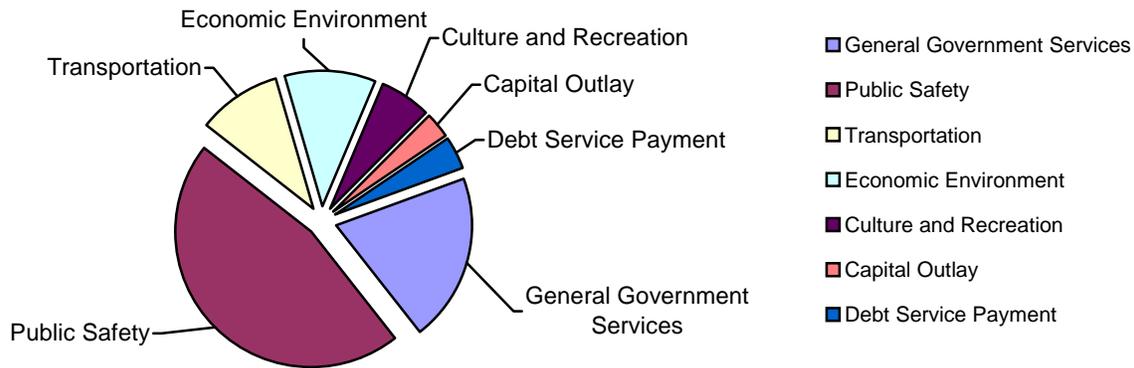


	Fiscal Year 2004		Fiscal Year 2003		Fiscal Year 2002	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Taxes	\$ 18,376,873	54%	17,480,398	53%	16,971,802	52%
Licenses & Permits	1,084,355	3%	784,674	2%	1,420,782	4%
Grants	5,245,351	16%	4,410,438	13%	4,213,131	13%
State Revenues	5,732,640	17%	5,714,642	17%	5,470,069	17%
Charges for Services	1,437,295	4%	1,275,207	4%	1,097,402	3%
Fines & Forfeiture	218,286	1%	239,663	1%	237,750	1%
Interest	860,813	2%	1,594,855	5%	1,957,806	6%
Miscellaneous	938,474	3%	1,465,654	5%	1,346,766	4%
	\$ 33,894,087		32,965,531		32,715,508	

Comparing 2004 to 2003, 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 15% increase in valuations which resulted in an additional \$1.3 million in tax collections.

As can be seen in the following chart and graph, most general governmental expenditures remained relatively consistent with the exception of public safety and capital outlay. The reduction in capital outlay is attributed to the construction of 3rd Avenue and Rossi Waterfront Park in the prior year, with only minor punch-out remaining in 2004. The second year of our three-year employment contracts with our police and fire personnel, as well as significant increases in insurance and pension benefits, resulted in a \$1.65 million increase in public safety costs.

City of Bradenton Expenditures



	Fiscal Year 2004		Fiscal Year 2003		Fiscal Year 2002	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
General Government Services	\$ 6,982,206	20%	5,541,395	16%	5,758,074	19%
Public Safety	16,288,189	46%	14,194,629	42%	12,450,866	42%
Transportation	3,626,071	10%	3,468,400	10%	3,208,134	11%
Economic Environment	4,062,277	11%	3,992,006	12%	3,462,585	11%
Culture and Recreation	2,275,590	6%	2,252,437	7%	2,393,128	8%
Capital Outlay	1,091,001	3%	3,242,213	9%	1,561,323	5%
Debt Service Payment	1,420,843	4%	1,437,737	4%	1,304,809	4%
	<u>\$ 35,746,177</u>		<u>34,128,817</u>		<u>30,138,919</u>	

Enterprise Operations. The City’s enterprise fund activities include water and sewer, sanitation, parking and the golf course. As of September 30, 2004, the water-sewer fund reflected a net income of \$1.4 million, which was an increase from the prior year’s gain of \$30,963. The remaining enterprise funds reported a net income of \$103,267 with the sanitation fund reflecting a loss of \$96,189, and parking operations and the golf course reporting a combined operating income of \$199,456.

The City will continue to look at its enterprise operations to ensure that these areas remain self-sufficient. A complete cost operations review of sanitation and the golf course have been 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 K of the Financial Statements.

Assets in excess of actuarial accrued liability for the police and fire pension funds were \$1,645,333 and \$366,608, respectively. The volatility of the markets had a negative impact on both public safety pensions, which resulted in an

additional liability for the City. City contributions to the police and fire pension funds totaled \$1,004,846 and \$459,959, respectively during the fiscal year ended September 30, 2004. Fire employees directly contributed \$319,340 while police employees contributed \$290,898. Additional contributions were received from the State of Florida totaling \$561,749 for the police pension fund and \$324,650 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 \$970,076 to the Florida State Retirement System during the fiscal year ended September 30, 2004.

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:

	<u>General Obligations</u>	<u>Enterprise Obligations</u>
1995 Subordinate Lien Special Revenue Bond	\$ 2,457,025	767,975
1998 Capital Improvements Revenue Bond	1,409,294	--
Utility System Refunding Revenue Bonds, 1995	--	17,906,864
Franchise Fees Promissory Note Series 2000	5,294,945	--
Florida Municipal Loan 2001A	<u>2,895,000</u>	<u>--</u>
Total Long-Term Obligations	<u>\$ 12,056,264</u>	<u>18,674,839</u>

Risk Management. The City has an aggressive program to train employees regarding preventative measures. The program assists 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 continued to experience a significant increase in its health insurance costs. In an effort to stabilize its health care costs, the City enacted a change to limit the aggregate claims liability and gain the expertise of a new plan administrator. Although utilization of the plan and resulting claims exceeded the prior year, our overall exposure was limited by limits of liability that the City Council put in place. The increase in medical costs are constantly monitored and any changes that are necessary to ensure financial stability will be reviewed.

GASB 34. In 2003 the City of Bradenton 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. There is a more detailed explanation of governmental and business-type operations in the Management, Discussion & Analysis section of this report. The MD&A will take on additional significance since, for the first time, a full compliment of comparative numbers are available from prior-year activities.

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, 2004 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, 2003. This was the twenty-ninth 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 Financial 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, 2004.

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,

[Original with signature on file.]

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, 2003

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.



Nancy L. Ziehl

President

Jeffrey R. Enos

Executive Director

City of Bradenton Principal City Officials



Elected Officials

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

Department Heads

City Clerk & Treasurer	<i>Carl Callahan</i>
Development Services	<i>Larry Frey</i>
Fire Protection	<i>Mark Souders</i>
Human Resources	<i>Carolyn Moore</i>
Information Technology	<i>Staci Cross</i>
Law Enforcement	<i>Michael Radzilowski</i>
Public Works	<i>John Cumming</i>

**Citizens
of the
City of Bradenton**

Mayor and City Council

Wayne Poston Michele Weaver
Gene Gallo Bernis Smith
Marianne Barnebey Rev. James Golden

City Attorney

William Lisch

**City Clerk
& Treasurer**

Carl Callahan

Accounting
Archives
Auditorium
Cashiering
Facilities
Golf Course
Licensing
Purchasing
Risk/Safety
Utility Billing

**Development
Services**

Larry Frey

Community
Development
Code Enforcement
Housing
Assistance
Planning/Zoning
Protective
Inspection

**Law
Enforcement**

Michael Radzilowski

Administration
Crime Prevention
Criminal
Investigations
Community
Policing
Enforcement
Explorer Program
Professional
Standards
Training

**Public
Works**

John Cumming

Carpentry
Electrical
Engineering
Garage
Lift Stations
Parks
Sanitation
Sewer Collection
Sign Shop
Streets
Water Distribution
Water Reclamation
Water Treatment

Fire

Mark Souders

Administration
Prevention
Suppression
Training

**Human
Resources**

Carolyn Moore

Hiring
Benefits
Compensation

**Information
Technology**

Staci Cross

Desktop
Standardization
Network / System
Administration
Technology
Support / Training
Website
Administration



City of Bradenton

Tomorrow's Next "Great City" ... Today!



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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bradenton, Florida, as of and for the year ended September 30, 2004, 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 did not audit the financial statements of the City of Bradenton Firemen's Pension Fund, which represent 29.7 percent and 13.9 percent, respectively, of the assets and revenues of the other opinion units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the other opinion units, is based on the report of the other auditors.

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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bradenton, Florida, as of September 30, 2004, 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 24, 2004 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 grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 54 through 57 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors 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 60 and 61 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 and the other auditors 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 and the other auditor's opinions, 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 and the other auditors express no opinions on them.

CPA Associates

Bradenton, Florida
November 24, 2004

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, 2004. 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 \$123,361,104 (net assets). Of this amount, \$25,113,608 (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 \$107,420, or .01% in comparison to the prior year.
- > As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$35,991,197, a decrease of \$2,149,781 in comparison with the prior year. Approximately 84% of this total amount, \$30,246,817 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 \$10,493,985 or 38% of total general fund expenditures.
- > Total revenues increased \$2,557,151 or 4.7% in comparison to the prior year.
- > Total expenses increased \$6,024,472, or 11.8% in comparison to the prior year.

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 units, the Community Redevelopment Agencies (CRAs). The Bradenton Downtown Development Authority currently serves as the CRA Board for the Bradenton and the 14th Street CRAs. Recently a third CRA, the Central Community Redevelopment Agency, was established with its own Board of Directors. The CRAs were created with a stated purpose to revitalize a specific area within the central core of 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.

CITY OF BRADENTON, FLORIDA
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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.

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 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 27-51 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 53-61 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time to be a useful indicator of government's financial position. In the case of the City, assets exceeded liabilities by \$123,361,104 at the close of the most recent fiscal year.

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, 2004					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Assets:						
Current and other assets	\$ 45,876,925	48,527,454	14,795,392	12,183,223	60,672,317	60,710,677
Internal balances	5,684,231	5,304,987	(5,684,231)	(5,304,987)	--	--
Capital assets, net of depreciation	<u>29,326,391</u>	<u>28,922,562</u>	<u>71,141,200</u>	<u>73,886,555</u>	<u>100,467,591</u>	<u>102,809,117</u>
Total assets	80,887,547	82,755,003	80,252,361	80,764,791	161,139,908	163,519,794
Liabilities:						
Current and other liabilities	1,878,871	3,843,299	1,205,158	2,467,432	3,084,029	6,310,731
Long-term debt outstanding	<u>14,189,849</u>	<u>13,097,132</u>	<u>20,504,926</u>	<u>20,858,247</u>	<u>34,694,775</u>	<u>33,955,379</u>
Total liabilities	16,068,720	16,940,431	21,710,084	23,325,679	37,778,804	40,266,110
Net assets:						
Investment in capital assets, net of related debt	16,777,759	15,997,339	53,237,950	53,383,080	70,015,709	69,380,419
Restricted	25,093,577	24,911,540	3,138,210	3,133,523	28,231,787	28,045,063
Unrestricted	<u>22,947,491</u>	<u>24,905,693</u>	<u>2,166,117</u>	<u>922,509</u>	<u>25,113,608</u>	<u>25,828,202</u>
Total net assets	<u>\$ 64,818,827</u>	<u>65,814,572</u>	<u>58,542,277</u>	<u>57,439,112</u>	<u>123,361,104</u>	<u>123,253,684</u>

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A significant portion of the City's net assets (57%) 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 (\$25,113,608) 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:

	Governmental Activities		Business-Type Activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues						
Program Revenues:						
Charges for services	\$ 2,862,007	3,307,422	22,994,227	21,308,283	25,856,234	24,615,705
Operating grants and contributions	6,302,540	4,736,353	--	--	6,302,540	4,736,353
Capital grants and contributions	185,972	681,758	--	--	185,972	681,758
General Revenues:						
Property taxes	9,323,620	8,299,374	--	--	9,323,620	8,299,374
Other taxes	12,317,658	12,519,284	--	--	12,317,658	12,519,284
Other	<u>2,345,540</u>	<u>3,177,105</u>	<u>705,626</u>	<u>450,460</u>	<u>3,051,166</u>	<u>3,627,565</u>
Total Revenues	<u>33,337,337</u>	<u>32,721,296</u>	<u>23,699,853</u>	<u>21,758,743</u>	<u>57,037,190</u>	<u>54,480,039</u>
Expenses						
Governmental Activities:						
General government	6,339,355	5,239,621	--	--	6,339,355	5,239,621
Public safety	16,922,308	13,805,051	--	--	16,922,308	13,805,051
Transportation	3,906,821	3,369,296	--	--	3,906,821	3,369,296
Community Development Program	602,914	547,530	--	--	602,914	547,530
Housing Assistance Program	2,982,473	2,776,016	--	--	2,982,473	2,776,016
State Housing Initiatives Program	414,634	570,666	--	--	414,634	570,666
Economic environment	34,147	26,192	--	--	34,147	26,192
Culture and recreation	2,924,364	2,288,519	--	--	2,924,364	2,288,519
Interest on long-term debt	641,624	590,203	--	--	641,624	590,203
Business-Type Activities:						
Water and sewer	--	--	15,174,383	15,315,953	15,174,383	15,315,953
Sanitation	--	--	5,477,523	4,878,955	5,477,523	4,878,955
Other	--	--	<u>1,509,224</u>	<u>1,497,296</u>	<u>1,509,224</u>	<u>1,497,296</u>
Total Expenses	<u>34,768,640</u>	<u>29,213,094</u>	<u>22,161,130</u>	<u>21,692,204</u>	<u>56,929,770</u>	<u>50,905,298</u>
Increase in net assets before other items	(1,431,303)	3,508,202	1,538,723	66,539	107,420	3,574,741
Transfers	<u>435,558</u>	<u>593</u>	<u>(435,558)</u>	<u>(593)</u>	<u>--</u>	<u>--</u>
Increase in net assets	(995,745)	3,508,795	1,103,165	65,946	107,420	3,574,741
Net assets – beginning of year	<u>65,814,572</u>	<u>62,305,777</u>	<u>57,439,112</u>	<u>57,373,166</u>	<u>123,253,684</u>	<u>119,678,943</u>
Net assets – end of year	<u>\$ 64,818,827</u>	<u>65,814,572</u>	<u>58,542,277</u>	<u>57,439,112</u>	<u>123,361,104</u>	<u>123,253,684</u>

1. Governmental Activities

Governmental activities reported a net decrease in City assets of \$995,745. The increase in tax revenues of \$1,024,246, associated with higher property valuations, was more than offset by a \$2,096,514 increase in the following public safety costs:

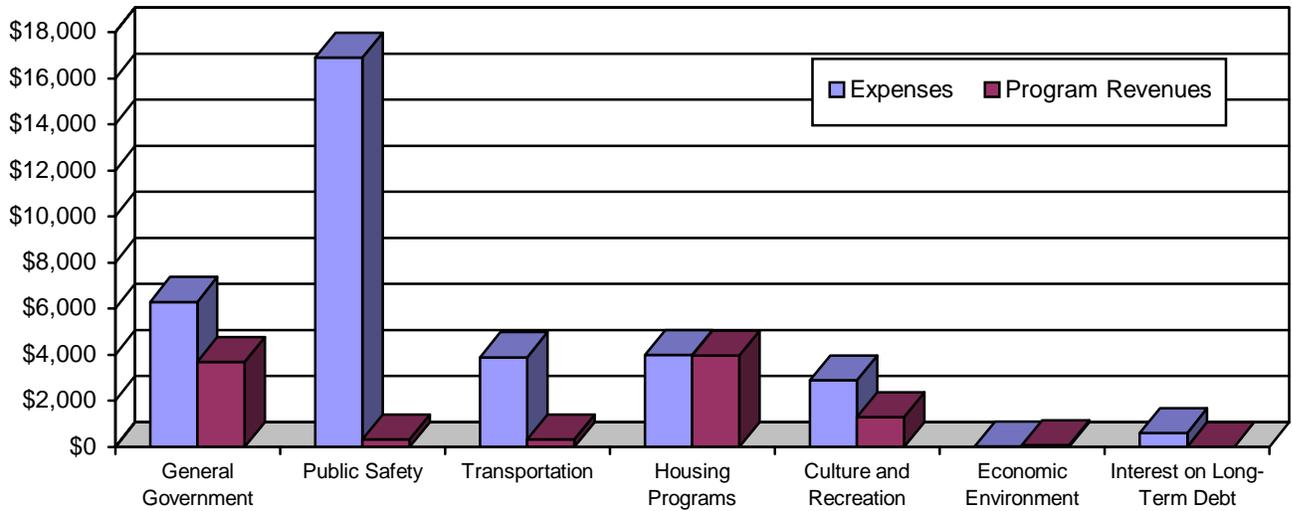
- > \$1,047,741 increase in public safety wages as a result of the first year of our three-year union contracts, hurricane preparation and management, and additional manpower on the police force.

CITY OF BRADENTON, FLORIDA
Management's Discussion & Analysis

- > \$459,981 increase in pension contributions that we required to keep the police and fire plans actuarially sound.
- > \$192,334 increase in costs associated with the higher costs of providing health insurance benefits.

