

City of Bradenton, Florida

Comprehensive Annual Financial Report

Fiscal Year Ending September 30, 2011



About our cover:

February 17, 2009: President Obama signed into law the American Recovery and Reinvestment Act of 2009. Through this Recovery Act, \$3.2 billion was allocated to fund a national Energy Efficiency and Conservation Block Grant Program (EECBG). Administered by the Department of Energy, this program provides funding for projects that improve energy efficiency by reducing energy use and fossil fuel emissions.

The City of Bradenton received \$544,500 through the EECBG to finance the installation of a variety of energy efficiency solutions (including the solar panels featured above) and to fund the services of a Sustainability Manager to craft our energy efficiency policy. Illustrated within the pages of this CAFR are the results of this program. Many thanks to Benjamin Bird, our Sustainability Manager, for his contributions to this report.

CITY OF BRADENTON, FLORIDA
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended September 30, 2011

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At the dedication of the National Wildlife Federation Building on March 3, 1961, President John F. Kennedy issued an imperative challenge for all U.S. citizens: *“It is our task, in our time and in our generation, to hand down undiminished to those who come after us, as was handed down to us by those who went before, the natural wealth and beauty which is ours. To do this will require attention and vigilance – sustained vigor and imagination.”* His words

reflected a sentiment for the era, the realization that continued progress would only be possible if cities banded together and made a decisive commitment toward conservation.

At that time the United States was experiencing a period of unprecedented growth. The country’s resident population had expanded to just over 179 million, backed largely by a transportation sector that reveled in the delights of a growing interstate system and \$0.31 per gallon gas. Florida was also undergoing a historic transformation, accommodating for a burgeoning population which had increased by 78% from that of just ten years prior. If there was ever a time to prioritize how we as a nation developed both socially and economically, it seemed to be then.

By today’s standards the progress that characterized the 1960’s would almost seem trivial. To date, the population of the United States has surged to over 308 million while Florida’s own base has more than tripled. Inherently it would seem as though this continued expansion would bring with it a new series of challenges as the country tries to keep pace with a rapidly changing world. Yet despite the passage of time, President Kennedy’s words remain no truer now than they did then: how can we meet our own needs while ensuring equal opportunity for those that come after us?

Oftentimes, when one thinks of what it means to be sustainable, images of solar panels, hybrid cars, and recycling containers come to mind. While these things possess merit in their own right, they are only a small component of the much broader concept that is sustainability. To be a sustainable city, municipalities must cultivate the unique sense of character that can only be found within the local community. Truly sustaining places are those that promote creativity, support healthy lifestyles, encourage social engagement, provide connection to the environment and nurture a sense of pride and ownership. They are localities where members of the community come together to help one another, seek out collaborative solutions, and ensure cultural assets are protected for generations to come.

While gas prices might fluctuate and technology may come and go, the single most sustainable aspect of any person’s life are the relationships that become a part of it. President Kennedy’s words offer up a calling to us all, to utilize vigor and imagination as a force for creating communities that foster the human spirit and stand the test of time.

*Benjamin Bird
City of Bradenton Sustainability Manager*



City of Bradenton, Florida
Office of the City Clerk & Treasurer

March 2012

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, 2011. The accuracy of the data, the completeness and fairness of the presentation and the disclosures are the responsibility of the City Clerk & 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 City Clerk & 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.

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, 2011 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, and the single audits is included in the Financial Section of this report.

The City of Bradenton operates under a charter adopted on May 19, 1903. The City Council is the legislative body for the City of Bradenton and is made up of five residents elected by the city voters. Each councilperson

represents an individual ward, but all are elected “at large.” In addition to the City Council, the voters elect a mayor that serves as the Chief Elected Official.

Governmental accounting and auditing principles require that management provides a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Bradenton’s MD&A begins on page 3, immediately following the Independent Auditor’s Report.

City Organization. The City of Bradenton is centrally located on the west coast of Florida, approximately forty miles south of Tampa on the southern reaches of Tampa Bay. Bradenton encompasses 14.55 square miles and has a population of 49,724. The City of Bradenton provides a full range of services including police, fire, planning and community development, public works and utilities including water, sewer, solid waste and recycling services, as well as cultural and recreational facilities. Bradenton serves as the southern home to Major League Baseball’s Pittsburgh Pirates.

Formal budgetary integration is employed as a management control device throughout the year. All city departments submit their budget requests to the City Clerk & Treasurer by June 1 of each year. After various work sessions are completed at the department level, the tentative budget is submitted to the public by the City Council, and public hearings are held to obtain taxpayers’ comments. A final public hearing is then held and the final budget is adopted. Budget adjustments of less than \$10,000 are approved by the City Clerk & Treasurer; budget adjustments greater than \$10,000 must be approved by City Council.

Budget-to-actual comparisons are presented in this report for each individual fund for which the annual budget has been adopted. For the general fund and the major special revenue funds, these comparisons are included in the Required Supplementary Information section. The nonmajor special revenue funds, debt service funds, and capital project funds are included in the Combining and Individual Fund Statements and Schedules section of this report.

Local economy. The City of Bradenton and surrounding Manatee County had traditionally been one of the fastest growing regions in the nation. The area had experienced a 1.9% average growth rate over the last decade. The recent economic downturn has slowed this growth to the point that it is anticipated that the city may actually experience a slight contraction.

Bradenton has a strong economic base that relies on services, retail, light manufacturing and tourism. During the year the City of Bradenton and the surrounding communities were not immune from the global economic meltdown, reflected by an estimated unemployment rate of 10.9% (down from 12.6% a year ago). It is anticipated that unemployment will decrease in the near term as both tourism and construction appear to be on the uptick. Real estate values are expected to be slow to recover.

Long-term financial planning. During the fiscal year 2011, the Bradenton City Council approved and adopted a formal Fund Balance Policy. The unreserved and undesignated fund balances in the general fund have been maintained to insulate the general governmental operations from the fluctuations associated with the current economic uncertainty, or in the event of a natural or man-made disaster.

Relevant financial policies. A poor real estate market and rampant foreclosures have resulted in a 5% reduction in property values. In a bold move, City Council voted to raise the millage rate to fend off a further

deterioration of our financial condition. City leaders will not be deterred from their goal to provide and maintain infrastructure for future growth and to practice sound fiscal responsibility with the city's resources to continue to maintain the quality of life for the citizens of Bradenton.

Meeting the needs of the citizens in this economic environment is a challenging and metamorphic process. The city, through sound, prudent and sustainable budgeting practices, has been able to provide programs, infrastructure, and facilities to meet the current needs of its citizens. In order to meet these challenges the City Council and management have consistently governed by the following tenets: 1) *Live within your means*, 2) *Look to the future*, 3) *Don't defer critical items*, 4) *Dedicate your surplus funds* and 5) *Be prepared for a rainy day*.

In anticipation of the economic downturn the city management team reviewed all operations in an effort to reduce costs while maintaining a consistent level of service. The city now operates with 7% fewer employees than it did in 1999, which is 17% below the 2005 level. As noted in this year's financial statements, this very conservative approach has allowed the city to weather the severe economic downturn better than most of its peers.

The City Clerk & Treasurer's office monitors the daily cash needs of the city and invests these funds in accordance with the city's investment policy. In concert with monitoring these daily needs, the remainder of the surplus funds are under professional management that allows them to be more aggressively invested, but still within the policy as approved by City Council.

Major initiatives. The city adopted a series of policies and initiatives that are intended to provide short-term relief to our business community in hope of spurring an economic recovery that will aid all of our citizens. To that end the city was the first local government to completely suspend impact fees, and has continued that strategy in hopes of helping to fuel our local economic recovery.

The city, through its three community redevelopment agencies, is aggressively implementing workforce development strategies, incentives for in-fill development and 'place branding' through the continuing efforts of Realize Bradenton. This strategy appears to be working well as there has been a very visible surge in interest in downtown Bradenton.

Over the next several years, considerable efforts will be devoted to ensure that our citizens' quality of life is not only maintained, but enhanced. The city is moving forward with strategies to ensure that a safe and adequate water supply is available for current and future residents. Those projects, either in final stages of permitting or construction, include the expansion of Evers Reservoir and a pilot program to expand the uses of ASR (Aquifer Storage Recovery) well technology. Additional projects moving forward are the Wares Creek bridge replacements, Manatee Avenue improvements, east-side wastewater expansion and an extension of the downtown Riverwalk. These projects reflect the city's commitment to not only weather the current economic downturn, but to emerge in a better position to take advantage of a full recovery.

Awards. The Government Finance Officers Association (GFOA) 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, 2010. This was the thirty-seventh year that the City of Bradenton 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 which must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe our 2011 report continues to conform to the Certificate of Achievement program requirements, and we are submitting this report to the GFOA to determine its eligibility for another certificate for the fiscal year ended September 30, 2011.

Acknowledgments. This report was completed through the dedication of the City of Bradenton's Financial Management Analyst, Sheila Lindergren, and the fine staff of professionals in the Finance Department, namely Linda Guth, Carol Gallagher, Sue Tolson, Maria Salazar and Sharon Beauchamp. I would like to express my appreciation and thanks to the firm of Mauldin & Jenkins, LLC 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,

A handwritten signature in black ink, appearing to read "Carl Callahan", written in a cursive style.

Carl Callahan
City Clerk & Treasurer
Chief of Staff

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, 2010

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.



Linda C. Sanison

President

Jeffrey R. Enev

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>Patrick Roff</i>
Council - Ward 4	<i>Bemis Smith</i>
Council - Ward 5	<i>Harold Byrd, Jr.</i>

Department Heads

City Clerk & Treasurer / Chief of Staff	<i>Carl Callahan</i>
Planning & Community Development	<i>Timothy Polk</i>
Fire Control	<i>Charles Edwards</i>
Law Enforcement	<i>Michael Radzilowski</i>
Public Works & Utilities	<i>Claude Tankersley</i>

**Citizens
of the
City of Bradenton**

Mayor and City Council

Wayne Poston Patrick Roff
Gene Gallo Bemis Smith
Marianne Barnebey Harold Byrd, Jr.

City Attorney

William Lisch

**City Clerk
& Treasurer**

Carl Callahan

Accounting
Archives
Auditorium
Business Taxes
Cashiering
Golf Course
Human Resources
Information Technology
Purchasing
Risk/Safety
Utility Billing

**Planning &
Community
Development**

Timothy Polk

Code Enforcement
Grants & Assistance
Planning/Zoning
Protective Inspection

**Law
Enforcement**

Michael Radzilowski

Administration
Crime Prevention
Criminal Investigations
Community Policing
Enforcement
Explorer Program
Parking
Professional

**Public Works
& Utilities**

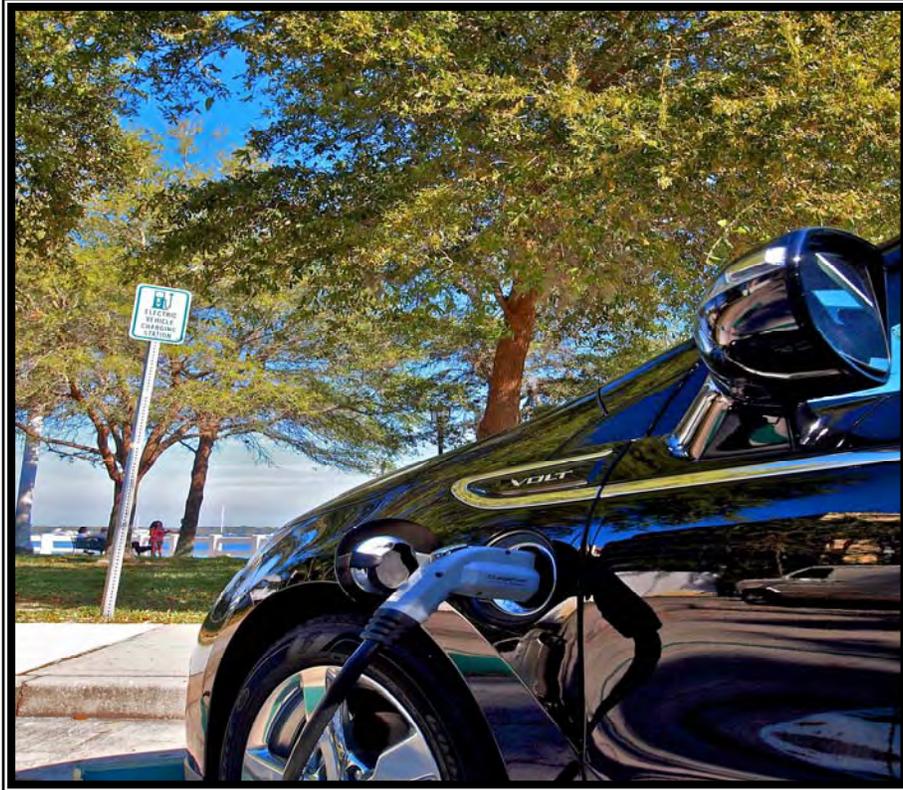
Claude Tankersley

Electrical
Engineering
Executive
Facilities & Grounds
Fleet
Lift Stations
Recycling
Sanitation
Sewer Collection
Sign Shop
Roads & Streets
Water Distribution
Water Reclamation
Water Treatment

**Fire
Control**

Charles Edwards

Administration
Prevention
Suppression
Training



An electric vehicle plugs in for a quick 'recharge' at a Bradenton charging station.

Based on the average U.S. electrical rate, it costs between \$0.02 and \$0.04 per mile to power an electric vehicle.

By comparison, a mid-size conventional vehicle costs approximately \$0.14 to \$0.16 per mile to operate on gasoline.



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor,
Members of the City Council and City Clerk
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, (the "City") as of and for the year ended September 30, 2011, 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'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 Firefighters' Retirement System which represents 30%, 30%, and 7%, respectively, of the assets, net assets and revenues of the aggregate remaining fund information. 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 City of Bradenton Firefighters' Retirement System, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of 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, 2011, 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.

As discussed in Note A, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, effective October 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post employment benefit schedules on pages 3-16, 63-65 and 67-71, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining fund statements and schedules, Schedule of Expenditures of Federal Awards and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules, as well as the Schedule of Expenditures of Federal Awards required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 28, 2012

Management's Discussion and Analysis

As the City Clerk & Treasurer of the City of Bradenton, I offer readers of our financial statements this narrative overview and analysis of our financial activities for the 2010-2011 fiscal year. I encourage readers to consider the information presented here in conjunction with additional information I have furnished in my transmittal letter on page 'i' of this report, and the city's financial statements beginning on page 17.

FINANCIAL HIGHLIGHTS

- The assets of the city exceeded its liabilities at the close of the most recent fiscal year by \$147,289,907 (net assets). Of this amount, \$57,850,481 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased \$90,646, or .06% 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 \$43,504,453, an increase of \$659,879 in comparison with the prior year. Approximately 84.6% of this total amount, or \$36,038,539, remains available for spending at the city's discretion.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$19,437,408, or 61.3% of total general fund expenditures.
- Total governmental revenues decreased \$2,644,779, or 6.72% in comparison to the prior year.
- Total governmental expenditures decreased \$4,274,786, or 9.6% 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.

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 *revenues* 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-sewer utility, sanitation, the parking system and the public golf course (River Run Golf Links).

The financial statements also reflect the presentation of the city's *component units*, the Community Redevelopment Agencies (CRAs). The Bradenton Downtown Development Authority currently serves as the CRA Board for the city's Downtown and 14th Street CRAs. A third CRA, the Central Community Redevelopment Agency, has been 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 17-19 of this report.

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.

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 using 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, balances and activities accounted for in the governmental funds are also reported in the governmental activities columns of the government-wide financial statements. Due to the difference in the 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. There is also 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*). 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 20-23 of this report.

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

Proprietary fund financial statements provide the same type information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the major enterprise funds, which are water-sewer, sanitation and parking. The city's golf course, the remaining nonmajor enterprise fund, is presented as such 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 24-27 of this report.

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 28-29 of this report.

CITY OF BRADENTON, FLORIDA
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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 31-62 of this report.

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 and other post-employment 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 63-71 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time to be an indicator of a government's financial position. The City of Bradenton's assets exceeded liabilities by \$147,289,907 at the close of the 2011 fiscal year. The following schedule is a summary of the Statement of Net Assets found on page 17 of this report.

Net Assets at September 30, 2011

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets						
Current and other assets	\$ 65,936,281	64,120,864	23,085,367	21,251,007	89,021,648	85,371,871
Internal balances	2,657,096	3,057,624	(2,657,096)	(3,057,624)	--	--
Capital assets, net of depreciation	<u>48,211,229</u>	<u>50,600,949</u>	<u>73,536,227</u>	<u>73,789,659</u>	<u>121,747,456</u>	<u>124,390,608</u>
Total assets	<u>116,804,606</u>	<u>117,779,437</u>	<u>93,964,498</u>	<u>91,983,042</u>	<u>210,769,104</u>	<u>209,762,479</u>
Liabilities						
Current and other liabilities	3,376,254	3,433,294	4,493,629	3,813,755	7,869,883	7,247,049
Long-term debt outstanding	<u>35,661,857</u>	<u>33,766,426</u>	<u>19,947,457</u>	<u>21,368,451</u>	<u>55,609,314</u>	<u>55,134,877</u>
Total liabilities	<u>39,038,111</u>	<u>37,199,720</u>	<u>24,441,086</u>	<u>25,182,206</u>	<u>63,479,197</u>	<u>62,381,926</u>
Net assets						
Investment in capital assets, net of related debt	23,688,608	26,595,080	58,413,500	56,563,358	82,102,108	82,158,438
Restricted	4,324,243	21,889,878	3,013,075	3,013,075	7,337,318	24,902,953
Unrestricted	<u>49,753,644</u>	<u>33,094,759</u>	<u>8,096,837</u>	<u>7,224,403</u>	<u>57,850,481</u>	<u>40,319,162</u>
Total net assets	<u>\$ 77,766,495</u>	<u>80,579,717</u>	<u>69,523,412</u>	<u>66,800,836</u>	<u>147,289,907</u>	<u>147,380,553</u>

In spite of the global economic meltdown and the significant decline in the Florida real estate market, the overall financial position of the city remained relatively stable. Despite the \$90,646 decrease in net assets the city has maintained a solid financial base. The decline is almost totally attributed to the additional annual liability associated with OPEB (Other Post-Employment Benefits) and an additional liability associated with our swap rate agreements. The city remained true to its conservative principals and a proactive approach to operations that allowed us to adapt positively during this serious downturn in the economy. With few exceptions, this conservative fiscal approach stresses a pay-as-you-go strategy and demonstrates that non-recurring revenues need to be funneled back into city assets or infrastructure.

A significant portion of the city's net assets (55.7%) reflect its *investment in capital assets* (i.e., 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 use for future spending. Although the city's investment in its capital assets is reported net

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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 (4.98%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$57,850,481) may be used to meet the government's ongoing obligations to citizens and creditors.

A review of the comparative ratios of current unrestricted assets to current liabilities for the fiscal years 2011 and 2010 reveals that the city continues to maintain healthy ratios for both governmental and business-type activities. The city council understands that the pressures of the protracted downturn in the economy and the inherent risks associated with our close proximity to the Gulf of Mexico require that the current level of unrestricted fund balance should be maintained to help avoid the negative impacts of such risks.

Governmental Activities

The following is a summary of the Statement of Activities found on pages 18 and 19 of this report.

	Governmental Activities		Business-Type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program Revenues:						
Charges for services	\$ 3,824,574	3,497,119	28,085,026	26,475,773	31,909,600	29,972,892
Operating grants and contributions	3,673,566	5,861,896	--	--	3,673,566	5,861,896
Capital grants and contributions	307,615	302,042	769,129	412,570	1,076,744	714,612
General Revenues:						
Property taxes	12,853,772	12,722,890	--	--	12,853,772	12,722,890
Other taxes	10,164,269	9,925,210	--	--	10,164,269	9,925,210
Other	<u>5,849,917</u>	<u>7,009,335</u>	<u>475,104</u>	<u>632,388</u>	<u>6,325,021</u>	<u>7,641,723</u>
Total Revenues	<u>36,673,713</u>	<u>39,318,492</u>	<u>29,329,259</u>	<u>27,520,731</u>	<u>66,002,972</u>	<u>66,839,223</u>
Expenses						
Governmental Activities:						
General government	9,369,379	11,031,574	--	--	9,369,379	11,031,574
Public safety	22,531,358	22,864,152	--	--	22,531,358	22,864,152
Transportation	2,793,289	3,109,157	--	--	2,793,289	3,109,157
Neighborhood Stabilization Grant	460,726	1,067,769	--	--	460,726	1,067,769
Community Development Program	729,978	405,125	--	--	729,978	405,125
Housing Assistance Program	--	1,133,014	--	--	--	1,133,014
Energy Efficiency Grant	29,418	--	--	--	29,418	--
State Housing Initiatives Program	104,315	451,003	--	--	104,315	451,003
Shelter Plus Care Program	151,905	227,385	--	--	151,905	227,385
Economic environment	8,610	8,297	--	--	8,610	8,297
Culture and recreation	2,945,045	3,055,759	--	--	2,945,045	3,055,759
Interest on long-term debt	1,127,587	1,173,161	--	--	1,127,587	1,173,161
Business-Type Activities:						
Water-sewer	--	--	17,788,224	18,173,824	17,788,224	18,173,824
Sanitation	--	--	6,131,518	6,352,001	6,131,518	6,352,001
Other	--	--	<u>2,172,266</u>	<u>2,196,533</u>	<u>2,172,266</u>	<u>2,196,533</u>
Total Expenses	<u>40,251,610</u>	<u>44,526,396</u>	<u>26,092,008</u>	<u>26,722,358</u>	<u>66,343,618</u>	<u>71,248,754</u>
Increase (decrease) in net assets before other items	(3,577,897)	(5,207,904)	3,237,251	798,373	(340,646)	(4,409,531)
Transfers	<u>514,675</u>	<u>184,846</u>	<u>(514,675)</u>	<u>(184,846)</u>	--	--
Increase (decrease) in net assets	(3,063,222)	(5,023,058)	2,722,576	613,527	(340,646)	(4,409,531)
Net assets – beginning, restated	<u>80,829,717</u>	<u>87,184,816</u>	<u>66,800,836</u>	<u>66,187,309</u>	<u>147,630,553</u>	<u>151,790,084</u>
Net assets – end of year	<u>\$ 77,766,495</u>	<u>85,602,775</u>	<u>69,523,412</u>	<u>66,800,836</u>	<u>147,289,907</u>	<u>147,380,553</u>

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Governmental activities reported a net decrease in city assets of \$3,063,222. The decrease represents 2.1% of the year-end net assets and is the fourth consecutive year (\$5,023,058 in 2010, \$1,582,041 in 2009 and \$833,410 in 2008) that the city has seen a decrease in net assets, although the impacts of the economic recession are reflected generally through all city financial activities:

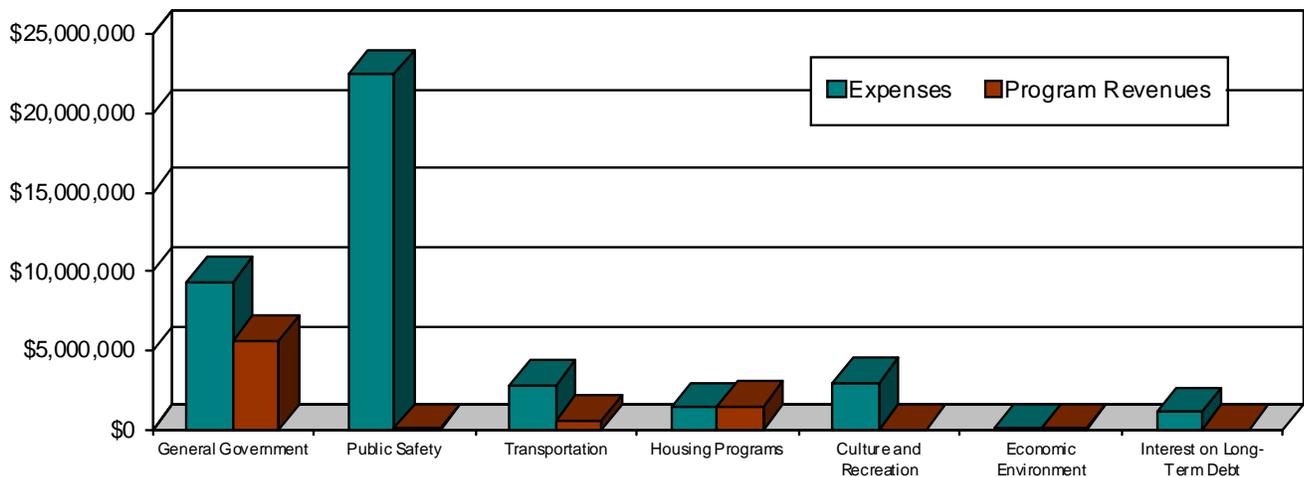
- Overall spending on governmental activities has continued on a downward trend. Despite a floundering economy the city remains committed to providing the basic governmental services and public safety expected by its citizens. The city will continue to cut costs as necessary to achieve the reasonable balance between the citizens' expectations and the city's ability to deliver those services in a fiscally responsible manner.
- A significant decrease in revenues available for the city's housing programs had a huge impact on the city's ability to deliver those services to the citizens most in need of help. Neighborhood Stabilization Program, State Housing Initiative Program and Shelter Plus Care Program all had less funding available to deliver services under city and state housing initiatives.
- Other items of note that put a significant strain on an already difficult financial situation include increases associated with public safety pension contributions (\$1,204,894) and other post-employment benefit liabilities (\$2,135,692). Although the latter does not require the use of city resources for funding, it has contributed significantly to the reduction in the city's net assets.

The city is working diligently to reduce the long-term negative impact associated with the above items. Increases in retiree contributions and significant health insurance plan changes have already been implemented. Future changes will be necessary to reduce the economic impacts on the city's financial position, as well as ensure the long-term viability of such plans and benefits.

Historically the decision as to the number and level of services to provide has been dependent on our citizens' *willingness* to pay for such services. The city recognizes that in this economic crisis our activities must fundamentally change and now reflect our citizens' *ability* to pay.

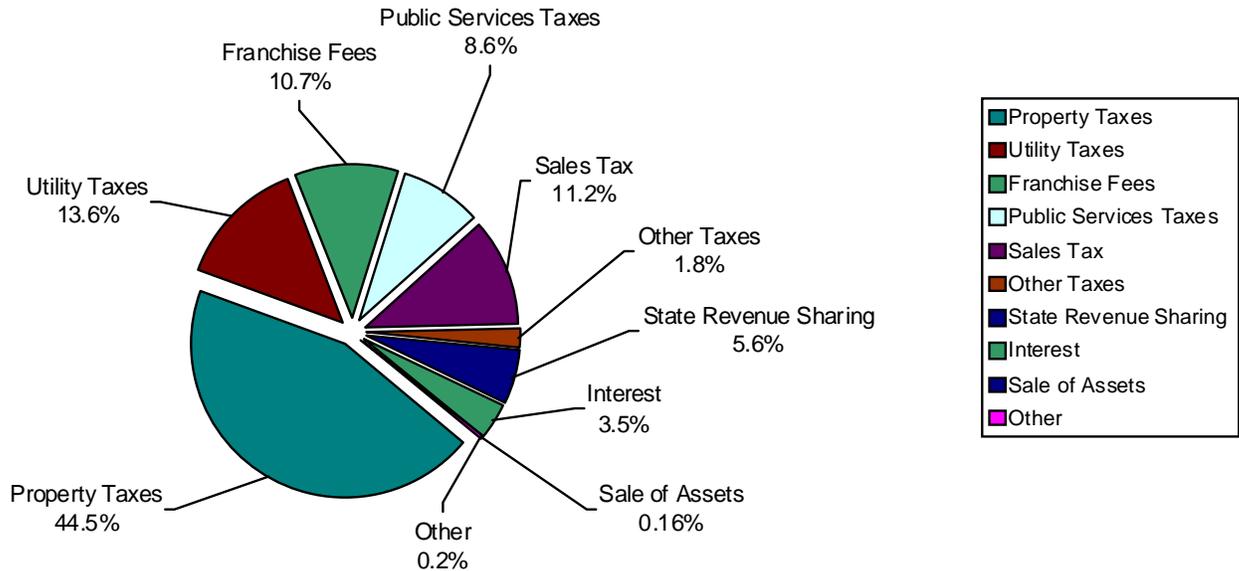
The following chart compares expenses with program revenues for the city's governmental activities:

Expenses and Program Revenues - Governmental Activities
(in thousands)



The following graph shows the composition of general revenues for the city's governmental activities.

General Revenues by Source - Governmental Activities



Business-Type Activities

Business-type activities are designed as fee-based activities. Fees are implemented in such a way that they will completely cover the cost of the activity's operations without being supplemented from governmental sources.

The increase in net assets for business-type activities totaled \$2,722,576 and \$613,527 for the fiscal years 2011 and 2010, respectively. This net change in assets represents a 343.76% increase over the prior year.

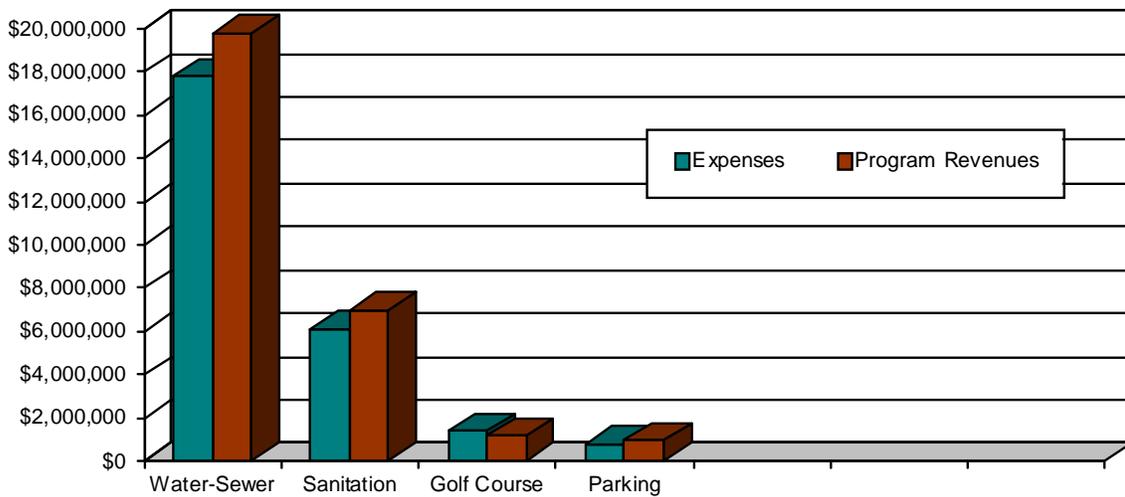
As noted above, the city's water-sewer operations posted a modest increase in net assets. This increase would have been more significant had it not been for the \$1,054,791 increase in the liability associated with Other Post-Employment Benefits (GASB 45). The positive results noted in the water-sewer operations are attributed to the city initiated cost-cutting measures that have created a very efficient operation.

For the fourth consecutive year solid waste operations have resulted in an increase in net assets. The \$911,312 increase in 2011 compares to the \$469,859 increase for 2010. These significant increases reflect a turnaround for a fund that for years relied on contributions from other sources to maintain operations. The citizens of Bradenton have always raved about the city's solid waste service and now, with this turnaround, the operation is financially sound.

Almost since its inception in 1986 River Run Golf Links, the city's publicly owned golf course, has posted handsome financial returns that have been put into the golf course in the form of capital improvements or financial reserves. It is these reserves that have allowed the golf course to weather a decrease in net assets (\$205,054) for a third consecutive year. The entire golf industry has been severely impacted by the depressed economy. River Run experienced a 20% decrease in rounds played over the last three years. A more recent review of similar data reveals an uptick in play and a reason for optimism.

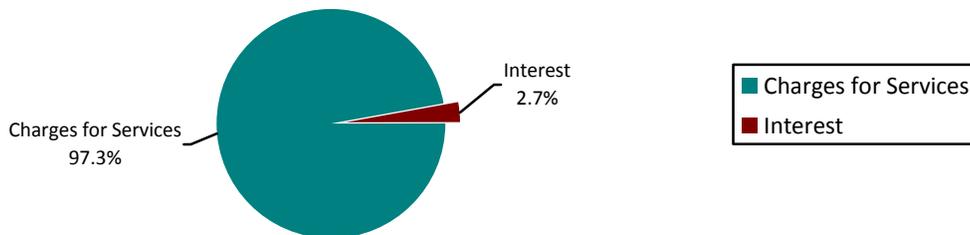
The following chart compares expenses with program revenues for the city's business-type activities:

Expenses and Program Revenues - Business-Type Activities
(in thousands)



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

Revenues by Source - 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.

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 20-23. 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, the new fund information provided in accordance with GASB 54 will 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 \$43,504,453, an increase of \$659,879 in comparison with the prior year. The increase is primarily a reflection of the increase of \$429,847 in cash and investments. Approximately 44.7% of the ending fund balance (\$19,437,408) constitutes unassigned fund balance which is available for spending at the city's discretion. Another \$6,880,830 has been set aside by City Council as either committed or assigned fund balance. The remaining \$7,247,819 of the fund balance is either restricted or non-spendable, indicating that it is not available for new spending because it has previously been restricted for (1) advances due from other funds (\$2,607,625), (2) bond retirement (\$2,698,546), or (3) inventories and impact fees for future expenses.

General Fund

During 2011 the general fund remained fairly stable from an overall revenue and expenditure standpoint. Minor fluctuations in general fund revenues were offset by decreases in overall spending that led to an increase in fund balance of \$157,985, or 0.5% of total spending. Although this increase is not materially significant to the financial statements, it speaks volumes for the city's ability to maintain a stable financial environment during such economically trying times.

Public safety, including police and fire, were the departments that experienced the high number of retirements that resulted in unusually high one-time payments associated with those personnel decisions. Spending also increased in the police department as a result of the expenditures for operations that were made with grant and forfeiture funds. Those uses significantly exceeded similar uses in the prior year.

Overall expenditures decreased by \$295,513. This reduction can be attributed to the conscious decisions to reduce personnel costs through attrition and to make across-the-board operating cost reductions. The most significant cost reductions were experienced by the City Clerk's office, Information Technology, and Facilities Maintenance.

It should be noted that transportation, along with cultural-recreational activities, actually experienced a decrease in cost while maintaining the same high-quality service.

General Fund - Budgetary Highlights

Operating a government the size of the City of Bradenton is a dynamic process. Budget amendments are approved throughout the year. Budget-to-actual statements and schedules are provided in the financial statements for the general fund on pages 64 and 75-79. Budget columns are provided for both the original adopted budget and the final budget for fiscal year 2011.

Budgeted Revenues: The city consistently takes a very conservative approach to budgeting revenues. An evaluation of the city's original budget reveals that very few significant adjustments were necessary. One noted exception is that the city has consistently waited for revenues such as federal forfeiture funds and unclaimed property funds to materialize before creating a budget. This ensures that revenues and expenditures from such funds will match.

Shared revenue estimates for gas taxes generally are provided to the city by the State of Florida prior to the budget process. Actual receipts exceeded estimates by \$127,335, thus necessitating a revenue adjustment.

Overall, final budgeted revenues exceeded actual revenues by \$107,579, or .35%.

Budgeted Expenditures: General fund budget changes, followed by brief reasons for the changes, are shown below.

General Fund Budget Changes

General Fund Department	Budget Increase	Reasons for Increase
Law Enforcement	\$ 242,200	* Equipment purchases and miscellaneous expenditures associated with federal forfeiture fund availability
	\$ 34,335	* Expenditures associated the Unclaimed Property fund availability
	\$ 19,000	* Expenditures associated with Dispatch overtime wages due to staffing vacancies
	\$ 432,404	* Expenditures associated with salaries/wages due to one-time payouts for retirements and under-budgeted holiday pay
	\$ 30,200	Expenses associated with safety gear and uniforms
	\$ 153,500	Expenditures associated with rising cost of fuel & oil above projected budget increases
Fire Control	\$ 13,700	Expenditures associated with contractual services
	\$ 13,000	Expenditures associated with capital outlay
	\$ 79,321	Expenditures associated with salaries/wages due to one-time payouts for retirements
* Revenue and expenditure adjustments necessary		

Overall, the expenditures for the general fund were under the final budget by \$307,586, or 0.96%.

A review of the remaining governmental funds indicated that there were no significant budget adjustments necessary.

Proprietary Funds

The fund financial statements for the city's proprietary funds provide essentially the same information found in the government-wide financial statements, but in greater detail.

Enterprise Funds: The City of Bradenton's enterprise funds are the Water-Sewer Fund, the Sanitation Fund, the Golf Course Fund and the Parking Fund. These funds are defined as business-type activities because they most resemble a business operation. Revenues are generated primarily through charges for services and will closely follow what it costs to provide that service to the citizens.

At September 30, 2011, total net assets amounted to \$69,523,412 for the enterprise funds, compared to \$66,800,836 at the end of 2010. Net asset changes are a result of operations, non-operating revenues and expenditures, capital contributions as well as donated assets.

A 7.6% increase in water-sewer revenues, coupled with minor decreases in personnel and other operating expenses, resulted in \$1,657,039 in net income for the water-sewer fund.

The sanitation fund accounts for the revenue associated with collection of solid waste for both residential and commercial customers, along with curbside recycling collection. By continuously looking for operating efficiencies, including automated trucks which decrease manpower requirements, the city has successfully held the line or even reduced the operating costs associated with solid waste. Revenue increased \$265,007 (1%) while, as noted above, expenses decreased slightly primarily due to the decreasing cost associated with GASB Statement 45 (OPEB). The net result was an operating income of \$850,568 and a change in net assets of \$911,312. These results are compared to the operating income of \$516,705 and an increase in net assets of \$469,859 in 2010.

Internal Service Funds: Internal service funds are designed to recover the costs of general services provided to the other fund groups. The city uses internal service funds primarily to account for the self-insurance programs for property, medical and workers' compensation.

The self-insurance funds continue to perform as expected. The city consistently monitors revenue, expenditures and plan reserves. The medical self-insurance program continues to see the most potential volatility. Employee premiums and anticipated expenditures are reviewed for any noted changes or trends. Although medical costs nationwide appear to increase 7-10% annually, the city's Insurance Committee will adjust plan benefits to help stabilize costs. This year the various city funds transferred in an additional \$400,000 in order to maintain a comfortable level of reserves.

The property and workers' compensation funds remained very stable for 2011.

Overall, the net assets for the internal service funds increased from \$11,771,338 in 2010 to \$11,995,278 in 2011, or 1.9%.

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CAPITAL ASSETS

The city's investment in capital assets for its governmental and business-type activities as of September 30, 2011, amounts to \$121,747,456 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and construction in progress. During the current economic downturn the investment in capital has focused on planning and completing those projects for essential services or enhanced business development.

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

- Ongoing commitment to meet future water supply needs through a pilot program that enhances the use of Aquifer Storage Recovery (ASR) wells
- Enhancements to the city wastewater treatment and recovery systems
- Several projects in various stages of planning, including:
 - Extension of Rossi Waterfront Park and construction of a 'day' dock
 - Energy Efficiency Block Grant (solar panels)
 - Reservoir (water supply expansion)

Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 3,169,420	3,169,282	6,310,698	6,310,698	9,480,118	9,479,980
Building	28,912,653	29,968,579	15,710,203	16,145,287	44,622,856	46,113,866
Infrastructure	9,755,334	10,078,499	3,205,220	3,266,056	12,960,554	13,344,555
Improvements	2,216,210	2,358,181	35,721,453	37,842,676	37,937,663	40,200,857
Machinery and equipment	2,990,155	3,737,413	4,313,416	3,957,090	7,303,571	7,694,503
Construction in progress	<u>1,167,457</u>	<u>1,288,995</u>	<u>8,275,237</u>	<u>6,267,852</u>	<u>9,442,694</u>	<u>7,556,847</u>
Totals	<u>\$ 48,211,229</u>	<u>50,600,949</u>	<u>73,536,227</u>	<u>73,789,659</u>	<u>121,747,456</u>	<u>124,390,608</u>

For additional information regarding capital assets, please see Note G on pages 43-44 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year the city had total bonded debt outstanding of \$34,462,810, with no general obligation debt. All city debt represents bonds secured solely by specified revenue sources.

Bonded Debt and Loans Payable

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Special obligation bonds	\$ 20,493,025	23,569,039	--	--	20,493,025	23,569,039
Revenue bonds	<u>3,470,150</u>	<u>1,408,225</u>	<u>10,499,635</u>	<u>13,491,985</u>	<u>13,969,785</u>	<u>14,900,210</u>
Total bonds	<u>\$ 23,963,175</u>	<u>24,977,264</u>	<u>10,499,635</u>	<u>13,491,985</u>	<u>34,462,810</u>	<u>38,469,249</u>

There was no significant bond activity for the city in 2011. Any changes in this schedule reflect normal paydowns as per the city's debt service schedules.

The city continues to maintain a relatively low debt-to-assets ratio and far exceeds all required debt service coverage ratios. The City of Bradenton has been assigned an issuer rating of "AA-" by Standard & Poor's and "A1" by Moody's.

Additional information concerning long-term debt can be found in Note J on pages 46-49 of this report.

ECONOMIC FACTORS AND YEAR 2011 BUDGET AND RATES

Factors considered in preparing the City of Bradenton's budget for the 2012 fiscal year included the following:

- Property values decreased an additional 4.3% which would have resulted in a nearly \$550,000 decrease in available general fund revenues. In September of 2011 the city council authorized a millage rate increase to offset those declines and the potential negative impacts on the city's financial position. Although stabilizing, further declines are also projected for the 2012-2013 budget year.
- The Consumer Price Index increased 1.1% over the previous year's rate. The municipal cost index actually increased by approximately 3.0% for the same period of time. Although not specific to the City of Bradenton, it does provide economic guidance for budgeting.
- Although not specific to the City of Bradenton, the unemployment rate for Manatee County at September 2011 was 10.9%, a marked decrease from the 12.6% rate reported in the previous year.
- City population decreased by less than .33%.
- Interest rate earnings continued to decrease for the fiscal year 2011. Consistent with prior practice, interest earnings continue to be budgeted on a conservative basis.

The city, along with most of Florida, has experienced a significant downturn in the housing market. Other economic indicators appear to be weakening. The city will continue to monitor and react aggressively, as it did this year, to any factors that may impact the city's financial position.

In order to ensure the long-term viability of its infrastructure, the city continues to monitor the appropriateness of its utility rates and impact fees. As of the date of this report the Bradenton City Council has enacted customer service rates to cover day-to-day operating costs, ensuring that all business-type activity funds will pay for themselves and not dilute the funds available for essential governmental services. Police, fire and park impact fees are currently under a moratorium in an attempt to aid in the economic recovery.

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 City of Bradenton, Office of the City Clerk & Treasurer, 101 Old Main Street, Bradenton, Florida 34205; or through the city's website at www.cityofbradenton.com.

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STATEMENT OF NET ASSETS
September 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 53,735,418	14,322,352	68,057,770	8,400,699
Receivables (net of allowance for uncollectibles)	7,245,677	1,574,091	8,819,768	5,725
Prepays	44,642	--	44,642	7,978
Due from leases	11,339	--	11,339	--
Due from other governments	1,932,833	563,959	2,496,792	151,544
Due from insurance	53,042	-	53,042	--
Inventory	427,719	84,824	512,543	--
Internal balances	2,657,096	(2,657,096)	--	--
Restricted assets				
Restricted investments	--	5,881,980	5,881,980	--
Deferred charges	588,976	2,741	591,717	154,183
Deferred outflow of resources	691,741	655,420	1,347,161	585,438
Net pension asset	1,204,894	--	1,204,894	--
Capital assets (net of accumulated depreciation)				
Land	3,169,420	6,310,698	9,480,118	5,901,000
Buildings	28,912,653	15,710,203	44,622,856	--
Infrastructure	9,755,334	3,205,220	12,960,554	--
Improvements other than buildings	2,216,210	35,721,453	37,937,663	--
Machinery and equipment	2,990,155	4,313,416	7,303,571	1,535,053
Construction in progress	1,167,457	8,275,237	9,442,694	89,044
Total assets	<u>\$ 116,804,606</u>	<u>93,964,498</u>	<u>210,769,104</u>	<u>16,830,664</u>
Liabilities				
Accounts payable and other current liabilities	\$ 1,311,193	752,143	2,063,336	229,919
Accrued interest payable	89,320	67,969	157,289	7,120
Due to other governments	6,455	--	6,455	--
Retainage payable	--	388,973	388,973	--
Unearned revenue	343,627	14,320	357,947	--
Noncurrent liabilities				
Due within one year	1,625,659	3,195,751	4,821,410	1,358,622
Due in more than one year:				
Refundable advances	--	4,334,865	4,334,865	--
Net OPEB payable	9,931,117	5,303,458	15,234,575	--
Swap rate agreement liability	691,741	1,023,653	1,715,394	585,438
Revenue bonds payable	17,836,425	--	17,836,425	5,156,045
Notes payable	5,060,537	7,351,599	12,412,136	3,775,041
Capital leases	--	261,946	261,946	--
Estimated claims payable	1,030,622	--	1,030,622	--
Compensated absences	1,111,415	369,920	1,481,335	--
Customer deposits	--	1,376,489	1,376,489	--
Total liabilities	<u>39,038,111</u>	<u>24,441,086</u>	<u>63,479,197</u>	<u>11,112,185</u>
Net Assets				
Invested in capital assets, net of related debt	23,688,608	58,413,500	82,102,108	2,438,298
Restricted for:				
Debt service	2,698,546	2,763,075	5,461,621	--
Other purposes	1,625,697	250,000	1,875,697	--
Unrestricted	49,753,644	8,096,837	57,850,481	3,280,181
Total net assets	<u>77,766,495</u>	<u>69,523,412</u>	<u>147,289,907</u>	<u>5,718,479</u>
Total liabilities and net assets	<u>\$ 116,804,606</u>	<u>93,964,498</u>	<u>210,769,104</u>	<u>16,830,664</u>

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

CITY OF BRADENTON, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2011

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 9,369,379	3,777,718	1,548,422	307,615
Public safety	22,531,358	--	85,382	--
Transportation	2,793,289	--	82,561	--
Neighborhood Stabilization Grant	460,726	--	459,481	--
Community Development Program	729,978	9,556	745,035	--
Energy Efficiency Grant	29,418	--	29,418	--
State Housing Initiatives Program	104,315	37,300	71,358	--
Shelter Plus Care Program	151,905	--	151,905	--
Economic environment	8,610	--	500,004	--
Culture and recreation	2,945,045	--	--	--
Interest on long-term debt	1,127,587	--	--	--
Total governmental activities	<u>40,251,610</u>	<u>3,824,574</u>	<u>3,673,566</u>	<u>307,615</u>
Business-type activities				
Water-sewer	17,788,224	19,023,763	--	769,129
Sanitation	6,131,518	6,961,945	--	--
Parking	800,768	941,413	--	--
Golf course - nonmajor	1,371,498	1,157,905	--	--
Total business-type activities	<u>26,092,008</u>	<u>28,085,026</u>	<u>--</u>	<u>769,129</u>
Total primary government	<u>\$ 66,343,618</u>	<u>31,909,600</u>	<u>3,673,566</u>	<u>1,076,744</u>
Component units				
DDA/CRA/CCRA	<u>\$ 4,364,671</u>	<u>538,265</u>	<u>213,313</u>	<u>--</u>

General revenues

Property taxes
Utility taxes
Franchise fees
Public service taxes
Local government half-cent sales taxes
Other taxes
State revenue sharing - unrestricted
Unrestricted investment earnings
Gain on sale of capital assets
Repayment of Loan-CCRA

Transfers

Total general revenues and transfers
Change in net assets
Net assets - beginning, restated
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			
Governmental Activities	Business-Type Activities	Total	Component Units
(3,735,624)	--	(3,735,624)	
(22,445,976)	--	(22,445,976)	
(2,710,728)	--	(2,710,728)	
(1,245)	--	(1,245)	
24,613	--	24,613	
--	--	--	
4,343	--	4,343	
--	--	--	
491,394	--	491,394	
(2,945,045)	--	(2,945,045)	
(1,127,587)	--	(1,127,587)	
<u>(32,445,855)</u>	<u>--</u>	<u>(32,445,855)</u>	
--	2,004,668	2,004,668	
--	830,427	830,427	
--	140,645	140,645	
--	(213,593)	(213,593)	
--	<u>2,762,147</u>	<u>2,762,147</u>	
<u>(32,445,855)</u>	<u>2,762,147</u>	<u>(29,683,708)</u>	
			<u>(3,613,093)</u>
12,853,772	--	12,853,772	3,725,981
3,926,752	--	3,926,752	--
3,098,917	--	3,098,917	--
2,472,542	--	2,472,542	--
3,245,371	--	3,245,371	--
519,604	--	519,604	48,933
1,619,296	--	1,619,296	--
1,018,973	459,777	1,478,750	31,755
46,060	15,327	61,387	--
66,671	--	66,671	--
514,675	(514,675)	--	--
<u>29,382,633</u>	<u>(39,571)</u>	<u>29,343,062</u>	<u>3,806,669</u>
(3,063,222)	2,722,576	(340,646)	193,576
80,829,717	66,800,836	147,630,553	5,524,903
<u>\$ 77,766,495</u>	<u>69,523,412</u>	<u>147,289,907</u>	<u>5,718,479</u>

CITY OF BRADENTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2011

	General Fund	Franchise Fees	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Cash and cash equivalents	\$ 27,002,517	9,352,426	3,374,715	39,729,658
Investments	--	--	513,102	513,102
Due from leases	11,338	--	--	11,338
Due from other funds	179,022	--	--	179,022
Due from other governments	1,326,726	307,999	298,108	1,932,833
Inventory	427,719	--	--	427,719
Advances to other funds	2,607,626	--	--	2,607,626
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 31,554,948</u>	<u>9,660,425</u>	<u>4,185,925</u>	<u>45,401,298</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 202,144	--	148,927	351,071
Accrued salaries, wages and benefits	894,735	--	17,333	912,068
Advances from other funds	--	--	104,602	104,602
Due to other funds	--	--	179,022	179,022
Due to other governments	6,455	--	--	6,455
Deferred revenue	343,627	--	--	343,627
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,446,961</u>	<u>--</u>	<u>449,884</u>	<u>1,896,845</u>
Fund balances				
Non-spendable				
Inventory	427,719	--	--	427,719
Advances to other funds	2,607,625	--	--	2,607,625
Restricted for:				
Debt service	--	1,111,594	1,586,952	2,698,546
Impact fee programs	--	--	1,390,455	1,390,455
Grants	--	--	235,242	235,242
Committed to:				
Capital projects	--	--	635,160	635,160
Culture & recreation	1,500	--	--	1,500
Budget stabilization program	3,122,085	--	--	3,122,085
Emergency & disaster reserve	3,122,085	--	--	3,122,085
Assigned				
Debt services	--	8,548,831	--	8,548,831
Compensated absences	1,148,753	--	--	1,148,753
Red light safety program	240,812	--	--	240,812
Unassigned				
General fund	19,437,408	--	(111,768)	19,325,640
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>30,107,987</u>	<u>9,660,425</u>	<u>3,736,041</u>	<u>43,504,453</u>
Total liabilities and fund balances	<u>\$ 31,554,948</u>	<u>9,660,425</u>	<u>4,185,925</u>	<u>45,401,298</u>

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

Reconciliation of Fund Balance to Net Assets

Fund Balance - page 21	\$ 43,504,453
Amounts reported for governmental activities in the Statement of Net Assets (page 17) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	48,211,229
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	9,039,547
Long-term receivables - \$7,245,677 Deferred charges - \$588,976 Net pension assets - \$1,204,894	
Internal service funds are used by management to charge the cost of self-insurance property insurance, medical and workers' compensation insurance funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Assets	12,149,352
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	(35,138,086)
Revenue bonds payable - \$18,438,025 Notes payable - \$5,525,150 Capital leases - \$5,721 OPEB liabilities - \$9,931,117 Compensated Absences - \$1,148,753 Accrued Interest Payable - \$89,320	
Net assets of governmental activities - page 17	<u>\$ 77,766,495</u>

CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2011

	General Fund	Franchise Fees	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 23,018,041	--	--	23,018,041
Licenses and permits	659,196	--	--	659,196
Intergovernmental grants	395,002	--	2,264,816	2,659,818
Intergovernmental revenues	1,787,238	--	--	1,787,238
Shared revenues	1,548,422	--	--	1,548,422
Payments in lieu of taxes	32,739	--	--	32,739
Charges for services	1,326,562	--	--	1,326,562
Fines and forfeitures	186,348	--	--	186,348
Interest and investment earnings	702,623	229,544	88,024	1,020,191
Rents	512,039	--	--	512,039
Fees	--	3,098,917	--	3,098,917
Miscellaneous	498,376	--	66,650	565,026
Special assessments - property owners	10,807	--	46,856	57,663
	<u>30,677,393</u>	<u>3,328,461</u>	<u>2,466,346</u>	<u>36,472,200</u>
Expenditures				
Current				
General government services	7,275,391	--	306,754	7,582,145
Public safety	20,586,889	--	--	20,586,889
Transportation	2,239,094	--	--	2,239,094
Economic environment	--	--	1,476,342	1,476,342
Culture - recreation	1,624,229	--	--	1,624,229
Debt service				
Principal	--	--	1,014,089	1,014,089
Interest	--	--	1,104,550	1,104,550
Fees and expenditures	--	--	3,677	3,677
Capital outlay	--	--	376,412	376,412
	<u>31,725,603</u>	<u>--</u>	<u>4,281,824</u>	<u>36,007,427</u>
Excess (deficiency) of revenues over (under) expenditures	(1,048,210)	3,328,461	(1,815,478)	464,773
Other Financing Sources (Uses)				
Transfers from other funds	3,115,274	--	2,024,271	5,139,545
Repayment of Loan-Central Community Redevelopment Agency	66,671	--	--	66,671
Transfers to other funds	(1,989,510)	(3,035,360)	--	(5,024,870)
Sale of capital assets	13,760	--	--	13,760
	<u>1,206,195</u>	<u>(3,035,360)</u>	<u>2,024,271</u>	<u>195,106</u>
Net change in fund balances	157,985	293,101	208,793	659,879
Fund balances - beginning, restated	29,950,002	9,367,324	3,527,248	42,844,574
Fund balances - ending	<u>\$ 30,107,987</u>	<u>9,660,425</u>	<u>3,736,041</u>	<u>43,504,453</u>