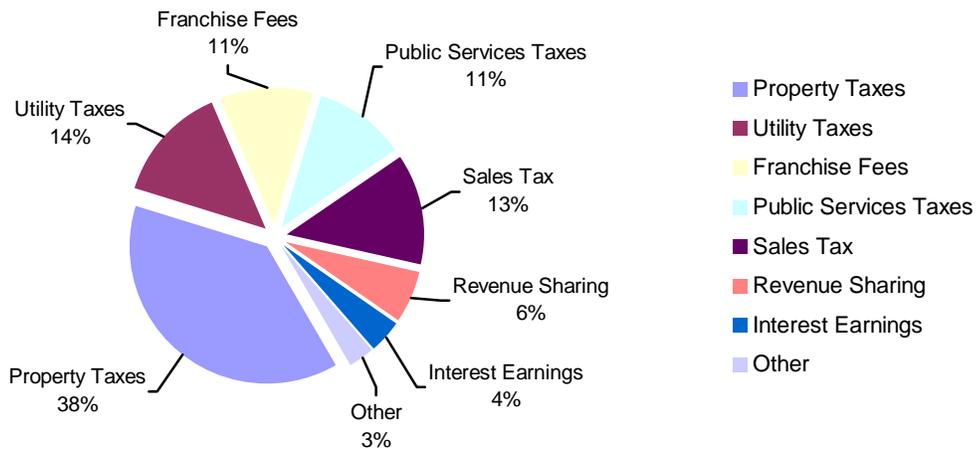
The following chart compares expenses with program revenues for the City's governmental activities.

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

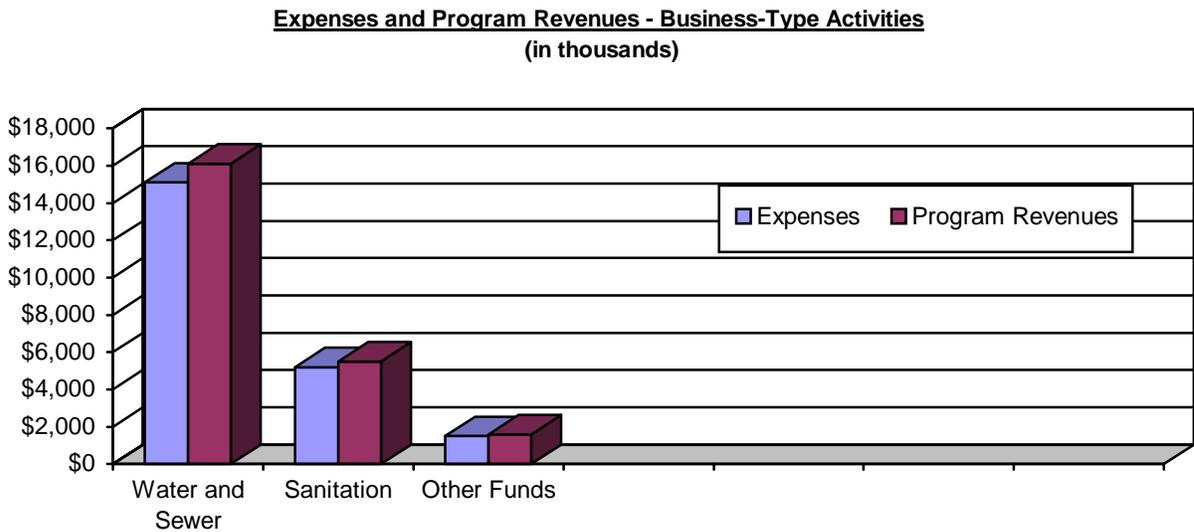


2. Business-Type Activities

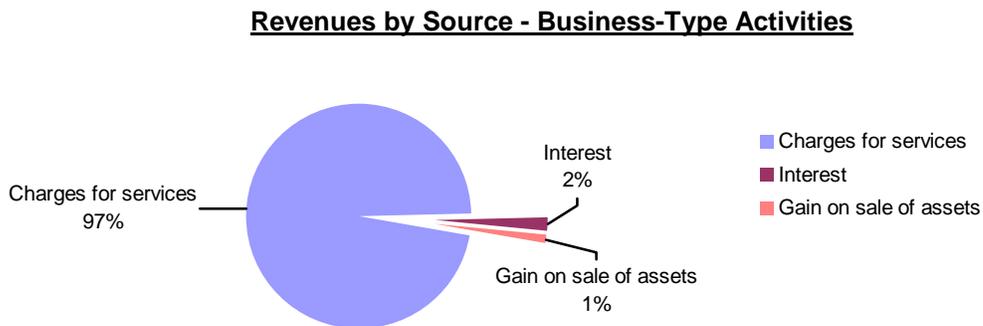
Business-type activities increased the City's net assets by \$1,103,165, accounting for 100% of the total growth in the City's net assets. This increase is significantly more than the \$65,946 increase experienced in the prior fiscal year. Key elements for the difference between the current and prior fiscal year are:

- > A \$1,685,944 increase in the charges for services was the result of a combination of our annual CPI-U rate increase and additional consumption in our water and sewer fund.
- > Overall operating expenditures for the business-type activities, including water-sewer, solid waste, parking and golf course only increased \$199,305, or 1% of operating costs.
- > Although interest rates on our investments still remained soft we had an increase in interest revenue of \$93,364 over the prior fiscal year.

The following chart compares expenses with program revenue 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 \$35,991,197, a decrease of \$2,149,781 in comparison with the prior year. Approximately 84% of this amount (\$30,246,817) 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 \$10,493,985, while the total fund balance was \$10,841,859. 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 37.3% of the total general fund expenditures, while the total fund balance represents 38.5% of the general fund expenditures.

The fund balance of the City's general fund decreased \$2,359,930 during the current fiscal year. Key factors for this decrease include:

- > In total, general fund revenues increased \$540,070. Ad valorem tax revenue increased \$1,036,510 as a result of a 12% increase in the tax base.
- > The increase in ad valorem taxes noted above was offset by decreases in intergovernmental grants and revenues of \$112,066 and a \$302,005 decrease in the pooled interest allocation, as compared to the prior fiscal year.
- > General fund expenditures increased by \$2,683,634. As indicated in the governmental activities analysis on page 6, the most significant increases are attributed to our police and fire services. Wage increases that resulted from our collective bargaining contracts, pension costs, and increased medical insurance costs all contributed significantly to the increased costs.
- > The 7% (\$409,250) increase in general governmental services is primarily related to the 30.7% increase the City experienced in its self-insured medical plan. The 30.7% increase was partially a result of increased costs for patient care in general, but more directly related to record plan utilization from the City employees and dependents.

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:

- > The operating revenue of water-sewer fund increased by \$1,239,980 for the current year. This increase was a result of the 2% rate increase that went into effect January 1, 2004 and a return to historical consumption levels. The previous three years had seen consumption drop well below historical levels.

CITY OF BRADENTON, FLORIDA
Management's Discussion & Analysis

- > Sanitation operations saw a reversal from the positive returns experienced in the prior year. The increase in employee benefit costs had an adverse impact on the labor-intensive sanitation fund. A \$326,810 increase in personnel services led to a decrease in operating income from \$183,503 in the prior year to an operating loss of \$40,465.
- > Parking operations and River Run Golf Links returned to their positive ways, boasting \$199,456 in net income for the year, compared to a \$14,072 loss in the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary highlights from the general fund included:

- > \$478,855 increase in licenses and permits that were a result of a significant increase in commercial and residential building activity.
- > \$288,742 decrease in interest revenues that reflect a continued softening of investment returns and a reduction of the cash assets allocated to the general fund.
- > \$424,515 increase associated with emergency preparedness and debris removal related to Hurricanes Charlie and Frances.
- > \$595,000 additional pension contribution to the police pension fund for meeting the City requirement to fund 8% or the amount necessary to keep the fund actuarially sound.
- > \$499,373 for land acquisition and preliminary costs associated with construction of the 500-space parking garage in downtown Bradenton.

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, 2004 amounts to \$100,467,591 (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 \$1,371,565, including the completion of the Aquifer Storage Recovery test wells.
- > \$825,993 was spent to complete construction on the 3rd Avenue West extension and the renovation of the adjoining Rossi Waterfront Park.
- > Several projects were in various stages of planning, including the following:
 - 10th Avenue East stormwater drainage
 - East-side water storage facility
 - Judicial Center parking garage
 - Manatee Avenue streetscape and resurfacing

For additional information regarding capital assets, please see Note F, pages 35-36

CITY OF BRADENTON, FLORIDA
Management's Discussion & Analysis

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$ 2,894,329	3,168,300	5,137,306	5,182,306	8,031,635	8,350,606
Building	15,150,208	15,580,793	9,681,357	10,005,972	24,831,565	25,586,765
Infrastructure	3,784,017	--	--	--	3,784,017	--
Improvements	3,432,188	3,156,547	49,708,513	53,363,822	53,140,701	56,520,369
Machinery and equipment	3,898,312	3,891,561	3,236,731	3,071,725	7,135,043	6,963,286
Construction in progress	<u>167,337</u>	<u>3,125,361</u>	<u>3,377,293</u>	<u>2,262,730</u>	<u>3,544,630</u>	<u>5,388,091</u>
Totals	<u>\$ 29,326,391</u>	<u>28,922,562</u>	<u>71,141,200</u>	<u>73,886,555</u>	<u>100,467,591</u>	<u>102,809,117</u>

2. Long-Term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$30,731,103. 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

	Governmental Activities		Business-Type Activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
General obligation bonds	\$ --	--	--	--	--	--
Special obligation bonds	9,599,239	10,258,369	--	--	9,599,239	10,258,369
Revenue bonds	<u>2,457,025</u>	<u>2,605,225</u>	<u>18,674,839</u>	<u>20,512,142</u>	<u>21,131,864</u>	<u>23,117,367</u>
Total bonds	<u>\$ 12,056,264</u>	<u>12,863,594</u>	<u>18,674,839</u>	<u>20,512,142</u>	<u>30,731,103</u>	<u>33,375,736</u>

The City's total debt decreased by \$3,004,633, or 9%. Key factors for this decrease were:

- > Scheduled principal payments of \$3,194,130 were paid when due.
- > Accreted value increase of \$561,380 on capital appreciation bonds.

Additional information concerning the City's long-term debt can be found in Note I on pages 39-42 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- > The Bradenton/Sarasota Metropolitan Statistical Area's unemployment rate for September 2004 was 3.4%, which is considerably lower than the state and federal rates (4.7% and 5.1% respectively).
- > The City's population grew by 1%, from 52,181 in 2003 to 52,599 in 2004.
- > 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 was increased from 4.3000 mills to 4.7500 mills for the 2004-2005 fiscal year, increasing the millage rate 10.46%. The increase in property values and the increase in the millage rate were necessary to offset the significant increase in employee health insurance and our public safety officer pension benefits.

- > 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; or through the City's website at www.cityofbradenton.com.



City of Bradenton

Tomorrow's Next "Great City" ... Today!

CITY OF BRADENTON, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Community Redevelopment Agencies
ASSETS				
Cash and cash equivalents	\$ 38,991,397	8,515,693	47,507,090	3,933,656
Investments	817,835		817,835	--
Receivables (net of allowance for uncollectibles)	--	1,448,037	1,448,037	--
Other receivables	4,340,233	--	4,340,233	--
Prepays	44,642	--	44,642	5,928
Due from other governments	1,334,944	56,975	1,391,919	--
Inventory	347,874	68,074	415,948	--
Internal balances	5,684,231	(5,684,231)	--	--
Restricted assets:				
Temporarily restricted:				
Investments	--	4,539,191	4,539,191	--
Deferred charges	--	167,422	167,422	438
Capital assets (net of accumulated depreciation):				
Land	2,894,329	5,137,306	8,031,635	--
Buildings	15,150,208	9,681,357	24,831,565	--
Infrastructure	3,784,017	--	3,784,017	--
Improvements other than buildings	3,432,188	49,708,513	53,140,701	--
Machinery and equipment	3,898,312	3,236,731	7,135,043	365,266
Construction in progress	167,337	3,377,293	3,544,630	--
Total assets:	<u>\$ 80,887,547</u>	<u>80,252,361</u>	<u>161,139,908</u>	<u>4,305,288</u>
LIABILITIES				
Account payable and other current liabilities	\$ 1,413,747	983,377	2,397,124	900,645
Accrued interest payable	55,761	211,537	267,298	--
Due to other governments	297,590	--	297,590	--
Unearned revenue	111,773	10,244	122,017	--
Noncurrent liabilities:				
Due within one year	1,526,752	2,387,047	3,913,799	350,356
Due in more than one year	12,663,097	18,117,879	30,780,976	1,672,969
Total liabilities	<u>16,068,720</u>	<u>21,710,084</u>	<u>37,778,804</u>	<u>2,923,970</u>
NET ASSETS				
Invested in capital assets, net of related debt	16,777,759	53,237,950	70,015,709	50,266
Restricted for:				
Debt service	2,210,704	2,888,210	5,098,914	--
Utility Tax	7,114,833	--	7,114,833	--
Franchise Tax	9,001,321	--	9,001,321	--
Local 1/2 Cent Tax	2,580,633	--	2,580,633	--
Special Revenue Fund	2,454,088	--	2,454,088	--
Other purposes	1,731,998	250,000	1,981,998	--
Unrestricted	22,947,491	2,166,117	25,113,608	1,331,052
Total net assets	<u>64,818,827</u>	<u>58,542,277</u>	<u>123,361,104</u>	<u>1,381,318</u>
Total liabilities and net asset	<u>\$ 80,887,547</u>	<u>80,252,361</u>	<u>161,139,908</u>	<u>4,305,288</u>

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, 2004

<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>
Primary government:				
Governmental activities:				
General government	\$ 6,339,355	2,724,673	984,863	--
Public safety	16,922,308	--	165,786	154,064
Transportation	3,906,821	--	--	31,908
Community Development Program	602,914	39,769	479,582	--
Housing Assistance Program	2,982,473	11,597	2,967,770	--
State Housing Initiatives Program	414,634	85,968	392,285	--
Economic environment	34,147	--	--	--
Culture and recreation	2,924,364	--	1,312,254	--
Interest on long-term debt	641,624	--	-	--
Total governmental activities	<u>34,768,640</u>	<u>2,862,007</u>	<u>6,302,540</u>	<u>185,972</u>
Business-type activities:				
Water and Sewer	15,174,383	16,159,322	--	--
Sanitation	5,477,523	5,234,566	--	--
Other	1,509,224	1,600,339	--	--
Total business-type activities	<u>22,161,130</u>	<u>22,994,227</u>	<u>--</u>	<u>--</u>
Total primary government	<u>\$ 56,929,770</u>	<u>25,856,234</u>	<u>6,302,540</u>	<u>185,972</u>
Component units:				
CCRA	\$ 334,993	6,750	--	--
DDA/CRA's	2,152,654	--	--	--
Total component units	<u>\$ 2,487,647</u>	<u>6,750</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 Activities	Business-Type Activities	Total	Community Redevelopment Agencies
(2,629,819)	--	(2,629,819)	--
(16,602,458)	--	(16,602,458)	--
(3,874,913)	--	(3,874,913)	--
(83,563)	--	(83,563)	--
(3,106)	--	(3,106)	--
63,619	--	63,619	--
(34,147)	--	(34,147)	--
(1,612,110)	--	(1,612,110)	--
(641,624)	--	(641,624)	--
<u>(25,418,121)</u>	<u>--</u>	<u>(25,418,121)</u>	<u>--</u>
--	984,939	984,939	--
--	(242,957)	(242,957)	--
--	91,115	91,115	--
<u>--</u>	<u>833,097</u>	<u>833,097</u>	<u>--</u>
<u>(25,418,121)</u>	<u>833,097</u>	<u>(24,585,024)</u>	<u>--</u>
--	--	--	(328,243)
--	--	--	(2,152,654)
<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,480,897)</u>
9,323,620	--	9,323,620	2,883,713
3,487,763	--	3,487,763	--
2,619,133	--	2,619,133	--
2,575,777	--	2,575,777	--
3,264,405	--	3,264,405	--
370,580	--	370,580	--
1,438,399	--	1,438,399	--
899,642	557,258	1,456,900	54,616
7,499	148,368	155,867	--
435,558	(435,558)	--	--
<u>24,422,376</u>	<u>270,068</u>	<u>24,692,444</u>	<u>2,938,329</u>
(995,745)	1,103,165	107,420	457,432
65,814,572	57,439,112	123,253,684	923,886
<u>\$ 64,818,827</u>	<u>58,542,277</u>	<u>123,361,104</u>	<u>1,381,318</u>

CITY OF BRADENTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2004

	<u>Special Revenue Funds</u>				
	<u>General Fund</u>	<u>Utility Tax</u>	<u>Franchise Tax</u>	<u>Local Gov't Half-Cent Sales Tax</u>	<u>Other Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 11,295,609	1,739,426	8,764,135	2,580,633	5,503,527
Investments	--	--	--	--	817,835
Receivables (net of allowance for uncollectibles)	69,428	258,122	--	--	9,006
Due from other funds	3,522	--	--	--	101,759
Due from other governments	504,583	--	237,186	--	593,276
Inventory	347,874	--	--	--	--
Advances to other funds	--	5,117,285	--	--	--
Total assets	\$ 12,221,016	7,114,833	9,001,321	2,580,633	7,025,403
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 438,120	--	--	--	110,088
Accrued salaries, wages and benefits	829,264	--	--	--	31,848
Due to other funds	--	--	--	--	133,326
Due to other governments	--	--	--	--	297,590
Unearned revenue	111,773	--	--	--	--
Total liabilities	1,379,157	--	--	--	572,852
Fund balances:					
Reserved for:					
Advances to other funds	--	5,117,285	--	--	--
Retirement of bonds	--	--	--	--	279,221
Inventory	347,874	--	--	--	--
Unreserved, report in					
General fund	10,493,985	--	--	--	--
Special revenue funds	--	1,997,548	9,001,321	2,580,633	3,942,066
Capital projects funds	--	--	--	--	244,020
Debt service funds	--	--	--	--	1,987,244
Total fund balances	10,841,859	7,114,833	9,001,321	2,580,633	6,452,551
Total liabilities and fund balances	\$ 12,221,016	7,114,833	9,001,321	2,580,633	7,025,403

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

Total Governmental Funds	<u>Reconciliation of Fund Balance to Net Assets</u>	
29,883,330 817,835	Fund Balance-below	\$ 35,991,197
336,556 105,281 1,335,045 347,874 <u>5,117,285</u>	Amounts reported for governmental activities in the Statement of Net Assets are different because:	
	Capital assets are used in governmental activities are not financial resources and, therefore, are not reported in the funds.	29,326,391
<u>37,943,206</u>		
	Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,001,177
548,208 861,112 133,326 297,590 <u>111,773</u>	Internal service funds are used by management to charge the cost of self insurance property insurance and workers' compensation insurance fund. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	8,104,455
1,952,009		
	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(12,604,393)</u>
5,117,285 279,221 347,874	Net Assets of governmental activities - see page 13.	\$ <u><u>64,818,827</u></u>
10,493,985 17,521,568 244,020 <u>1,987,244</u>		
<u>35,991,197</u>		
<u><u>37,943,206</u></u>		

CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2004

	Special Revenue Funds				Other Governmental Funds
	General Fund	Utility Tax	Franchise Tax	Local Govt Half-Cent Sales Tax	
Revenues					
Taxes	\$ 9,539,684	3,487,763	2,619,133	--	2,730,293
Licenses and permits	1,084,355	--	--	--	--
Intergovernmental grants	274,877	--	--	--	4,970,474
Intergovernmental revenues	1,483,372	--	--	3,264,405	--
Shared revenues	984,863	--	--	--	--
Charges for services	1,437,295	--	--	--	--
Fines and forfeitures	218,286	--	--	--	--
Interest and investment earnings	345,194	60,905	245,751	80,676	128,287
Rents	235,223	--	--	--	282,456
Sales of property	7,499	--	--	--	--
Miscellaneous	275,962	--	--	--	18,784
Special assessments - property owners	--	--	--	--	118,550
Total revenues	15,886,610	3,548,668	2,864,884	3,345,081	8,248,844
Expenditures					
Current:					
General government services	6,982,206	--	--	--	--
Public safety	16,288,189	--	--	--	--
Transportation	3,626,071	--	--	--	--
Economic environment	--	--	--	--	4,062,277
Culture - recreation	2,275,590	--	--	--	--
Debt service:					
Principal	--	--	--	--	807,330
Interest	--	--	--	--	610,109
Fees and expenses	--	--	--	--	3,404
Capital outlay	--	--	--	--	1,091,001
Total expenditures	29,172,056	--	--	--	6,574,121
Excess (deficiency) of revenues over (under) expenditures	(13,285,446)	3,548,668	2,864,884	3,345,081	1,674,723
Other Financing Sources (Uses)					
Transfers from other funds	11,865,538	425,000	--	--	1,432,776
Transfers to other funds	(1,387,585)	(3,973,666)	(2,864,884)	(3,345,081)	(2,897,353)
Proceeds from capital lease	447,563	--	--	--	--
Total other financing sources (uses)	10,925,516	(3,548,666)	(2,864,884)	(3,345,081)	(1,464,577)
Net change in fund balances	(2,359,930)	2	--	--	210,146
Fund balances - beginning	13,201,788	7,114,831	9,001,321	2,580,633	6,242,405
Fund balances - ending	\$ 10,841,858	7,114,833	9,001,321	2,580,633	6,452,551

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, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Non- Major Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,802,874	872,526	2,840,293	8,515,693	9,108,067
Customer accounts receivable	1,554,706	--	--	1,554,706	2,500
Allowance for uncollectibles	(106,669)	--	--	(106,669)	--
Due from other funds	14,117	11,800	2,027	27,944	--
Due from other governments	1,937	54,252	786	56,975	--
Prepaid items	--	--	--	--	44,642
Inventory	--	--	68,074	68,074	--
Total current assets	6,266,965	938,578	2,911,180	10,116,723	9,155,209
Noncurrent assets:					
Restricted-sinking fund reserve-investments	2,763,075	--	125,135	2,888,210	--
Restricted-renewal and replacement-investments	250,000	--	--	250,000	--
Unrestricted investments	1,400,981	--	--	1,400,981	--
Total restricted assets	4,414,056	--	125,135	4,539,191	--
Capital assets:					
Land	3,003,900	--	2,133,406	5,137,306	--
Buildings	16,917,974	597,881	216,363	17,732,218	--
Improvements	108,803,837	462,815	830,322	110,096,974	--
Machinery and equipment	3,557,602	4,245,491	796,840	8,599,933	--
Construction work in progress	3,377,293	--	--	3,377,293	--
Less accumulated depreciation	(69,126,340)	(3,354,937)	(1,321,247)	(73,802,524)	--
Total capital assets	66,534,266	1,951,250	2,655,684	71,141,200	--
Bond issue costs	159,825	--	7,597	167,422	--
Total noncurrent assets	71,108,147	1,951,250	2,788,416	75,847,813	--
Total assets	\$ 77,375,112	2,889,828	5,699,596	85,964,536	9,155,209

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

Business-type Activities - Enterprise Funds

	Water and Sewer Fund	Sanitation Fund	Non- Major Funds	Total	Governmental Activities- Internal Service Funds
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 485,310	128,990	8,511	622,811	4,427
Accrued payroll	14,117	11,869	2,027	28,013	--
Accrued vacation leave	213,581	93,398	25,574	332,553	--
Accrued interest	211,537	--	--	211,537	--
Estimated payable for outstanding claims	--	--	--	--	1,641,217
Unearned revenue	--	--	10,244	10,244	--
Current portion of long-term debt	2,340,000	247	46,800	2,387,047	--
Total current liabilities	3,264,545	234,504	93,156	3,592,205	1,645,644
Non-current liabilities:					
Long-term debt	15,578,747	--	709,007	16,287,754	--
Less unamortized bond discount	(31,256)	--	(16,116)	(47,372)	--
Borrowing under capital lease:	13,902	1,610	--	15,512	--
Customer deposits	1,861,985	--	--	1,861,985	--
Advances from other funds	4,242,951	874,334	--	5,117,285	--
Total long-term liabilities	21,666,329	875,944	692,891	23,235,164	--
Total liabilities	24,930,874	1,110,448	786,047	26,827,369	1,645,644
NET ASSETS					
Invested in capital assets, net of related debt	48,632,873	1,949,393	2,655,684	53,237,950	--
Restricted for: Sinking fund	2,763,075	--	125,135	2,888,210	--
Renewal and replacement	250,000	--	--	250,000	--
Unrestricted	798,290	(170,013)	2,132,730	2,761,007	7,509,565
Total net assets	52,444,238	1,779,380	4,913,549	59,137,167	7,509,565
Total liabilities and net assets	\$ 77,375,112	2,889,828	5,699,596	85,964,536	9,155,209
Net assets-above				\$ 59,137,167	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				(594,890)	
Net assets of business-type activities:				\$ 58,542,277	

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, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Non- Major Funds	Totals	
Operating revenues:					
Charges for services	\$ 16,159,322	5,234,566	1,600,339	22,994,227	5,433,987
Operating expenses:					
Personal services	5,211,250	2,659,395	731,681	8,602,326	--
Contractual services	838,201	77,780	135,354	1,051,335	1,598,555
Supplies and materials	1,999,374	712,218	284,325	2,995,917	3,781
Repairs and maintenance	362,190	60,811	62,636	485,637	--
Utilities	815,961	1,289,250	25,221	2,130,432	--
Claims	--	--	--	--	5,213,790
Depreciation	4,683,031	475,577	168,596	5,327,204	--
Total operating expenses	<u>13,910,007</u>	<u>5,275,031</u>	<u>1,407,813</u>	<u>20,592,851</u>	<u>6,816,126</u>
Operating income (loss)	2,249,315	(40,465)	192,526	2,401,376	(1,382,139)
Non-operating revenues (expenses):					
Interest revenue	462,664	20,886	73,708	557,258	38,828
Gain (loss) on disposition of assets	148,367	(76,455)	(45,298)	26,614	--
Interest expenses and fiscal charges	(1,017,703)	(155)	(21,480)	(1,039,338)	--
Total non-operating revenues (expenses)	<u>(406,672)</u>	<u>(55,724)</u>	<u>6,930</u>	<u>(455,466)</u>	<u>38,828</u>
Net income (loss) before transfers	1,842,643	(96,189)	199,456	1,945,910	(1,343,311)
Transfers:					
In	--	14,442	--	14,442	1,450,170
Out	(425,000)	--	(25,000)	(450,000)	(269,357)
Change in net assets	1,417,643	(81,747)	174,456	1,510,352	(162,498)
Total net assets - beginning	<u>51,026,595</u>	<u>1,861,127</u>	<u>4,739,093</u>		<u>7,672,063</u>
Total net assets - ending	<u>\$ 52,444,238</u>	<u>1,779,380</u>	<u>4,913,549</u>		<u>7,509,565</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				(407,187)	
Change in net assets of business - type activities				<u>\$ 1,103,165</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, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Non- Major Funds	Total	
Cash flows from operating activities:					
Receipts from charges for services	\$ 16,073,771	5,180,314	1,602,285	22,856,370	5,431,487
Payments to suppliers	(3,892,084)	(2,028,030)	(513,558)	(6,433,672)	(1,791,934)
Payments for employees	(5,243,369)	(2,669,801)	(745,778)	(8,658,948)	(4,533,596)
Net cash provided (used) by operating activities:	6,938,318	482,483	342,949	7,763,750	(894,043)
Cash flows from non-capital financing activities:					
Transfers in	--	14,442	--	14,442	1,450,170
Transfers out	(425,000)	--	(25,000)	(450,000)	(269,357)
Net cash provided (used) by non-capital and related financing activities	(425,000)	14,442	(25,000)	(435,558)	1,180,813
Cash flows from capital and related financing activities					
Repayment of capital leases	(40,705)	(329)	--	(41,034)	--
Principal paid on capital debt	(2,340,000)	--	(46,799)	(2,386,799)	--
Interest paid on capital debt	(429,025)	(155)	(39,735)	(468,915)	--
Acquisition and construction of capital assets	(1,760,327)	(508,779)	(286,129)	(2,555,235)	--
Transfer to debt service	(153,945)	--	(4,688)	(158,633)	--
Net cash provided (used) by capital and related financing activities	(4,724,002)	(509,263)	(377,351)	(5,610,616)	--
Cash flows from investing activities:					
Interest received	462,664	20,886	73,709	557,259	38,828
Net increase (decrease) in cash and equivalents:	2,251,980	8,548	14,307	2,274,835	325,598
Cash and cash equivalents, October 1, 2003	2,550,894	863,978	2,825,986	6,240,858	8,782,469
Cash and cash equivalents, September 30, 2004	\$ 4,802,874	872,526	2,840,293	8,515,693	9,108,067
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 2,249,315	(40,465)	192,526	2,401,376	(1,382,139)
Adjustments to reconcile operating income to cash provided (used) by operating activities					
Depreciation expense	4,683,031	475,577	168,596	5,327,204	--
(Increase) decrease in accounts receivable	(136,487)	--	--	(136,487)	--
(Increase) decrease in inventories	--	--	(10,117)	(10,117)	--
(Increase) decrease in due from other funds	(14,117)	(11,800)	(2,027)	(27,944)	--
(Increase) decrease in due from other governments	(1,064)	(54,252)	(299)	(55,615)	(2,500)
Increase (decrease) in accounts and retainage payable	123,642	112,029	4,095	239,766	(183,348)
Increase (decrease) in accrued payroll	(56,714)	(15,068)	(10,362)	(82,144)	--
Increase (decrease) in accrued vacation	38,712	16,462	(1,708)	53,466	--
Increase (decrease) in deposits	52,000	--	--	52,000	--
Increase (decrease) in unearned revenues	--	--	2,245	2,245	--
(Increase) decrease in prepaid items	--	--	--	--	522,877
Increase (decrease) in claims payable	--	--	--	--	151,067
Total adjustments	4,689,003	522,948	150,423	5,362,374	488,096
Net cash provided (used) by operating activities	\$ 6,938,318	482,483	342,949	7,763,750	(894,043)
Noncash investing, capital and financing activities					
Amortization of bond issue costs	\$ 22,833	--	685	23,518	--
Amortization of underwriters discount	\$ 4,465	--	1,454	5,919	--
Appreciation of capital bonds	\$ 561,380	--	--	561,380	--

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, 2004

Assets

Cash and cash equivalents	\$ 1,552,004
Interest receivable	783,584
Contributions receivable	288,610

Investments, at fair value:

U.S. Government obligations	12,009,107
Domestic Corporate bonds	8,874,800
Domestic stocks	26,749,524
Limited partnerships	37,062
International funds	<u>5,484,032</u>

Total investments	<u>53,154,525</u>
-------------------	-------------------

Total assets	55,778,723
--------------	------------

Liabilities

Accounts payable	<u>142,413</u>
------------------	----------------

Total liabilities	<u>142,413</u>
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Net Assets

Held in trust for pension benefits	<u><u>\$ 55,636,310</u></u>
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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, 2004

Additions

Contributions:	
Employer	\$ 1,464,805
Plan members	541,187
State of Florida	886,499
Total contributions	<u>2,892,491</u>
Investment earnings:	
Interest	1,056,345
Dividends	224,344
Miscellaneous	14,547
Net increase in the fair value of investments	3,711,289
Total investment earnings	<u>5,006,525</u>
Less investment expenses	280,920
Net investment earnings	<u>4,725,605</u>
Total additions	7,618,096

Deductions

Benefits	2,100,559
Refunds of contributions	30,004
Administrative expenses	114,472
Total deductions	<u>2,245,035</u>
Change in net assets	5,373,061
Net assets - beginning	<u>50,263,249</u>
Net assets - ending	<u><u>\$ 55,636,310</u></u>

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



City of Bradenton

Tomorrow's Next "Great City" ... Today!

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 14.82 square miles with a population of 52,599. 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 it is legally separate from the government.

The City has two component units: (1) the Bradenton Downtown Development Authority/Community Redevelopment Agencies (DDA/CRAs), and (2) the Central Community Redevelopment Agency, as discussed below.

Bradenton Downtown Development Authority/Community Redevelopment Agencies

There are three separate entities included under the Bradenton Downtown Development Authority/Community Redevelopment Agencies. The purpose of these three entities is to revitalize targeted areas in downtown Bradenton:

a) **Bradenton Downtown Development Authority**

The Bradenton DDA is a dependent special district created by the Laws of Florida, Chapter 74-245, Special Legislative Acts of 1974.

b) **Bradenton Community Redevelopment Agency**

The Bradenton CRA is a dependent special district created pursuant to Florida Statute 163 and City of Bradenton Ordinance 2219 passed by the Bradenton City Council on May 28, 1980.

c) **14th Street Community Redevelopment Agency**

The 14th Street CRA is a dependent special district created pursuant to Florida Statute 163 and City of Bradenton Ordinance 2504 passed by the Bradenton City Council on November 24, 1993.

The Bradenton City Council, through Ordinance 2468 passed in September, 1991, has appointed the Bradenton Downtown Development Authority as the respective Community Redevelopment Agencies of the City. Therefore, all three entities have the same Board of Directors. The Bradenton City Council places the following restrictions on the three dependent special districts:

- a) Any agreement to fund a grant or request for funds or approval of any projects by the DDA acting as the DDA/CRAs may be rescinded within thirty (30) days by a four/fifths (4/5) vote of the City Council. The Mayor may veto any rescinding action by the City Council. This veto, however, may be overridden by a four/fifths (4/5) vote of the City Council.
- b) No formal action taken by the DDA/CRA's Board shall be considered final nor shall any party have any right to rely on such act or acts or grants until the period of time for the rescinding action by the City Council has passed (30 days) or until the City Council has firmly expressed its approval of the action of the DDA/CRAs.
- c) The annual budget of the DDA/CRAs shall be considered final after approval by the City Council, or after thirty (30) days have elapsed from the period of time said budget is passed by the DDA/CRA's Board.

CITY OF BRADENTON, FLORIDA
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In addition to the above, the Mayor appoints members to the DDA/CRAs upon ratification by the City Council. The City provides funding via ad valorem tax related to the 1980 base year (Bradenton) and the 1993 base year (14th Street) on an annual basis to the DDA/CRAs.

Based on the above factors, the City of Bradenton exercised financial accountability over the DDA/CRAs and therefore it is considered a component unit of the City as defined by GAAP. The financial statements of the DDA/CRAs are also included as a part of the City's Comprehensive Annual Financial Report.

The Bradenton Downtown Development Authority is an administrative unit only, with no assets, liabilities, equity, revenues or expenses/expenditures as of and for the year ended September 30, 2004. There were no component units for which the DDA/CRAs were financially accountable.

Central Community Redevelopment Agency (CCRA)

The Central Community Redevelopment Agency (CCRA) is a component unit of the City of Bradenton, and as such has adopted the principles of GASB Statement Number 34 and related provisions. The CCRA is a dependent special district created by the Community Redevelopment Act of 1969, Chapter 163 Part III, Florida Statutes, and City of Bradenton Ordinance 2628 passed by the Bradenton City Council on July 12, 2000. The Community Redevelopment Plan provides a framework for coordinating and facilitating public and private redevelopment of the Central Redevelopment District and adjacent areas. A board of seven commissioners administers the actions of the CCRA.

Per City of Bradenton Ordinance 2628, the Bradenton City Council controls all expenditure of funds and the budget of the CCRA. Therefore, the City of Bradenton exercises financial accountability over the CCRA, making the CCRA a component unit of the City as defined by GAAP.

The CCRA has no significant assets, liabilities, equity, revenues or expenses/expenditures for the year ended September 30, 2004. At September 30, 2004, there were no component units for which the CCRA was financially accountable.

Copies of the audited financial statements of the DDA/CRAs and CCRA may be obtained at the City of Bradenton's City Clerk and Treasurer's Office, 101 Old Main Street, Bradenton, Florida 34205-7865.