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

Reconciliation of the Change in Fund Balances to the Change in Net Assets

Amounts reported for governmental activities in the Statement of Activities (pages 18-19) are different because:

Net change in fund balances - total governmental funds - page 23	\$ 659,879
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. This is the amount by which depreciation exceeded capital outlays in the current period.	(2,270,501)
Capital Outlay	\$ 615,233
Less depreciation expense	(2,885,734)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets	(119,219)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal or 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,036,972
Principal repayments:	
General obligation debt or loans	\$ 1,017,089
Capital leases	22,883
Some receivables in the Statement of Activities do not provide current financial resources.	(213,848)
Some expenses reported in the Statement of Activities do not require the use of current financial resources such as Net Pension Obligation (NPO), Other Post-Employment Benefits (OPEB), Compensated Absences and, therefore, are not reported as expenditures in governmental funds (future use).	(2,454,916)
Internal service funds are used by management to charge the cost of medical, property and workers' compensation insurances.	<u>298,411</u>
Change in net assets of governmental activities - page 19	<u>\$ (3,063,222)</u>

CITY OF BRADENTON, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2011

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)	Total	
Assets						
Current assets						
Cash and cash equivalents	\$ 9,017,867	3,080,753	1,659,356	564,376	14,322,352	13,492,658
Customer accounts receivable	1,724,091	--	--	--	1,724,091	--
Allowance for uncollectibles	(150,000)	--	--	--	(150,000)	--
Due from other governments	519,572	34,568	8,445	1,374	563,959	--
Due from insurance	--	--	--	--	--	53,042
Prepaid items	--	--	--	--	--	44,642
Inventory	--	--	--	84,824	84,824	--
Total current assets	11,111,530	3,115,321	1,667,801	650,574	16,545,226	13,590,342
Noncurrent assets						
Restricted-sinking fund reserve-investments	2,763,075	--	--	163,374	2,926,449	--
Restricted-renewal and replacement-investments	250,000	--	--	--	250,000	--
Unrestricted investments	2,705,531	--	--	--	2,705,531	--
Total restricted assets	5,718,606	--	--	163,374	5,881,980	--
Capital assets						
Land	3,256,995	--	1,097,797	1,955,906	6,310,698	--
Buildings	17,046,258	597,881	8,962,466	216,363	26,822,968	--
Improvements	120,759,967	674,897	220,000	1,309,660	122,964,524	--
Machinery and equipment	6,519,527	5,637,929	41,513	864,417	13,063,386	--
Infrastructure	3,618,979	--	--	--	3,618,979	--
Construction work in progress	8,275,237	--	--	--	8,275,237	--
Less: accumulated depreciation	(100,077,350)	(4,544,997)	(1,132,356)	(1,764,862)	(107,519,565)	--
Total capital assets	59,399,613	2,365,710	9,189,420	2,581,484	73,536,227	--
Bond issue costs	--	--	--	2,741	2,741	--
Deferred outflow of resources	38,782	--	616,638	--	655,420	--
Total noncurrent assets	65,157,001	2,365,710	9,806,058	2,747,599	80,076,368	--
Total assets	\$ 76,268,531	5,481,031	11,473,859	3,398,173	96,621,594	13,590,342

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

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)	Total	
Liabilities and Net Assets						
Current liabilities						
Accounts payable	\$ 324,021	121,493	29,287	6,553	481,354	48,054
Retainage payable	388,973	--	--	--	388,973	--
Accrued payroll	189,751	59,003	3,776	18,259	270,789	--
Accrued interest payable	49,069	--	--	18,900	67,969	--
Unearned revenues	--	--	14,320	--	14,320	--
Estimated payable for outstanding claims	--	--	--	--	--	516,387
Current portion of long-term debt	2,712,899	--	393,021	68,400	3,174,320	--
Total current liabilities	3,664,713	180,496	440,404	112,112	4,397,725	564,441
Noncurrent liabilities:						
Long-term debt	896,757	--	6,455,905	303,575	7,656,237	--
Derivative instrument-interest rate swap	38,782	--	984,871	--	1,023,653	--
Less unamortized bond discount	--	--	(11,186)	(31,507)	(42,693)	--
Estimated payable for outstanding claims	--	--	--	--	--	1,030,623
Customer deposits	1,376,489	--	--	--	1,376,489	--
OPEB liability	3,509,551	1,425,112	80,557	288,238	5,303,458	--
Refundable advances	4,334,865	--	--	--	4,334,865	--
Compensated absences	256,462	105,146	7,400	22,344	391,352	--
Advances from other funds	1,776,640	726,384	--	--	2,503,024	--
Total long-term liabilities	12,189,546	2,256,642	7,517,547	582,650	22,546,385	1,030,623
Total liabilities	15,854,259	2,437,138	7,957,951	694,762	26,944,110	1,595,064
Net Assets						
Invested in capital assets, net of related debt	51,455,094	2,365,710	2,351,680	2,241,016	58,413,500	--
Restricted for:						
Sinking fund	2,763,075	--	--	--	2,763,075	--
Renewal and replacement	250,000	--	--	--	250,000	--
Unrestricted	5,946,103	678,183	1,164,228	462,395	8,250,909	11,995,278
Total net assets	60,414,272	3,043,893	3,515,908	2,703,411	69,677,484	11,995,278
Total liabilities and net asset:	\$ 76,268,531	5,481,031	11,473,859	3,398,173	96,621,594	13,590,342
Net assets - above					\$ 69,677,484	
Adjustments to reflect consolidation of internal service fund activities related to enterprise funds					(154,072)	
Net assets of business-type activities - page 1					<u>\$ 69,523,412</u>	

CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2011

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)		
Operating revenues						
Charges for services	\$ 19,023,763	6,961,945	941,413	1,157,905	28,085,026	7,902,879
Operating expenses						
Personal services	6,289,556	2,635,243	162,253	678,438	9,765,490	--
OPEB expenses	693,318	290,364	17,777	53,332	1,054,791	--
Contractual services	1,482,847	1,597	31,375	18,816	1,534,635	2,389,598
Supplies and materials	2,923,280	1,004,493	96,995	412,552	4,437,320	139,201
Repairs and maintenance	587,352	325,962	27,467	41,328	982,109	--
Utilities	796,438	1,382,955	--	14,762	2,194,155	--
Claims	--	--	--	--	--	5,638,922
Depreciation and amortization cost	4,739,555	470,763	187,805	118,746	5,516,869	--
Total operating expenses	<u>17,512,346</u>	<u>6,111,377</u>	<u>523,672</u>	<u>1,337,974</u>	<u>25,485,369</u>	<u>8,167,721</u>
Operating income (loss)	1,511,417	850,568	417,741	(180,069)	2,599,657	(264,842)
Non-operating revenues (expenses)						
Interest and investment earnings	373,536	68,137	14,739	3,365	459,777	88,782
Gain (loss) on disposition of assets	(101,507)	15,327	--	--	(86,180)	--
Interest expenses and fiscal charges	(126,407)	(45)	(275,859)	(28,350)	(430,661)	--
Total non-operating revenues (expenses)	<u>145,622</u>	<u>83,419</u>	<u>(261,120)</u>	<u>(24,985)</u>	<u>(57,064)</u>	<u>88,782</u>
Net income (loss) before capital contributions and transfers	1,657,039	933,987	156,621	(205,054)	2,542,593	(176,060)
Capital contributions	769,129	--	--	--	769,129	--
Transfers from other funds	--	21,325	--	--	21,325	400,000
Transfers to other funds	(488,000)	(44,000)	(4,000)	--	(536,000)	--
Change in net assets	1,938,168	911,312	152,621	(205,054)	2,797,047	223,940
Total net assets - beginning	<u>58,476,104</u>	<u>2,132,581</u>	<u>3,363,287</u>	<u>2,908,465</u>	<u>66,880,437</u>	<u>11,771,338</u>
Total net assets - ending	<u>\$ 60,414,272</u>	<u>3,043,893</u>	<u>3,515,908</u>	<u>2,703,411</u>	<u>69,677,484</u>	<u>11,995,278</u>
Changes in net assets - above					\$ 2,797,047	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(74,471)	
Change in net assets of business-type activities -page 19					<u>\$ 2,722,576</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, 2011

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)	Total	
Cash flows from operating activities						
Receipts from charges for services	\$ 19,586,137	6,934,181	924,255	1,158,003	28,602,576	7,849,837
Payments to suppliers	(5,398,690)	(2,636,946)	(129,288)	(495,254)	(8,660,178)	(2,507,922)
Payments for employees	(6,246,623)	(2,708,051)	(161,561)	(678,870)	(9,795,105)	(5,494,333)
Net cash provided (used) by operating activities	7,940,824	1,589,184	633,406	(16,121)	10,147,293	(152,418)
Cash flows from non-capital financing activities						
Advances to other funds	--	--	--	--	--	--
Repayment of advances to other funds	(399,999)	(75,000)	--	--	(474,999)	--
Transfers from other funds	--	21,325	--	--	21,325	400,000
Transfers to other funds	(488,000)	(44,000)	(4,000)	--	(536,000)	--
Net cash provided (used) by non-capital and related financing activities	(887,999)	(97,675)	(4,000)	--	(989,674)	400,000
Cash flows from capital and related financing activities						
Repayment of capital leases	(5,081)	(226)	--	--	(5,307)	--
Principal paid on capital debt	(2,219,103)	--	(378,795)	(64,800)	(2,662,698)	--
Refunding of advances	542,622	--	--	--	542,622	--
Interest paid on capital debt	(162,295)	(45)	(252,480)	(11,441)	(426,261)	--
Capital contributions	769,129	--	--	--	769,129	--
Acquisition and construction of capital assets	(4,411,801)	(852,554)	--	(78,947)	(5,343,302)	--
Net cash (used) by capital and related financing activities	(5,486,529)	(852,825)	(631,275)	(155,188)	(7,125,817)	--
Cash flows from investing activities						
Transfers in investment accounts	(152,604)	--	--	(4,684)	(157,288)	--
Interest and investment earnings	373,536	68,137	14,739	3,365	459,777	88,782
Net cash flows from investing activities	220,932	68,137	14,739	(1,319)	302,489	88,782
Net increase (decrease) in cash and equivalents	1,787,228	706,821	12,870	(172,628)	2,334,291	336,364
Cash and cash equivalents, October 1, 2010	7,230,639	2,373,932	1,646,486	737,004	11,988,061	13,156,294
Cash and cash equivalents, September 30, 2011	<u>\$ 9,017,867</u>	<u>3,080,753</u>	<u>1,659,356</u>	<u>564,376</u>	<u>14,322,352</u>	<u>13,492,658</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,511,417	850,568	417,741	(180,069)	2,599,657	(264,842)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:						
Depreciation & amortization expense	4,739,555	470,763	187,805	118,746	5,516,869	--
(Increase) decrease in accounts receivable	(372,169)	--	--	--	(372,169)	--
(Increase) decrease in inventories	--	--	--	(6,918)	(6,918)	--
(Increase) decrease in due from other governments	988,918	(27,764)	(6,993)	98	954,259	(53,042)
Increase (decrease) in accounts and retainage payable	391,227	(1,703)	26,549	(877)	415,196	20,877
Increase (decrease) in accrued payroll	45,445	6,613	615	1,708	54,381	--
Increase (decrease) in compensated absences	(2,512)	343	77	(2,141)	(4,233)	--
Increase (decrease) in unearned revenues	--	--	(10,165)	--	(10,165)	--
Increase (decrease) in customer deposits	(54,375)	--	--	--	(54,375)	--
Increase (decrease) in estimated payable for outstanding claims	--	--	--	--	--	144,589
Increase (decrease) in OPEB liability	693,318	290,364	17,777	53,332	1,054,791	--
Total adjustments	6,429,407	738,616	215,665	163,948	7,547,636	112,424
Net cash provided (used) by operating activities	<u>\$ 7,940,824</u>	<u>1,589,184</u>	<u>633,406</u>	<u>(16,121)</u>	<u>10,147,293</u>	<u>(152,418)</u>
Noncash investing, capital and financing activities						
Amortization of underwriters' discount	\$ --	--	803	8,474	9,277	--

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, 2011

Assets

Cash and cash equivalents	\$	1,884,287
Due from employees		10,025
Due from state		14,063
Due from other governmental units		137,726
Interest receivable		221,618
Due from brokers		149,161
Investments, at fair value		
U.S. Government obligations		14,665,558
Domestic corporate bonds		11,032,775
Convertible bonds		3,547,946
Domestic stocks		24,970,702
Corporate stocks		1,988,741
International funds		10,403,770
Mutual funds		4,173,774
Money market		1,137,060
		71,920,326
Total investments		71,920,326
Total assets		74,337,206

Liabilities

Accounts payable		653,151
Total liabilities		653,151

Net Assets

Held in trust for pension benefits	\$	73,684,055
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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 Fiscal Year Ended September 30, 2011

Additions

Contributions	
Employer	\$ 2,910,988
Plan members	636,384
Repayment of pension benefits	2,419
State of Florida (from city's general fund)	<u>884,192</u>
Total contributions	4,433,983
Investment earnings	
Interest	991,641
Dividends	888,954
Miscellaneous	134,316
Net increase (decrease) in the fair value of investments	<u>(1,641,863)</u>
Total investment earnings	373,048
Less investment expenses	<u>520,464</u>
Net investment earnings	<u>(147,416)</u>
Total additions - net	<u>4,286,567</u>

Deductions

Benefits	3,389,145
Refunds of contributions	72,259
DROP plan payments	639,852
Administrative expenses	<u>144,641</u>
Total deductions	<u>4,245,897</u>
Change in net assets	40,670
Net assets - beginning	<u>73,643,385</u>
Net assets - ending	<u>\$ 73,684,055</u>

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



Photovoltaic solar panels convert the sun's energy into electricity atop City Hall.

In the Fall of 2011, the City of Bradenton utilized funds from a U.S. Department of Energy grant to install a solar photovoltaic system atop City Hall. The 294-panel "City Centre Solar" plant is projected to produce over 100,000 kWh of electricity in 2012, enough to satisfy the annual electrical demand of more than nine American households.

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.

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 14.55 square miles with a population of 49,724. 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-council form of government. It provides services to its residents in the form of law enforcement, fire and public safety, street maintenance, code enforcement, culture and recreation, water and sewer, sanitation, planning and zoning, and general administrative services.

The accompanying financial statements present the city and its component units (entities for which the city is considered to be financially accountable). This component unit information is presented in a separate column in the government-wide financial statements, to emphasize that they are legally separate from the city.

The city has two component units: (1) the Bradenton Downtown Development Authority / Community Redevelopment Agencies (DDA/CRAs), and (2) the Central Community Redevelopment Agency (CCRA), as described 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 the City of Bradenton, and include:

- 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 Agency of the city. Therefore, all three entities have the same Board of Directors. The Bradenton City Council placed the following restrictions on these 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 Bradenton 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/CRAs’ Board shall be considered final, nor shall any party have any right to rely on such act(s) 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/CRAs’ Board of Directors.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

Based on the above factors, the City of Bradenton exercises financial accountability over the DDA/CRAs and, therefore, they are 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, 2010. There were no component units for which the DDA/CRAs were financially accountable.

Central Community Redevelopment Agency

The Central Community Redevelopment Agency (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.

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

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

Architectural Review Board	Construction Board of Rules & Appeals
Affordable Housing Advisory Board	Code Enforcement Board
Planning Commission	Bradenton Housing Authority
Enterprise Zone Board	Merit Board
Tree & Land Preservation Board	Police Pension Board
Fire Pension Board	Central Community Redevelopment Agency
Grievance Board	Nuisance Abatement Board
Downtown Development Authority / Community Redevelopment Agencies	

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary 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.

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,

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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.

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, and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 and other revenue sources 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, claims and judgments, and other post employment benefits (OPEB), are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the city.

The City of Bradenton reports the following major governmental funds:

- a) The *General Fund* is the city'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 *Franchise Fees Special Revenue Fund* is used to account for sources and uses of franchise fee revenues.

The City of Bradenton 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 plants, 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 solid waste collection.
- c) The *Parking Fund* is used to account for the activities of the city's public parking function.

Additionally, the City of Bradenton 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 City of Bradenton has elected to follow subsequent private-sector guidance.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 city's water and sewer function and various other functions of the city. 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, parking and sanitation enterprise funds and of the city'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 City of Bradenton's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities and Net Assets or Equity

a) Deposits and investments

The City of Bradenton'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.

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 Statement of Net Assets, and each fund's portion of the pooled investments is reflected in the balance sheets or Statement of Net Assets as "cash and cash equivalents." 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.

State statutes authorize the city to invest its surplus public funds in the Local Government Surplus Funds 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.

Investments for the City of Bradenton, as well as for its component units, are reported at fair value. The State Board of Administration Pooled Trust Fund (LGIP) operates in accordance with the 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. The Fund B of the State Board of Administration is a fluctuating NAV pool.

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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

“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 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 (i.e. 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 city as assets with an initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of two (2) 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 the donation.

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 the city’s projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plants and equipment of the primary government, as well as the component 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 proprietary fund types and in the component units. 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. The general fund is the primary fund utilized to liquidate the liability for compensated absences.

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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 and premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

h) Fund equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

Fund Balance: Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the city is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable:* Fund balances are reported as “nonspendable” when amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- *Restricted:* Fund balances are reported as “restricted” when there are limitations imposed on their use either through the enabling legislation adopted by the city or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Committed:* Fund balances are reported as “committed” when they can be used for only specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
- *Assigned:* Fund balances are reported as “assigned” when amounts are constrained by the city’s intent to be used for specific purposes, but are neither restricted nor committed. Currently, the City Clerk & Treasurer is authorized to assign fund balances.
- *Unassigned:* Fund balances are reported as “unassigned” as the residual amount when the balances do not meet any of the above criterion. The city reports positive unassigned fund balances only in the General Fund. Negative unassigned fund balances may be reported in the other funds.

Net Assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations. All net assets not reported as net assets invested in capital assets, net of related debt and restricted net assets, are reported as unrestricted net assets.

Flow Assumption: The city spends “restricted” amounts first when both restricted and unrestricted fund balances are available, unless there are legal documents or contracts that prohibit doing so. Additionally, the city would first use “committed” fund balance, followed by “assigned” fund balance and then “unassigned” fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

Budgetary Information

The appropriated budget is the expenditure authority created by the Appropriation Resolution, which is entered into by City Council 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, operating 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 Bradenton's City Council. Within the control levels 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 fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them, by fund.
- b) Prior to October 1 public hearings are conducted by the city to obtain taxpayer comments.
- c) Prior to October 1 a budget is legally enacted through passage of a resolution 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.

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 in a legally permissible manner.

Excess of Expenditures Over Appropriations

For the year ending September 30, 2011, expenditures exceeded appropriations in the Parks & Recreational Impact Fee-East Fund by \$208, Franchise Fees Fund by \$325 and the State Housing Initiatives Partnership Program by \$3,565. The Parks & Recreational Impact Fee-East Fund, Franchise Fees Fund and State Housing Initiatives Partnership Fund were funded from fund balance reserves.

NOTE C – DEFICIT FUND BALANCES

The Public Safety Fire Protection Special Revenue Fund has a deficit of \$102,684. This will be funded when future impact fee revenues are received. No further expenditures are permitted from the fund until the deficit has been met. The Neighborhood Stabilization Program Fund has a deficit of \$9,084 which will be funded by future revenue received during the next fiscal year.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE D – DEPOSITS AND INVESTMENTS

Deposits

At September 30, 2011, the city’s cash-in-bank was fully insured by Federal Depository Insurance and the multiple financial collateral pool required by Sections 280.07 and 280.08, Florida Statutes. Hence, there is no custodial credit risk for the deposits of the city and/or its component units.

City Pooled Investments

As of September 30, 2011, the city (excluding the police and fire pension funds) had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>Years 1-5</u>	<u>Years 6-10</u>	<u>Years More than 10</u>
U.S. Government securities	\$ 16,230,450	1,249,473	2,811,555	3,567,121	8,602,301
Corporate bonds	16,931,311	876,318	5,525,772	8,594,578	1,934,643
State investment pool	1,975,013	1,975,013	--	--	--
Total fair value	<u>\$ 35,136,774</u>	<u>4,100,804</u>	<u>8,337,327</u>	<u>12,161,699</u>	<u>10,536,944</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The city’s investment performance is measured and compared to the Barclay’s Aggregate Intermediate Bond Index and ranked against an appropriate peer group of fixed-income managers over rolling three- to five-year periods. By mirroring the Lehman Aggregate Bond Index the portfolio is being measured against a relatively short-term conservative index. The city has no formal interest rate policy.

Concentration of credit risk is the risk of loss attributable to the quantity of the city’s investment in a single issuer. The city investment pools have no concentration of credit risk.

Credit risk results from potential default of investments that are not financially sound. The city invests funds throughout the year with the 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, 2011, 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. The SBA Fund A met the criteria to be “2A-7Like” as defined in GASB 31 and the city held \$1,975,013 in the SBA at September 30, 2011. Furthermore, the city’s investment policy limits its domestic corporate bond issues with an investment grade rating (within top four rating classifications with the lowest rating not below Baa3/BBB- by Moody’s or Standard & Poor’s), obligations of the United States Government or any agency or instrument thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

Of the investments that the city holds, \$16,230,450 is in U.S. Government securities with an AAA rating with Standard & Poor’s; \$16,931,311 is in corporate bonds (\$2,445,103-AAA, \$837,525-AA+, \$490,983-AA, \$328,970-AA-, \$1,041,031-A+, \$4,003,532-A, \$2,935,875-A-, \$1,476,204-BBB+, \$1,850,085-BBB, \$437,037-BBB-, \$70,372-BB+, and \$1,014,595 not rated) - ratings with Standard & Poor’s; \$4,696,822 is in a money market deposit account and is not rated; and \$2,876,353 is in mutual funds and is rated AAf/S1. The Local Government Investment Pool (LGIP) is rated AAAM by Standard & Poor’s. The city also held \$33,641 in Fund B of the SBA. Fund B is accounted for as a NAV pool, and is not rated by any nationally recognized statistical agency.

Custodial credit risk – investments is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The city investment pool does not hold investments or collateral securities that have a custodial credit risk exposure.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Police Pension Fund

The police pension fund has an established investment policy under which the general investment objective is to obtain a reasonable total rate of return – defined as interest and dividend income plus realized and unrealized capital gains or losses – that is greater than the actuarial interest rate assumption on an annual basis and over rolling three-year periods. Additionally the trustees, in performing their investment duties, shall comply with fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 19 U.S.C. s 1104 (a) (1) (A)-(C).

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>Years 1-5</u>	<u>Years 6-10</u>	<u>Years More than 10</u>
U.S. Government securities	\$ 11,097,963	755,650	3,369,231	3,897,341	3,075,741
Corporate bonds	7,724,513	219,856	3,608,671	2,130,433	1,765,553
Domestic stock	9,902,381	9,902,381	--	--	--
Corporate stock	1,988,741	1,988,741	--	--	--
Convertible bonds	3,547,946	1,187,122	965,403	368,024	1,027,397
Mutual funds	4,173,774	4,173,774	--	--	--
International funds	6,227,101	6,227,101	--	--	--
Money Market/cash	1,137,060	1,137,060	--	--	--
Total fair value	<u>\$ 45,799,479</u>	<u>25,591,685</u>	<u>7,943,305</u>	<u>6,395,798</u>	<u>5,868,691</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The police pension fund realizes that reasonable consistency of return and protection of assets against the inroads of inflation are paramount. However, the volatility of interest rates and securities markets make it necessary to judge results within the context of several years rather than over short periods of one or two years or less. The police pension fund has no formal interest rate policy.

Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single issuer. The police pension fund has no concentration of credit risk. The investments held by the police pension fund shall be diversified to the extent practical to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank in which financial instruments are bought and sold.

Credit risk. The fixed income securities are limited to those traded on a recognized national exchange or OTC, and the fixed income investments must be rated within the top four ratings (Standard & Poor's AAA, AA, A, BBB or Moody's Aaa, Aa, A, Baa). However, at least 80% of the fixed income must be rated within the top three ratings. Of the investments the police pension fund holds, \$11,097,963 is in U.S. Government securities with a rating of AAA with Standard & Poor's; and \$7,724,513 is in corporate bonds with a rating ranging from AAA to BBB with Standard & Poor's; \$3,547,946 in convertible bond with a rating of A- to BBB+. The fund also has \$6,227,101 in international funds and \$4,173,774 in mutual funds which are not rated; and \$446,344 in Money Market rated AA+ and \$690,716 not rated. The fund has \$1,988,741 in corporate stocks and \$9,902,381 in common stock not rated.

Custodial credit risk – investments is the risk that, in the event of the failure of the counterparty, the police pension fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The police pension fund does not hold investments or collateral securities that have a custodial credit risk exposure.

Other limitations. The police pension fund limits its investments as follows: Not more than 5% of the fund's assets at cost shall be invested in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. The REITs that trade on a major exchange shall not exceed 15% of the fund's assets at cost.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Firefighters' Pension Fund

The firefighters' pension fund has an established investment policy under which the primary objective is to earn a total rate of return of a target index. The target index for the Bradenton Firefighters' Pension Fund is defined as a 50% investment in the Russell 3000 Stock Index; a 10% investment in the MSCI Europe, Australasia and Far East (EAFE) Stock Index; and a 40% investment in the Merrill Lynch Domestic Master Bond Index. In addition, it is expected that the rate of return earned by the fund will rank above average when compared to a representative universe of other, similarly managed portfolios.

The secondary objective of the investment policy is to achieve an average annual rate of return greater than 8.0% over the longer term. This absolute return objective is evaluated in the context of the prevailing investment market conditions. The volatility of the firefighters' pension fund's total returns is expected to be similar to that of the target index and will be evaluated accordingly.

The firefighters' pension plan investment policy further limits risk by (1) investing in equity securities that do not exceed 70% at market of the fund's total market value, (2) requiring no more than 5% at market value of the equity and fixed income portfolio total value be invested in shares of a single corporate issuer, (3) requiring no more than 15% at market value of the equity portfolio total value be invested in shares of companies that have been publicly traded less than one year, (4) requiring all equity investments be limited to fully and easily negotiable equity securities, (5) limiting investment in stock of foreign companies to 10% at cost of the total investment portfolio, and (6) limiting investment in equity securities with market capitalization of less than \$3 billion to 20% at market of the total equities portfolio.

The firefighters' pension plan further limits its risk by investing in fixed income securities that are rated "BAA" or higher by Moody's or Standard & Poor's rating services. Securities which are downgraded below the minimum rating by both entities must be sold at the earliest beneficial opportunity. The average credit quality of the bond portfolio must be rated "A" or higher, and investment in fixed income securities issued by foreign governments or corporations domiciled outside the United States are prohibited.

The investment policy limits cash equivalent securities to (1) investing in money market or STIF provided by the fund's custodian, (2) direct obligations of the United States Government with a maturity of one year or less, (3) investments in commercial paper with a maturity of 270 days or less that is rated A-1 or higher by Standard & Poor's or higher by Moody's, and (4) bankers acceptances issued by the largest 50 banks in the United States (in terms of total assets).