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

- | | |
|---|-----------------------------|
| Architectural Review Board | Construction Trade Board |
| Grants and Assistance Board | Code Enforcement Board |
| Planning Commission | Bradenton Housing Authority |
| Enterprise Board | Merit Board |
| Nuisance Board | Police Pension Board |
| Tree Board | Fire Pension Board |
| Construction Board of Rules and Appeals | Grievance Board |
| Central Community Redevelopment Agency | |
| Downtown Development Authority/Community Redevelopment Agencies | |

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 units. 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 units* for which the primary government is financially accountable.

CITY OF BRADENTON, FLORIDA
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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. Property taxes, 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 fiscal year-end. 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
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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 workers' 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, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) 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.

Capital assets do not include the infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) of the government prior to October 1, 2003. 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, plant and equipment of the primary government, as well as the component units, 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
Infrastructure	50 - 75 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

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 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.

CITY OF BRADENTON, FLORIDA
NOTES TO 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.

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 \$12,604,393 difference is as follows:

Bonds and notes payable	\$ 12,056,264
Accrued interest payable	55,761
Capital lease payable	<u>492,368</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 12,604,393</u>

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 assets is allocated over their estimated useful lives and reported as depreciation expense.” The detail of this \$403,829 difference is as follows:

Capital outlay	\$ 2,549,268
Less depreciation expense	<u>(2,145,439)</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>\$ 403,829</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 \$376,591 difference is as follows:

Proceeds of capital leases	\$ 447,563
Principal repayments:	
General obligation debt or loans	(807,330)
Capital leases	<u>(16,824)</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>\$ (376,591)</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE D – 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, 2004, the City's cash in bank of \$8,634,561 was fully insured by Federal Depository Insurance and the multiple financial collateral pool required by Sections 280.07 and 280.08, Florida Statutes.

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, 2004, 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 49% of the SBA's portfolio at September 30, 2004. 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, 2004. 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.

	<u>Category</u>			<u>Reported Amount Fair Value</u>
	<u>One</u>	<u>Two</u>	<u>Three</u>	
U.S. Government securities	\$ 31,070,261	--	--	\$ 31,070,261
Repurchase agreements	4,103,148	--	--	4,103,148
Corporate stocks	26,749,524	--	--	26,749,524
Corporate bonds	24,658,791	--	--	24,658,791
Limited partnership	37,062	--	--	37,062
International funds	5,484,032	--	--	5,484,032
Total	<u>\$ 92,102,818</u>	<u>--</u>	<u>--</u>	92,102,818
Investment in State Treasurer's Investment Pool				534,577
Investment in mutual funds				8,289,841
Total				<u>\$ 100,927,236</u>

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

Investments	
Cash and cash equivalents	\$ 47,507,090
Investments	817,835
Fiduciary investments	53,154,525
Restricted	<u>4,539,191</u>
Total	106,018,641
Less cash / accrued interest	<u>(5,091,405)</u>
Total	<u>\$ 100,927,236</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE E – 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, 2004 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.

No accrual for the property tax levy becoming due in November 2005 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 F – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2004, was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,168,300	329,774	603,745	2,894,329
Construction in progress	3,125,361	167,337	3,125,361	167,337
Total capital assets not being depreciated	6,293,661	497,111	3,729,106	3,061,666
Other capital assets:				
Buildings	18,908,413	--	--	18,908,413
Other improvements	6,559,988	567,164	--	7,127,152
Machinery and equipment	11,356,258	1,758,286	937,735	12,176,809
Infrastructure	--	3,784,017	--	3,784,017
Total other capital assets at historical cost	36,824,659	6,109,467	937,735	41,996,391
Less accumulated depreciation for:				
Buildings	3,327,620	430,585	--	3,758,205
Other improvements	3,403,441	291,523	--	3,694,964
Machinery and equipment	7,464,697	1,423,331	609,531	8,278,497
Total accumulated depreciation	14,195,758	2,145,439	609,531	15,731,666
Governmental activities capital assets, net	<u>\$ 28,922,562</u>	<u>4,461,139</u>	<u>4,057,310</u>	<u>29,326,391</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,182,305	83,827	128,826	5,137,306
Construction in progress	<u>2,262,730</u>	<u>1,260,571</u>	<u>146,008</u>	<u>3,377,293</u>
Total capital assets not being depreciated	7,445,035	1,344,398	274,834	8,514,599
Other capital assets:				
Buildings	17,732,218	--	--	17,732,218
Other improvements	117,924,800	5,867,599	13,695,427	110,096,972
Machinery and equipment	<u>9,061,108</u>	<u>1,275,977</u>	<u>1,737,149</u>	<u>8,599,936</u>
Total other capital assets at historical cost	144,718,126	7,143,576	15,432,576	136,429,126
Less accumulated depreciation for:				
Buildings	7,726,246	324,615	--	8,050,861
Other improvements	64,560,979	4,088,855	8,261,375	60,388,459
Machinery and equipment	<u>5,989,381</u>	<u>913,734</u>	<u>1,539,910</u>	<u>5,363,205</u>
Total accumulated depreciation	<u>78,276,606</u>	<u>5,327,204</u>	<u>9,801,285</u>	<u>73,802,525</u>
Business-type activities capital assets, net	<u>\$ 73,886,555</u>	<u>3,160,770</u>	<u>5,906,125</u>	<u>71,141,200</u>

Depreciation expense was charged to functions as follows:

	Depreciation Expense
Governmental activities:	
General government	\$ 504,695
Public safety	932,932
Transportation	173,485
Community development	7,487
Housing assistance	32,832
Culture and recreation	<u>494,008</u>
Total governmental activities depreciation expense	<u>\$ 2,145,439</u>
Business-type activities:	
Water and sewer utility	\$ 4,402,636
Sanitation	475,577
Parking	20,477
Golf course	148,119
Stormwater	<u>280,395</u>
Total business-type activities depreciation expense	<u>\$ 5,327,204</u>

Commitments

Commitments under uncompleted construction projects at September 30, 2004 consist of the following:

	Amounts Authorized	Expended to Date	Committed
Capital project funds:			
Manatee Avenue (1 st to 15 th Streets)	\$ 3,300,000	228,864	3,071,136
Enterprise funds:			
Watershed Study	145,299	11,769	133,530
Aquifer Storage Recovery	<u>1,776,648</u>	<u>1,575,716</u>	<u>200,932</u>
Total	<u>\$ 5,221,947</u>	<u>1,816,349</u>	<u>3,405,598</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE G – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at September 30, 2004 consisted of:

		Due from / advances from:		
		General Fund	Water Utility Tax	Total
Due to / advances to:	Nonmajor governmental	\$ 105,281	--	105,281
	Water & sewer	14,117	4,242,951	4,257,068
	Sanitation	11,800	874,334	886,134
	Parking	235	--	235
	Golf course	1,792	--	1,792
	Total	<u>\$ 133,225</u>	<u>5,117,285</u>	<u>5,250,510</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, 2004 consisted of:

		Transfers from:						
		General Fund	Water Utility Tax	Franchise Tax	Half-Cent Sales Tax	Nonmajor Governmental	Water & Sewer Utility	Total
Transfers to:	General fund	\$ --	3,506,666	2,352,484	3,333,785	2,647,603	25,000	11,865,538
	Utility tax	--	--	--	--	--	425,000	425,000
	Sanitation	--	--	14,442	--	--	--	14,442
	Nonmajor governmental	1,656,942	467,000	497,958	11,296	249,750	--	2,882,946
	Total	<u>\$ 1,656,942</u>	<u>3,973,666</u>	<u>2,864,884</u>	<u>3,345,081</u>	<u>2,897,353</u>	<u>450,000</u>	<u>15,187,926</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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE H – CAPITAL LEASES

The City has entered into lease agreements as lessee for financing the acquisition of copiers and two fire trucks. 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:

	<u>Governmental Activities</u>	<u>Enterprise Business-like Activities</u>
Machinery and equipment	\$ 1,785,948	204,769
Less accumulated depreciation	<u>(1,118,614)</u>	<u>(172,048)</u>
Total	<u>\$ 667,334</u>	<u>32,721</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2004, were as follows:

Year Ended September 30:	<u>Governmental Activities</u>	<u>Enterprise Business-like Activities</u>
2005	\$ 70,101	12,703
2006	132,184	4,234
2007	73,970	--
2008	73,970	--
2009	73,970	--
2010 – 2011	128,647	--
Less interest	<u>(60,474)</u>	<u>(1,425)</u>
Present value of minimum lease payments	<u>\$ 492,368</u>	<u>15,512</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE I – LONG-TERM LIABILITIES

1. LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended September 30, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities					
Bonds and notes payable:					
Revenue bonds: Subordinate Lien	\$ 2,605,225	--	(148,200)	2,457,025	148,465
Promissory note: Capital Improvements	1,759,294	--	(350,000)	1,409,294	350,000
Promissory note: Franchise Fees	5,504,075	--	(209,130)	5,294,945	209,130
Promissory note: Florida Municipal	<u>2,995,000</u>	<u>--</u>	<u>(100,000)</u>	<u>2,895,000</u>	<u>105,000</u>
Total bonds and notes payable	12,863,594	--	(807,330)	12,056,264	812,595
Estimated Claims Payable for Internal Service Funds	1,490,150	187,794	(36,727)	1,641,217	641,217
Capital Leases – Fire Trucks	--	443,460	(6,047)	437,413	57,833
Capital Leases - Copiers	<u>61,629</u>	<u>1,038</u>	<u>(17,862)</u>	<u>44,805</u>	<u>15,107</u>
Governmental activities long-term liabilities	<u>\$ 14,415,373</u>	<u>632,292</u>	<u>(867,966)</u>	<u>14,179,699</u>	<u>1,526,752</u>
Business-type activities					
Bonds and notes payable:					
Utility System Refunding Revenue 1995A	\$ 19,685,484	561,380	(2,340,000)	17,906,864	2,335,347
Subordinate Lien Refunding 1995	<u>814,775</u>	<u>--</u>	<u>(46,800)</u>	<u>767,975</u>	<u>49,200</u>
Total bonds and notes payable	20,500,259	561,380	(2,386,800)	18,674,839	1,372,704
Capital lease	56,508	285	(42,891)	13,902	2,500
Retainage on contracts	76,940	--	(76,940)	--	--
Customer deposits	<u>1,809,985</u>	<u>372,411</u>	<u>(370,410)</u>	<u>1,811,986</u>	<u>--</u>
Total long-term liabilities	22,443,692	934,076	(2,877,041)	20,500,727	2,387,047
Less deferred amount on refunding	<u>53,292</u>	<u>--</u>	<u>(5,920)</u>	<u>47,372</u>	<u>--</u>
Business-type activities long-term liabilities	<u>\$ 22,390,400</u>	<u>934,076</u>	<u>(2,871,121)</u>	<u>20,453,355</u>	<u>2,387,047</u>

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>	\$ 2,457,025	767,975
<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>	1,409,294	--
<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>	5,294,945	--
<p>\$3,100,000 The Florida Municipal Loan 2001A was issued for the purpose of financing the cost of construction of 3rd Avenue West improvements, Rossi Waterfront Park improvements and further extension of 3rd 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>	2,895,000	--
<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>	--	17,906,864
<p>Total bonds and notes</p>	\$ 12,056,264	18,674,839

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

3. DEBT MATURITY

Debt service requirements at September 30, 2004 were as follows:

Year Ended September 30	Governmental Activities – Revenue Bonds and Notes			
	Revenue Bonds		Promissory Notes	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 681,302	458,318	156,079	122,709
2006	698,319	428,953	159,886	115,490
2007	715,989	398,710	171,306	107,896
2008	742,961	367,258	178,920	99,502
2009	403,392	339,142	186,533	90,556
2010 – 2014	2,458,101	1,272,389	1,090,383	298,544
2015 – 2019	3,074,583	688,528	513,918	38,829
2020 – 2023	<u>824,592</u>	<u>58,793</u>	--	--
Total	<u>\$ 9,599,239</u>	<u>4,012,091</u>	<u>2,457,025</u>	<u>873,526</u>

Year Ended September 30	Business-type Activities – Revenue Bonds	
	Water and Sewer Utility	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 3,148,904	1,378,689
2006	3,075,612	1,516,463
2007	2,997,352	1,556,406
2008	2,922,181	1,688,967
2009	1,634,425	435,848
2010 – 2014	4,813,565	479,271
2015 – 2018	<u>82,800</u>	<u>6,555</u>
Total	<u>\$ 18,674,839</u>	<u>7,062,199</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, 2004 are as follows:

Utility System Bonds, Series 1984	\$ 8,595,000
Utility System Bonds, Series 1988A*	<u>15,578,747</u>
	<u>\$ 24,173,747</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, 2004, no amounts were earned that will have to be rebated to the U.S. Treasury in 2004.

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, 2004, there are three series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$6,150,000.

NOTE J – 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.

CONDENSED STATEMENT OF NET ASSETS	Golf Course
Assets:	
Current assets	\$ 1,423,019
Restricted investments	125,135
Capital assets	2,423,372
Other assets	<u>7,597</u>
Total assets	3,979,123
Liabilities:	
Interfund payables	8,114
Other current liabilities	22,289
Noncurrent liabilities	<u>739,691</u>
Total liabilities	770,094
Net assets:	
Invested in capital assets, net of related debt	2,423,372
Restricted	660,522
Unrestricted	<u>125,135</u>
Total net assets	<u>\$ 3,209,029</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS	
Operating revenues (pledged against bonds)	\$ 1,418,247
Depreciation expense	(148,119)
Other operating expenses	<u>(1,111,118)</u>
Operating income	159,010
Non-operating revenues (expenses):	
Interest income	32,374
Interest expense	(21,480)
Loss on asset disposition	(298)
Transfer	<u>(25,000)</u>
Change in net assets	144,606
Beginning net assets	3,064,423
Ending net assets	<u>\$ 3,209,029</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

CONDENSED STATEMENT OF CASH FLOW

Net cash provided by:	
Operating activities	\$ 284,084
Non-capital and related financing activities	(25,000)
Capital and related financing activities	(372,153)
Investing activities	32,375
Net increase (decrease)	(80,694)
Beginning cash and cash equivalents	1,433,330
Ending cash and cash equivalents	\$ 1,352,636

NOTE K – 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, 2004 was \$4,912,079, compared to \$22,177,431 for the city's entire payroll. At September 30, 2004, membership consisted of:

	<u>2004</u>
Retirees and beneficiaries:	
Currently receiving benefits	41
Terminated with vested benefits	1
Current employees:	
Vested	26
Non-vested	<u>42</u>
Total	<u>110</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 1st 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, 2004 was \$8,875,058, compared to \$22,177,431 for the entire City's payroll. At October 1, 2003 membership consisted of:

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

	<u>2004</u>
Retirees, disabled participants, and beneficiaries:	
Currently receiving benefits	39
Terminated (not receiving benefits)	3
Members in DROP	1
Current employees:	
Vested	31
Non-vested	<u>82</u>
Total	<u>156</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, 2003, the actuarial accrued liability in excess of assets was \$1,683,113 determined as follows:

Actuarial accrued liability	\$ 21,707,552
Actuarial value of assets	<u>23,390,665</u>
Excess of assets over actuarial accrued liability	<u>\$ 1,683,113</u>

For the actuarial report dated October 1, 2003, the Plan experienced a net change of \$366,608 in the actuarial accrued liability. The principal components of unfavorable experience included a 3.0% 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, 2003, the actuarial accrued liability in excess of assets was \$2,763,197 determined as follows:

Actuarial accrued liability	\$ 32,042,980
Actuarial value of assets	<u>29,279,783</u>
Actuarial accrued liability in excess of assets	<u>\$ 2,763,197</u>

For the actuarial report dated October 1, 2003, the Plan experienced a net change of \$1,645,333 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 3.95% 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, 2003, 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, 2004 contributions totaling \$1,034,898 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2003. The City contributed \$459,959, members contributed \$319,340, purchase of credit service amounted to \$129,796 and the State contributed \$324,650.

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, 2002	\$ 222,167	100%	\$ 0
September 30, 2003	239,362	100%	\$ 0
September 30, 2004	252,323	100%	\$ 0

Schedule of Funding Progress
(in thousands of dollars)

<u>Actuarial Valuation Date</u>	<u>(1) Actuarial Value of Assets</u>	<u>(2) Actuarial Liability (AAL) Entry Age</u>	<u>(3) Funded Ratio (1) / (2)</u>	<u>(4) Unfunded AAL (UAAL) (2) - (1)</u>	<u>(5) Covered Payroll</u>	<u>(6) UAAL as a Percentage of Covered Payroll (4) / (5)</u>
October 1						
2001	\$ 21,116	22,928	92.1	1,812	2,745	66.0
2002	21,341	23,119	92.3	1,778	2,881	61.7
2003	21,708	23,391	92.8	1,683	3,064	54.9

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, 2003

Actuarial cost method	Frozen Entry Age
Amortization method	Level % of Pay 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, 2004, contributions totaling \$1,857,493 were to be made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2003. The City's actual contribution was \$1,004,846, the State's was \$561,849, and members contributed \$290,898. The state contributions are deposited directly to the plan instead of flowing through the City's financials. The expenses associated with the plan were \$1,140,671.

Three-Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
September 30, 2002	\$ 544,670	137.8%	\$ (1,087,018)
September 30, 2003	736,169	104.2%	(1,118,177)
September 30, 2004	1,096,111	96.5%	(1,079,565)

The plan has not reflected the negative net pension obligation in the current financial statements.