	Target Allocation	Target Index
All Cap Value	19%	Russell 3000 Value
Broad Growth Equity	19%	Russell 1000 Growth
Core Equity	7%	S & P 500
International Equity	15%	MSCI EAFE
Investment Grade Bonds	28%	ML Aggregate Intermediate
Integrity Fixed Income	5%	MLTIPS
Income Opportunity	7%	NCREIF

Investment Type	Fair Value	Less Than 1 year	Years 1-5	Years 6-10	Years More Than 10
U.S. Government securities	\$ 3,567,595	--	847,045	253,142	2,467,408
Corporate bonds	3,308,262	122,660	1,475,341	1,607,489	102,772
Domestic stocks	15,068,321	15,068,321	--	--	--
International	4,176,669	4,176,669	--	--	--
Total fair value	\$26,120,847	19,367,650	2,322,386	1,860,631	2,570,180

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The objective of the firefighters' pension fund is to preserve the purchasing power of the fund's assets and earn a reasonable rate of return (after inflation) over the long term while minimizing the short-term volatility of results. The firefighters' pension fund has no formal interest rate policy.

Concentration of credit risk is the risk of loss attributable to the quality of the government's investment in a single issuer. The firefighters' pension fund has no concentration of credit risk.

Credit risk. The firefighters' pension fund investment guidelines are in accordance with Section 112.661, Florida Statutes.

The following is the target asset allocation for the entire Bradenton Firefighters' Retirement System (based on the market value of invested assets). Of the investments the firefighters' pension fund holds, \$3,567,595 is in U.S. Government securities with a Standard & Poor's rating range from AAA to BBB-; \$3,308,262 is in corporate bonds rated by Standard & Poor's with a range of A to BBB-; \$15,068,321 is in common stock with a Standard & Poor's rating ranging from A to B-; and \$4,176,669 is in international funds which are not rated.

Custodial credit risk - investments is the risk that, in the event of the failure of the counterparty, the firefighters' pension fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The firefighters' pension fund does not hold investments or collateral securities that have a custodial credit risk exposure.

Other limitations. The firefighters' pension fund investments in Collateralized Mortgage Obligations (CMOs) shall be limited to 15% of the market value of the total fixed income portfolio and shall be restricted to those issues backed by securities issued by the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), or the Federal National Mortgage Association (FNMA). Also, the investments must pass the FFIEC High Risk Security Test on an annual basis.

Any security in the portfolio that fails the FFIEC test shall be sold at the earliest beneficial opportunity.

NOTE E – NOTES RECEIVABLE

Manatee Players

In August 2006 the city entered into an agreement with the Manatee Players to provide a loan of \$2,800,000 for the purpose of constructing a new theater. The Players are to repay the loan, with interest on the principal advanced, at a rate of 4.5% per annum. Interest-only shall be repaid in quarterly installments beginning ninety days after the issuance of a final Certificate of Occupancy.

The loan is due to mature on September 30, 2012 at which time all outstanding sums are due and payable. As of September 30, 2011 the outstanding amount was \$2,798,450.

Central Community Redevelopment Agency (CCRA)

In March 2010 the city entered into an agreement to provide a \$1,000,000 loan to the Central Community Redevelopment Agency (CCRA) for the purpose of funding the close-out of the Norma Lloyd (24th Street East) Park Project. The CCRA is to repay the loan, with interest on the principal advanced at a rate of 5.00% per annum. The city has the option of adjusting the rate every three years on the anniversary date of the agreement.

The CCRA makes quarterly principal payments of \$16,667 plus interest. All unpaid principal and accrued interest is due and payable at maturity. Maturity shall be fifteen years from the date of closing, or no later than the last date on which the CCRA is statutorily entitled to collect their tax increment financing.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The CCRA debt service requirements to the City of Bradenton are as follows:

Year Ending Sept 30	Principal	Interest
2012	\$ 109,587	42,916
2013	106,253	39,583
2014	102,920	36,249
2015	99,586	32,916
2016	96,253	29,582
2017-2021	431,261	97,908
2022-2026	235,629	19,010
Total	\$ 1,091,489	298,164

NOTE F – PROPERTY TAX

Property taxes are levied on November 1 of each year and are payable upon receipt of the Notice of Tax Levy. The Manatee County 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, 2011 was \$4.9452 per \$1,000 of assessed taxable property value. Property tax revenues are currently recognized in the fiscal year during 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 collected are remitted to the city.

No accrual for the property tax levy becoming due in November 2011 is included in the accompanying financial statements since such taxes do not meet the necessary measurable and available criteria.

The City of Bradenton (Manatee County) 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
November 1 – March 31	Property taxes due with various discount rates
April 1	Taxes delinquent
May 31	Tax certificates sold by Manatee County

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE G – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011, was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities				
Capital assets not being depreciated				
Land	\$ 3,169,282	138	--	3,169,420
Construction in progress	1,288,995	299,696	421,234	1,167,457
Total capital assets not being depreciated	4,458,277	299,834	421,234	4,336,877
Other capital assets				
Buildings	37,573,553	--	--	37,573,553
Other improvements	8,661,789	245,740	--	8,907,529
Machinery and equipment	13,529,016	490,893	703,327	13,316,582
Infrastructure	13,693,502	--	--	13,693,502
Total other capital assets at historical cost	73,457,860	736,633	703,327	73,491,166
Less accumulated depreciation for				
Buildings	7,604,974	1,055,926	--	8,660,900
Other improvements	6,303,608	387,711	--	6,691,319
Machinery and equipment	9,791,603	1,118,932	584,108	10,326,427
Infrastructure	3,615,003	323,165	--	3,938,168
Total accumulated depreciation	27,315,188	2,885,734	584,108	29,616,814
Governmental activities capital assets	<u>\$ 50,600,949</u>	<u>(1,849,267)</u>	<u>540,453</u>	<u>48,211,229</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 6,310,698	--	--	6,310,698
Construction in progress	6,267,852	2,286,380	278,995	8,275,237
Total capital assets not being depreciated	12,578,550	2,286,380	278,995	14,585,935
Other capital assets				
Buildings	26,770,576	52,392	--	26,822,968
Other improvements	121,269,943	1,694,581	--	122,964,524
Machinery and equipment	11,985,033	1,597,740	519,387	13,063,386
Infrastructure	3,585,566	33,413	--	3,618,979
Total other capital assets at historical cost	163,611,118	3,378,126	519,387	166,469,857
Less accumulated depreciation for				
Buildings	10,625,289	487,476	--	11,112,765
Other improvements	83,427,267	3,815,804	--	87,243,071
Machinery and equipment	8,027,943	1,113,025	390,998	8,749,970
Infrastructure	319,510	94,249	--	413,759
Total accumulated depreciation	102,400,009	5,510,554	390,998	107,519,565
Business-type activities capital assets	<u>\$ 73,789,659</u>	<u>153,952</u>	<u>407,384</u>	<u>73,536,227</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Depreciation expense was charged to functions as follows:

	Depreciation Expense
Governmental activities	
General government	\$ 604,761
Public safety	406,870
Transportation	551,716
Community development	8,610
Culture and recreation	1,313,777
Total governmental activities - depreciation expense	\$ 2,885,734
Business-type activities	
Water-sewer utility	\$ 4,331,107
Stormwater	403,350
Sanitation	470,763
Parking	187,805
Golf course	117,529
Total business-type activities - depreciation expense	\$ 5,510,554

Commitments

Commitments under uncompleted construction projects at September 30, 2011 consist of the following:

	Amounts Authorized	Expended to Date	Committed
Capital project funds			
Waterfront Park	2,000,000	1,039,074	960,926
Energy Efficiency Block Grant	544,500	379,066	165,434
Enterprise funds			
ASR program	3,268,631	1,161,631	2,107,000
Reservoir expansion	6,806,500	956,610	5,849,890
Total	\$ 12,619,631	3,536,381	9,083,250

NOTE H – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at September 30, 2011 consisted of:

	Due to / Advances from:
	General
Nonmajor Governmental	\$ 283,624
Water & Sewer	1,776,640
Sanitation	726,384
Total	\$ 2,786,648

All advances are from loans made to establish working capital; there are budgeted collections for the subsequent year.

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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Interfund transfers for the year ended September 30, 2011 consisted of:

		Transfers to:				
		General Fund	Nonmajor Governmental	Sanitation	Internal Service	Total
Transfers from:	General Fund	\$ --	1,725,510	--	264,000	1,989,510
	Franchise Tax	2,715,274	298,761	21,325	--	3,035,360
	Water & Sewer	400,000	--	--	88,000	488,000
	Sanitation	--	--	--	44,000	44,000
	Parking	--	--	--	4,000	4,000
	Total	\$ 3,115,274	2,024,271	21,325	400,000	5,560,870

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 budget authorizations.

NOTE I – CAPITAL LEASES

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

The assets acquired through capital leases are as follows:

	Governmental Activities	Enterprise (Business-type) Activities
Machinery and equipment	\$ 1,130,134	617,082
Less accumulated depreciation	(770,514)	(245,494)
Total	\$ 359,620	371,587

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2011, were as follows:

	Governmental Activities	Enterprise (Business-type) Activities
Year Ended September 30:		
2012	\$ 6,867	82,624
2013	--	81,031
2014	--	81,031
2015	--	123,204
Less interest	(1,146)	(36,913)
Present value of minimum lease payments	\$ 5,721	330,977

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE J – LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity for the year ended September 30, 2011, was as follows:

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Governmental activities					
Bonds / notes payable					
Revenue bonds - subordinate lien	\$ 1,408,225	--	(205,200)	1,203,025	216,600
Promissory note - franchise fees	3,774,039	--	(303,889)	3,470,150	319,613
Promissory note - Florida Municipal	2,190,000	--	(135,000)	2,055,000	145,000
Special Obligation Revenue Bond – Series 2007	17,605,000	--	(370,000)	17,235,000	385,000
Total bonds/notes payable	24,977,264	--	(1,014,089)	23,963,175	1,066,213
Estimated claims payable for internal service funds	1,402,421	144,589	--	1,547,010	516,387
Capital leases - copiers	28,605	--	(22,884)	5,721	5,721
Swap rate agreement liability	771,664	--	(79,923)	691,741	--
OPEB liability	7,795,425	2,135,692	--	9,931,117	--
Compensated absences	1,109,924	67,496	(28,667)	1,148,753	37,338
Governmental activities long-term liabilities	\$ 36,085,303	2,347,779	(1,145,563)	37,287,516	1,625,659
Business-type activities					
Notes payable					
Subordinate Lien Refunding 1995	\$ 436,775	--	(64,800)	371,975	68,400
Promissory Note Utility Refunding 2005	5,082,071	--	(2,494,266)	2,587,805	2,587,805
State Revolving Loan - Wastewater	333,727	--	(23,920)	309,807	24,643
State Revolving Loan - Stormwater	411,691	--	(30,567)	381,124	31,491
Promissory Notes - Parking Garage Loan I	4,725,165	--	(257,992)	4,467,173	267,833
Parking Garage Loan II	993,793	--	(48,568)	945,225	50,213
Parking Garage Loan III	1,508,763	--	(72,237)	1,436,526	74,975
Total notes payable	13,491,985	--	(2,992,350)	10,499,635	3,105,360
Capital lease - copiers	6,634	--	(5,308)	1,326	1,326
Capital lease – sweepers	--	410,611	(81,032)	329,579	67,633
Refundable advances	3,792,243	542,622	--	4,334,865	--
Swap rate agreement liability	1,077,340	57,263	(110,951)	1,023,652	--
Customer deposits	1,430,864	540,396	(594,771)	1,376,489	--
OPEB liability	4,248,667	1,054,791	--	5,303,458	--
Compensated absences	395,585	17,527	(21,760)	391,352	21,432
Total long-term liabilities	24,443,318	2,623,210	(3,806,172)	23,260,356	3,195,751
Less deferred amount on refunding	64,561	--	(21,885)	42,676	--
Business-type activities long-term liabilities	\$ 24,378,757	2,623,210	(3,784,287)	23,217,680	3,195,751

Payments on bonds and notes that pertain to the city's governmental activities are made by the debt service fund. The general fund has been used to liquidate the liability for compensated absences and net OPEB obligation in the governmental activities. The respective fund has been used to liquidate the liability for compensated absences and net OPEB obligation in business-type activities.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Description of Debt

	<u>Governmental</u>	<u>Business-type</u>
\$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 is allocated between governmental and business-type activities. (See Note R on page 62.)	\$ 1,203,025	371,975
\$6,113,889 Franchise Fees Promissory Note, Series 2000 was issued for the purpose of financing the construction of the City Centre. The bonds are payable from and secured by a lien on certain franchise fees received by the city. The bond principal is repaid quarterly at \$124,683 with a final payment of \$124,683 due May 1, 2020. The interest rate on the note is 69% of the 30-day LIBOR rate as set at the beginning of each quarter and is payable quarterly. To lower its borrowing cost, the original principal amount was swapped to an annual fixed rate of 5.25%. The interest is paid at a variable rate, currently .17518%.	3,470,150	--
\$3,100,000 The Florida Municipal Loan 2001A was issued for the purpose of financing the cost of constructing 3 rd Avenue West and Rossi Waterfront Park improvements and further extension of 3 rd Avenue East to U.S. 41. The principal is repaid annually with a final payment of \$235,000 due November 1, 2021 with interest at 3.25% to 5.25%.	2,055,000	--
\$6,000,000 Promissory Note - Judicial Center Parking Garage Loan I was issued for the purpose of financing the cost of construction of the Judicial Center Parking Garage. The principal of the loan is being repaid quarterly with a final payment of \$106,586 due December 16, 2024. The interest rate on the note is 63.702% of the 30 day LIBOR rate plus .62% as set at the beginning of each quarter and is payable quarterly. As a means of lowering its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.82%. Interest is paid at a variable rate, currently .84230%. The city, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners.	--	4,467,173
\$7,669,413 Promissory Note issued to redeem the Utility System Refunding Revenue Bonds Series 1995A, which matured in 2009, 2010, and 2011. The Series 1995A was called for optional redemption on October 1, 2005. The principal is being repaid annually with a final payment of \$2,587,805 due October 1, 2011. The interest rate is 63.702% of the 30-day LIBOR rate plus .65% as set at the beginning of each quarter and is payable quarterly. As a means of lowering its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.73%. The interest is paid at a variable rate, currently .7910%.	--	2,587,805
\$494,600 Clean Water State Revolving Fund - Wastewater was issued to complete preconstruction activities for various identified wastewater projects. The principal is paid in semiannual payments; final payment of \$7,504 is due September, 2022. Interest rate is 3.00%.	--	309,807
\$601,860 Clean Water State Revolving Fund - Stormwater was issued to complete preconstruction activities for identified stormwater projects. The loan principal is to be repaid in semiannual payments with a final payment of \$10,108 due March, 2022. Interest rate is 3.00%.	--	381,124
\$18,645,000 Special Obligation Revenue Bond was issued to finance the cost of acquisition, construction and equipping of improvements to Pirate City and McKechnie Field for Major League Baseball's Pittsburgh Pirates spring training facilities. The principal is being repaid annually with a final payment of \$1,065,000 due September 1, 2037. Interest rates at 3.50% to 5.00%.	17,235,000	--
\$1,200,000 Promissory Note – Judicial Center Parking Garage Loan II was issued for the purpose of financing the cost of construction of the Judicial Center Parking Garage. The principal of the loan is being repaid quarterly with a final payment of \$21,549 due December 15, 2025. The interest rate on the note is 63.7% of the 30-day LIBOR rate plus .62% as set at the beginning of each quarter and is payable quarterly. As a means of lowering its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.27%. The interest is paid at a variable rate, currently .13200%.	--	945,225
\$1,800,000 Promissory Note - Judicial Center Parking Garage Loan III was issued for the purpose of financing the cost of construction of the Judicial Center Parking Garage. The principal of the loan is being repaid quarterly with a final payment of \$32,335 due February 14, 2026. The interest rate on the note is 63.7% of the 30-day LIBOR rate plus .62% as set at the beginning of each quarter and is payable quarterly. As a means of lowering its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.28%. The interest is paid at a variable rate, currently .14562%.	--	1,436,526
Total bonds and notes	<u>\$ 23,963,175</u>	<u>10,499,635</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Debt Maturity

Debt service requirements at September 30, 2011 were as follows:

Governmental Activities – Revenue Bonds and Notes				
Year Ended September 30:	Revenue Bonds		Promissory Notes	
	Principal	Interest	Principal	Interest
2012	\$ 746,600	892,298	319,613	178,396
2013	773,000	860,262	337,761	161,018
2014	809,400	826,976	356,101	142,679
2015	845,800	790,360	375,438	123,344
2016	888,225	751,981	395,528	102,967
2017 – 2021	3,550,000	3,207,676	1,685,709	184,997
2022 – 2026	3,325,000	2,466,462	--	--
2027 – 2031	3,805,000	1,750,750	--	--
2032 – 2036	4,685,000	864,299	--	--
2037 – 2041	1,065,000	46,594	--	--
Total	<u>\$ 20,493,025</u>	<u>12,457,658</u>	<u>3,470,150</u>	<u>893,401</u>

Business-type Activities – Revenue Bonds and Notes				
Year Ended September 30:	Revenue Bonds		Promissory Notes	
	Principal	Interest	Principal	Interest
2012	\$ 517,555	285,299	2,587,805	49,067
2013	538,482	265,419	--	--
2014	555,673	245,152	--	--
2015	577,452	224,133	--	--
2016	593,683	202,457	--	--
2017 – 2021	2,897,019	684,259	--	--
2022 – 2026	2,231,966	159,527	--	--
Total	<u>\$ 7,911,830</u>	<u>2,066,246</u>	<u>2,587,805</u>	<u>49,067</u>

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, 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 current debt service requirements, these revenues become available to finance general governmental operations.

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, 2011, no amounts were earned that will have to be rebated to the U.S. Treasury for 2011.

From time to time the city has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

As of September 30, 2011, there were seven Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$16,119,679.

Interest Rate Swaps

The City of Bradenton has entered into five interest rate swap agreements to reduce the economic risks associated with variability in cash outflows for interest on notes as discussed above. The *terms* and *objectives* of the interest rate swaps are as noted in the description of debt above.

Fair Value: Because interest rates declined since execution of the swaps, the swaps had a negative fair value of \$1,023,653 as of September 30, 2011. The fair value was estimated using the zero coupon method, calculating the future net settlement payments required by the swap assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement on the swap.

Credit Risk: As of September 30, 2011, the city was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swaps become positive, the city would be exposed to credit risk in the amount of the derivative's fair value.

Basis Risk: The swap does not expose the city to basis risk. The interest rate on the notes and swap are the same.

Termination Risk: The city, or the counterparty, may terminate the swap if the other party fails to perform under the terms of the contract. If at the time of termination the swap has a negative fair value, the city would be liable to the counterparty for a payment equal to the swap's fair value.

NOTE K – EMPLOYEE RETIREMENT SYSTEMS

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. This report may be obtained from the City of Bradenton City Clerk & Treasurer's office. 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, 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 costs for both the firefighters' pension plan and the police officers' pension plan are financed through the plan contributions and investment earnings.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 at the year ended September 30, 2011 was \$4,779,010, compared to \$23,677,696 for the city's entire payroll. At September 30, 2011, membership consisted of:

	<u>2011</u>
Retirees and beneficiaries:	
Currently receiving benefits	56
Terminated with vested benefits	3
Current employees:	
Vested	37
Non-vested	<u>17</u>
Total	<u>113</u>

The plan covers permanent and probationary city employees who are classified as uniform fire personnel. Any participant who has creditable service of ten 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 three percent (3%) of average final compensation (average of the employee's salary for the two best years of the last ten years of credited service, or the career average, whichever is greater) multiplied by years of credited service.

Any participant who has creditable service of ten 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 ten-year benefit immediately, or at the retiree's scheduled early or normal retirement date. The ten-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 three percent (3%) 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 three percent (3%) 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 (2/3) of the member's monthly pension.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 two percent (2%) 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 seven percent (7%) of their annual salary to the plan. If an employee separates from service before achieving ten 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 ten years of credited service upon termination, the member, upon reaching normal retirement, is entitled to a monthly retirement benefit equal to three percent (3%) 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 of Bradenton. The State of Florida contribution results from the city's share of insurance tax. The city contributes an amount to make the fund actuarially sound, but not less than eight percent (8%) 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 city charter and Florida Statute 185. The city's total current year payroll for police personnel at the year ended September 30, 2011 was \$7,498,547, compared to \$23,677,696 for the entire city's payroll. At October 1, 2011 membership consisted of:

	<u>2011</u>
Retirees, disabled participants, and beneficiaries:	
Currently receiving benefits	66
Terminated (not receiving benefits)	2
Members in DROP	8
Current employees:	
Vested	38
Non-vested	<u>72</u>
Total	<u>186</u>

The plan covers permanent City of Bradenton police officers. Normal retirement is based on twenty (20) years of creditable service and the attainment of age 45 or ten (10) years of creditable service and the attainment of age 55. Such a retiree would receive a normal retirement benefit of three percent (3%) of average final compensation times credited service, plus \$10 per month for each year of service for those employees with 20 or more years of service.

The plan provides disability benefits for both duty-related and non-duty-related disabilities. All members are eligible for on-duty benefits; ten 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 duty related 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 ten years starting when the member would have reached age 47. If eligible to retire, a spouse receives accrued pension for life or until remarried. Unvested employees receive a refund of member contributions.

Participants are required to contribute six percent (6%) of their annual salary to the plan. If an employee separates service from the city before achieving ten years of credited service, the employee will receive 100% of their contributions.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 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 eight percent (8%) of annual compensation.

Funding Status and Progress

The amount shown below as the actuarial accrued liability is 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 is established by subtracting credited service from current age on the valuation date.

FIREFIGHTERS' PENSION PLAN

As of October 1, 2010, the actuarial accrued liability in excess of assets was \$12,869,021 determined as follows:

Actuarial accrued liability	\$ 42,939,991
Actuarial value of assets	<u>30,070,970</u>
Actuarial accrued liability in excess of assets	<u>\$ 12,869,021</u>

For the actuarial report dated October 1, 2011, the plan experienced a net actuarial loss of \$1,717,833. The unfavorable experience included a 1.0% investment return (actuarial asset basis) that fell short of the 8.0% assumption, lower than expected turnover. These losses were partially offset by average increases in pensionable compensation that were less than the assumed rate by approximately 2.0%.

POLICE OFFICERS' PENSION PLAN

As of October 1, 2010, the actuarial accrued liability in excess of assets was \$ 9,965,193 determined as follows:

Actuarial accrued liability	\$ 57,777,539
Actuarial value of assets	<u>47,812,346</u>
Actuarial accrued liability in excess of assets	<u>\$ 9,965,193</u>

For the actuarial report dated October 1, 2010, the plan experienced a net actuarial loss of \$481,802. The loss was primarily due to recognized investment return below the assumed rate of 8%. The investment return was 12.4% based on market value of assets and 3.5% based on actuarial value of assets. This loss was partially offset by gains due to lower than expected salary increases. The net loss has increased the required employer contribution by 0.42% of covered payroll.

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, 2009 actuarial valuation using the entry-age normal actuarial cost method. The actuarial assumptions included both (a) an 8% investment rate of return (net of administrative expenses) and (b) projected salary increases of 7.5% per year. The projected salary increase included an inflation component of 3%. 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 24 years (as of 10/1/2010) of the amortization period, originally 30 years.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

During the year ended September 30, 2011 contributions totaling \$1,826,512 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2009. The city contributed \$1,128,169, members contributed \$266,352, and the state contributed \$431,991. The state contributions were deposited into the city's account; the city then issued a check to the plan in the amount of \$431,991. The expenses associated with the plan were \$1,802,648.

Three-Year Trend Information

<u>Fiscal Year Ending:</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension (Asset)</u>
September 30, 2008	\$ 703,642	100%	(107,738)
September 30, 2009	728,130	100%	(110,511)
September 30, 2010	948,722	100%	(105,413)

The plan has reflected the net pension asset in the Statement of Net Assets.

Schedule of Funding Progress

(in thousands of dollars)

Actuarial Valuation Date <u>October 1</u>	(1) <u>Actuarial Value of Assets</u>	(2) <u>Actuarial Accrued Liability (AAL) Entry Age</u>	(3) <u>Funded Ratio (1) / (2)</u>	(4) <u>Unfunded AAL (UAAL) (2) - (1)</u>	(5) <u>Covered Payroll</u>	(6) <u>UAAL as a Percentage of Covered Payroll (4) / (5)</u>
2008	\$ 29,534	37,713	78.3	8,179	4,066	201.2
2009	29,760	40,029	74.3	10,270	4,014	255.8
2010	30,071	42,940	70.0	12,869	3,575	359.9

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 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 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, 2010	
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay
	Closed
Remaining amortization period	24 years (as of 10/1/2010)
Asset valuation method	4-Year Smoothing
Actuarial assumptions:	
Investment rate of return	8.0% per year
Projected salary increases	7.5%
Inflation	3.0%
Post-retirement COLA (age 55 to 64)	3.0%

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Employer Fiscal Year Ending September 30:	2010	2009	2008
A. Annual Required Contribution (ARC)	\$ 943,624	723,350	702,516
B. Interest on Net Pension Obligation (NPO)	(8,841)	(8,619)	(8,210)
C. Adjustment to ARC	13,939	13,399	9,336
D. Annual pension cost (A + B – C)	948,722	728,130	703,642
E. Actual contributions	943,624	730,903	708,760
F. NPO at beginning of year	(110,511)	(107,738)	(102,620)
G. Increase (decrease) in NPO (D – E)	(5,098)	(2,773)	(5,118)
H. NPO at end of year (F + G)	(105,413)	(110,511)	(107,738)

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 entry age normal actuarial cost method to determine funding requirements. During the year ended September 30, 2011, contributions totaling \$2,525,895 were to be made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2010. The city's actual contribution was \$1,719,872, the state's was \$452,201, and members contributed \$370,032. The state contributions were deposited into the city's account; the city then issued a check to the plan in the amount of \$452,201. The expenses associated with the plan were \$2,953,506.

Three-Year Trend Information			
Fiscal Year Ending:	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset)
September 30, 2008	\$ 1,692,149	107.3%	\$ (1,134,112)
September 30, 2009	1,966,148	100.5%	(1,144,083)
September 30, 2010	2,024,084	97.8%	(1,099,481)

The plan has reflected the net pension asset in the Statement of Net Assets.

Schedule of Funding Progress <i>(in thousands of dollars)</i>						
Actuarial Valuation Date October 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued 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)
2008	\$ 45,206	52,792	85.6	7,586	6,618	114.6
2009	46,689	57,319	81.5	10,630	6,661	159.6
2010	47,812	57,778	82.8	9,965	6,519	152.9

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 on-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 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Additional information as of the latest actuarial valuation follows:

Valuation Date: October 1, 2010

Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	6.7% to 9.1% depending on service
Inflation and other general increases at cost-of-living adjustments	4.0%
	2% (one-half of assumed rate of inflation) for eligible members who retired on or after December 27, 1989

Employer Fiscal Year Ending September 30:	2011	2010	2009
A. Annual Required Contribution (ARC) *	\$ 2,344,363	1,979,482	1,920,426
B. Interest on Net Pension Obligation (NPO)	(87,958)	(91,527)	(90,729)
C. Adjustment to ARC	(132,797)	(136,129)	(136,451)
D. Annual pension cost (A + B – C)	2,389,202	2,024,084	1,966,148
E. Actual contributions	1,719,872	1,979,482	1,976,119
F. NPO at beginning of year	(1,099,481)	(1,144,083)	(1,134,112)
G. Increase (decrease) in NPO (D – E)	669,330	44,602	(9,971)
H. NPO at end of year (F + G)	(430,151)	(1,099,481)	(1,144,083)

* Includes expected state contribution

Although the actuarial study does not reflect actual city contributions of \$1,719,872, based on our estimated calculations the NPO at year end will be (\$430,151).

**CITY OF BRADENTON
STATEMENT OF NET ASSETS
POLICE PENSION FUND**

September 30, 2011

Assets

Interest receivable	\$ 143,647
Due from city	62,947
Due from brokers	729
Investments, at fair value	
U.S. Government obligations	11,097,963
Domestic corporate bonds	7,724,513
Convertible bonds	3,547,946
Domestic stock	9,902,381
Corporate stock	1,988,741
Mutual funds	4,173,774
International funds	6,227,101
Money market	1,137,060
Total investments	<u>45,799,479</u>
Total assets	46,006,802

Liabilities

Accounts payable	<u>40,588</u>
Total liabilities	<u>40,588</u>

Net Assets held in trust for pension benefits and other purposes	<u>\$ 45,966,214</u>
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CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

**CITY OF BRADENTON
STATEMENT OF CHANGES IN NET ASSETS
POLICE PENSION FUND**

For the Year Ended September 30, 2011

Additions

Contributions	
Employer	\$ 1,782,819
Plan members	370,032
Repayment of pension benefits	2,419
State of Florida (from city's general fund)	452,201
Total contributions	2,607,471
Investment earnings	
Interest	677,671
Dividends	493,709
Miscellaneous	1,780
Net increase (decrease) in fair value of investments	(260,004)
Total investment earnings	913,156
Less investment expenses	(283,650)
Net investment earnings	629,506
Total additions	3,236,977

Deductions

Benefits	1,966,400
Refunds of contributions	72,259
DROP plan payments	564,567
Administrative expenses	76,837
Total deductions	2,680,063
Change in net assets	556,914
Net assets – beginning	45,409,300
Net assets – ending	\$ 45,966,214

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, 2011, is as follows. Investments that represent five percent (5%) or more of the plan's net assets are RBC Global Asset Management \$2,022,307, U.S. Real Estate Investment Fund LLC \$2,310,786 and Intech Enhanced Plus Fund \$2,596,648.

Firefighters' Pension Plan	Fair Value
U.S. Government securities	\$ 3,567,595
Common stock	15,068,321
Corporate bonds	3,308,262
International funds	4,176,669
Total	\$ 26,120,847

Police Officers' Pension Plan	Fair Value
U.S. Government obligations	\$ 11,097,963
International funds	6,227,101
Common stock	11,891,122
Corporate bonds	7,724,513
Convertible bonds	3,547,946
Mutual funds	4,173,774
Money market	1,137,060
Total	\$ 45,799,479

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Other Employees' Pension Plans

FLORIDA RETIREMENT SYSTEM

Substantially all 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's 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 six years of creditable service. Normal retirement benefits are available to employees who have thirty years of service regardless of age, or who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a five percent (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. Effective July 1, 2011, employees are required to contribute 3% of their salary as a retirement contribution on a pre-tax basis. The city automatically deducts this contribution from the employees' wages and remits this along with its monthly contributions. Members participating in the DROP were not required to make a 3% contribution.

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 the 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, 4.91%; special risk employees, 14.10%; DROP employees, 4.42%; senior management, 6.27%; and elected officials, 11.14%. The city's contributions made during the years ended September 30, 2011, 2010, and 2009 were \$1,253,828, \$1,382,505, and \$1,398,152, respectively; equal to the actuarially determined contribution requirements for each year. This is the first year that the employees contributed into the pension plan and the contributions for year ending September 30, 2011 were \$72,534. The city has determined, in accordance with GASB Statement No. 27, that there was no pension liability before or at transition.

NOTE L – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

For the fiscal year ending September 30, 2009, the city implemented Governmental Accounting Standard Board Statement No. 45, Accounting and Reporting by Employers for Post-Employment Benefits Other than Pensions, for certain post-employment health care and life insurance benefits provided by the city. The requirement of this Statement was implemented prospectively, with the actuarially determined liability of \$45,958,950 at the October 1, 2010 date of transition being amortized over 30 years. Accordingly, for financial reporting purposes, no liability was reported for the post-employment health care and life insurance benefits liability at the date of transition.

Plan Description - Pursuant to the provision of Section 112.0801, Florida Statutes, retired police officers, firefighters and general employees, as well as their dependents, are permitted to remain covered under the city's medical plans as long as they pay the premium, not exceeding the rate developed by blending the claims experience of all plan members for the plan and coverage elected.

The city subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at the blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

Funding Policy – Currently, the city's OPEB benefits are unfunded. There is no separate trust fund or equivalent arrangement into which the city would make contributions to advance-fund the obligation as it does for its pension plans. Therefore, the ultimate subsidies which are provided over time are financed directly by general assets of the city, which are invested in short-term fixed income instruments according to its current investment policy. For the fiscal years 2011, 2010 and 2009 the city provided required contributions of \$872,485, \$1,168,213, and \$1,188,045 toward the annual

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

OPEB cost comprised of benefit payments made on behalf of retirees, exclusive of retiree contributions totaling \$253,243, \$287,744 and \$247,363.

The city made the following changes to the policy: (1) added the mandate that Medicare-eligible retirees must sign up for both Medicare Parts A and B, which increased the assumption that Medicare would cover 35% of eligible costs to 60% of all costs incurred by retirees age 65 and older including but not limited to medical claim costs, prescriptions claim costs, administrative fees, and reinsurance premiums; and (2) trend rates for premium increases applicable to contributions paid by retirees eligible for discounted coverage increased from no (0%) retiree health care cost increases throughout the projection period to an 8% increase for the year beginning October 1, 2010 and matching the rates of assumed cost increases thereafter.

Part of the city's periodic contribution to the Florida Retirement System (FRS) on behalf of its general employees is a contribution toward the Health Insurance Subsidy (HIS) managed by FRS. Currently, HIS provides eligible employees with a lifetime benefit equal to \$5 per month per year of service (up to a maximum of \$150 per month) after they retire to be used toward the payment of any insurance-related premiums.

The State of Florida is treating the HIS program as a Cost-Sharing Multiple-Employer defined benefit pension plan like FRS, rather than being classified as an Agent Multiple-Employer defined benefit OPEB plan. Accordingly, the state considers the HIS program to be reported pursuant to GASB Statement No. 27.

Annual OPEB Cost and Net OPEB Obligations – The following table shows the city's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the city's net OPEB obligation:

Description	Amount
Normal cost (service cost for one year)	\$ 2,235,124
Amortization of Unfunded Actuarial Accrued Liability	1,753,866
Interest on normal cost and amortization	--
Annual Required Contribution (ARC)	3,988,990
Net OPEB Obligation (NOO) at beginning of year	12,044,091
Annual Required Contribution (ARC)	3,988,990
Interest on NOO	523,918
Adjustment to (ARC)	(449,939)
Annual OPEB cost (expense)	4,062,969
Estimated employer contributions	(872,485)
Estimated increase (decrease) in NOO	3,190,484
Estimated NOO at end of year	\$ 15,234,575

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2011 was as follows:

Schedule of Employer Contributions

Fiscal Year Ending	Annual OPEB Cost	Estimated Amount Contributed	Percentage of Annual OPEB Cost Contributed	Estimated Net OPEB Obligation
9/30/2009	\$ 8,662,420	1,188,045	13.71%	\$ 7,474,375
9/30/2010	5,737,929	1,168,213	20.36%	12,044,091
9/30/2011	4,062,969	872,485	21.47%	15,234,575

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The funded status and funding progress as of September 30, 2011, was as follows:

Schedule of Funding Progress

Actuarial Valuation Date <u>October 1</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b – a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b – a) / c)
10/1/2008**	--	\$ 62,129,634	62,129,634	0.00%	\$ 21,085,856	294.65%
10/1/2010	--	45,958,950	45,958,950	0.00%	18,838,973	243.96%

**After OPEB Policy Change

The net pension obligation has been funded through the general fund for the governmental funds, Water and Sewer Fund, Sanitation Fund, Parking Fund and the Golf Course Fund.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions and the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made from the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information in the future.

Actuarial Methods and Assumptions. Projection of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2010 OPEB actuarial valuation, the individual entry age normal cost method with increasing normal cost pattern consistent with the salary increase assumptions used in the FRS pension plan was used. The unfunded actuarial accrued liability is amortized in a closed amortization, calculated as a level percent of payroll over a 28-year period. The assumed rate of payroll growth is 4.00%. GASB Statement No. 45 requires that any such payroll growth assumption be based upon no increase in the number of active employees covered by the plan. Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the investment return discount rate is the long-term expectation of investment return on assets held in city funds pursuant to its investment policy. The city has selected 4.35% compounded annually.

NOTE M – WATER AND SEWER UTILITY RATE COVENANTS

The city has agreed, in authorizing ordinances, that it will fix, establish and maintain such rates and collect such fees, rentals and other charges for the services and facilities of the water and sewer utility systems, and revise the same from time-to-time whenever necessary. The ordinances further establish that such rates, fees, rentals and charges 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, along with all reserve and other payments required to be made, and will further be sufficient to provide an amount equal to 115% 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, 2011 as indicated on the following page:

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

WATER AND SEWER UTILITY

Revenues of the system		\$ 19,023,763
Interest earnings of the system		373,536
Guaranteed state revenue		376,545
Local half-cent tax revenue		3,245,371
Utility tax revenue		<u>3,926,752</u>
Gross revenues of the system		26,945,967
Operations and maintenance of the system (excluding depreciation and amortization)		(12,772,791)
Bond service requirement:		
2005 Utility Systems Refunding Revenue Bonds	\$ 2,575,394	
	<u> x 115%</u>	
	<u>\$ 2,961,703</u>	<u>(2,961,703)</u>
Excess rate coverage		<u><u>\$ 11,211,473</u></u>

NOTE N – DEFERRED COMPENSATION PLAN

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

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

NOTE O – RISK MANAGEMENT AND SELF-INSURANCE PROGRAMS

Risk Management: The city 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 city 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 contributes \$7,920 for each budgeted staff position. Dependent and retiree coverage is optional and the cost is paid by employee contributions. Risks in excess of fixed individual limits of \$200,000 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 \$350,000 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 interfund services. Accordingly, the related charges are reflected as expenditures, 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 for their workers' compensation insurance, and to city employees' dependents (medical insurance).

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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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, 2009 to September 30, 2011:

	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program
Liability balance, September 30, 2009	\$ 166,826	629,151
Claims and changes in estimates	4,864,856	973,285
Claims payments	<u>(4,481,682)</u>	<u>(750,015)</u>
Liability balance, September 30, 2010	550,000	852,421
Claims and changes in estimates	4,361,923	1,276,998
Claims payments	<u>(4,345,923)</u>	<u>(1,148,410)</u>
Liability balance, September 30, 2011	<u>\$ 566,000</u>	<u>981,009</u>
Assets available to pay claims at September 30, 2011	<u>\$ 2,476,198</u>	<u>9,021,942</u>

NOTE P – CONTINGENT LIABILITIES

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

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

NOTE Q – PRIOR-PERIOD ADJUSTMENT / CHANGE IN REPORTING ENTITY

Prior-Period Adjustment - Central Community Redevelopment Agency (CCRA) and City of Bradenton

The Central Community Redevelopment Agency (CCRA), a component unit of the City of Bradenton, has restated its previously issued September 30, 2010 financial statements to correct an error related to debt issued to the CCRA by the City of Bradenton. The City of Bradenton loaned the CCRA \$250,000 for operating purposes during the year ended September 30, 2010. Per the agreement, the loan was due and payable during the current fiscal year ended September 30, 2011. The note was not properly recorded in the CCRA's September 30, 2010 fund-level financial statements as a current liability. The note was not properly recorded in the city's September 30, 2010 fund-level financial statements as a current receivable.

Change in Reporting Entity – City of Bradenton

In accordance with GASB Statement No. 54, the city has reclassified the Utility Tax Fund, the Local Half-Cent Sales Tax Fund, the Public Service Tax Fund and the Municipal Waterfront Park Fund into the general fund operations.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The changes mentioned previously are reflected in the following schedule:

Net Assets, CCRA Component Unit, September 30, 2010, as previously reported	\$ 234,637	
Adjustment for proper recognition of intergovernmental payable	(250,000)	
Net Assets, CCRA Component Unit, September 30, 2010, as restated	<u>\$ (15,363)</u>	
Net Assets, All Component Units, September 30, 2010, as previously reported	\$ 5,774,903	
Adjustment for proper recognition of intergovernmental payable	(250,000)	
Net Assets, All Component Units, September 30, 2010, as restated	<u>\$ 5,524,903</u>	
Governmental Activities Net Assets, City of Bradenton, September 30, 2010, as previously reported	\$ 80,579,717	
Adjustment for proper recognition of intergovernmental payable	250,000	
Governmental Activities Net Assets, City of Bradenton, September 30, 2010, as restated	<u>\$ 80,829,717</u>	
Fund Balance, General Fund, September 30, 2010, as previously reported	\$ 18,526,608	
GASB Statement No. 54 fund reclassification:		
Utility Tax Fund	6,064,190	
Local Government Half-Cent Sales Tax Fund	3,043,792	
Public Service Tax Fund	1,417,139	
Municipal Waterfront Park Fund	648,273	
Adjustment for proper recognition of intergovernmental payable	250,000	
Fund Balance, General Fund, September 30, 2010, as restated	<u>\$ 29,950,002</u>	
Fund Balance, Nonmajor Funds, September 30, 2010, as previously reported	\$ 5,592,660	
GASB Statement No. 54 fund reclassification:		
Public Service Tax Fund	(1,417,139)	
Municipal Waterfront Park Fund	(648,273)	
Fund Balance, Nonmajor Funds, September 30, 2010, as restated	<u>\$ 3,527,248</u>	

NOTE R – SUBSEQUENT EVENT

In March, 2012 (subsequent to year-end) the city called in the Subordinate Lien Refunding Bond Series 1995. The amount called from governmental activities was \$1,203,025 and from business-type activities was \$371,975.

Required Supplementary Information

In accordance with the Governmental Accounting Standards Board Statement Number 34, the following budgetary comparisons for the General Fund, and the Franchise Fees Special Revenue Fund are required supplementary information.

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, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 22,473,406	23,018,606	23,018,041	(565)
License and permits	576,500	658,500	659,196	696
Intergovernmental grants	481,826	391,826	395,002	3,176
Intergovernmental revenues	1,817,760	1,794,260	1,787,238	(7,022)
Shared revenues	1,421,087	1,546,087	1,548,422	2,335
Charges for services	1,348,534	1,340,534	1,326,562	(13,972)
Fines and forfeitures	231,500	199,500	186,348	(13,152)
Interest and investment earnings	884,780	690,380	702,623	12,243
Payment in lieu of taxes	32,135	32,135	32,739	604
Rents	365,750	408,750	512,039	103,289
Special assessment-property owners	3,000	3,000	10,807	7,807
Miscellaneous	129,700	486,236	498,376	12,140
Total revenues	<u>29,765,978</u>	<u>30,569,814</u>	<u>30,677,393</u>	<u>107,579</u>
Expenditures				
General government services	7,553,344	7,449,941	7,275,391	174,550
Public safety	19,499,653	20,598,764	20,586,889	11,875
Transportation	2,444,632	2,317,486	2,239,094	78,392
Culture - recreation	1,708,225	1,666,998	1,624,229	42,769
Total expenditures	<u>31,205,854</u>	<u>32,033,189</u>	<u>31,725,603</u>	<u>307,586</u>
Excess (deficiency) of revenues over (under) expenditures	(1,439,876)	(1,463,375)	(1,048,210)	415,165
Other financing sources (uses)				
Transfers from other funds	3,005,000	3,115,274	3,115,274	--
Transfers to other funds	(1,725,510)	(1,989,510)	(1,989,510)	--
Proceeds from loan	66,671	66,671	66,671	--
Sale of capital assets	15,000	15,000	13,760	(1,240)
Total other financing sources (uses)	<u>1,361,161</u>	<u>1,207,435</u>	<u>1,206,195</u>	<u>(1,240)</u>
Net change in fund balances	--	(255,940)	157,985	413,925
Fund balance - October 1, 2010	18,526,608	18,526,608	18,526,608	--
Plus: Utility tax fund	6,064,190	6,064,190	6,064,190	--
Half cent sales tax fund	3,043,792	3,043,792	3,043,792	--
Communication tax fund	1,417,139	1,417,139	1,417,139	--
Waterfront park fund	648,273	648,273	648,273	--
Prior period adjustment	--	--	250,000	--
Fund balance - October 1, 2010, restated	<u>29,700,002</u>	<u>29,700,002</u>	<u>29,950,002</u>	<u>--</u>
Fund balance - September 30, 2011	<u>\$ 29,700,002</u>	<u>29,444,062</u>	<u>30,107,987</u>	<u>413,925</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
FRANCHISE FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Franchise fees	\$ 2,783,075	3,096,975	3,098,917	1,942
Interest and investment earnings	272,960	229,560	229,544	(16)
Total revenues	<u>3,056,035</u>	<u>3,326,535</u>	<u>3,328,461</u>	<u>1,926</u>
Other financing sources (uses)				
Transfers to:				
General fund	(2,736,274)	(2,715,274)	(2,715,274)	--
Sanitation fund	(21,000)	(21,000)	(21,325)	(325)
Debt service fund	(298,761)	(298,761)	(298,761)	--
Total other financing sources (uses)	<u>(3,056,035)</u>	<u>(3,035,035)</u>	<u>(3,035,360)</u>	<u>(325)</u>
Net change in fund balance	--	291,500	293,101	1,601
Fund balance - October 1, 2010	<u>9,367,324</u>	<u>9,367,324</u>	<u>9,367,324</u>	--
Fund balance - September 30, 2011	<u><u>\$ 9,367,324</u></u>	<u><u>9,658,824</u></u>	<u><u>9,660,425</u></u>	<u><u>1,601</u></u>



Converted LED streetlights illuminate sidewalks along Old Main Street

Streetlights are among the largest consumers of power in any city's electrical portfolio. In 2010 and 2011, Bradenton's Electrical Department staff began retrofitting old high-pressure sodium lights along Old Main Street with an LED conversion. The new fixtures consume just 55 watts each, compared to 264 watts utilized by their predecessors, and are capable of delivering even more light. How's that for a bright idea?!

Required Supplementary Information

In accordance with the Governmental Accounting Standards Board Statements Numbered 25, 27 and 50, the following historical trend information of the city's Police Pension Trust Fund is required supplementary information.

In accordance with the Governmental Accounting Standards Board Statement Number 45, the following historical trend information of the city's Post-Employment Benefits Other than Pensions is required supplementary information.

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

Actuarial Valuation Date	(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)
<u>October 1</u>						
2005	35.33	38.32	92.2	2.99	5.91	50.7
2006	38.76	42.15	92.0	3.39	6.04	56.0
2007	42.57	47.70	89.3	5.13	6.73	76.2
2008	45.21	52.79	85.6	7.58	6.62	114.6
2009	46.69	57.32	81.5	10.6	6.66	159.6
2010	47.81	57.78	82.8	9.97	6.52	152.9

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 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.

Schedule of Employer Contributions

Year Ended <u>September 30:</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2004	\$ 1,327,257	107.2%
2005	1,396,527	100.0%
2006	1,681,366	100.0%
2007	1,613,002	100.4%
2008	1,650,279	110.1%
2009	1,920,426	102.9%
2010	1,979,482	100.0%

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

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

Valuation Date	10/1/10
Contribution Rates	
Employer (and State)	32.49%
Plan members	6.00%
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	6.7% to 9.1% (depending on service)
Includes inflation at	4.0%
Cost-of-living adjustments	2.00% (one-half of assumed rate of inflation) for eligible members who retired on or after December 27, 1989

CITY OF BRADENTON, FLORIDA
 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION
 REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

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>
10/1/2008**	\$ 0	62,129,634	0.00%	\$ 62,129,634	21,085,856	294.65%
10/1/2010	0	45,958,950	0.00%	45,958,950	18,838,973	243.96%

**After OPEB Policy Change

Schedule of Employer Contributions

Fiscal Year <u>Ending</u>	Annual <u>OPEB Cost</u>	Estimated Amount <u>Contributed</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Estimated Net <u>OPEB Obligation</u>
9/30/2009	\$ 8,662,420	1,188,045	13.71%	\$ 7,474,375
9/30/2010	5,737,929	1,168,213	20.36%	12,044,091
9/30/2011	4,062,969	872,485	21.47%	15,234,575

CITY OF BRADENTON, FLORIDA
POST-EMPLOYMENT BENEFITS OTHER THAN PENSION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

Valuation Date	10/1/2010
Contribution Rates	
Employer	4.6%
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	28 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return	4.35%
Projected salary increases	3.00% to 9.10% (depending on service)
Payroll growth assumptions	4.0%
Initial per capita cost trend rate	9.0%
Ultimate per capita cost trend rate	5.0%
Includes inflation at	3.0%



Bradenton's Judicial Center Parking Garage is in store for an energy-efficient lighting makeover in 2012.

Parking structures like Bradenton's Judicial Center Garage put in some long hours; many of the facility's 160+ light fixtures remain lit 24 hours a day, 7 days a week. This can lead to some hefty electric bills ... bills that can be cut down to size with a switch to a more energy-efficient alternative. In 2012 the Energy Efficiency Block Grant funds will allow the city to exchange the garage's fixtures for LED lights that use much less energy, emit higher-quality light, exhibit longer lifespans and produce a return on investment in under 5 years.

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 is 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 presented to 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.



Buildings like Bradenton's City Centre present excellent opportunities for reducing energy demand.

*When it comes to energy efficiency, a little improvement goes a long way.
If the energy efficiency of U.S. buildings improved by just 10%,
Americans would save about \$200 billion dollars annually
while reducing greenhouse gases by a factor equivalent to the emissions of 30 million vehicles.*

CITY OF BRADENTON, FLORIDA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Taxes				
General property taxes	\$ 12,650,119	12,853,119	12,853,772	653
Communication service tax	2,586,420	2,472,620	2,472,542	(78)
Half-cent sales tax	3,176,332	3,245,332	3,245,371	39
Utility tax	3,578,535	3,926,535	3,926,752	217
Local business tax	232,000	232,000	230,367	(1,633)
Other taxes	250,000	289,000	289,237	237
Total taxes	22,473,406	23,018,606	23,018,041	(565)
Licenses and permits				
Building permits	405,000	452,000	452,718	718
Electrical permits	127,000	160,000	160,170	170
Plumbing permits	27,500	39,500	40,295	795
Other licenses and permits	14,000	4,000	3,533	(467)
Penalties	3,000	3,000	2,480	(520)
Total licenses and permits	576,500	658,500	659,196	696
Intergovernmental grants	481,826	391,826	395,002	3,176
Intergovernmental revenues				
State revenue sharing	1,614,226	1,564,226	1,560,696	(3,530)
State mobile home licenses	34,950	34,950	33,259	(1,691)
State alcohol beverage licenses	21,500	21,500	25,341	3,841
Other grants	147,084	173,584	167,942	(5,642)
Total intergovernmental revenues	1,817,760	1,794,260	1,787,238	(7,022)
Shared revenues				
Ninth cent gas tax	239,950	264,950	265,138	188
Five-cent gas tax	499,884	522,884	523,860	976
Four-cent gas tax	468,863	521,863	522,465	602
Two-cent gas tax	212,390	236,390	236,959	569
Total shared revenues	1,421,087	1,546,087	1,548,422	2,335
Charges for services				
General government fees	1,153,202	1,151,202	1,140,374	(10,828)
Marina rental revenue	84,332	84,332	80,809	(3,523)
Culture and recreation	111,000	105,000	105,379	379
Total charges for services	1,348,534	1,340,534	1,326,562	(13,972)
Fines and forfeitures	231,500	199,500	186,348	(13,152)
Interest and investment earnings	884,780	690,380	702,623	12,243
Payment in lieu of taxes	32,135	32,135	32,739	604
Rents	365,750	408,750	512,039	103,289
Special assessments-property owners	3,000	3,000	10,807	7,807
Miscellaneous	129,700	486,236	498,376	12,140
Total revenues	<u>\$ 29,765,978</u>	<u>30,569,814</u>	<u>30,677,393</u>	<u>107,579</u>

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General Government				
Legislative:				
Personnel services	\$ 429,055	430,455	428,411	2,044
Operating expenditures	42,044	42,044	28,197	13,847
Total Legislative	471,099	472,499	456,608	15,891
Executive - City Clerk:				
Personnel services	342,538	346,604	342,530	4,074
Operating expenditures	2,416,265	2,458,100	2,443,832	14,268
Total Executive - City Clerk	2,758,803	2,804,704	2,786,362	18,342
Financial:				
Personnel services	302,068	303,574	298,495	5,079
Operating expenditures	19,968	19,968	6,720	13,248
Total Financial	322,036	323,542	305,215	18,327
Human Resources:				
Personnel services	284,183	287,089	287,145	(56)
Operating expenditures	92,589	97,589	76,916	20,673
Total Human Resources	376,772	384,678	364,061	20,617
Administration:				
Personnel services	85,235	73,677	70,089	3,588
Operating expenditures	8,289	8,289	3,577	4,712
Total Administration	93,524	81,966	73,666	8,300
Legal counsel:				
Operating expenditures	101,500	117,825	118,685	(860)
Purchasing:				
Personnel services	190,978	192,306	190,760	1,546
Operating expenditures	17,320	17,320	13,967	3,353
Total Purchasing	208,298	209,626	204,727	4,899
Fleet Division:				
Personnel services	680,749	648,733	647,899	834
Operating expenditures	80,340	80,340	59,279	21,061
Capital outlay	3,800	3,800	3,659	141
Total Fleet Division	764,889	732,873	710,837	22,036

(Continued)

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL *(Continued)*
GENERAL FUND
For the Fiscal Year Ended September 30, 2011

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Facilities Maintenance:				
Personnel services	\$ 39,556	38,794	37,998	796
Operating expenditures	<u>212,964</u>	<u>211,912</u>	<u>198,730</u>	<u>13,182</u>
Total Facilities Maintenance	252,520	250,706	236,728	13,978
Information Technology:				
Personnel services	430,941	397,684	397,153	531
Operating expenditures	721,335	646,835	641,861	4,974
Capital outlay	<u>--</u>	<u>9,600</u>	<u>9,594</u>	<u>6</u>
Total Information Technology	1,152,276	1,054,119	1,048,608	5,511
Electrical Division:				
Personnel services	428,992	424,606	422,498	2,108
Operating expenditures	<u>43,350</u>	<u>56,204</u>	<u>41,223</u>	<u>14,981</u>
Total Electrical Division	472,342	480,810	463,721	17,089
Code Enforcement:				
Personnel services	208,370	209,584	201,785	7,799
Operating expenditures	<u>25,880</u>	<u>25,880</u>	<u>13,913</u>	<u>11,967</u>
Total Code Enforcement	234,250	235,464	215,698	19,766
Grants & Assistance:				
Personnel services	151,015	122,609	122,327	282
Operating expenditures	<u>106,932</u>	<u>90,932</u>	<u>85,904</u>	<u>5,028</u>
Total Grants & Assistance	257,947	213,541	208,231	5,310
Risk Management:				
Personnel services	72,603	73,103	72,475	628
Operating expenditures	<u>14,485</u>	<u>14,485</u>	<u>9,769</u>	<u>4,716</u>
Total Risk Management	<u>87,088</u>	<u>87,588</u>	<u>82,244</u>	<u>5,344</u>
Total General Government	<u>7,553,344</u>	<u>7,449,941</u>	<u>7,275,391</u>	<u>174,550</u>

(Continued)

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL *(Continued)*
GENERAL FUND
For the Fiscal Year Ended September 30, 2011

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Public Safety				
Law Enforcement:				
Personnel services	\$ 10,696,649	11,202,000	11,201,121	879
Operating expenditures	779,774	1,224,531	1,236,147	(11,616)
Capital outlay	56,913	--	--	--
Total Law Enforcement	11,533,336	12,426,531	12,437,268	(10,737)
Dispatching:				
Personnel services	663,638	701,054	700,351	703
Operating expenditures	12,068	13,468	13,402	66
Total Dispatching	675,706	714,522	713,753	769
Fire Control:				
Personnel services	6,872,943	7,030,243	7,029,704	539
Operating expenditures	368,148	364,948	343,575	21,373
Capital outlay	49,520	62,520	62,589	(69)
Total Fire Control	7,290,611	7,457,711	7,435,868	21,843
Total Public Safety	19,499,653	20,598,764	20,586,889	11,875
Transportation				
Street Division:				
Personnel services	678,459	593,729	578,576	15,153
Operating expenditures	884,725	843,925	829,361	14,564
Capital outlay	12,200	12,200	7,043	5,157
Total Street Division	1,575,384	1,449,854	1,414,980	34,874
Planning & Community Development:				
Personnel services	351,364	385,565	382,974	2,591
Operating expenditures	157,598	161,214	134,546	26,668
Capital outlay	30,233	--	--	--
Total Planning & Community Development	539,195	546,779	517,520	29,259
Building:				
Personnel services	302,951	293,751	287,018	6,733
Operating expenditures	27,102	27,102	19,576	7,526
Total Building	330,053	320,853	306,594	14,259
Total Transportation	2,444,632	2,317,486	2,239,094	78,392

(Continued)

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Culture - Recreation				
Landscape and Grounds Division:				
Personnel services	\$ 1,226,168	1,163,691	1,157,246	6,445
Operating expenditures	254,694	283,444	277,061	6,383
Capital outlay	12,000	17,000	3,128	13,872
	<u>1,492,862</u>	<u>1,464,135</u>	<u>1,437,435</u>	<u>26,700</u>
Total Landscape and Grounds Division				
Special Recreation Facilities:				
Personnel services	194,863	182,363	175,904	6,459
Operating expenditures	20,500	20,500	10,890	9,610
	<u>215,363</u>	<u>202,863</u>	<u>186,794</u>	<u>16,069</u>
Total Special Recreation Facilities				
	<u>1,708,225</u>	<u>1,666,998</u>	<u>1,624,229</u>	<u>42,769</u>
Total Culture - Recreation				
	<u>\$ 31,205,854</u>	<u>32,033,189</u>	<u>31,725,603</u>	<u>307,586</u>
Total expenditures				

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds 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.