Schedule of Funding Progress
(in thousands of dollars)

Actuarial Valuation Date October 1	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2001	\$ 28,385	26,078	108.8	(2,308)	4,581	(50.4)
2002	28,990	29,260	99.1	273	4,430	6.2
2003	29,280	32,043	91.4	2,763	5,147	53.7

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 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, 2003

Actuarial cost method	Entry age
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases	9.1% to 7.0% depending on service
Includes inflation at	4.0%
Cost-of-living adjustments	2.0% (one-half assumed rate of inflation)

Employer Fiscal Year Ending September 30:	2004	2003	2002
A. Annual Required Contribution (ARC) *	\$ 1,327,257	1,052,774	684,809
B. Interest on Net Pension Obligation (NPO)	(86,365)	(89,454)	(86,961)
C. Adjustment to ARC	(127,315)	(132,791)	(138,321)
D. Annual pension cost (A + B – C)	1,368,207	1,096,111	736,169
E. Actual contributions	(1)	1,057,499	767,328
F. NPO at beginning of year	(1,079,565)	(1,118,177)	(1,087,018)
G. Increase (decrease) in NPO (D – E)	**	38,612	(31,159)
H. NPO at end of year (F + G)	**	(1,079,565)	(1,118,177)

* Includes expected State contribution

** Not determined at time of actuarial study

(1) Actual City contributions

Although the actuarial study does not reflect actual city contributions of \$1,004,846, based on our calculations the NPO at year end will be (\$716,204).

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, 2004, 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

	<u>Fair Value</u>
Firefighters' Pension Plan:	
U.S. Government securities	\$ 4,950,625
Limited partnerships	37,062
Common stock	12,446,022
Corporate bonds	2,085,220
International funds	<u>2,473,604</u>
Total	<u>\$ 21,992,533</u>
Police Officers' Pension Plan:	
U.S. Government obligations	\$ 7,058,482
International funds	3,010,428
Common stock	14,303,502
Corporate bonds	<u>6,789,580</u>
Total	<u>\$ 31,161,992</u>

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 650,000 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, 2004, 2003, and 2002 were \$970,076, \$758,510, and \$833,853, 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 L – 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 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, 2004 as follows:

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

WATER AND SEWER UTILITY

Revenues of the system		\$ 16,159,322
Interest earnings of the system		462,664
Guaranteed state revenue		376,545
Local half-cent tax revenue		3,264,405
Utility tax fund		<u>3,487,763</u>
Gross revenues of the system		23,750,699
Operations and maintenance of the system (excluding depreciation and amortization)		(9,226,976)
Bond service requirement:		
1995A Utility Systems Refunding Revenue Bonds	\$ 2,763,075	
	x 115%	
	<u>\$ 3,177,536</u>	<u>(3,177,536)</u>
Excess rate coverage		<u>\$ 11,346,187</u>

NOTE M – 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 N – 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.

Workers' Compensation Self-Insurance Program: The City maintains a self-insurance program with regard to workers' 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 workers' 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.

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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 represents the changes in approximate aggregate liabilities for the City from October 1, 2002 to September 30, 2004:

	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program
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
Claims and changes in estimates	3,817,513	1,356,723
Claims payments	(3,711,017)	(1,312,153)
Liability balance, September 30, 2004	\$ 301,173	1,340,044
Assets available to pay claims at September 30, 2004	\$ 472,427	5,385,985

NOTE O – 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.



City of Bradenton

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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, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 9,399,289	9,539,683	9,539,684	1
License and permits	605,500	1,084,085	1,084,355	270
Intergovernmental grants	107,037	274,876	274,877	1
Intergovernmental revenues	1,391,589	1,483,713	1,483,372	(341)
Shared revenues	821,926	984,861	984,863	2
Charges for services	1,305,701	1,439,257	1,437,295	(1,962)
Fines and forfeitures	198,650	218,286	218,286	--
Interest	633,936	345,194	345,194	--
Rents	189,050	235,479	235,223	(256)
Sales of property	37,500	7,499	7,499	--
Miscellaneous	129,500	276,044	275,962	(82)
Cash carryforward	1,040,104	2,428,199	--	(2,428,199)
Total revenues	15,859,782	18,317,176	15,886,610	(2,430,566)
Expenditures:				
General government services	6,666,097	7,052,893	6,982,206	70,687
Public safety	14,098,905	16,291,143	16,288,189	2,954
Transportation	3,758,751	3,629,569	3,626,071	3,498
Culture - recreation	2,336,258	2,269,087	2,275,590	(6,503)
Total expenditures	26,860,011	29,242,692	29,172,056	70,636
Excess (deficiency) of revenues over expenditures	(11,000,229)	(10,925,516)	(13,285,446)	(2,359,930)
Other financing sources (uses):				
Contingencies	(550,000)	--	--	--
Transfers from other funds	11,757,001	11,865,538	11,865,538	--
Transfers to other funds	(206,772)	(1,387,585)	(1,387,585)	--
Proceeds from capital lease	--	447,563	447,563	--
Total other financing sources (uses)	11,000,229	10,925,516	10,925,516	--
Net change in fund balances	--	--	(2,359,930)	(2,359,930)
Fund balance - October 1, 2003	13,201,788	13,201,788	13,201,788	--
Fund balance - September 30, 2004	<u>\$ 13,201,788</u>	<u>13,201,788</u>	<u>10,841,858</u>	<u>(2,359,930)</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, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 3,185,800	3,487,762	3,487,763	1
Interest	16,255	60,904	60,905	1
Total revenues	3,202,055	3,548,666	3,548,668	2
Other financing sources (uses):				
Transfers from:				
Enterprise Fund	425,000	425,000	425,000	--
Transfers to:				
General Fund	(3,160,055)	(3,506,666)	(3,506,666)	--
Debt Service Fund	(467,000)	(467,000)	(467,000)	--
Total other financing sources (uses)	(3,202,055)	(3,548,666)	(3,548,666)	--
Excess (deficit) of revenues over other financing uses	--	--	2	2
Fund Balance - October 1, 2003	7,114,831	7,114,831	7,114,831	--
Fund balance - September 30, 2004	\$ 7,114,831	7,114,831	7,114,833	2

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, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 2,249,200	2,619,132	2,619,133	1
Interest	455,134	245,752	245,751	(1)
Total revenues	2,704,334	2,864,884	2,864,884	--
Other financing uses:				
Transfers to:				
General Fund	(19,000)	(2,352,484)	(2,352,484)	--
Debt Service Fund	(2,187,376)	(497,958)	(497,958)	--
Enterprise Fund	(497,958)	(14,442)	(14,442)	--
Total other financing uses	(2,704,334)	(2,864,884)	(2,864,884)	--
Excess of revenues over other financing uses	--	--	--	--
Fund balance - October 1, 2003	9,001,321	9,001,321	9,001,321	--
Fund balance - September 30, 2004	\$ 9,001,321	9,001,321	9,001,321	--

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, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,243,835	3,264,405	3,264,405	--
Interest	81,273	80,676	80,676	--
Total revenues	3,325,108	3,345,081	3,345,081	--
Other financing uses:				
Transfers to:				
General Fund	(3,313,812)	(3,333,785)	(3,333,785)	--
Debt Service Fund	(11,296)	(11,296)	(11,296)	--
Total other financing uses	(3,325,108)	(3,345,081)	(3,345,081)	--
Excess of revenues over other financing uses	--	--	--	--
Fund Balance - October 1, 2003	2,580,633	2,580,633	2,580,633	--
Fund balance - September 30, 2004	\$ 2,580,633	2,580,633	2,580,633	--



City of Bradenton

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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 Valuation Date <u>October 1</u>	(1) Actuarial Value of <u>Assets</u>	(2) Actuarial Liability (AAL) <u>Entry Age</u>	(3) Funded Ratio <u>(1) / (2)</u>	(4) Unfunded AAL (UAAL) <u>(2) - (1)</u>	(5) Covered <u>Payroll</u>	(6) UAAL as A Percentage Of Covered Payroll <u>(4) / (5)</u>
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
2003	29.28	32.04	91.4	2.76	5.15	53.7

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'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

Year Ended <u>September 30,</u>	Annual Required Contribution	Percentage Contributed
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%
2004	1,327,257	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	10/01/03
Actuarial cost method	Entry age
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	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 Rate of inflation)



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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.



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CITY OF BRADENTON, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Taxes:				
General property taxes	\$ 9,198,779	9,323,619	9,323,620	1
Other taxes	200,510	216,064	216,064	--
Total taxes	9,399,289	9,539,683	9,539,684	1
Licenses and permits:				
Occupational licenses	225,000	258,862	258,862	--
Building permits	310,000	704,482	704,482	--
Electrical permits	65,000	100,862	100,863	1
Other licenses and permits	2,500	16,879	16,880	1
Penalties	3,000	3,000	3,268	268
Total licenses and permits	605,500	1,084,085	1,084,355	270
Intergovernmental grants	107,037	274,876	274,877	1
Intergovernmental revenues:				
State revenue sharing	1,295,389	1,364,888	1,364,545	(343)
State mobile home licenses	31,000	35,993	35,994	--
State alcoholic beverage licenses	26,500	37,859	37,860	1
Other grants	38,700	44,973	44,973	--
Total intergovernmental revenues	1,391,589	1,483,713	1,483,372	(341)
Shared revenues:				
Ninth cent gas tax	227,704	270,870	270,871	1
Four cent gas tax	424,127	503,077	503,078	1
Two cent gas tax	170,095	210,914	210,914	--
Total shared revenues	821,926	984,861	984,863	2
Charges for services:				
General government fees	1,136,951	1,243,905	1,241,911	(1,994)
Marina rental revenue	63,750	95,903	95,905	2
Culture and recreation	105,000	99,449	99,479	30
Total charges for services	1,305,701	1,439,257	1,437,295	(1,962)
Fines and forfeitures	198,650	218,286	218,286	--
Interest	633,936	345,194	345,194	--
Rents	189,050	235,479	235,223	(256)
Sales of property	37,500	7,499	7,499	--
Miscellaneous	129,500	276,044	275,962	(82)
Cash carryforward	1,040,104	2,428,199	--	(2,428,199)
Total revenues	\$ 15,859,782	18,317,176	15,886,610	(2,430,566)

CITY OF BRADENTON, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General Government:				
Legislative:				
Personal services	\$ 358,313	358,313	364,450	(6,137)
Operating expenditures	103,528	86,309	80,448	5,861
Total legislative	461,841	444,622	444,898	(276)
Executive - City Clerk:				
Personal services	352,231	340,545	339,400	1,145
Operating expenditures	1,808,037	1,779,008	1,774,741	4,267
Capital outlay	--	499,373	499,374	(1)
Total executive - City Clerk	2,160,268	2,618,926	2,613,515	5,411
Financial & administration:				
Personal services	274,558	264,221	262,909	1,312
Operating expenditures	33,940	17,089	16,045	1,044
Capital outlay	--	6,593	6,594	(1)
Total financial & administration	308,498	287,903	285,548	2,355
Personnel & services:				
Personal services	185,361	182,018	179,155	2,863
Operating expenditures	65,000	43,941	41,815	2,126
Total personnel & services	250,361	225,959	220,970	4,989
Administration:				
Personal services	165,405	165,633	161,520	4,113
Operating expenditures	14,200	5,854	4,200	1,654
Total administration	179,605	171,487	165,720	5,767
Legal counsel:				
Operating expenditures	136,500	156,526	156,524	2
Purchasing:				
Personal services	148,223	147,678	145,183	2,495
Operating expenditures	31,105	39,022	(187)	39,209
Capital outlay	1,400	1,400	1,117	283
Total purchasing	180,728	188,100	146,113	41,987

(Continued)

CITY OF BRADENTON, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Garage:				
Personal services:	\$ 548,874	530,431	527,257	3,174
Operating expenditures:	399,325	441,576	440,440	1,136
Capital outlay:	77,500	35,633	35,633	--
Total garage	1,025,699	1,007,640	1,003,330	4,310
Facilities maintenance				
Personal services	96,641	96,002	95,818	184
Operating expenditures	262,000	246,102	245,249	853
Capital Outlay	--	12,170	12,170	--
Total janitorial services	358,641	354,274	353,237	1,037
Information technology				
Personal services	414,638	436,956	436,959	(3)
Operating expenditures	252,405	245,438	245,207	231
Capital outlay	367,623	368,202	368,203	(1)
Total data processing	1,034,666	1,050,596	1,050,369	227
Electrical maintenance:				
Personal services	315,254	335,176	332,167	3,009
Operating expenditures	25,800	33,114	31,774	1,340
Capital outlay	101,000	49,500	49,500	--
Total electrical maintenance	442,054	417,790	413,441	4,349
Carpentry maintenance:				
Personal services	119,661	119,661	120,500	(839)
Operating expenditures	7,575	8,053	6,685	1,368
Capital outlay	--	1,356	1,356	--
Total carpentry maintenance	127,236	129,070	128,541	529
Total General Government	6,666,097	7,052,893	6,982,206	70,687
Public Safety:				
Law enforcement:				
Personal services	7,370,630	8,393,320	8,393,319	1
Operating expenditures	722,760	1,059,942	1,059,671	271
Capital outlay	445,900	381,996	381,996	--
Total law enforcement	8,539,290	9,835,258	9,834,986	272
Dispatching:				
Personal services	513,563	492,299	491,739	560
Operating expenditures	22,960	20,860	19,902	958
Total dispatching	536,523	513,159	511,641	1,518

(Continued)

CITY OF BRADENTON, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Fire control:				
Personal services	\$ 4,484,594	4,913,078	4,912,079	999
Operating expenditures	439,643	491,695	491,530	165
Capital outlay	98,855	537,953	537,953	--
Total fire control	<u>5,023,092</u>	<u>5,942,726</u>	<u>5,941,562</u>	<u>1,164</u>
Total Public Safety	<u>14,098,905</u>	<u>16,291,143</u>	<u>16,288,189</u>	<u>2,954</u>
Transportation:				
Roads & streets facilities:				
Personal services	797,960	779,744	779,725	19
Operating expenditures	976,451	979,534	978,122	1,412
Capital outlay	83,295	67,609	72,160	(4,551)
Total roads & streets facilities	1,857,706	1,826,887	1,830,007	(3,120)
Engineering:				
Personal services	298,831	303,654	303,654	--
Operating expenditures	23,550	19,148	16,922	2,226
Capital outlay	--	--	5,260	(5,260)
Total engineering	322,381	322,802	325,836	(3,034)
Development services:				
Personal services	1,003,099	1,000,353	997,094	3,259
Operating expenditures	164,947	156,645	154,912	1,733
Capital outlay	75,865	18,073	18,073	--
Total planning and development	1,243,911	1,175,071	1,170,079	4,992
Code enforcement				
Personal services	193,838	182,472	181,741	731
Operating expenditures	41,850	24,809	22,923	1,886
Capital outlay	6,000	--	--	--
Total code enforcement	241,688	207,281	204,664	2,617

(Continued)

CITY OF BRADENTON, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Risk management:				
Personal services	\$ 77,895	76,149	75,929	220
Operating expenditures	15,170	21,379	19,556	1,823
Total risk management	93,065	97,528	95,485	2,043
Total Transportation	3,758,751	3,629,569	3,626,071	3,498
Culture - recreation:				
Parks and recreation:				
Personal services	1,218,041	1,123,843	1,123,843	--
Operating expenditures	221,350	285,134	283,094	2,040
Capital outlay	116,200	99,287	108,642	(9,355)
Total parks and recreation	1,555,591	1,508,264	1,515,579	(7,315)
Pirate City Complex:				
Personal services	189,091	194,255	194,093	162
Operating expenditures	293,350	297,318	297,013	305
Capital outlay	34,000	40,372	40,373	(1)
Grants and aid	22,100	22,100	22,100	--
Total Pirate City Complex	538,541	554,045	553,579	466
Special recreation facilities:				
Personal services	192,372	178,651	178,423	228
Operating expenditures	38,700	18,702	18,585	117
Capital outlay	11,054	9,425	9,424	1
Total special recreation facilities	242,126	206,778	206,432	346
Total Culture - Recreation	2,336,258	2,269,087	2,275,590	(6,503)
Total expenditures	\$ 26,860,011	29,242,692	29,172,056	70,636

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 3rd Avenue extension projects.

CITY OF BRADENTON, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2004

Special Revenue Funds

	Parks & Recreational Impact Fee - District I	Parks & Recreational Impact Fee - District II	Public Safety Police Protection	Public Safety Fire Protection	Community Development Program
Assets					
Cash and cash equivalents	\$ 19,337	31,123	105,274	132,549	116,206
Investments	--	--	--	--	--
Receivables	--	--	--	--	8,656
Due from other funds	--	--	--	--	--
Due from other governments	--	--	--	--	--
Total assets	\$ 19,337	31,123	105,274	132,549	124,862
Liabilities					
Accounts payable	\$ --	--	--	--	855
Due to other funds	--	--	--	--	39,653
Due to other governments	--	--	--	--	--
Accrued salaries, wages and benefits	--	--	--	--	11,827
Total liabilities	--	--	--	--	52,335
Fund Balances					
Reserved for retirement of bonds	--	--	--	--	--
Unreserved, undesignated	19,337	31,123	105,274	132,549	72,527
Total fund balances	19,337	31,123	105,274	132,549	72,527
Total liabilities and fund balances	\$ 19,337	31,123	105,274	132,549	124,862

Special Revenue Funds

Housing Assistance Program	Public Service Tax	Municipal Waterfront Park	State Housing Initiatives Partnership Program	Local Law Enforcement Block Grant	Total
57,546	1,256,321	632,049	1,131,847	53,683	3,535,935
420,046	--	--	--	--	420,046
350	--	--	--	--	9,006
8,656	--	--	--	--	8,656
169,423	223,752	--	101	--	393,276
<u>656,021</u>	<u>1,480,073</u>	<u>632,049</u>	<u>1,131,948</u>	<u>53,683</u>	<u>4,366,919</u>
50,690	--	--	3,647	--	55,192
570	--	--	--	--	40,223
--	--	--	297,590	--	297,590
18,982	--	--	1,039	--	31,848
70,242	--	--	302,276	--	424,853
--	--	--	--	--	--
<u>585,779</u>	<u>1,480,073</u>	<u>632,049</u>	<u>829,672</u>	<u>53,683</u>	<u>3,942,066</u>
585,779	1,480,073	632,049	829,672	53,683	3,942,066
<u>656,021</u>	<u>1,480,073</u>	<u>632,049</u>	<u>1,131,948</u>	<u>53,683</u>	<u>4,366,919</u>

CITY OF BRADENTON, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 September 30, 2004

	Debt Service Funds				
	1995 Subordinate Lien Special Revenue Refunding Bonds	Franchise Fees Promissory Note 2000	1998 Capital Improvement Revenue Bonds	Florida Municipal Loan 2001A	Total
Assets					
Cash and cash equivalents	\$ 1,100,193	373,472	286,127	115,120	1,874,912
Investments	391,553	--	--	--	391,553
Receivables	--	--	--	--	--
Due from other funds	--	--	--	--	--
Due from other governments	--	--	--	--	--
	<u>\$ 1,491,746</u>	<u>373,472</u>	<u>286,127</u>	<u>115,120</u>	<u>2,266,465</u>
Total assets	<u>\$ 1,491,746</u>	<u>373,472</u>	<u>286,127</u>	<u>115,120</u>	<u>2,266,465</u>
Liabilities					
Accounts payable	\$ --	--	--	--	--
Due to other funds	--	--	--	--	--
Due to other governments	--	--	--	--	--
Accrued salaries, wages and benefits	--	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances					
Reserved for retirement of bonds	279,221	--	--	--	279,221
Unreserved, undesignated	1,212,525	373,472	286,127	115,120	1,987,244
	<u>1,491,746</u>	<u>373,472</u>	<u>286,127</u>	<u>115,120</u>	<u>2,266,465</u>
Total fund balances	<u>1,491,746</u>	<u>373,472</u>	<u>286,127</u>	<u>115,120</u>	<u>2,266,465</u>
Total liabilities and fund balances	<u>\$ 1,491,746</u>	<u>373,472</u>	<u>286,127</u>	<u>115,120</u>	<u>2,266,465</u>

Capital Projects Funds

General Projects	Florida Municipal Loan Series 2001 A	Total	Total Nonmajor Governmental Funds
92,680	--	92,680	5,503,527
--	6,236	6,236	817,835
--	--	--	9,006
93,103	--	93,103	101,759
--	200,000	200,000	593,276
<u>185,783</u>	<u>206,236</u>	<u>392,019</u>	<u>7,025,403</u>
54,896	--	54,896	110,088
--	93,103	93,103	133,326
--	--	--	297,590
--	--	--	31,848
54,896	93,103	147,999	572,852
--	--	--	279,221
<u>130,887</u>	<u>113,133</u>	<u>244,020</u>	<u>6,173,330</u>
<u>130,887</u>	<u>113,133</u>	<u>244,020</u>	<u>6,452,551</u>
<u>185,783</u>	<u>206,236</u>	<u>392,019</u>	<u>7,025,403</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2004

	Special Revenue Funds				
	Parks & Recreational Impact Fee - District I	Parks & Recreational Impact Fee - District II	Public Safety Police Protection	Public Safety Fire Protection	Community Development Program
Revenues					
Taxes	\$ 9,101	22,846	55,336	67,233	--
Intergovernmental grants	--	--	--	--	479,582
Interest	721	752	2,657	3,281	4,983
Rents	--	--	--	--	--
Miscellaneous	--	--	--	--	7,187
Special assessments - property owners	--	--	--	--	32,582
Total revenues	9,822	23,598	57,993	70,514	524,334
Expenditures					
Current:					
Economic environment	--	--	--	--	649,927
Debt Service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Fees and expenses	--	--	--	--	--
Capital outlay	--	--	--	--	--
Total expenditures	--	--	--	--	649,927
Excess (deficit) of revenues over expenditures	9,822	23,598	57,993	70,514	(125,593)
Other Financing Sources (Uses)					
Transfers from other funds	--	--	--	--	--
Transfers to other funds	--	--	--	--	--
Total other financing sources (uses)	--	--	--	--	--
Net change in fund balances	9,822	23,598	57,993	70,514	(125,593)
Fund balances - beginning	9,515	7,525	47,281	62,035	198,120
Fund balances - ending	\$ 19,337	31,123	105,274	132,549	72,527

Special Revenue Funds

Housing Assistance Program	Public Service Tax	Municipal Waterfront Park	State Housing Initiatives Partnership Program	Local Law Enforcement Block Grant	Total
--	2,575,777	--	--	--	2,730,293
2,967,770	--	--	392,285	56,356	3,895,993
5,687	21,503	17,559	7,362	254	64,759
--	--	282,456	--	--	282,456
11,597	--	--	--	--	18,784
--	--	--	85,968	--	118,550
2,985,054	2,597,280	300,015	485,615	56,610	7,110,835
2,966,589	--	--	411,844	33,917	4,062,277
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
2,966,589	--	--	411,844	33,917	4,062,277
18,465	2,597,280	300,015	73,771	22,693	3,048,558
--	--	--	--	6,262	6,262
--	(2,597,279)	(300,074)	--	--	(2,897,353)
--	(2,597,279)	(300,074)	--	6,262	(2,891,091)
18,465	1	(59)	73,771	28,955	157,467
567,314	1,480,072	632,108	755,901	24,728	3,784,599
585,779	1,480,073	632,049	829,672	53,683	3,942,066

(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, 2004

	Debt Service Funds				
	1995 Subordinate Lien Special Revenue Refunding Bonds	Franchise Fees Promissory Note 2000	1998 Capital Improvement Revenue Bonds	Florida Municipal Loan 2001A	Total
Revenues					
Taxes	--	--	--	--	--
Intergovernmental grants	--	--	--	--	--
Interest	45,585	5,661	4,314	1,478	57,038
Rents	--	--	--	--	--
Miscellaneous	--	--	--	--	--
Special assessments - property owners	--	--	--	--	--
Total revenues	45,585	5,661	4,314	1,478	57,038
Expenditures					
Current:					
Economic environment	--	--	--	--	--
Debt Service:					
Principal	148,200	209,130	350,000	100,000	807,330
Interest	125,825	284,917	54,742	144,625	610,109
Fees and expenses	--	--	--	3,404	3,404
Capital outlay	--	--	--	--	--
Total expenditures	274,025	494,047	404,742	248,029	1,420,843
Excess (deficit) of revenues over expenditures	(228,440)	(488,386)	(400,428)	(246,551)	(1,363,805)
Other Financing Sources (Uses):					
Transfers from other funds	211,806	497,958	467,000	249,750	1,426,514
Transfers to other funds	--	--	--	--	--
Total other financing sources (uses)	211,806	497,958	467,000	249,750	1,426,514
Net change in fund balances	(16,634)	9,572	66,572	3,199	62,709
Fund balances - beginning	1,508,380	363,900	219,555	111,921	2,203,756
Fund balances - ending	1,491,746	373,472	286,127	115,120	2,266,465

Capital Projects Funds

General Projects	Florida Municipal Loan Series 2001 A	Total	Total Nonmajor Governmental Funds
--	--	--	2,730,293
--	1,074,481	1,074,481	4,970,474
6,490	--	6,490	128,287
--	--	--	282,456
--	--	--	18,784
--	--	--	118,550
6,490	1,074,481	1,080,971	8,248,844
--	--	--	4,062,277
--	--	--	807,330
--	--	--	610,109
--	--	--	3,404
265,008	825,993	1,091,001	1,091,001
265,008	825,993	1,091,001	6,574,121
(258,518)	248,488	(10,030)	1,674,723
--	--	--	1,432,776
--	--	--	(2,897,353)
--	--	--	(1,464,577)
(258,518)	248,488	(10,030)	210,146
389,405	(135,355)	254,050	6,242,405
130,887	113,133	244,020	6,452,551

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PARKS & RECREATIONAL IMPACT FEE - DISTRICT I
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ --	9,101	9,101	--
Interest	500	720	721	1
Total revenues	500	9,821	9,822	1
Expenditures:				
Contingency	500	9,821	--	(9,821)
Excess of revenues over expenditures	--	--	9,822	9,822
Fund Balance - October 1, 2003	9,515	9,515	9,515	--
Fund balance - September 30, 2004	<u>\$ 9,515</u>	<u>9,515</u>	<u>19,337</u>	<u>9,822</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PARKS & RECREATIONAL IMPACT FEE - DISTRICT II
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ --	22,845	22,846	1
Interest	<u>500</u>	<u>751</u>	<u>752</u>	<u>1</u>
Total revenues	500	23,596	23,598	2
Expenditures:				
Contingency	<u>500</u>	<u>23,596</u>	<u>--</u>	<u>(23,596)</u>
Excess of revenues over expenditures	--	--	23,598	23,598
Fund Balance - October 1, 2003	<u>7,525</u>	<u>7,525</u>	<u>7,525</u>	<u>--</u>
Fund balance - September 30, 2004	<u><u>\$ 7,525</u></u>	<u><u>7,525</u></u>	<u><u>31,123</u></u>	<u><u>23,598</u></u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PUBLIC SAFETY POLICE PROTECTION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ --	55,336	55,336	--
Interest	500	2,657	2,657	--
Total revenues	500	57,993	57,993	--
Expenditures:				
Contingency	500	57,993	--	(57,993)
Excess of revenues over expenditures	--	--	57,993	57,993
Fund Balance - October 1, 2003	47,281	47,281	47,281	--
Fund balance - September 30, 2004	<u>\$ 47,281</u>	<u>47,281</u>	<u>105,274</u>	<u>57,993</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PUBLIC SAFETY FIRE PROTECTION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ --	67,233	67,233	--
Interest	500	3,280	3,281	1
Total revenues	500	70,513	70,514	1
Expenditures:				
Contingency	500	70,513	--	(70,513)
Excess of revenues over expenditures	--	--	70,514	70,514
Fund Balance - October 1, 2003	62,035	62,035	62,035	--
Fund balance - September 30, 2004	<u>\$ 62,035</u>	<u>62,035</u>	<u>132,549</u>	<u>70,514</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
COMMUNITY DEVELOPMENT PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 710,000	710,000	479,582	(230,418)
Unexpended grant funds carryover	286,374	286,374	--	(286,374)
Interest	--	--	4,983	4,983
Miscellaneous	1,500	77,501	7,187	(70,314)
Cash carryforward	--	171,935	--	(171,935)
Special assessments - property owners	--	--	32,582	32,582
Total revenues	997,874	1,245,810	524,334	(721,476)
Expenditures:				
Economic environment:				
Personal services	302,255	272,255	244,952	27,303
Operating expenditures	102,413	196,066	124,402	71,664
Capital outlay	326,000	406,290	51,416	354,874
Public assistance	235,000	328,339	229,157	99,182
Contingency	32,206	42,860	--	42,860
Total expenditures	997,874	1,245,810	649,927	595,883
Excess of revenues over expenditures	--	--	(125,593)	(125,593)
Fund balance - October 1, 2003	198,120	198,120	198,120	--
Fund balance - September 30, 2004	\$ 198,120	198,120	72,527	(125,593)

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
HOUSING ASSISTANCE PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,770,446	2,770,446	2,967,770	197,324
Interest	8,900	8,900	5,687	(3,213)
Miscellaneous	2,000	2,000	11,597	9,597
Cash carryforward	118,543	238,743	--	(238,743)
Total revenues	2,899,889	3,020,089	2,985,054	(35,035)
Expenditures:				
Economic environment:				
Personal services	355,157	353,657	364,405	(10,748)
Operating expenditures	119,260	130,960	67,336	63,624
Capital outlay	4,605	4,605	4,214	391
Public assistance	2,420,867	2,530,867	2,530,634	233
Total expenditures	2,899,889	3,020,089	2,966,589	53,500
Excess of revenues over expenditures	--	--	18,465	18,465
Fund balance - October 1, 2003	567,314	567,314	567,314	--
Fund balance - September 30, 2004	\$ 567,314	567,314	585,779	18,465

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PUBLIC SERVICE TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 2,925,000	2,575,775	2,575,777	2
Interest	32,509	21,504	21,503	(1)
Total revenues	2,957,509	2,597,279	2,597,280	1
Other financing uses:				
Transfers to:				
General Fund	(2,957,509)	(2,597,279)	(2,597,279)	--
Excess (deficit) of revenues over other financing uses	--	--	1	1
Fund balance - October 1, 2003	1,480,072	1,480,072	1,480,072	--
Fund balance - September 30, 2004	<u>\$ 1,480,072</u>	<u>1,480,072</u>	<u>1,480,073</u>	<u>1</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
MUNICIPAL WATERFRONT PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Interest	\$ 32,509	17,560	17,559	(1)
Rents	330,490	282,514	282,456	(58)
Total revenues	362,999	300,074	300,015	(59)
Other financing uses:				
Transfers to:				
General Fund	(113,249)	(50,324)	(50,324)	--
Debt Service	(249,750)	(249,750)	(249,750)	--
Total other financing uses	(362,999)	(300,074)	(300,074)	--
Excess (deficit) of revenues over other financing uses	--	--	(59)	(59)
Fund balance - October 1, 2003	632,108	632,108	632,108	--
Fund balance - September 30, 2004	\$ 632,108	632,108	632,049	(59)

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM (S.H.I.P.P.) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 497,743	497,743	392,285	(105,458)
Interest	11,000	11,000	7,362	(3,638)
Special assessments - property owners	10,000	10,000	85,968	75,968
Total revenues	518,743	518,743	485,615	(33,128)
Expenditures:				
Economic environment:				
Personal services	35,907	35,907	36,566	(659)
Operating expenditures	11,410	11,410	3,947	7,463
Public assistance	450,819	455,819	371,331	84,488
Reserve for contingencies	20,607	15,607	--	15,607
Total expenditures	518,743	518,743	411,844	106,899
Excess (deficit) of revenues over expenditures	--	--	73,771	73,771
Fund balance - October 1, 2003	755,901	755,901	755,901	--
Fund balance - September 30, 2004	\$ 755,901	755,901	829,672	73,771

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental grants	\$ 56,352	56,352	56,356	4
Interest	--	253	254	1
Total revenues	<u>56,352</u>	<u>56,605</u>	<u>56,610</u>	<u>5</u>
Expenditures:				
Economic environment:				
Operating expenditures	--	34,000	33,917	83
Contingencies	62,614	28,867	--	28,867
Total expenditures	<u>62,614</u>	<u>62,867</u>	<u>33,917</u>	<u>28,950</u>
Excess (deficit) of revenues over expenditures	(6,262)	(6,262)	22,693	28,955
Other financing sources (uses):				
Transfers in	<u>6,262</u>	<u>6,262</u>	<u>6,262</u>	<u>--</u>
Excess(deficiency) of revenues and other financing sources over expenditures	--	--	28,955	28,955
Fund balance - October 1, 2003	<u>24,728</u>	<u>24,728</u>	<u>24,728</u>	<u>--</u>
Fund balance - September 30, 2004	<u>\$ 24,728</u>	<u>24,728</u>	<u>53,683</u>	<u>28,955</u>

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
1995 SUBORDINATE LIEN SPECIAL REVENUE REFUNDING BONDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 65,019	45,585	45,585	--
Cash carryforward	--	16,634	--	(16,634)
Total revenues	65,019	62,219	45,585	(16,634)
Expenditures:				
Loan principal repayments	148,200	148,200	148,200	--
Interest on bonds	125,825	125,825	125,825	--
Fiscal and service charges	2,800	--	--	--
Total expenditures	276,825	274,025	274,025	--
Excess (deficit) of revenues over expenditures	(211,806)	(211,806)	(228,440)	(16,634)
Other financing sources:				
Transfers from local Government				
General Fund	200,510	200,510	200,510	--
Half-Cent Sales Tax Fund	11,296	11,296	11,296	--
Total other financing sources	211,806	211,806	211,806	--
Excess (deficit) of revenues and other sources over expenditures and other uses	--	--	(16,634)	(16,634)
Fund balance - October 1, 2003	1,508,380	1,508,380	1,508,380	--
Fund balance - September 30, 2004	\$ 1,508,380	1,508,380	1,491,746	(16,634)

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
FRANCHISE FEES PROMISSORY NOTE 2000
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ --	5,660	5,661	1
Total revenues	--	5,660	5,661	1
Expenditures:				
Loan principal repayments	209,130	209,130	209,130	--
Interest on bonds	288,828	284,918	284,917	(1)
Fiscal and service charges	--	9,570	--	(9,570)
Total expenditures	497,958	503,618	494,047	(9,571)
Excess (deficit) of revenues over expenditures	(497,958)	(497,958)	(488,386)	9,572
Other financing sources:				
Transfers from Franchise Tax Fund	497,958	497,958	497,958	--
Excess (deficit) of revenues and other sources over expenditures	--	--	9,572	9,572
Fund balance - October 1, 2003	363,900	363,900	363,900	--
Fund balance - September 30, 2004	<u>\$ 363,900</u>	<u>363,900</u>	<u>373,472</u>	<u>9,572</u>