Road Impact Fee Fund – To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. Funds are restricted for road capital improvement projects.

Parks & Recreation Impact Fee – West Fund – To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. These funds are restricted for park capital improvements on the city’s west side.

Parks & Recreation Impact Fee – East Fund – To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. These funds are restricted for park capital improvements on the city’s east side.

Public Safety Police Protection Fund – To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. These funds are restricted for the use of police capital improvements.

Public Safety Fire Protection Fund – To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. These funds are restricted for the use of fire capital improvements.

Neighborhood Stabilization Program Fund – To account for the receipt, custody and expenditure of Neighborhood Stabilization Program grant funds. These funds are restricted for exclusive use in the Neighborhood Stabilization Program.

Community Development Program Fund – To account for the receipt, custody and expenditure of Community Development Program grant funds. These funds are restricted for exclusive use in the Community Development Block Grant program.

Shelter Plus Care Grant Fund – To account for the receipt, custody, and expenditure of Shelter Plus Care grant funds. These funds are restricted for exclusive use in the Shelter Plus Care program.

Energy Efficiency Conservation Fund – To account for the receipt, custody, and expenditures of the Energy Efficiency Conservation block grant.

State Housing Initiatives Partnership Program (S.H.I.P.P.) Fund – To account for the receipt, custody and expenditure of State Housing Initiatives Partnership Program 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 Fund – 3.7% to 5.25% interest rates, payable in installments from \$145,000 to \$270,000, maturing in 2015. These funds are restricted for the repayment of the debts principal and interest.

Franchise Fees Promissory Note 2000 Fund - Variable interest rate currently at .17518%, due in quarterly installments of principal and interest, maturing in 2020. These funds are restricted for the repayment of the debt's principal and interest.

Florida Municipal Loan 2001A Fund– 3.25% to 5.25% interest rates, payable in installments from \$100,000 to \$235,000, maturing in 2021. These funds are restricted for the repayment of the debt's principal and interest.

Special Obligation Series 2007 Fund - Variable interest rate currently at 3.50%, due in annual installments of principal and interest, maturing in 2037. These funds are restricted for the repayment of the debt's principal and interest.

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. These funds are committed for capital improvement projects within the city.

Pirate City Capital Reserve Fund – A reserve fund designated for future capital repairs and maintenance for the Pittsburgh Pirates' spring training complex.

CITY OF BRADENTON, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2011

	Special Revenue Funds				
	Road Impact Fee	Parks & Recreation Impact Fee - West	Parks & Recreation Impact Fee - East	Public Safety Police Protection	Public Safety Fire Protection
Assets					
Cash and cash equivalents	\$ 303,603	601,939	210,015	301,106	1,918
Investments	--	--	--	--	--
Due from other governments	--	--	--	--	--
Total assets	\$ 303,603	601,939	210,015	301,106	1,918
Liabilities					
Accounts payable	\$ --	--	26,208	--	--
Advances from other funds	--	--	--	--	104,602
Due to other funds	--	--	--	--	--
Accrued salaries, wages and benefits	--	--	--	--	--
Total liabilities	--	--	26,208	--	104,602
Fund Balances					
Restricted	303,603	601,939	183,807	301,106	--
Committed	--	--	--	--	--
Unassigned	--	--	--	--	(102,684)
Total fund balances	303,603	601,939	183,807	301,106	(102,684)
Total liabilities and fund balances	\$ 303,603	601,939	210,015	301,106	1,918

Special Revenue Funds

Neighborhood Stabilization Program	Community Development Program	Shelter Plus Care Grant	Energy Efficiency Conservation Fund	State Housing Initiatives Partnership Program	Total
--	105,441	--	--	138,444	1,662,466
--	--	--	--	--	--
244,368	987	23,306	29,418	29	298,108
<u>244,368</u>	<u>106,428</u>	<u>23,306</u>	<u>29,418</u>	<u>138,473</u>	<u>1,960,574</u>
92,598	17	23,306	--	3,559	145,688
--	--	--	--	--	104,602
150,958	984	--	27,080	--	179,022
9,896	5,099	--	2,338	--	17,333
253,452	6,100	23,306	29,418	3,559	446,645
--	100,328	--	--	134,914	1,625,697
--	--	--	--	--	--
(9,084)	--	--	--	--	(111,768)
<u>(9,084)</u>	<u>100,328</u>	<u>--</u>	<u>--</u>	<u>134,914</u>	<u>1,513,929</u>
<u>244,368</u>	<u>106,428</u>	<u>23,306</u>	<u>29,418</u>	<u>138,473</u>	<u>1,960,574</u>

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

	Debt Service Funds				Total
	1995 Subordinate Lien Special Revenue Refunding Bonds	Franchise Fees Promissory Note 2000	Florida Municipal Loan 2001A	Special Obligation Series 2007	
Assets					
Cash and cash equivalents	\$ 1,007,262	64,289	548	1,751	1,073,850
Investments	513,102	--	--	--	513,102
Due from other governments	--	--	--	--	--
Total assets	\$ 1,520,364	64,289	548	1,751	1,586,952
Liabilities					
Accounts payable	\$ --	--	--	--	--
Advances from other funds	--	--	--	--	--
Due to other funds	--	--	--	--	--
Accrued salaries, wages and benefits	--	--	--	--	--
Total liabilities	--	--	--	--	--
Fund Balances					
Restricted	1,520,364	64,289	548	1,751	1,586,952
Committed	--	--	--	--	--
Unassigned	--	--	--	--	--
Total fund balances	1,520,364	64,289	548	1,751	1,586,952
Total liabilities and fund balances	\$ 1,520,364	64,289	548	1,751	1,586,952

Capital Projects Funds

<u>General Projects</u>	<u>Pirate City Capital Reserve</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
579,706	58,693	638,399	3,374,715
--	--	--	513,102
--	--	--	298,108
<u>579,706</u>	<u>58,693</u>	<u>638,399</u>	<u>4,185,925</u>
3,239	--	3,239	148,927
--	--	--	104,602
--	--	--	179,022
--	--	--	17,333
3,239	--	3,239	449,884
--	--	--	3,212,649
576,467	58,693	635,160	635,160
--	--	--	(111,768)
<u>576,467</u>	<u>58,693</u>	<u>635,160</u>	<u>3,736,041</u>
<u>579,706</u>	<u>58,693</u>	<u>638,399</u>	<u>4,185,925</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2011

	Special Revenue Funds				
	Road Impact Fee	Parks & Recreational Impact Fee - West	Parks & Recreational Impact Fee - East	Public Safety Police Protection	Public Safety Fire Protection
Revenues					
Intergovernmental grants	\$ --	--	--	--	--
Interest and investment earnings	7,594	14,756	5,565	9,183	49
Miscellaneous	--	--	--	--	--
Special assessments - property owners	--	--	--	--	--
Total revenues	7,594	14,756	5,565	9,183	49
Expenditures					
Current					
Operating expenditures	--	--	--	--	--
Economic environment	--	--	--	--	--
Debt service					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Fees and expenditures	--	--	--	--	--
Capital outlay	--	--	55,233	231,800	--
Total expenditures	--	--	55,233	231,800	--
Excess (deficiency) of revenues over (under) expenditures	7,594	14,756	(49,668)	(222,617)	49
Other Financing Sources (Uses)					
Transfers from other funds	--	--	--	--	--
Total other financing sources (uses)	--	--	--	--	--
Net change in fund balances	7,594	14,756	(49,668)	(222,617)	49
Fund balances - beginning	296,009	587,183	233,475	523,723	(102,733)
Fund balances - ending	<u>\$ 303,603</u>	<u>601,939</u>	<u>183,807</u>	<u>301,106</u>	<u>(102,684)</u>

Special Revenue Funds

Neighborhood Stabilization Program	Community Development Program	Shelter Plus Care Grant	Energy Efficiency Conservation Fund	State Housing Initiatives Partnership Program	Total
459,481	745,035	151,905	29,418	71,358	1,457,197
--	478	--	--	--	37,625
--	--	--	--	--	--
--	9,556	--	--	37,300	46,856
459,481	755,069	151,905	29,418	108,658	1,541,678
--	--	--	--	--	--
460,726	729,978	151,905	29,418	104,315	1,476,342
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	17,440	--	--	--	304,473
460,726	747,418	151,905	29,418	104,315	1,780,815
(1,245)	7,651	--	--	4,343	(239,137)
--	--	--	--	--	--
--	--	--	--	--	--
(1,245)	7,651	--	--	4,343	(239,137)
(7,839)	92,677	--	--	130,571	1,753,066
(9,084)	100,328	--	--	134,914	1,513,929

(continued)

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES (Continued)
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2011

	Debt Service Funds				
	1995 Subordinate Lien Special Revenue Refunding Bonds	Franchise Fees Promissory Note 2000	Florida Municipal Loan 2001A	Special Obligation Series 2007	Total
Revenues					
Intergovernmental grants	\$ --	--	--	500,004	500,004
Interest and investment earnings	37,087	4,349	--	--	41,436
Miscellaneous	--	--	--	--	--
Special assessments - property owners	--	--	--	--	--
Total revenues	37,087	4,349	--	500,004	541,440
Expenditures					
Current					
Operating expenditures	--	--	--	--	--
Economic environment	--	--	--	--	--
Debt Service					
Principal	205,200	303,889	135,000	370,000	1,014,089
Interest	65,237	192,302	107,150	739,861	1,104,550
Fees and expenditures	646	--	2,656	375	3,677
Capital outlay	--	--	--	--	--
Total expenditures	271,083	496,191	244,806	1,110,236	2,122,316
Excess (deficiency) of revenues over (under) expenditures	(233,996)	(491,842)	(244,806)	(610,232)	(1,580,876)
Other Financing Sources (Uses)					
Transfers from other funds	239,378	298,761	245,150	610,357	1,393,646
Total other financing sources (uses)	239,378	298,761	245,150	610,357	1,393,646
Net change in fund balances	5,382	(193,081)	344	125	(187,230)
Fund balances - beginning	1,514,982	257,370	204	1,626	1,774,182
Fund balances - ending	<u>\$ 1,520,364</u>	<u>64,289</u>	<u>548</u>	<u>1,751</u>	<u>1,586,952</u>

Capital Projects Funds

<u>General Projects</u>	<u>Pirate City Capital Reserve</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
307,615	--	307,615	2,264,816
6,931	2,032	8,963	88,024
66,650	--	66,650	66,650
--	--	--	46,856
381,196	2,032	383,228	2,466,346
300,644	6,110	306,754	306,754
--	--	--	1,476,342
--	--	--	1,014,089
--	--	--	1,104,550
--	--	--	3,677
4,085	67,854	71,939	376,412
304,729	73,964	378,693	4,281,824
76,467	(71,932)	4,535	(1,815,478)
500,000	130,625	630,625	2,024,271
500,000	130,625	630,625	2,024,271
576,467	58,693	635,160	208,793
--	--	--	3,527,248
576,467	58,693	635,160	3,736,041

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
ROAD IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Interest and investment earnings	\$ 8,339	8,339	7,594	(745)
Total revenues	8,339	8,339	7,594	(745)
Net change in fund balance	8,339	8,339	7,594	(745)
Fund balance - October 1, 2010	<u>296,009</u>	<u>296,009</u>	<u>296,009</u>	<u>--</u>
Fund balance - September 30, 2011	<u><u>\$ 304,348</u></u>	<u><u>304,348</u></u>	<u><u>303,603</u></u>	<u><u>(745)</u></u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PARKS & RECREATIONAL IMPACT FEES - WEST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Interest and investment earnings	\$ 17,287	17,287	14,756	(2,531)
Total revenues	17,287	17,287	14,756	(2,531)
Expenses				
Capital outlay	40,000	--	--	--
Total expenditures	40,000	--	--	--
Excess (deficiency) of revenues over (under) expenditures	(22,713)	17,287	14,756	(2,531)
Fund balance - October 1, 2010	587,183	587,183	587,183	--
Fund balance - September 30, 2011	<u>\$ 564,470</u>	<u>604,470</u>	<u>601,939</u>	<u>(2,531)</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PARKS & RECREATIONAL IMPACT FEES - EAST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Interest and investment earnings	\$ 7,335	7,335	5,565	(1,770)
Total revenues	7,335	7,335	5,565	(1,770)
Expenditures				
Economic environment:				
Capital outlay	--	55,025	55,233	(208)
Total expenditures	--	55,025	55,233	(208)
Excess (deficiency) of revenues over (under) expenditures	7,335	(47,690)	(49,668)	(1,978)
Fund balance - October 1, 2010	233,475	233,475	233,475	--
Fund balance - September 30, 2011	<u>\$ 240,810</u>	<u>185,785</u>	<u>183,807</u>	<u>(1,978)</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PUBLIC SAFETY POLICE PROTECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and investment earnings	\$ 18,674	9,274	9,183	(91)
Total revenues	18,674	9,274	9,183	(91)
Expenditures				
Capital outlay	250,000	231,800	231,800	--
Total expenditures	250,000	231,800	231,800	--
Deficiency of revenues (under) expenditures	(231,326)	(222,526)	(222,617)	(91)
Fund balance - October 1, 2010	523,723	523,723	523,723	--
Fund balance - September 30, 2011	<u>\$ 292,397</u>	<u>301,197</u>	<u>301,106</u>	<u>(91)</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PUBLIC SAFETY FIRE PROTECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Interest and investment earnings	\$ 155	155	49	(106)
Total revenues	155	155	49	(106)
Net change in fund balance	155	155	49	(106)
Fund balance - October 1, 2010	<u>(102,733)</u>	<u>(102,733)</u>	<u>(102,733)</u>	<u>--</u>
Fund balance - September 30, 2011	<u><u>\$ (102,578)</u></u>	<u><u>(102,578)</u></u>	<u><u>(102,684)</u></u>	<u><u>(106)</u></u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
NEIGHBORHOOD STABILIZATION PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental grants	\$ 1,007,842	459,116	459,481	365
Total revenues	1,007,842	459,116	459,481	365
Expenditures				
Economic environment:				
Personnel services	105,727	105,727	105,853	(126)
Operating expenditures	2,500	2,500	2,517	(17)
Public assistance	901,081	353,081	352,356	725
Total expenditures	1,009,308	461,308	460,726	582
Excess (deficiency) of revenues over (under) expenditures	(1,466)	(2,192)	(1,245)	947
Fund balance - October 1, 2010	(7,839)	(7,839)	(7,839)	--
Fund balance - September 30, 2011	<u><u>\$ (9,305)</u></u>	<u><u>(10,031)</u></u>	<u><u>(9,084)</u></u>	<u><u>947</u></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, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental grants	\$ 481,451	794,630	745,035	(49,595)
Interest and investment earnings	--	500	478	(22)
Special assessments-property owners	--	9,556	9,556	--
Miscellaneous	100	100	--	(100)
	<u>481,551</u>	<u>804,786</u>	<u>755,069</u>	<u>(49,717)</u>
Expenditures				
Economic environment				
Personnel services	187,973	193,373	192,460	913
Operating expenditures	23,350	23,350	15,341	8,009
Capital outlay	20,000	20,000	17,440	2,560
Public assistance	237,161	522,177	522,177	--
	<u>468,484</u>	<u>758,900</u>	<u>747,418</u>	<u>11,482</u>
Excess (deficiency) of revenues over (under) expenditures	13,067	45,886	7,651	(38,235)
Fund balance - October 1, 2010	<u>92,677</u>	<u>92,677</u>	<u>92,677</u>	<u>--</u>
Fund balance - September 30, 2011	<u>\$ 105,744</u>	<u>138,563</u>	<u>100,328</u>	<u>(38,235)</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
SHELTER PLUS CARE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental grants	\$ 195,820	170,820	151,905	(18,915)
Total revenues	195,820	170,820	151,905	(18,915)
Expenditures				
Economic environment				
Personnel services	23,016	23,016	4,530	18,486
Public assistance	172,804	147,804	147,375	429
Total expenditures	195,820	170,820	151,905	18,915
Net change in fund balance	--	--	--	--
Fund balance - October 1, 2010	--	--	--	--
Fund balance - September 30, 2011	\$ --	--	--	--

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
ENERGY EFFICIENCY CONSERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental grants	\$ --	34,326	29,418	(4,908)
Total revenues	--	34,326	29,418	(4,908)
Expenditures				
Economic environment:				
Personnel services	--	28,956	25,693	3,263
Operating expenditures	--	5,370	3,725	1,645
Total expenditures	--	34,326	29,418	4,908
Net change in fund balance	--	--	--	--
Fund balance - October 1, 2010	--	--	--	--
Fund balance - September 30, 2011	\$ --	--	--	--

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, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental grants	\$ --	71,358	71,358	--
Special assessments-property owners	--	37,300	37,300	--
Total revenues	--	108,658	108,658	--
Expenditures				
Economic environment				
Personnel services	--	--	947	(947)
Operating expenditures	--	--	2,655	(2,655)
Public assistance	--	100,750	100,713	37
Total expenditures	--	100,750	104,315	(3,565)
Excess (deficiency) of revenues over (under) expenditures	--	7,908	4,343	(3,565)
Fund balance - October 1, 2010	130,571	130,571	130,571	--
Fund balance - September 30, 2011	<u>\$ 130,571</u>	<u>138,479</u>	<u>134,914</u>	<u>(3,565)</u>

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
1995 SUBORDINATE LIEN SPECIAL REVENUE REFUNDING BONDS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Interest and investment earnings	\$ 42,583	42,583	37,087	(5,496)
Total revenues	42,583	42,583	37,087	(5,496)
Expenditures				
Loan principal repayments	205,200	205,200	205,200	--
Interest on bonds	75,761	65,761	65,237	524
Fees and expenditures	1,000	1,000	646	354
Total expenditures	281,961	271,961	271,083	878
Deficiency of revenues (under) expenditures	(239,378)	(229,378)	(233,996)	(4,618)
Other financing sources				
Transfer from:				
General fund	239,378	239,378	239,378	--
Total other financing sources	239,378	239,378	239,378	--
Net change in fund balance	--	10,000	5,382	(4,618)
Fund balance - October 1, 2010	1,514,982	1,514,982	1,514,982	--
Fund balance - September 30, 2011	<u>\$ 1,514,982</u>	<u>1,524,982</u>	<u>1,520,364</u>	<u>(4,618)</u>

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
FRANCHISE FEES PROMISSORY NOTE 2000 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 9,332	9,332	4,349	(4,983)
Total revenues	9,332	9,332	4,349	(4,983)
Expenditures				
Loan principal repayments	303,889	303,889	303,889	--
Interest on bonds	194,872	194,872	192,302	2,570
Total expenditures	498,761	498,761	496,191	2,570
Deficiency of revenues (under) expenditures	(489,429)	(489,429)	(491,842)	(2,413)
Other financing sources				
Transfer from franchise fee fund	289,429	298,761	298,761	--
Total other financing sources	289,429	298,761	298,761	--
Net change in fund balance	(200,000)	(190,668)	(193,081)	(2,413)
Fund balance - October 1, 2010	257,370	257,370	257,370	--
Fund balance - September 30, 2011	\$ 57,370	66,702	64,289	(2,413)

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
FLORIDA MUNICIPAL LOAN 2001A FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Expenditures				
Loan principal repayments	\$ 135,000	135,000	135,000	--
Interest on bonds	107,150	107,150	107,150	--
Fees and expenditures	3,000	3,000	2,656	344
Total expenditures	<u>245,150</u>	<u>245,150</u>	<u>244,806</u>	<u>344</u>
Other financing sources				
Transfer from general fund	<u>245,150</u>	<u>245,150</u>	<u>245,150</u>	<u>--</u>
Total other financing sources	245,150	245,150	245,150	--
Net change in fund balance	--	--	344	344
Fund balance - October 1, 2010	<u>204</u>	<u>204</u>	<u>204</u>	<u>--</u>
Fund balance - September 30, 2011	<u>\$ 204</u>	<u>204</u>	<u>548</u>	<u>344</u>

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
SPECIAL OBLIGATION DEBT SERIES 2007 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental grants	\$ 500,004	500,004	500,004	--
Total revenues	500,004	500,004	500,004	--
Expenditures				
Loan principal repayments	370,000	370,000	370,000	--
Interest on bonds	739,861	739,861	739,861	--
Fees and expenditures	500	500	375	125
Total expenditures	1,110,361	1,110,361	1,110,236	125
Deficiency of revenues (under) expenditures	(610,357)	(610,357)	(610,232)	125
Other financing sources				
Transfer from general fund	610,357	610,357	610,357	--
Net change in fund balance	--	--	125	125
Fund balance - October 1, 2010	1,626	1,626	1,626	--
Fund balance - September 30, 2011	<u>\$ 1,626</u>	<u>1,626</u>	<u>1,751</u>	<u>125</u>

CITY OF BRADENTON, FLORIDA
CAPITAL PROJECTS FUND
GENERAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 918	918	6,931	6,013
Intergovernmental grants	546,579	308,579	307,615	(964)
Miscellaneous	--	66,650	66,650	--
Total revenues	547,497	376,147	381,196	5,049
Expenditures				
Operating expenditures	--	313,548	300,644	12,904
Capital outlay	1,056,579	3,031	4,085	(1,054)
Total expenditures	1,056,579	316,579	304,729	11,850
Excess (deficiency) of revenues over (under) expenditures	(509,082)	59,568	76,467	16,899
Other financing sources				
Transfer from general fund	500,000	500,000	500,000	--
Total other financing sources	500,000	500,000	500,000	--
Net change in fund balance	(9,082)	559,568	576,467	16,899
Fund balance - October 1, 2010	--	--	--	--
Fund balance - September 30, 2011	<u>\$ (9,082)</u>	<u>559,568</u>	<u>576,467</u>	<u>16,899</u>

CITY OF BRADENTON, FLORIDA
 CAPITAL PROJECTS FUND
 PIRATE CITY CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Fiscal Year Ended September 30, 2011

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and investment earnings	\$ 8,327	8,327	2,032	(6,295)
Total revenues	8,327	8,327	2,032	(6,295)
Expenditures				
Operating expenditures	--	6,110	6,110	--
Capital outlay	138,952	67,854	67,854	--
Total expenditures	138,952	73,964	73,964	--
Deficiency of revenues (under) expenditures	(130,625)	(65,637)	(71,932)	(6,295)
Other financing sources				
Transfer from general fund	130,625	130,625	130,625	--
Total other financing sources	130,625	130,625	130,625	--
Net change in fund balance	--	64,988	58,693	(6,295)
Fund balance - October 1, 2010	--	--	--	--
Fund balance - September 30, 2011	<u>\$ --</u>	<u>64,988</u>	<u>58,693</u>	<u>(6,295)</u>

Internal Service Funds

Internal service funds account for the cost of operating certain facilities used by other city departments. The costs are billed to other departments based on the cost of providing units of service.

Property Insurance Fund – To account for insurance of properties for all city departments.