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
1998 CAPITAL IMPROVEMENT REVENUE BONDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ --	4,314	4,314	--
Expenditures:				
Loan principal repayments	350,000	350,000	350,000	--
Interest on bonds	117,000	54,743	54,742	(1)
Contingencies	--	66,571	--	(66,571)
Total expenditures	<u>467,000</u>	<u>471,314</u>	<u>404,742</u>	<u>(66,572)</u>
Excess (deficit) of revenues over expenditures	(467,000)	(467,000)	(400,428)	(66,572)
Other financing sources:				
Transfer from Utility Tax Fund	<u>467,000</u>	<u>467,000</u>	<u>467,000</u>	<u>--</u>
Excess (deficit) of revenues and other sources over expenditures	--	--	66,572	66,572
Fund balance - October 1, 2003	<u>219,555</u>	<u>219,555</u>	<u>219,555</u>	<u>--</u>
Fund balance - September 30, 2004	<u>\$ 219,555</u>	<u>219,555</u>	<u>286,127</u>	<u>66,572</u>

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
FLORIDA MUNICIPAL LOAN 2001A
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2004

	Budgeted Amount		Actual	Variance
	Original	Final		
Revenues:				
Interest	\$ --	1,477	1,478	1,478
Total Revenues	--	1,477	1,478	1,478
Expenditures:				
Loan principal repayments	100,000	100,000	100,000	--
Interest on bonds	146,250	144,625	144,625	--
Fees and expenses	3,500	6,602	3,404	(3,198)
Total expenditures	249,750	251,227	248,029	(3,198)
Excess (deficit) of revenues over expenditures	(249,750)	(249,750)	(246,551)	(1,720)
Other financing sources:				
Transfer from General Fund	249,750	249,750	249,750	--
Excess (deficit) of revenues and other sources over expenditures	--	--	3,199	3,199
Fund balance - October 1, 2003	111,921	111,921	111,921	--
Fund balance - September 30, 2004	\$ 111,921	111,921	115,120	3,199

CITY OF BRADENTON, FLORIDA
 CAPITAL PROJECTS FUND
 GENERAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Fiscal Year Ended September 30, 2004

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 48,764	6,490	6,490	--
Cash carryforward	<u>346,236</u>	<u>258,519</u>	<u>--</u>	<u>(258,519)</u>
Total revenues	395,000	265,009	6,490	(258,519)
Expenditures:				
Capital outlay	<u>395,000</u>	<u>265,009</u>	<u>265,008</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	--	--	(258,518)	(258,518)
Fund balance - October 1, 2003	<u>389,405</u>	<u>389,405</u>	<u>389,405</u>	<u>--</u>
Fund balance - September 30, 2004	<u>\$ 389,405</u>	<u>\$ 389,405</u>	<u>130,887</u>	<u>(258,518)</u>

CITY OF BRADENTON, FLORIDA
 CAPITAL PROJECTS FUND
 FLORIDA MUNICIPAL LOAN SERIES 2001A
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Fiscal Year Ended September 30, 2004

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental grants	\$ 1,074,481	1,074,481	1,074,481	--
Expenditures:				
Capital outlay	<u>1,074,481</u>	<u>825,993</u>	<u>825,993</u>	<u>248,488</u>
Excess (deficiency) of revenues over expenditures	--	248,488	248,488	--
Fund balance - October 1, 2003	<u>(135,355)</u>	<u>(135,355)</u>	<u>(135,355)</u>	<u>--</u>
Fund balance - September 30, 2004	<u><u>\$ (135,355)</u></u>	<u><u>113,133</u></u>	<u><u>113,133</u></u>	<u><u>--</u></u>



City of Bradenton

Tomorrow's Next "Great City" ... Today!

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 (River Run Golf Links).

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 September 30, 2004

	Parking Operations Fund	Golf Course Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,487,657	1,352,636	2,840,293
Due from other funds	235	1,792	2,027
Due from other governments	269	517	786
Inventory	--	68,074	68,074
Total current assets	1,488,161	1,423,019	2,911,180
Noncurrent assets:			
Restricted - sinking fund reserve - investments	--	125,135	125,135
Capital assets:			
Land	177,500	1,955,906	2,133,406
Buildings	--	216,363	216,363
Improvements	220,000	610,322	830,322
Machinery and equipment	26,550	770,290	796,840
Less accumulated depreciation	(191,738)	(1,129,509)	(1,321,247)
Total capital assets	232,312	2,423,372	2,655,684
Bond issue costs	--	7,597	7,597
Total non current assets	232,312	2,556,104	2,788,416
Total assets	\$ 1,720,473	3,979,123	5,699,596
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 397	8,114	8,511
Accrued payroll	235	1,792	2,027
Accrued vacation leave	5,077	20,497	25,574
Unearned revenue	10,244	--	10,244
Total current liabilities	15,953	30,403	46,356
Noncurrent liabilities			
Long-term debt	--	755,807	755,807
Less unamortized bond discount	--	(16,116)	(16,116)
Total non-current liabilities	--	739,691	739,691
Total liabilities	15,953	770,094	786,047
NET ASSETS			
Invested in capital assets, net of related debt	232,312	2,423,372	2,655,684
Restricted for: Sinking fund	--	125,135	125,135
Unrestricted	1,472,208	660,522	2,132,730
Total net assets	1,704,520	3,209,029	4,913,549
Total liabilities and net assets	\$ 1,720,473	3,979,123	5,699,596

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, 2004

	Parking Operations Fund	Golf Course Fund	Total
Operating revenues:			
Charges for services	\$ 182,092	1,418,247	1,600,339
Operating expenses:			
Personal services	86,086	645,595	731,681
Contractual services	32,098	103,256	135,354
Supplies and materials	9,387	274,938	284,325
Repairs and maintenance	528	62,108	62,636
Utilities	--	25,221	25,221
Depreciation	20,477	148,119	168,596
Total operating expenses	<u>148,576</u>	<u>1,259,237</u>	<u>1,407,813</u>
Operating income (loss)	33,516	159,010	192,526
Non-operating revenues (expenses):			
Interest revenue	41,334	32,374	73,708
Interest expenses and fiscal charges	--	(21,480)	(21,480)
Gain (loss) on disposition of assets	<u>(45,000)</u>	<u>(298)</u>	<u>(45,298)</u>
Total non-operating revenues (expenses)	<u>(3,666)</u>	<u>10,596</u>	<u>6,930</u>
Transfers to other funds	--	(25,000)	(25,000)
Change in net assets	29,850	144,606	174,456
Total net assets - beginning	<u>1,674,670</u>	<u>3,064,423</u>	<u>4,739,093</u>
Total net assets - ending	<u>\$ 1,704,520</u>	<u>3,209,029</u>	<u>4,913,549</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended September 30, 2004

	Parking Operations Fund	Golf Course Fund	Totals
Cash Flows From Operating Activities:			
Receipts from charges for services	\$ 186,717	1,415,568	1,602,285
Payments to suppliers	(42,063)	(471,495)	(513,558)
Payments for employees	(85,789)	(659,989)	(745,778)
Net cash provided by operating activities	<u>58,865</u>	<u>284,084</u>	<u>342,949</u>
Cash Flows from Noncapital Financing Activities:			
Transfers out	--	(25,000)	(25,000)
Cash Flows From Capital and Related Financing Activities:			
Principal paid on capital debt	--	(46,799)	(46,799)
Interest paid on capital debt	--	(39,735)	(39,735)
Acquisition and construction of capital assets	(5,198)	(280,931)	(286,129)
Transfer to debt service	--	(4,688)	(4,688)
Net cash provided (used) by capital and related financing activities	<u>(5,198)</u>	<u>(372,153)</u>	<u>(377,351)</u>
Cash Flows From Investing Activities			
Interest received	41,334	32,375	73,709
Net increase in cash and equivalents	<u>95,001</u>	<u>(80,694)</u>	<u>14,307</u>
Cash and cash equivalents, October 1, 2003	<u>1,392,656</u>	<u>1,433,330</u>	<u>2,825,986</u>
Cash and cash equivalents, September 30, 2004	<u>\$ 1,487,657</u>	<u>1,352,636</u>	<u>2,840,293</u>

Reconciliation of operating income(loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 33,516	159,010	192,526
Adjustments to reconcile operating income to cash provided (used) by operating activities:			
Depreciation expense	20,477	148,119	168,596
(Increase) decrease in inventories	--	(10,117)	(10,117)
(Increase) decrease in due from other funds	(235)	(1,792)	(2,027)
(Increase) decrease in due from other governments	(138)	(161)	(299)
Increase (decrease) in accounts and retainage payable	(50)	4,145	4,095
Increase (decrease) in accrued payroll	(1,365)	(8,997)	(10,362)
Increase (decrease) in accrued vacation	1,897	(3,605)	(1,708)
Increase (decrease) in unearned revenues	4,763	(2,518)	2,245
Total adjustments	<u>25,349</u>	<u>125,074</u>	<u>150,423</u>
Net cash provided (used) by operating activities	<u>\$ 58,865</u>	<u>284,084</u>	<u>342,949</u>

Noncash investing, capital and financing activities:

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.

Workers' Compensation Self-Insurance Program – To account for the receipt, custody and expense of workers' compensation self-insurance program funds.

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
September 30, 2004

	Property Insurance	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 1,651,153	730,992	6,725,922	9,108,067
Receivables	--	--	2,500	2,500
Prepaid items	--	44,642	--	44,642
Total current assets	\$ 1,651,153	775,634	6,728,422	9,155,209
Liabilities				
Current liabilities:				
Accounts payable	\$ --	2,034	2,393	4,427
Estimated payable for outstanding claims	--	301,173	1,340,044	1,641,217
Total current liabilities	--	303,207	1,342,437	1,645,644
Net assets				
Unrestricted	1,651,153	472,427	5,385,985	7,509,565
Total liabilities and net assets	\$ 1,651,153	775,634	6,728,422	9,155,209

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, 2004

	Property Insurance	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Total
Operating revenues:				
Charges for services	\$ 624,511	2,968,771	1,840,705	5,433,987
Operating expenses:				
Contractual services	501,722	813,709	283,124	1,598,555
Supplies and materials	--	--	3,781	3,781
Claims	190,620	3,711,017	1,312,153	5,213,790
Total operating expenses	692,342	4,524,726	1,599,058	6,816,126
Operating income (loss)	(67,831)	(1,555,955)	241,647	(1,382,139)
Non-operating revenues (expenses):				
Interest income	38,828	--	--	38,828
Income (loss) before transfers	(29,003)	(1,555,955)	241,647	(1,343,311)
Transfers:				
In	--	1,450,170	--	1,450,170
Out	--	--	(269,357)	(269,357)
Net transfers	--	1,450,170	(269,357)	1,180,813
Change in net assets	(29,003)	(105,785)	(27,710)	(162,498)
Total net assets - beginning	1,680,156	578,212	5,413,695	7,672,063
Total net assets - ending	\$ 1,651,153	472,427	5,385,985	7,509,565

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2004

	Property Insurance	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Total
Cash Flows From Operating Activities:				
Receipts from charges for services	\$ 624,511	2,968,771	1,838,205	5,431,487
Payments to suppliers	(692,751)	(813,709)	(285,474)	(1,791,934)
Payments for employees	--	(3,266,013)	(1,267,583)	(4,533,596)
Net cash provided (used) by operating activities	<u>(68,240)</u>	<u>(1,110,951)</u>	<u>285,148</u>	<u>(894,043)</u>
Cash flows From Noncapital Financing Activities:				
Transfers in	--	1,450,170	--	1,450,170
Transfers out	--	--	(269,357)	(269,357)
Net cash provided (used) by capital and related financing activities	<u>--</u>	<u>1,450,170</u>	<u>(269,357)</u>	<u>1,180,813</u>
Cash Flows From Investing Activities				
Interest received	<u>38,828</u>	<u>--</u>	<u>--</u>	<u>38,828</u>
Net increase (decrease) in cash and equivalents	(29,412)	339,219	15,791	325,598
Cash and cash equivalents, October 1, 2003	<u>1,680,565</u>	<u>391,773</u>	<u>6,710,131</u>	<u>8,782,469</u>
Cash and cash equivalents, September 30, 2004	<u>\$ 1,651,153</u>	<u>730,992</u>	<u>6,725,922</u>	<u>9,108,067</u>
Reconciliation of operating income(loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (67,831)	(1,555,955)	241,647	(1,382,139)
Adjustments to reconcile operating income to cash provided (used) by operating activities:				
(Increase) decrease in due from other governments	--	--	(2,500)	(2,500)
(Increase) decrease in prepaid items	--	522,877	--	522,877
Increase (decrease) in accounts payable	(409)	(184,370)	1,431	(183,348)
Increase (decrease) in claims payable	--	106,497	44,570	151,067
Total adjustments	<u>(409)</u>	<u>445,004</u>	<u>43,501</u>	<u>488,096</u>
Net cash provided (used) by operating activities	<u>\$ (68,240)</u>	<u>(1,110,951)</u>	<u>285,148</u>	<u>(894,043)</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 firefighters' pension fund.

Police Officers' Pension Fund – To account for the financial operation and condition of the police officers' 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, 2004

	Pension Trust Funds		Totals
	Firemen's Pension Fund	Police Officers' Pension Fund	
Assets			
Cash and cash equivalents	\$ 685,141	866,863	1,552,004
Interest receivable	59,988	723,596	783,584
Contributions receivable	288,610	-	288,610
Investments, at fair value:			
U.S. Government obligations	4,950,625	7,058,482	12,009,107
Domestic Corporate bonds	2,085,220	6,789,580	8,874,800
Domestic stocks	12,446,022	14,303,502	26,749,524
Limited partnerships	37,062	-	37,062
International funds	2,473,604	3,010,428	5,484,032
Total investments	<u>21,992,533</u>	<u>31,161,992</u>	<u>53,154,525</u>
Total assets	23,026,272	32,752,451	55,778,723
Liabilities			
Accounts payable	<u>121,809</u>	<u>20,604</u>	<u>142,413</u>
Total liabilities	<u>121,809</u>	<u>20,604</u>	<u>142,413</u>
Net Assets			
Held in trust for pension benefits and other purposes	<u>\$ 22,904,463</u>	<u>32,731,847</u>	<u>55,636,310</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 For the Year Ended September 30, 2004

	Pension Trust Funds		Totals
	Firemen's Pension Fund	Police Officers' Pension Fund	
Additions			
Contributions:			
Employer	\$ 459,959	1,004,846	1,464,805
Plan members	250,289	290,898	541,187
State of Florida	324,650	561,849	886,499
Total contributions	<u>1,034,898</u>	<u>1,857,593</u>	<u>2,892,491</u>
Investment earnings:			
Interest	359,090	697,255	1,056,345
Dividends	151,763	72,581	224,344
Miscellaneous	14,547	-	14,547
Net increase in the fair value of investments	<u>1,766,423</u>	<u>1,944,866</u>	<u>3,711,289</u>
Total investment earnings	2,291,823	2,714,702	5,006,525
Less investment expenses	<u>116,533</u>	<u>164,387</u>	<u>280,920</u>
Net investment earnings	<u>2,175,290</u>	<u>2,550,315</u>	<u>4,725,605</u>
Total additions	3,210,188	4,407,908	7,618,096
Deductions			
Benefits	1,043,466	1,057,093	2,100,559
Refunds of contributions	17,867	12,137	30,004
Administrative expenses	43,031	71,441	114,472
Total deductions	<u>1,104,364</u>	<u>1,140,671</u>	<u>2,245,035</u>
Change in net assets	2,105,824	3,267,237	5,373,061
Net assets - beginning	<u>20,798,639</u>	<u>29,464,610</u>	<u>50,263,249</u>
Net assets - ending	<u>\$ 22,904,463</u>	<u>32,731,847</u>	<u>55,636,310</u>



City of Bradenton

Tomorrow's Next "Great City" ... Today!

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



City of Bradenton

Tomorrow's Next "Great City" ... Today!

CITY OF BRADENTON, FLORIDA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULES BY SOURCE
 September 30, 2004 AND 2003

	2004	2003
Governmental funds capital assets:		
Land	\$ 2,894,329	3,168,300
Buildings	18,908,413	18,908,413
Improvements other than buildings	7,127,152	6,559,988
Equipment	5,380,351	5,376,719
Automotive	6,796,458	5,979,539
Infrastructure	3,784,017	-
Construction in progress	167,337	3,125,361
Total governmental funds capital assets	\$ 45,058,057	43,118,320
Investments in governmental funds capital assets by source:		
General fund	\$ 23,544,287	24,640,902
Special revenue fund	1,007,775	938,388
Capital projects funds	14,189,303	11,222,338
General investment acquired prior to October 1, 1985	6,316,692	6,316,692
Total governmental funds capital assets	\$ 45,058,057	43,118,320

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 of Net Assets.

CITY OF BRADENTON, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
September 30, 2004

<u>FUNCTION AND ACTIVITY</u>	<u>Total</u>	<u>Land</u>
General government:		
Legislative	\$ 32,796	--
Executive - city clerk	10,976,327	2,284,572
Administration	78,012	--
Human resources	17,117	--
Finance	42,973	--
Purchasing	92,664	--
Garage	274,071	25,090
Facility maintenance	50,635	--
Electrical	175,773	--
Carpentry	8,574	--
Information technology	1,762,041	--
Public safety:		
Law enforcement	3,903,088	--
Dispatching	154,748	--
Fire control	5,526,751	119,829
Protective inspection	239,064	--
Code enforcement	15,651	--
Transportation:		
Road & streets facilities	5,435,792	--
Engineering	100,069	--
Risk safety	20,819	--
Culture and recreation:		
Parks & recreation	6,713,760	395,943
Special recreation	1,146,935	--
Pirate City complex	7,547,214	--
Economic environment:		
Community development	257,339	68,895
Housing	318,507	--
Construction in progress	<u>167,337</u>	<u>--</u>
Total governmental funds capital assets	<u>\$ 45,058,057</u>	<u>2,894,329</u>

<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Automotive</u>	<u>Infrastructure</u>	<u>Equipment</u>
--	--	--	--	32,796
8,528,437	39,254	29,452	--	94,612
--	--	--	--	78,012
--	--	--	--	17,117
--	8,544	--	--	34,429
18,042	42,151	13,716	--	18,755
41,418	87,426	44,331	--	75,806
--	4,500	24,091	--	22,044
--	55,393	105,892	--	14,488
--	3,830	--	--	4,744
--	751,972	--	--	1,010,069
--	68,816	1,852,719	--	1,981,553
--	--	--	--	154,748
1,859,855	203,543	2,547,930	--	795,594
--	15,994	159,004	--	64,066
--	--	12,344	--	3,307
--	344,552	1,212,146	3,784,017	95,077
--	--	47,904	--	52,165
--	--	16,830	--	3,989
685,303	4,718,231	568,367	--	345,916
955,988	79,080	--	--	111,867
6,795,875	431,899	56,184	--	263,256
--	108,505	45,656	--	34,283
23,495	163,462	59,892	--	71,658
--	--	--	--	--
<u>18,908,413</u>	<u>7,127,152</u>	<u>6,796,458</u>	<u>3,784,017</u>	<u>5,380,351</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, 2004

<u>FUNCTION AND ACTIVITY</u>	Governmental Funds Capital Assets <u>October 1, 2003</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>

Additions	Deductions	Interdepartmental Transfers		Governments
		In	Out	Funds Capital
				Assets
September 30, 2004				
--	5,052	10,443	9,507	32,796
337,853	605,977	2,894	6,395	10,976,327
--	9,572	--	--	78,012
--	1,081	--	--	17,117
9,719	--	2,215	3,886	42,973
1,117	1,512	--	--	92,664
35,633	--	--	--	274,071
12,170	12,403	1,762	--	50,635
49,500	1,335	3,500	--	175,773
1,356	320	1,975	--	8,574
380,790	6,523	16,696	17,347	1,762,041
490,509	159,625	--	--	3,903,088
--	2,104	--	--	154,748
641,133	227,890	278,186	280,161	5,526,751
18,073	28,410	8,020	17,348	239,064
--	--	1,099	1,106	15,651
3,856,178	--	--	44,192	5,435,792
5,260	3,548	1,082	--	100,069
--	--	1,525	614	20,819
108,642	65,375	45,800	--	6,713,760
9,424	--	9,579	2,318	1,146,935
40,373	19,723	--	--	7,547,214
51,416	1,594	1,105	1,536	257,339
4,214	3,555	--	1,471	318,507
167,337	3,125,361	--	--	167,337
6,220,697	4,280,960	385,881	385,881	45,058,057



City of Bradenton

Tomorrow's Next "Great City" ... Today!

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, 2004
(Unaudited)

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental Revenue	Charges for Services	Fines and Forfeitures
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
2004	18,376,873	1,084,355	9,993,128	1,437,295	218,286

(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 Revenues</u>	<u>Total</u>
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
2,784,150	33,894,087

CITY OF BRADENTON, FLORIDA
GENERAL FUND AND RELATED FUND EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS
September 30, 2004
(Unaudited)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Transportation</u>	<u>Economic Environment</u>	<u>Culture - Recreation</u>
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
2004	6,982,206	16,288,189	3,626,071	4,062,277	2,275,590

(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 - Departmental</u>	<u>Debt Service</u>	<u>Total</u>
--	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
--	1,420,843	34,655,176

CITY OF BRADENTON, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
September 30, 2004
(Unaudited)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Levy Collected	Delinquent Tax Collection	Total Tax Collections
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
2004	9,912,217	9,323,620	94.06	(1)	9,323,620

(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 as Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Levy</u>
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)
94.06	(1)	(1)

CITY OF BRADENTON, FLORIDA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 September 30, 2004
 (Unaudited)

Fiscal Year	Real Property (1)		Personal Property (1)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
2004	2,152,232,535	2,152,232,535	365,074,152	365,074,152

(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>
1,352,143,619	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
2,517,306,687	2,517,306,687	100

CITY OF BRADENTON, FLORIDA
PROPERTY TAX RATES AND TAX LEVIES
LAST TEN FISCAL YEARS
September 30, 2004
(Unaudited)

TAX RATES					
Debt Levy					
Fiscal Year	Operating	Manatee Consolidation	Bradenton and Manatee Consolidation	Total Millage	Total Levy
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
2004	4.3000	.0	.0	4.3000	10,020,702

CITY OF BRADENTON, FLORIDA
COMPUTATION OF LEGAL DEBT MARGIN
September 30, 2004
(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, 2004
(Unaudited)

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>(Unadjusted) Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Amounts</u>
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	--	--
2004	52,599	2,510,499,271	--	--

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

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

CITY OF BRADENTON, FLORIDA
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 September 30, 2004
 (Unaudited)

	Net Debt Outstanding	Percentage Applicable to the City of Bradenton	Amount * Applicable to the City of Bradenton
I. <u>City of Bradenton, Florida:</u>			
General Obligation bonds	\$ --	100%	\$ --
II. <u>Manatee County:</u>			
General Obligation bonds	27,240,000	15.12	4,118,688
II. School Board of Manatee County:			
General Obligation bonds	--	15.12	--
Total overlapping debt			\$ 4,118,688

* 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, 2004
(Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Expenditures (1)	Ratio of Debt Service to General Fund and Related Expenditures
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	--
2004	--	--	--	34,655,176	--

(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, 2004
 (Unaudited)

Fiscal Year	Gross Income			Expenses (a)	Net Revenue Available for Debt Service
	Operating Revenue	Interest Income	Total		
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
2004	16,159,322	462,664	16,621,986	9,226,976	7,395,010

(a) Excluding depreciation

Debt Service Requirements

<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
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
2,340,000	423,075	2,763,075	2.676

CITY OF BRADENTON, FLORIDA
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS
 September 30, 2004
 (Unaudited)

Fiscal Year	(1) Population	Per Capita Income	Median Age	School Enrollment (2)		Unemployment Rate (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
2004	52,599	27,893	43.8	40,923	(7,571)	3.7

(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, 2004
(Unaudited)

Fiscal Year	Bank (1)		Construction (2)		City Property Value (3)	
	Deposits (in Thousands)	Permits Issued	Estimated Cost	Total Assessed Valuations	Homestead other Wholly Exemptions	Net Taxable Assessed Valuations
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	2,125,729,612	538,817,074	1,586,912,538
2002	3,482,846	5,607	171,305,600	2,461,082,242	732,610,169	1,728,472,073
2003	3,609,152	3,307	50,194,285	2,255,150,209	300,223,284	1,954,926,925
2004	4,392,801	3,748	108,114,069	2,425,656,572	273,424,037	2,152,232,535

(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, 2004
(Unaudited)

Type of Policy	Type of Coverage
General Liability	Blanket coverage - Bodily injury and Property damage to City structures, furniture and equipment, Comprehensive automobile liability, General Liability - employee dishonesty/crime
Public Officials Liability	Wrongful Acts/Employment Practice Violations
Worker's Compensation	Third Party Administrator
Worker's Compensation	Worker's Compensation, in excess of \$350,000
Fiduciary Liability / Police	Waiver of Recourse
Fiduciary Liability / Fire	Waiver of Recourse
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	PGIT	10/1/03 - 9/30/04	\$ 422,719
1,000,000	PGIT	10/1/03 - 9/30/04	47,485
350,000	PGCS	10/1/03 - 9/30/04	36,000
1,000,000	PGIT	10/1/03 - 9/30/04	124,445
1,000,000	Travelers	4/1/03 - 4/1/04 4/1/04 - 4/1/05	125
1,000,000	Travelers	4/1/03 - 4/1/04 4/1/04 - 4/1/05	125
1,000,000	PGIT	10/1/03 - 9/30/04	27,551
1,000,000 per occurrence	Wyman, Green & Blalock	11/2/03 - 11/2/04	2,669
1,000,000 per occurrence	Wyman, Green & Blalock	7/1/03 - 6/30/04 7/1/04 - 6/30/05	1,500 (Deposit only)
1,000,000	Wyman, Green & Blalock	6/13/03 - 6/13/04 6/13/04 - 6/13/05	<u>1,422</u>
			<u>\$ 664,041</u>

CITY OF BRADENTON, FLORIDA
 PRINCIPAL TAXPAYERS
 September 30, 2004
 (Unaudited)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2004 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Manatee Memorial Hospital, LP	Hospital and Medical Services	\$ 48,369,588	1.93%
HCA Health Services of Florida	Hospital and Medical Services	44,678,866	1.78%
Carlton Arms of Bradenton	Rental Property	24,046,116	0.96%
Westport Holdings Bradenton	Rental Property	21,379,701	0.85%
Tropicana Products Inc	Manufacturing	17,345,874	0.69%
CMC Bradenton LLC	Rental Property	15,048,182	0.60%
EQR Sawgrass Cove Vistas Inc	Rental Property	14,460,719	0.58%
TC-Perico Company	Rental Property	11,868,793	0.47%
Wal-Mart Stores Inc.	Retail	11,434,753	0.46%
Litchfield Investment Co. LLC	Senior Living Facility	<u>11,350,658</u>	<u>0.45%</u>
		<u><u>\$ 219,983,250</u></u>	<u><u>8.76%</u></u>

CITY OF BRADENTON, FLORIDA
MISCELLANEOUS STATISTICAL DATA

September 30, 2004

(Unaudited)

Date of incorporation	1903	
Date first charter adopted	1903	
Date present charter adopted	1909	
Form of Government	Mayor and Council	
Present area	14.82 square miles	
MILES OF STREETS AND ALLEYS		
Streets	139	
Alleys	16	
Easements	No definite record	
MILES OF SEWERS		
Sanitary	146.2	
Water	183.8	
Storm	75	
FIRE PROTECTION		
Number of stations	3	
Number of certified officers	69	
POLICE PROTECTION		
Number of stations	1	
Number of sworn officers	120	
PARKS AND RECREATION		
Number of tennis courts	5	
Number of recreational parks	10	
Number of municipal golf courses	1	
EDUCATION (1)		
Number of schools	5	High Schools
	9	Middle Schools
	31	Elementary Schools
	1	Vocational/Technical
	9	Public Charter Schools
Number of administrative and professional staff	301	
Number of instructional staff	2,134	
Number of instructional support staff	369	
Number of students	40,923	
CITY EMPLOYEES		
As of September 30, 2004	590	Including part-time
	550	Full-time
ELECTIONS		
Number of registered city voters	31,571	

(1) In Manatee County

CITY OF BRADENTON, FLORIDA
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004
(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	26,049
Bemis Smith	Council Member, Ward IV	26,049
Reverend James T. Golden	Council Member, Ward V and Vice Mayor	27,249 **
Carl A. Callahan	City Clerk and Treasurer	98,828
John W. Cumming	Director of Public Works	95,055
Larry Frey	Director of Development Services	84,800
Staci Cross	Director of Information Technology	84,800
Mark L. Souders	Fire Chief	92,506
Michael Radzilowski	Police Chief	94,652
Carolyn Moore	Director of Human Resources	60,000

* Covered under public employees blanket bond

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



City of Bradenton

Tomorrow's Next "Great City" ... Today!

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

The Honorable Mayor and City Council
City of Bradenton, Florida

We have audited the financial statements of the City of Bradenton, Florida as of and for the year ended September 30, 2004, and have issued our report thereon dated November 24, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Bradenton, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

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

CPA Associates

Bradenton, Florida
November 24, 2004



City of Bradenton

Tomorrow's Next "Great City" ... Today!

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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 that are applicable to each of its major federal programs for the year ended September 30, 2004. The City of Bradenton's major federal programs 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 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 of compliance 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 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 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 for the year ended September 30, 2004.

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. 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 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.

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 reportable 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 caused by error or fraud that would be material in relation to a major federal program 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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bradenton, Florida, as of and for the year ended September 30, 2004, and have issued our report thereon dated November 24, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Bradenton, Florida's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of the Mayor and Members of the Council, management, 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 24, 2004

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, 2004, and have issued our report thereon dated November 24, 2004. 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, 2004. 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 and is not intended to be and should not be used by anyone other than these specified users.

CPA Associates

Bradenton, Florida
November 24, 2004

CITY OF BRADENTON, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended September 30, 2004

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
97.036	Federal Emergency Management Agency – Public Assistance Program

CITY OF BRADENTON, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2004

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 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 programs, as required to be reported by Circular A-133 Section .510 (a).

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

Part IV – Summary Schedule of Prior Audit Findings

There were no prior audit findings for federal programs.

CITY OF BRADENTON, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended September 30, 2004

	Federal CFDA Number	Grant ID Number	Actual Expenditures
<u>Federal Awards</u>			
<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	FI101VO	<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) Dispatch	16.710	2000CMWX0321	<u>38,420</u>
Total Department of Justice			312,340
 <u>Public Assistance (FEMA)</u>			
Hurricane Frances	97.036	1545-DR-FL	367,810
Hurricane Charley	97.036	1539-DR-FL	<u>56,705</u>
Total Public Assistance (FEMA)			<u>424,515</u>
Total Federal Expenditures			<u>\$ 4,093,412</u>

See accompanying notes.

CITY OF BRADENTON, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – GENERAL

The accompanying schedules of expenditures of federal awards and expenditures of state financial assistance present the activity of all federal 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 assistance received directly from federal agencies as well as federal 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 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>
Community Development Block Grant Program	14.218
Section 8 Housing Choice Vouchers Program	14.871



City of Bradenton

Tomorrow's Next "Great City" ... Today!

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, 2004, and have issued our report thereon dated November 24, 2004.

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 Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated November 24, 2004, 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, 2004, 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, 2004.

As required by the Rules of the Auditor General (Sections 10.554(1)(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 24, 2004

STATUS OF PRIOR AUDIT RECOMMENDATIONS

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, and make provisions for the repayment of them.

Pooled Cash and Investments

During the prior 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.

During the current audit, we did not note any problems with the allocations of investment earnings.

Utility Deposits

During prior audits, 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 was no policy for them to follow in this regard.

During the prior audit, we noted that the City had established a policy in regards to the handling of utility deposits.

During the current audit, we noted that the City is still working on clearing the deposits noted above.

Budgeted Expenditures

During the prior 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

During the current audit, we noted that all significant expenditures were included in the budget.

Payroll Files

During the prior 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.

During the current year audit, we noted significant improvement in the organization of the payroll files. However, we continue to believe that the Human Resource and other City departments would benefit from the organization of these important files.

Additional GASB 34 Recordkeeping Requirements

During the prior year, in accordance with the Governmental Accounting Standards Board, the City adopted the provisions of Statement Number 34 and related provisions. To continue 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 created and maintained.
3. Depreciation expense and related accumulated depreciation schedules must be maintained for general government capital assets, including the infrastructure (future).
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 continue to recommend that the City maintain adequate records that will facilitate the future conversion of the governmental fund statements to the basic City-wide statements.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Old Outstanding Checks

During the audit, we noted that the City is carrying numerous old outstanding checks on several of the bank reconciliations. Most banks will not honor checks more than one year past date of issuance.

We recommend the City review the various outstanding check lists for all City bank accounts, and consider voiding many of them. As appropriate, they may be "unclaimed property" which require remittance to the state of Florida.



City of Bradenton

Tomorrow's Next "Great City" ... Today!



To: Mayor and City Council

From: Carl Callahan, City Clerk & Treasurer

Date: March 8, 2005

Subject: Response to Management Letter – Fiscal Year Ending September 30, 2004

The following is a summation of my responses to the recommendations made by our audit firm, CPA Associates. These recommendations are based upon their financial audit of the City of Bradenton records for the fiscal year ending September 30, 2004.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

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, and make provisions for the repayment of them.

City's Response:

The 2005 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 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.

During the current audit, we did not note any problems with the allocations of investment earnings.

City's Response:

No further response is necessary at this time.

Utility Deposits

Auditor's Comments / Recommendations:

During prior audits, 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 had been inactive for several years. City staff stated that there had not been a policy for them to follow in this regard.

During the prior audit, we noted that the City had established a policy in regard to the handling of utility deposits.

During the current audit, we noted that the City is still working on clearing the deposits noted above.

City's Response:

Most of the 800 utility deposits noted in the auditor's comment have been cleared. The City currently has an established policy of crediting the deposit against the customer's final bill and returning any unused balance to the utility customer.

Budgeted Expenditures

Auditor's Comments / Recommendations:

During the prior 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

During the current audit, we noted that all significant expenditures were included in the budget.

City's Response:

No further response is necessary at this time.

Payroll Files

Auditor's Comments / Recommendations:

During the prior 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.

During the current year audit, we noted significant improvement in the organization of the payroll files. However, we continue to believe that the Human Resources and other City departments would benefit from the organization of these important files.

City's Response:

Since the current year end the City of Bradenton has added an additional employee to the Human Resources department. This addition to staff has enabled us to undergo a complete review and purging of all unnecessary information in every current employee's file. Initial results indicate a significant improvement in the organization within the department.

Additional GASB 34 Recordkeeping Requirements

Auditor's Comments / Recommendations:

During the prior 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 created and maintained.
3. Depreciation expense and related accumulated depreciation schedules must be maintained for general government capital assets, including the infrastructure (future).
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 continue to 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.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Old Outstanding Checks

Auditor's Comments / Recommendations:

During the audit, we noted that the City is carrying numerous old outstanding checks on several of the bank reconciliations. Most banks will not honor checks more than one year past date of issuance.

We recommend the City review the various outstanding check lists for all City bank accounts, and consider voiding many of them. As appropriate, they may be "unclaimed property" which require remittance to the State of Florida.

City's Response:

The City now reviews all bank accounts and voids those checks outstanding for more than six (6) months. The voided checks are now placed in the abandoned property account for disposition to the appropriate party or to the State of Florida as part of our "unclaimed property" reporting.



City of Bradenton

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