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

Workers' Compensation Self-Insurance Program Fund – 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, 2011

	<u>Property Insurance</u>	<u>Medical Self-Insurance Program</u>	<u>Workers' Compensation Self-Insurance Program</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 1,994,518	2,476,198	9,021,942	13,492,658
Due from insurance	550	129	52,363	53,042
Prepaid items	<u>--</u>	<u>44,642</u>	<u>--</u>	<u>44,642</u>
Total current assets	<u>\$ 1,995,068</u>	<u>2,520,969</u>	<u>9,074,305</u>	<u>13,590,342</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 4,140	22,653	21,261	48,054
Estimated payable for outstanding claims	<u>--</u>	<u>56,000</u>	<u>460,387</u>	<u>516,387</u>
Total current liabilities	4,140	78,653	481,648	564,441
Noncurrent liabilities				
Estimated payable for outstanding claims	<u>--</u>	<u>510,000</u>	<u>520,623</u>	<u>1,030,623</u>
Total noncurrent liabilities	<u>--</u>	<u>510,000</u>	<u>520,623</u>	<u>1,030,623</u>
Total liabilities	4,140	588,653	1,002,271	1,595,064
Net assets				
Unrestricted	<u>1,990,928</u>	<u>1,932,316</u>	<u>8,072,034</u>	<u>11,995,278</u>
Total liabilities and net assets	<u>\$ 1,995,068</u>	<u>2,520,969</u>	<u>9,074,305</u>	<u>13,590,342</u>

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, 2011

	<u>Property Insurance</u>	<u>Medical Self-Insurance Program</u>	<u>Workers' Compensation Self-Insurance Program</u>	<u>Total</u>
Operating revenues				
Charges for services	\$ 853,017	5,356,409	1,693,453	7,902,879
Operating expenses				
Contractual services	881,689	1,480,150	27,759	2,389,598
Supplies and materials	--	--	139,201	139,201
Claims	--	4,361,923	1,276,999	5,638,922
Total operating expenses	<u>881,689</u>	<u>5,842,073</u>	<u>1,443,959</u>	<u>8,167,721</u>
Operating income (loss)	(28,672)	(485,664)	249,494	(264,842)
Non-operating revenues				
Interest income and investment earnings	<u>39,598</u>	<u>49,184</u>	<u>--</u>	<u>88,782</u>
Income (loss) before transfers	10,926	(436,480)	249,494	(176,060)
Transfers				
In	<u>--</u>	<u>400,000</u>	<u>--</u>	<u>400,000</u>
Net transfers	<u>--</u>	<u>400,000</u>	<u>--</u>	<u>400,000</u>
Change in net assets	10,926	(36,480)	249,494	223,940
Total net assets - beginning	<u>1,980,002</u>	<u>1,968,796</u>	<u>7,822,540</u>	<u>11,771,338</u>
Total net assets - ending	<u>\$ 1,990,928</u>	<u>1,932,316</u>	<u>8,072,034</u>	<u>11,995,278</u>

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2011

	Property Insurance	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Total
Cash flows from operating activities				
Receipts from charges for services	\$ 852,467	5,356,280	1,641,090	7,849,837
Payments to suppliers	(877,549)	(1,477,135)	(153,238)	(2,507,922)
Payments for employees	<u> --</u>	<u>(4,345,923)</u>	<u>(1,148,410)</u>	<u>(5,494,333)</u>
Net cash provided (used) by operating activities	<u>(25,082)</u>	<u>(466,778)</u>	<u>339,442</u>	<u>(152,418)</u>
Cash flows from noncapital financing activities				
Transfers in	<u> --</u>	<u>400,000</u>	<u> --</u>	<u>400,000</u>
Net cash provided by noncapital financing activities	<u> --</u>	<u>400,000</u>	<u> --</u>	<u>400,000</u>
Cash flows from investing activities				
Interest and investment earnings received	<u>39,598</u>	<u>49,184</u>	<u> --</u>	<u>88,782</u>
Net increase (decrease) in cash and equivalents	14,516	(17,594)	339,442	336,364
Cash and cash equivalents, October 1, 2010	<u>1,980,002</u>	<u>2,493,792</u>	<u>8,682,500</u>	<u>13,156,294</u>
Cash and cash equivalents, September 30, 2011	<u>\$ 1,994,518</u>	<u>2,476,198</u>	<u>9,021,942</u>	<u>13,492,658</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (28,672)	(485,664)	249,494	(264,842)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Increase in due from other	(550)	(129)	(52,363)	(53,042)
Increase (decrease) in accounts payable	4,140	3,015	13,722	20,877
Increase (decrease) in claims payable	<u> --</u>	<u>16,000</u>	<u>128,589</u>	<u>144,589</u>
Total adjustments	<u>3,590</u>	<u>18,886</u>	<u>89,948</u>	<u>112,424</u>
Net cash provided (used) by operating activities	<u>\$ (25,082)</u>	<u>(466,778)</u>	<u>339,442</u>	<u>(152,418)</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.

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 September 30, 2011

	Pension Trust Funds		
	Firefighters' Pension Fund	Police Officers' Pension Fund	Totals
Assets			
Cash and cash equivalents	\$ 1,884,287	--	1,884,287
Due from state	14,063	--	14,063
Due from city	74,779	62,947	137,726
Due from employees	10,025	--	10,025
Interest receivable	77,971	143,647	221,618
Due from brokers	148,432	729	149,161
Investments, at fair value			
U.S. Government obligations	3,567,595	11,097,963	14,665,558
Domestic corporate bonds	3,308,262	7,724,513	11,032,775
Convertible bonds	--	3,547,946	3,547,946
Domestic stocks	15,068,321	9,902,381	24,970,702
Corporate stocks	--	1,988,741	1,988,741
International funds	4,176,669	6,227,101	10,403,770
Mutual funds	--	4,173,774	4,173,774
Money market	--	1,137,060	1,137,060
Total investments	26,120,847	45,799,479	71,920,326
Total assets	28,330,404	46,006,802	74,337,206
Liabilities			
Accounts payable	612,563	40,588	653,151
Total liabilities	612,563	40,588	653,151
Net Assets			
Held in trust for pension benefits and other purposes	\$ 27,717,841	45,966,214	73,684,055

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 For the Fiscal Year Ended September 30, 2011

	<u>Pension Trust Funds</u>		<u>Totals</u>
	<u>Firefighters' Pension Fund</u>	<u>Police Officers' Pension Fund</u>	
Additions			
Contributions			
Employer	\$ 1,128,169	1,782,819	2,910,988
Plan members	266,352	370,032	636,384
Repayment of pension benefits	--	2,419	2,419
State of Florida (from city's general fund)	431,991	452,201	884,192
Total contributions	<u>1,826,512</u>	<u>2,607,471</u>	<u>4,433,983</u>
Investment earnings			
Interest	313,970	677,671	991,641
Dividends	395,245	493,709	888,954
Miscellaneous	132,536	1,780	134,316
Net increase (decrease) in the fair value of investments	<u>(1,381,859)</u>	<u>(260,004)</u>	<u>(1,641,863)</u>
Total investment earnings	<u>(540,108)</u>	<u>913,156</u>	<u>373,048</u>
Less investment expenses	<u>236,814</u>	<u>283,650</u>	<u>520,464</u>
Net investment earnings	<u>(776,922)</u>	<u>629,506</u>	<u>(147,416)</u>
Total additions - net	1,049,590	3,236,977	4,286,567
Deductions			
Benefits	1,422,745	1,966,400	3,389,145
Refunds of contributions	--	72,259	72,259
DROP plan payments	75,285	564,567	639,852
Administrative expenses	67,804	76,837	144,641
Total deductions	<u>1,565,834</u>	<u>2,680,063</u>	<u>4,245,897</u>
Change in net assets	<u>(516,244)</u>	<u>556,914</u>	<u>40,670</u>
Net assets - beginning	<u>28,234,085</u>	<u>45,409,300</u>	<u>73,643,385</u>
Net assets - ending	<u>\$ 27,717,841</u>	<u>45,966,214</u>	<u>73,684,055</u>

Discretely Presented Component Units

The 'component units' columns in the Statement of Net Assets and the Statement of Activities, pages 17 through 19, include the financial data of the city's discretely presented component units.

Nonmajor Discretely Presented Component Units

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.

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.

Bradenton 14th Street Community Redevelopment Agency The Bradenton 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 of 1991, has appointed the Bradenton Downtown Development Authority as the Community Redevelopment Agency of the city. Therefore all three entities have the same Board of Directors.

Central Community Redevelopment Agency The Central Community Redevelopment Agency (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 Central Community Redevelopment Agency provides a framework for coordinating and facilitating public and private redevelopment of the Central Community Redevelopment District and adjacent areas.

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF NET ASSETS
 COMPONENT UNITS
 September 30, 2011

	<u>Bradenton Downtown Development Authority</u>				
	Bradenton Downtown Development Authority	Bradenton Community Redevelopment Agency	14th Street Community Redevelopment Agency	Central Community Redevelopment Agency	Totals
Assets					
Cash and cash equivalents	\$ --	7,978,914	236,705	185,080	8,400,699
Prepaid insurance	--	--	--	7,978	7,978
Accounts receivable	--	--	--	5,725	5,725
Deferred charges	--	150,976	--	3,207	154,183
Deferred outflow of resources	--	--	--	585,438	585,438
Due from other governments	--	--	--	151,544	151,544
Capital assets					
Land	--	--	2,923,829	2,977,171	5,901,000
Other capital assets (net of accumulated depreciation)	--	2,089	533,372	1,090,725	1,626,186
Total assets	--	8,131,979	3,693,906	5,006,868	16,832,753
Liabilities					
Accounts payable and other liabilities	--	188,891	--	41,028	229,919
Accrued interest payable	--	--	--	7,120	7,120
Long-term liabilities:					
Due within one year	--	--	1,106,140	252,482	1,358,622
Due in more than one year	--	5,156,045	201,757	3,573,284	8,931,086
Interest rate swap contract liability	--	--	--	585,438	585,438
Total liabilities	--	5,344,936	1,307,897	4,459,352	11,112,185
Net Assets					
Invested in capital assets (net of related debt)	--	2,089	2,194,079	242,130	2,438,298
Unrestricted	--	2,784,954	189,841	305,386	3,280,181
Total net assets	\$ --	2,787,043	2,383,920	547,516	5,718,479

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2011

ALL COMPONENT UNITS

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Assets of the Component Units</u>
Government activities				
Operations	\$ 3,982,350	538,265	213,313	(3,230,772)
Depreciation and amortization	52,528	--	--	(52,528)
Interest on long-term debt	329,793	--	--	(329,793)
	<hr/>	<hr/>	<hr/>	<hr/>
Total component units	<u>\$ 4,364,671</u>	<u>538,265</u>	<u>213,313</u>	<u>(3,613,093)</u>
 General revenues				
Tax increment funding				\$ 3,725,981
Investment earnings				31,755
Other revenues				<hr/> 48,933
Total general revenues				<hr/> 3,806,669
Change in net assets				193,576
Net assets - beginning				<hr/> 5,774,903
Prior period adjustment				(250,000)
Net assets - ending				<u>\$ 5,718,479</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2011

Bradenton Community Redevelopment Agency

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Assets of the Component Unit
Government activities				
Operations	\$ 2,716,361	--	--	(2,716,361)
Interest on long-term debt	41,446	--	--	(41,446)
Total Bradenton Community Redevelopment Agency	\$ 2,757,807	--	--	(2,757,807)
General revenues				
Tax increment funding				\$ 2,140,452
Investment earnings				27,388
Other revenue				48,933
Total general revenues				2,216,773
Change in net assets				(541,034)
Net assets - beginning				3,328,077
Net assets - ending				\$ 2,787,043

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2011

14th Street Community Redevelopment Agency

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Assets of the Component Unit
Government activities				
Operations	\$ 287,336	--	--	(287,336)
Interest on long-term debt	77,125	--	--	(77,125)
Total 14th Street Community Redevelopment Agency	\$ 364,461	--	--	(364,461)
General revenues				
Tax increment funding				\$ 532,686
Investment earnings				3,506
Total general revenues				536,192
Change in net assets				171,731
Net assets - beginning, as restated				2,212,189
Net assets - ending				\$ 2,383,920

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNIT
 For the Fiscal Year Ended September 30, 2011

Central Community Redevelopment Agency

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Assets of the Component Unit
Government activities				
Operations	\$ 978,653	538,265	213,313	(227,075)
Depreciaton and amortization	52,528	--	--	(52,528)
Interest on long-term debt	211,222	--	--	(211,222)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Central Community Redevelopment Agency	<u>\$ 1,242,403</u>	<u>538,265</u>	<u>213,313</u>	(490,825)
General revenues				
Tax increment funding				\$ 1,052,843
Investment earnings				861
				<u> </u>
Total general revenues				1,053,704
Change in net assets				562,879
Net assets - beginning (as originally stated)				234,637
Prior period adjustment				(250,000)
Net assets (deficit), beginning (as restated)				(15,363)
Net assets - ending				\$ 547,516

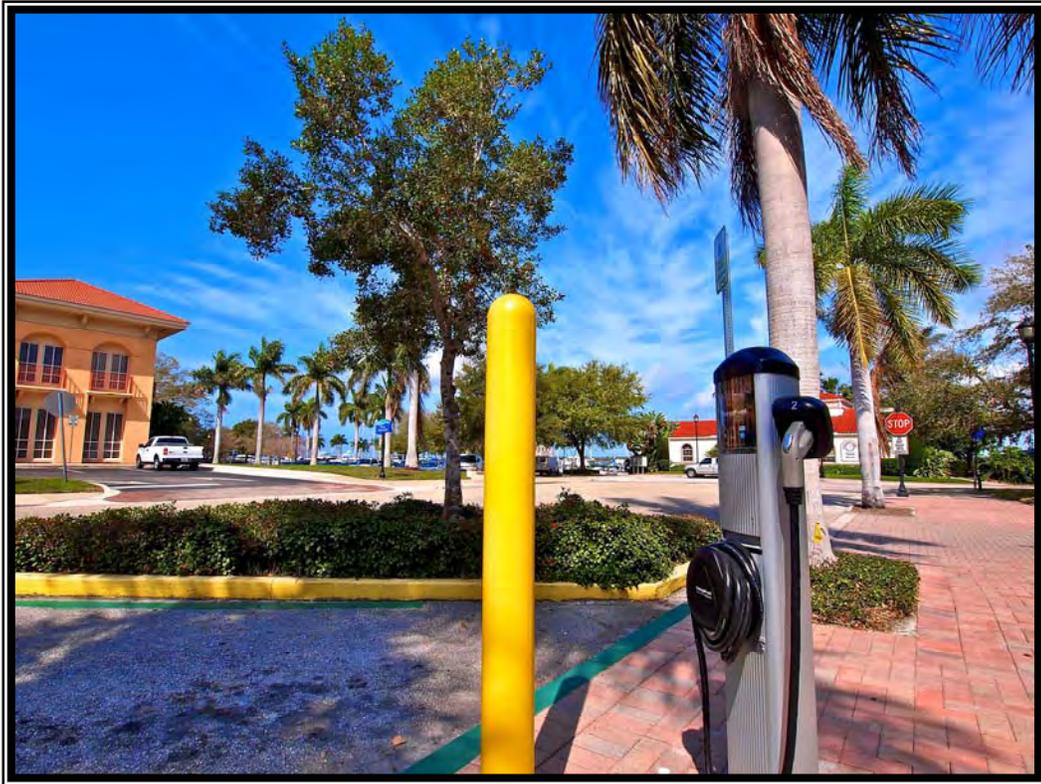
Statistical Section

This part of the City of Bradenton’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	121
<i>These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	128
<i>These schedules contain information to help the reader assess the city’s most significant local revenue source, the property tax.</i>	
Debt Capacity	133
<i>These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt, and the city’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	139
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.</i>	
Operating Information	141
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.</i>	

Sources:

Unless otherwise noted, the information in these schedules is derived from the City of Bradenton’s Comprehensive Annual Financial Reports for the relevant year(s).



An electric vehicle charging station stands ready to deliver a charge beside a Bradenton streetscape.

In 2011, the City of Bradenton received eight electric vehicle charging stations through a program sponsored by the U.S. Department of Energy. The stations, referred to as “dual output,” are capable of delivering power at either 120 or 240 volts, meaning everything from a full-size electric vehicle to a 2-wheel Segway can plug in for a safe and convenient recharge.

CITY OF BRADENTON, FLORIDA
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS ⁽¹⁾
(Accrual Basis of Accounting)

	Fiscal Year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities									
Invested in capital assets, net of related debt	\$ 15,997,339	16,777,759	12,887,064	17,729,130	16,480,126	26,757,655	26,242,893	25,595,080	23,688,608
Restricted	24,911,540	25,093,577	30,138,835	25,729,021	35,307,860	25,355,699	25,066,065	21,889,878	4,324,243
Unrestricted	24,905,693	22,947,491	25,798,294	31,106,637	36,230,240	35,071,462	34,293,817	33,094,759	49,753,644
Total governmental net assets	<u>\$ 65,814,572</u>	<u>64,818,827</u>	<u>68,824,193</u>	<u>74,564,788</u>	<u>88,018,226</u>	<u>87,184,816</u>	<u>85,602,775</u>	<u>80,579,717</u>	<u>77,766,495</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ 53,383,080	53,237,950	51,528,628	52,193,816	50,110,225	57,932,879	57,376,349	56,563,358	58,413,500
Restricted	3,133,523	3,138,210	3,143,434	3,220,742	3,013,075	3,013,075	3,013,075	3,013,075	3,013,075
Unrestricted	922,509	2,166,117	4,527,798	5,604,192	11,610,427	4,982,748	6,042,809	7,224,403	8,096,837
Total business-type net assets	<u>\$ 57,439,112</u>	<u>58,542,277</u>	<u>59,199,860</u>	<u>61,018,750</u>	<u>64,733,727</u>	<u>65,928,702</u>	<u>66,432,233</u>	<u>66,800,836</u>	<u>69,523,412</u>
Primary government									
Invested in capital assets, net of related debt	\$ 69,380,419	70,015,709	64,415,692	69,922,946	66,590,351	84,690,534	83,619,242	82,158,438	82,102,108
Restricted	28,045,063	28,231,787	33,282,269	28,949,763	38,320,935	28,368,774	28,079,140	24,902,953	7,337,318
Unrestricted	25,828,202	25,113,608	30,326,092	36,710,829	47,840,667	40,054,210	40,336,626	40,319,162	57,850,481
Total primary net assets	<u>\$ 123,253,684</u>	<u>123,361,104</u>	<u>128,024,053</u>	<u>135,583,538</u>	<u>152,751,953</u>	<u>153,113,518</u>	<u>152,035,008</u>	<u>147,380,553</u>	<u>147,289,907</u>

⁽¹⁾ Only nine years are available - GASB 34 implementation began in fiscal year 2003

CITY OF BRADENTON, FLORIDA
 CHANGES IN NET ASSETS
 LAST NINE FISCAL YEARS
 (Accrual Basis of Accounting)

	Fiscal Year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses									
Governmental activities:									
General government	\$ 5,239,621	6,339,355	8,815,241	10,362,642	7,817,764	9,927,526	10,821,162	11,031,574	9,369,379 (1)
Public safety	13,805,051	16,922,308	16,856,411	18,631,835	19,288,504	20,933,673	22,608,726	22,864,152	22,531,358 (1)
Transportation	3,369,296	3,906,821	3,407,812	3,903,857	4,307,161	4,630,993	3,300,430	3,109,157	2,793,289
Neighborhood Stabilization Grant	--	--	--	--	--	--	--	1,067,769	460,726
Community Development Program	547,530	602,914	496,035	594,060	509,025	545,736	640,582	405,125	729,978
Housing Assistance Program	2,776,016	2,982,473	2,990,960	2,807,645	2,750,502	3,246,985	3,463,616	1,133,014	-- (3)
Energy Efficiency Conservation Program	--	--	--	--	--	--	--	--	29,418 (2)
State Housing Initiatives Program	570,666	414,634	255,586	1,141,220	1,115,123	61,653	604,871	451,003	104,315
Shelter Plus Care Program	--	--	--	9,255	89,706	130,161	156,086	227,385	151,905
Economic environment	26,192	34,147	631	17,625	--	27,463	10,327	8,297	8,610
Culture and recreation	2,288,519	2,924,364	2,870,695	3,028,399	2,937,357	4,420,779	3,193,560	3,055,759	2,945,045 (1)
Interest on long-term debt	590,203	641,624	821,891	873,798	1,052,507	1,265,864	1,216,311	1,173,161	1,127,587
Total governmental activities expenses	<u>29,213,094</u>	<u>34,768,640</u>	<u>36,515,262</u>	<u>41,370,336</u>	<u>39,867,649</u>	<u>45,190,833</u>	<u>46,015,671</u>	<u>44,526,396</u>	<u>40,251,610</u>
Business-type activities:									
Water and Sewer	15,315,953	15,174,383	15,465,554	16,471,733	17,182,008	18,046,291	19,228,039	18,173,824	17,788,224 (1)
Sanitation	4,878,955	5,477,523	5,972,705	6,208,743	6,350,625	6,528,224	6,506,834	6,352,001	6,131,518 (1)
Parking	--	--	--	236,507	771,224	774,913	818,755	783,496	800,768
Golf Course	1,497,296	1,509,224	1,459,044	1,294,183	1,325,772	1,390,336	1,446,488	1,413,037	1,371,498
Total business-type activities expenses	<u>21,692,204</u>	<u>22,161,130</u>	<u>22,897,303</u>	<u>24,211,166</u>	<u>25,629,629</u>	<u>26,739,764</u>	<u>28,000,116</u>	<u>26,722,358</u>	<u>26,092,008</u>
Total primary government expenses	<u>\$ 50,905,298</u>	<u>56,929,770</u>	<u>59,412,565</u>	<u>65,581,502</u>	<u>65,497,278</u>	<u>71,930,597</u>	<u>74,015,787</u>	<u>71,248,754</u>	<u>66,343,618</u>
Program Revenues									
Governmental activities:									
Charges for services									
General government	\$ 2,765,081	2,724,673	5,713,910	5,438,417	4,448,160	5,499,999	3,118,650	3,484,499	3,777,718
Community Development Program	50,094	39,769	65,382	48,675	53,567	26,919	--	2,100	9,556
Housing Assistance Program	4,148	11,597	--	--	--	--	--	--	--
State Housing Initiatives Program	73,486	85,968	157,427	125,374	68,452	107,450	13,285	10,520	37,300
Culture and recreation	414,613	--	--	--	--	--	--	--	--
Operating grants and contributions	4,736,353	6,302,540	4,574,255	5,272,394	6,198,967	6,617,786	7,432,288	5,861,896	3,673,566
Capital grants and contributions	681,758	185,972	571,248	100,376	350,438	401,775	--	302,042	307,615
Total govt. activities program revenues	<u>8,725,533</u>	<u>9,350,519</u>	<u>11,082,222</u>	<u>10,985,236</u>	<u>11,119,584</u>	<u>12,653,929</u>	<u>10,564,223</u>	<u>9,661,057</u>	<u>7,805,755</u>
Business-type activities:									
Charges for services									
Water and Sewer	14,919,342	16,159,322	16,777,278	17,626,662	19,073,641	17,837,280	18,684,199	17,674,071	19,023,763
Sanitation	5,007,815	5,234,566	5,053,176	6,067,606	6,728,290	6,879,192	6,767,688	6,696,938	6,961,945
Other	1,381,126	1,600,339	1,561,112	1,957,094	2,567,511	2,579,530	2,205,050	2,104,764	2,099,318
Operating grants and contributions	--	--	--	--	--	--	--	412,570	769,129
Total business-type program revenues	<u>21,308,283</u>	<u>22,994,227</u>	<u>23,391,566</u>	<u>25,651,362</u>	<u>28,369,442</u>	<u>27,296,002</u>	<u>27,656,937</u>	<u>26,888,343</u>	<u>28,854,155</u>
Total primary govt. program revenues	<u>\$ 30,033,816</u>	<u>32,344,746</u>	<u>34,473,788</u>	<u>36,636,598</u>	<u>39,489,026</u>	<u>39,949,931</u>	<u>38,221,160</u>	<u>36,549,400</u>	<u>36,659,910</u>

(continued)

(continued)

Fiscal Year

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net (expense)/revenue									
Governmental activities	\$ (20,487,561)	(25,418,121)	(25,433,040)	(30,385,100)	(28,748,065)	(32,536,904)	(35,451,448)	(34,865,339)	(32,445,855)
Business-type activities	(383,921)	833,097	494,263	1,440,196	2,739,813	556,238	(343,179)	165,985	2,762,147
Total primary government net expense	<u>\$ (20,871,482)</u>	<u>(24,585,024)</u>	<u>(24,938,777)</u>	<u>(28,944,904)</u>	<u>(26,008,252)</u>	<u>(31,980,666)</u>	<u>(35,794,627)</u>	<u>(34,699,354)</u>	<u>(29,683,708)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes	\$ 8,299,374	9,323,620	11,206,029	12,597,102	14,982,691	14,449,476	14,182,819	12,722,890	12,853,772
Utility taxes	3,426,596	3,487,763	3,679,392	3,923,729	3,730,455	3,614,330	3,674,959	3,864,722	3,926,752
Franchise fees	2,370,966	2,619,133	2,873,944	3,647,783	3,557,735	3,408,379	3,458,060	3,109,552	3,098,917
Public service taxes	3,055,549	2,575,777	2,927,551	2,870,757	2,882,546	2,866,892	2,634,733	2,529,202	2,472,542
Impact fees	--	--	--	--	--	--	--	34,933	--
Local-government half-cent sales taxes	3,338,260	3,264,405	4,006,309	3,915,794	3,737,615	3,452,928	3,065,377	3,034,041	3,245,371
Other taxes	327,913	370,580	707,770	825,615	781,258	422,857	655,991	497,245	519,604
State revenue sharing	1,368,709	1,438,399	2,005,629	2,035,592	2,017,301	1,852,696	1,609,583	1,616,479	1,619,296
Unrestricted investment earnings	1,670,473	899,642	316,499	2,103,118	2,789,012	1,308,264	3,540,262	2,208,876	1,018,973
Repayment of loan - CCRA	--	--	--	--	--	--	--	33,335	66,671
Gain on sale of capital assets	137,923	7,499	653,318	3,935,263	675,319	343,608	1,072,623	6,160	46,060
Transfers	593	435,558	(17,600)	270,942	(19,700)	(15,936)	(25,000)	184,846	514,675
Total governmental activities	<u>23,996,356</u>	<u>24,422,376</u>	<u>28,358,841</u>	<u>36,125,695</u>	<u>35,134,232</u>	<u>31,703,494</u>	<u>33,869,407</u>	<u>29,842,281</u>	<u>29,382,633</u>
Business-type activities:									
Investment earnings	463,894	557,258	130,320	654,731	862,178	609,869	818,055	618,876	459,777
Gain (loss) on sale of capital assets	(13,434)	148,368	15,400	(5,095)	93,286	12,932	3,655	13,512	15,327
Transfers	(593)	(435,558)	17,600	(270,942)	19,700	15,936	25,000	(184,846)	(514,675)
Total business-type activities	<u>449,867</u>	<u>270,068</u>	<u>163,320</u>	<u>378,694</u>	<u>975,164</u>	<u>638,737</u>	<u>846,710</u>	<u>447,542</u>	<u>(39,571)</u>
Total primary government	<u>\$ 24,446,223</u>	<u>24,692,444</u>	<u>28,522,161</u>	<u>36,504,389</u>	<u>36,109,396</u>	<u>32,342,231</u>	<u>34,716,117</u>	<u>30,289,823</u>	<u>29,343,062</u>
Change in Net Assets									
Governmental activities	\$ 3,508,795	(995,745)	2,925,801	5,740,595	6,386,167	(833,410)	(1,582,041)	(5,023,058)	(3,063,222)
Business-type activities	65,946	1,103,165	657,583	1,818,890	3,714,977	1,194,975	503,531	613,527	2,722,576
Total primary government	<u>\$ 3,574,741</u>	<u>107,420</u>	<u>3,583,384</u>	<u>7,559,485</u>	<u>10,101,144</u>	<u>361,565</u>	<u>(1,078,510)</u>	<u>(4,409,531)</u>	<u>(340,646)</u>

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(1) Decrease is due to reduction in expenditures and capital purchases

(2) First year of grant

(3) Decrease is due to program transfer to Manatee County

CITY OF BRADENTON, FLORIDA
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)

Fiscal Year	Property Tax	Utility Tax	Public Service Tax	Half-Cent Sales Tax	Total
2002	\$ 7,051,495	3,285,750	--	3,281,426	13,618,671
2003	8,299,374	3,426,596	3,055,549 ⁽¹⁾	3,338,259	18,119,778
2004	9,323,620	3,487,763	2,575,777	3,264,405	18,651,565
2005	11,206,029	3,679,392	2,927,551	4,006,309	21,819,281
2006	12,597,102	3,923,729	2,870,757	3,915,794	23,307,382
2007	14,982,691	3,730,455	2,882,546	3,737,615	25,333,307
2008	14,449,476	3,614,330	2,866,892	3,452,928	24,383,626
2009	14,182,819	3,674,959	2,634,733	3,065,377	23,557,888
2010	12,722,890	3,864,722	2,529,202	3,034,041	22,150,855
2011	12,853,772	3,926,752	2,472,542	3,245,371	22,498,437

⁽¹⁾ First year of tax

CITY OF BRADENTON, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST NINE FISCAL YEARS
 (Modified Accrual Basis of Accounting)

	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund									
Reserved	\$ 428,355	323,008	347,874	328,968	956,734	1,730,005	839,764	569,585	546,807
Unreserved	<u>11,396,401</u>	<u>12,878,780</u>	<u>10,493,985</u>	<u>12,399,154</u>	<u>18,546,496</u>	<u>17,672,862</u>	<u>17,869,835</u>	<u>19,753,036</u>	<u>17,979,801</u>
Total general fund	<u>\$ 11,824,756</u>	<u>13,201,788</u>	<u>10,841,859</u>	<u>12,728,122</u>	<u>19,503,230</u>	<u>19,402,867</u>	<u>18,709,599</u>	<u>20,322,621</u>	<u>18,526,608</u>
All other governmental funds									
Reserved	\$ 6,210,868	5,396,506	5,396,506	4,971,505	4,571,506	6,344,209	5,839,417	6,608,900	6,009,228
Unreserved, reported in:									
Special revenue funds	17,156,532	17,364,099	17,521,568	18,710,078	18,949,081	17,512,722	17,587,349	16,350,074	16,563,777
Debt service funds	2,119,589 ⁽¹⁾	1,924,535	1,987,244	2,047,762	2,062,665	2,062,223	1,989,717 ⁽²⁾	1,529,898	1,494,961
Capital projects funds	<u>2,762,332 ⁽³⁾</u>	<u>254,050</u>	<u>244,020 ⁽³⁾</u>	<u>4,475,280</u>	<u>189,789 ⁽³⁾</u>	<u>9,494,884</u>	<u>40,345</u>	<u>674,607</u>	<u>--</u>
Total all other governmental funds	<u>\$ 28,249,321</u>	<u>24,939,190</u>	<u>25,149,338</u>	<u>30,204,625</u>	<u>25,773,041</u>	<u>35,414,038</u>	<u>25,456,828</u>	<u>25,163,479</u>	<u>24,067,966</u>

- ⁽¹⁾ Increase is due to residual equity transfer
⁽²⁾ Decrease is due to residual equity transfer
⁽³⁾ Increase is due to unexpended loan proceeds

CITY OF BRADENTON, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 CURRENT FISCAL YEAR

	Fiscal Year
	<u>2011</u>
General fund	
Nonspendable	\$ 3,035,344
Restricted	--
Committed	6,245,670
Assigned	1,389,565
Unassigned	<u>19,437,408</u>
Total general fund	<u>\$ 30,107,987</u>
All other governmental funds	
Restricted, reported in:	
Special revenue funds	\$ 1,513,929
Debt service funds	2,698,546
Committed, reported in:	
Capital projects funds	635,160
Assigned, reported in:	
Debt service funds	8,548,831
Total all governmental funds	<u>\$ 13,396,466</u>
	 <u>\$ 43,504,453</u>

NOTE: GASB 54 was implemented during fiscal year 2011

CITY OF BRADENTON, FLORIDA
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues										
Taxes	\$ 14,455,394	15,109,432	15,757,740	18,520,742	20,217,203	22,376,950	21,353,555	24,213,879	22,648,100	23,018,041
Fees	2,516,408	2,370,966	2,619,133	2,873,944	3,647,783	3,557,735	3,408,379	3,458,060	3,144,485	3,098,917
Licenses and permits	1,420,782	784,674	1,084,355	1,242,053	1,209,567	856,491	698,400	611,915	408,822	659,196
Intergovernmental grants	4,213,131	4,410,438	5,245,351	4,165,673	4,176,287	4,791,310	5,473,651	5,315,180	3,941,244	2,659,818
Intergovernmental revenues	4,549,473	4,716,711	4,747,777	6,065,392	6,073,046	5,981,527	5,725,130	2,303,987	1,883,486	1,787,238
Shared revenues	920,596	997,931	984,863	1,199,883	1,074,823	1,354,366	1,572,848	1,524,007	1,553,687	1,548,422
Payments in lieu of taxes	4,576	367	--	--	37,420	26,469	--	23,530	32,135	32,739
Charges for services	1,097,402	1,275,207	1,437,295	1,680,424	1,991,797	1,810,531	1,782,019	1,260,384	1,344,936	1,326,562
Fines and forfeitures	237,750	239,663	218,286	344,499	443,675	532,968	290,816	211,744	373,336	186,348
Interest / investment earnings	1,541,004	1,594,855	860,813	310,320	2,014,139	2,789,012	1,308,264	3,232,029	2,017,029	1,020,191
Rents	277,460	519,377	517,679	772,487	828,301	669,236	494,488	470,159	466,346	512,039
Contributions	--	--	--	120,000	550,003	12,178	580,269	12,600	402,000	--
Miscellaneous	584,024	692,095	294,746	1,653,150	272,544	495,487	1,097,029	413,600	850,924	565,026
Special assessments - property owners	--	115,892	118,550	273,507	385,360	166,819	156,070	26,700	20,620	57,663
Total revenues	<u>31,818,000</u>	<u>32,827,608</u>	<u>33,886,588</u>	<u>39,222,074</u>	<u>42,921,948</u>	<u>45,421,079</u>	<u>43,940,918</u>	<u>43,077,774</u>	<u>39,087,150</u>	<u>36,472,200</u>
Expenditures										
General government services	6,347,278	6,311,801	6,982,206	8,773,246	9,685,207	9,468,737	8,943,084	8,639,038	8,925,980	7,582,145
Public safety	12,450,866	14,194,629	16,288,189	17,191,344	18,647,250	20,433,678	20,894,380	20,154,685	20,882,402	20,586,889
Transportation	3,208,134	3,468,400	3,626,071	3,239,374	3,796,308	3,961,684	4,224,462	2,823,742	2,573,471	2,239,094
Economic environment	3,462,585	3,992,006	4,062,277	3,883,555	4,597,384	4,457,254	4,007,562	4,866,802	3,284,296	1,493,782
Culture-recreation	2,393,128	2,252,437	2,275,590	2,378,850	2,413,482	2,518,351	3,237,798	1,892,760	1,718,338	1,624,229
Capital outlay	1,502,815	3,242,213	1,091,001	1,708,531	7,364,019	10,185,766	10,603,881	1,387,684	922,980	358,972
Debt service principal	675,677	794,733	807,330	984,459	1,123,184	881,989	1,242,267	929,592	975,837	1,014,089
Debt service interest	625,787	643,004	610,109	767,724	870,080	827,223	1,244,167	1,192,588	1,149,688	1,104,550
Debt service fees/expenditures	61,853	--	3,404	44,139	25,487	846,338	3,187	3,879	3,809	3,677
Total expenditures	<u>30,728,123</u>	<u>34,899,223</u>	<u>35,746,177</u>	<u>38,971,222</u>	<u>48,522,401</u>	<u>53,581,020</u>	<u>54,400,788</u>	<u>41,890,770</u>	<u>40,436,801</u>	<u>36,007,427</u>
Excess (deficiency) of revenues over (under) expenditures	1,089,877	(2,071,615)	(1,859,589)	250,852	(5,600,453)	(8,159,941)	(10,459,870)	1,187,004	(1,349,651)	464,773
Other financing sources (uses)										
Transfers from other funds	13,738,754	13,839,053	13,723,314	14,802,962	16,196,528	16,563,335	16,077,562	16,647,339	14,300,643	5,139,545
Transfers to other funds	(13,268,354)	(13,838,460)	(14,468,569)	(14,820,562)	(16,875,586)	(16,583,035)	(16,093,498)	(16,672,339)	(14,715,797)	(5,024,870)
Repayment of loan-CCRA	--	--	--	--	--	--	--	--	33,335	66,671
Sales of property	81,951	137,923	7,499	708,266	4,853,057	304,366	597,205	464,669	31,394	13,760
Issuance of debt	3,248,883	--	--	6,000,000	3,000,000	18,645,000	--	--	--	--
Proceeds from capital lease	97,201	--	447,563	--	--	299,031	--	--	--	--
Special Item-Manatee Players	--	--	--	--	--	(1,528,122)	(771,877)	(307,000)	(191,450)	--
Special Item-CCRA	--	--	--	--	--	--	--	--	(1,000,000)	--
Total other financing sources (uses) and special items	<u>3,898,435</u>	<u>138,516</u>	<u>(290,193)</u>	<u>6,690,666</u>	<u>7,173,999</u>	<u>17,700,575</u>	<u>(190,608)</u>	<u>132,669</u>	<u>(1,541,875)</u>	<u>195,106</u>
Net change in fund balances	<u>\$ 4,988,312</u>	<u>(1,933,099)</u>	<u>(2,149,782)</u>	<u>6,941,518</u>	<u>1,573,546</u>	<u>9,540,634</u>	<u>(10,650,478)</u>	<u>1,319,673</u>	<u>(2,891,526)</u>	<u>659,879</u>
Debt service as a percentage of noncapital expenditures	5.31%	5.02%	4.38%	5.06%	6.94%	5.90%	3.13%	5.37%	5.44%	5.96%

CITY OF BRADENTON, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Tourist Development Tax	Ninth Cent Gas Tax	Five-Cent Gas Tax	Four-Cent Gas Tax	Two-Cent Gas Tax	Utility Tax	Communication Services Tax	Half-Cent Sales Tax	Total
2002	\$ 7,051,495	200,467	254,264	--	476,318	190,014	3,285,750	--	3,281,426	14,739,734
2003	8,299,374	203,800	271,842	--	511,602	214,488	3,426,596	3,055,549	3,338,259	19,321,510
2004	9,323,620	216,064	270,871	--	503,078	210,914	3,487,763	2,575,777	3,264,405	19,852,492
2005	11,206,029	238,572	326,134	--	615,845	257,904	3,679,392	2,927,551	4,006,309	23,257,736
2006	12,597,102	253,906	294,054	--	550,129	230,640	3,923,729	2,870,757	3,915,794	24,636,111
2007	14,982,691	263,510	284,206	300,478	530,677	239,005	3,730,455	2,882,546	3,737,615	26,951,183
2008	14,449,476	263,610	282,212	522,542	528,430	239,664	3,614,330	2,866,892	3,452,928	26,220,084
2009	14,182,819	255,531	264,364	532,067	500,555	227,021	3,674,959	2,634,733	3,065,377	25,337,426
2010	12,722,890	269,361	268,022	522,278	525,192	238,195	3,864,722	2,529,202	3,034,041	23,973,903
2011	12,853,772	289,237	265,138	523,860	522,465	236,959	3,926,752	2,472,542	3,245,371	24,336,096

CITY OF BRADENTON, FLORIDA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Personal Property	Centrally Assessed	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2002	\$ 1,586,912,538	266,605,333	316,984	(276,879,185)	1,813,517,871	3.95	NA	NA
2003	1,728,472,073	280,774,844	339,299	(276,460,811)	1,981,742,680	3.95	NA	NA
2004	1,954,926,925	349,723,273	553,747	(275,466,964)	2,305,203,945	4.30	NA	NA
2005	2,152,232,535	357,643,900	622,836	(273,424,037)	2,510,499,271	4.30	2,783,923,308	90.18%
2006	2,399,544,480	354,515,930	370,866	(271,457,491)	2,754,431,276	4.75	3,025,888,767	91.03%
2007	2,912,535,455	347,647,377	369,682	(270,662,136)	3,260,552,514	4.75	3,531,214,650	92.34%
2008	3,304,906,539	356,366,282	426,026	(267,941,449)	3,661,698,847	4.75	3,929,640,296	93.18%
2009	3,015,605,918	319,754,159	376,510	(292,262,256)	3,335,736,587	4.11	3,627,998,843	91.94%
2010	2,727,526,953	346,046,718	121,571	(244,038,387)	3,073,695,242	4.28	3,317,733,629	92.64%
2011	2,370,031,424	322,311,784	352,250	(278,811,987)	2,692,695,458	4.95	2,971,507,445	90.62%

* NA = (Not Available)

Source: Manatee County Property Appraiser

Note: Property tax levies, based on assessed values as of January 1, become due and payable on November 1 of each year. A four percent (4%) discount is allowed if the taxes are paid in November; the discount declines by one percent each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1 of each year.

CITY OF BRADENTON, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	City of Bradenton			Overlapping Rates			School District			Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	
2002	\$ 3.9500	--	3.9500	7.4560	0.2244	7.6804	8.3270	--	8.3270	19.9574
2003	3.9500	--	3.9500	7.7311	0.1993	7.9304	8.3470	--	8.3470	20.2274
2004	4.3000	--	4.3000	7.7089	0.1699	7.8788	8.2960	--	8.2960	20.4748
2005	4.3000	--	4.3000	7.7245	0.1543	7.8788	7.9990	--	7.9990	20.1778
2006	4.7500	--	4.7500	7.5719	0.1344	7.7063	7.9330	--	7.9330	20.3893
2007	4.7500	--	4.7500	6.2993	0.0876	6.3869	7.6140	--	7.6140	18.7509
2008	4.7500	--	4.7500	6.2993	0.0956	6.3949	7.6660	--	7.6660	18.8109
2009	4.1123	--	4.1123	6.2993	0.1090	6.4083	7.3720	--	7.3720	17.8926
2010	4.2843	--	4.2843	6.2993	0.1254	6.4247	7.5410	--	7.5410	18.2500
2011	4.9452	--	4.9452	6.2993	0.1303	6.4296	7.5910	--	7.5910	18.9658

Source: Manatee County Property Appraiser's Office and Manatee County Government offices

CITY OF BRADENTON, FLORIDA
 PRINCIPAL PROPERTY TAXPAYERS
 September 30, 2011

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾
Tropicana Products	\$ 154,293,349	1	29.6017%	\$ 17,345,874	5	7.8851%
Manatee Memorial Hospital LP	83,393,756	2	15.9994%	48,369,588	1	21.9879%
City of Bradenton (as Lessor)	58,820,860	3	11.2850%	11,350,658	10	5.1598%
HCA Health Services of Florida	56,531,219	4	10.8457%	44,678,866	2	20.3101%
Presbyterian Retirement Communities	45,730,554	5	8.7736%	--	--	--
Freedom Village Ltd.	33,791,065	6	6.4829%	--	--	--
Florida Power & Light	26,081,347	7	5.0038%	--	--	--
Carlton Arms of Bradenton	24,049,683	8	4.6140%	24,046,116	3	10.9309%
Verizon Florida	21,383,079	9	4.1024%	--	--	--
Continental 115 Fund LLC	17,156,374	10	3.2915%	--	--	--
West Port Holdings LLC				21,379,701	4	9.7188%
CMC Bradenton LLC				15,048,182	6	6.8406%
EQR Sawgrass Cove Vistas Inc				14,460,719	7	6.5736%
TC-Perico Company				11,868,793	8	5.3953%
Walmart				11,434,753	9	5.1980%
TOTAL	\$ 521,231,286		100.0000%	TOTAL \$ 219,983,250		100.0000%

⁽¹⁾ Percentage of total net assessed value is calculated using total net taxable assessed value on page 129

⁽²⁾ Tropicana annexed into the City of Bradenton on May 24, 2000

CITY OF BRADENTON, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collection within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2002	\$ 7,322,648	7,051,495	96.3%	--	7,051,495	96.3%
2003	8,911,090	8,299,374	93.1%	48,014	8,347,388	93.7%
2004	9,912,217	9,323,619	94.1%	31,528	9,355,147	94.4%
2005	11,924,345	11,206,029	94.0%	8,585	11,214,614	94.0%
2006	13,058,221	12,565,367	96.2%	31,735	12,597,102	96.5%
2007	15,485,988	14,858,015	95.9%	124,676	14,982,691	96.7%
2008	15,062,032	14,387,727	95.5%	61,749	14,449,476	95.9%
2009	14,291,119	13,697,033	95.8%	419,268	14,116,301	98.8%
2010	13,315,918	12,683,700	95.3%	38,910	12,722,610	95.5%
2011	13,277,624	12,812,986	96.5%	40,706	12,853,692	96.8%

Source: Manatee County Property Appraiser's Office

CITY OF BRADENTON, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	Subordinate Lien Bond	Promissory Notes/Bonds	Capital Leases	Utility Bonds	Subordinate Lien Bond	Promissory Notes/Loans	Capital Leases			
2002	\$ 2,745,825	10,912,502	622,734	21,379,577	859,175	--	95,614	36,615,427	5.147%	734.44
2003	2,605,225	10,258,369	61,629	19,685,484	814,775	--	56,508	33,481,990	5.965%	641.65
2004	2,457,025	9,599,239	482,218	17,906,864	767,975	--	13,902	31,227,223	7.103%	589.20
2005	2,301,225	14,770,580	405,422	8,622,605	718,775	7,872,056	12,155	34,702,818	6.908%	639.06
2006	2,141,625	8,229,618	327,588	6,642,371	668,375	16,687,334	7,998	34,704,909	7.515%	632.02
2007	1,970,625	26,163,629	489,674	4,551,038	614,375	16,608,614	151,481	50,549,436	5.251%	929.06
2008	1,792,025	25,090,668	166,592	2,340,000	557,975	16,217,211	105,044	46,269,515	5.756%	855.42
2009	1,605,825	24,347,276	98,596	--	499,175	15,781,718	56,789	42,389,379	6.100%	784.25
2010	1,408,225	23,569,039	28,605	--	436,775	13,055,210	6,634	38,504,488	6.696%	714.75
2011	1,203,025	22,760,150	5,721	--	371,975	10,127,661	330,906	34,799,438	6.842%	699.85

⁽¹⁾ See the Schedule of Demographic and Economic Statistics (page 139) for personal income and population data.

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF BRADENTON, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Bonds / Notes</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value ⁽¹⁾ of Property</u>	<u>Per Capita ⁽²⁾</u>
2002	\$ 13,658,327	2,398,810	11,259,517	NA	NA
2003	12,863,594	2,203,756	10,659,838	NA	NA
2004	12,056,264	2,266,465	9,789,799	NA	NA
2005	17,071,805	2,326,983	14,744,822	0.5296%	271.53
2006	10,371,243	2,341,886	8,029,357	0.2654%	167.15
2007	28,134,254	2,341,444	25,792,810	0.7304%	474.05
2008	26,882,693	2,268,938	24,613,755	0.6264%	455.06
2009	25,953,101	1,809,119	24,143,982	0.6655%	446.69
2010	24,977,264	1,774,182	23,203,082	0.6994%	430.72
2011	23,963,175	1,586,952	22,376,223	0.7530%	450.01

NA = (Not Available)

⁽¹⁾ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property (page 129) for property value data

⁽²⁾ Population data can be found in the Schedule of Demographic and Economic Statistics (page 139)

CITY OF BRADENTON, FLORIDA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 As of September 30, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Manatee County	\$ 12,045,000	15.12%	\$ 1,821,204
Manatee County School Board	350,821,264	15.12%	<u>53,044,175</u>
Subtotal, overlapping debt			54,865,379
City of Bradenton direct debt	23,968,896	100.00%	<u>23,968,896</u>
Total direct and overlapping debt			<u><u>\$ 78,834,275</u></u>

Source: Manatee County Government

⁽¹⁾ The percentage of Overlapping Debt Applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the city's boundaries and dividing it by the county's total taxable value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Bradenton. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF BRADENTON
HISTORICAL NON-AD VALOREM REVENUES AND
DEBT SERVICE PAYABLE FROM NON-AD VALOREM REVENUES (UNAUDITED)
IN THOUSANDS (000's)

	<u>FY 2002</u>	<u>FY2003</u>	<u>FY 2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>
Revenues										
Total governmental funds	\$ 33,943	32,965	33,894	39,930	47,775	45,725	44,528	43,078	39,087	36,472
Less: ad valorem revenues	7,051	8,503	9,540	11,444	12,851	14,983	14,449	14,182	12,723	12,854
Total non-ad valorem revenues	<u>26,892</u>	<u>24,462</u>	<u>24,354</u>	<u>28,486</u>	<u>34,924</u>	<u>30,742</u>	<u>30,079</u>	<u>28,896</u>	<u>26,364</u>	<u>23,618</u>
Less restricted funds:										
Special revenues	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763
Capital projects	--	--	--	--	--	--	--	--	--	--
Adjusted non-ad valorem revenues	<u>\$ 24,129</u>	<u>21,699</u>	<u>21,591</u>	<u>25,723</u>	<u>32,161</u>	<u>27,979</u>	<u>27,316</u>	<u>26,133</u>	<u>23,601</u>	<u>20,855</u>
Expenditures										
General expenditures:										
Public safety	\$ 12,450	14,194	16,288	17,191	18,647	20,434	20,894	20,155	20,822	20,587
General government	5,758	5,541	6,982	8,773	9,685	9,469	8,943	8,639	8,088	7,582
Total general expenditures	<u>18,208</u>	<u>19,735</u>	<u>23,270</u>	<u>25,964</u>	<u>28,332</u>	<u>29,903</u>	<u>29,837</u>	<u>28,794</u>	<u>28,910</u>	<u>28,169</u>
Less: ad valorem revenues available to pay general expenditures	<u>7,051</u>	<u>8,503</u>	<u>9,540</u>	<u>11,444</u>	<u>12,851</u>	<u>14,983</u>	<u>14,449</u>	<u>14,182</u>	<u>12,723</u>	<u>12,854</u>
Adjusted general expenditures	<u>11,157</u>	<u>11,232</u>	<u>13,730</u>	<u>14,520</u>	<u>15,481</u>	<u>14,920</u>	<u>15,388</u>	<u>14,612</u>	<u>16,187</u>	<u>15,315</u>
Legally available non-ad valorem revenues	<u>\$ 12,972</u>	<u>10,467</u>	<u>7,861</u>	<u>11,203</u>	<u>16,680</u>	<u>13,059</u>	<u>11,928</u>	<u>11,521</u>	<u>7,414</u>	<u>5,540</u>
Average of current and prior year	10,999	11,720	9,164	9,532	13,942	14,870	12,494	11,725	9,468	6,477
Annual debt service requirement⁽¹⁾	\$ 1,382	1,437	1,420	1,752	1,993	1,709	2,486	2,121	2,105	2,119
Coverage	9.39x	7.28x	5.54x	6.39x	8.37x	7.64x	4.80x	5.43x	4.50x	6.07x
Percentage of governmental funds	4.07%	4.36%	4.19%	4.39%	4.17%	3.74%	5.58%	4.92%	5.39%	5.81%

(1) Excludes debt service on obligations where non-ad valorem revenues were not used to pay debt service.

Source: City of Bradenton, Florida Finance Department

CITY OF BRADENTON, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Computation of Legal Debt Margin

There is no debt limit mandated by law.

CITY OF BRADENTON, FLORIDA
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Utility System Refunding Revenue Bond

Fiscal Year	Water-Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	\$ 15,544,696	8,269,989	7,274,707	2,330,000	426,135	2.64
2003	14,164,067	8,680,050	5,484,017	2,346,883	423,135	1.98
2004	14,493,519	8,574,087	5,919,432	2,340,000	423,075	2.14
2005	14,482,551	9,494,616	4,987,935	2,340,000	423,075	1.81
2006	17,626,662	11,136,105	6,490,557	2,340,000	356,213	2.41
2007	18,966,413	12,413,962	6,552,451	2,398,628	233,166	2.49
2008	17,818,864	12,673,305	5,145,559	2,271,883	272,834	2.02
2009	18,684,199	14,349,381	4,334,818	2,402,364	284,804	1.61
2010	17,674,071	13,000,165	4,673,906	2,405,505	192,166	1.80
2011	19,023,763	12,772,791	6,250,972	2,494,266	97,882	2.41

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

"Water-Sewer Charges and Other" does not include tap fees.

Operating expenses do not include interest or depreciation.

CITY OF BRADENTON, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾ <i>(in thousands)</i>	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2002	49,855	\$ 1,884,619 ⁽⁵⁾	37,802	4.3
2003	52,181	1,997,280	38,276	4.1
2004	52,999	2,218,008	41,850	3.4
2005	54,303	2,397,423	44,149	3.2
2006	54,911	2,608,108	47,497	3.2
2007	54,409	2,654,397	48,786	4.3
2008	54,090	2,663,500	49,242	7.6
2009	54,051	2,585,584	47,836	12.5
2010	53,871	2,578,266	47,860	12.6
2011	49,724	2,380,984	47,884	10.6

Sources:

- ⁽¹⁾ Bureau of Economic and Business Research
- ⁽²⁾ Personal income is a calculated amount based on population and per capita personal income
- ⁽³⁾ U.S. Bureau of Economic Analysis from 2002 to 2010, estimated for 2011
- ⁽⁴⁾ Florida Department of Labor and Employment Security
- ⁽⁵⁾ As of 2002 the number is representative of Bradenton-Sarasota-Venice area

CITY OF BRADENTON, FLORIDA
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Employer	2011			2002		
	Employees ⁽¹⁾	Rank	Percentage of Total City Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total City Employment ⁽²⁾
Manatee County School Board	5,300	1	34.61%	5,590	1	34.41%
Beall's, Inc.	1,671	2	10.91%	821	7	5.05%
Manatee County Government	1,644	3	10.74%	1,639	3	10.09%
Manatee Memorial Hospital	1,400	4	9.14%	1,100	5	6.77%
Tropicana Products, Inc.	1,300	5	8.49%	3,200	2	19.70%
Blake Medical Center	1,156	6	7.55%	--	--	--
Manatee Co. Sheriff's Dept.	1,034	7	6.75%	1,200	4	7.39%
Publix	839	8	5.48%	--	--	--
State College of Florida Manatee/Sarasota	485	9	3.17%	--	--	--
Hoveround Corp.	484	10	3.16%	--	--	--
Wellcraft Marine	--		--	825	6	5.08%
Security Link from Ameritech/ADT	--		--	700	8	4.31%
SYSCO Westcoast Florida	--		--	620	9	3.82%
City of Bradenton	--		--	552	10	3.40%
Total	15,313		100.00%	16,247		100.00%

Source:

⁽¹⁾ Data was unavailable specifically for the City of Bradenton. The above information is based on the county in which the city resides.

⁽²⁾ Manatee Chamber of Commerce: Economic Development Council

⁽³⁾ Florida Research and Economic Database

CITY OF BRADENTON, FLORIDA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN YEARS

	<u>Full-Time Equivalent Employees as of September 30</u>									
Function	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government										
Full-time	104	108	108	109	109	109	107	102	87	90
Part-time	14	22	22	24	24	26	5	7	8	4
Public Safety										
Police										
Officers	109	121	121	121	121	122	122	122	120	119
Civilians	34	29	29	29	29	29	28	30	25	29
Part-time civilians	11	20	20	20	20	20	28	12	26	26
Fire										
Firefighters and officers	71	71	71	71	71	70	70	70	65	64
Civilians	4	5	5	5	5	6	5	5	3	3
Part-time civilians	0	0	0	0	0	0	0	0	0	0
Highway and streets										
Engineering	6	5	5	5	5	5	7	7	8	8
Part-time engineering	0	2	2	2	2	1	0	0	0	1
Maintenance	19	18	18	18	18	19	17	16	13	13
Sanitation	67	65	65	65	65	66	55	55	55	52
Culture and recreation										
Full-time	53	49	49	49	49	44	42	39	36	35
Part-time	39	37	37	37	37	36	35	32	33	32
Water										
Full-time	49	50	50	50	50	50	39	41	41	41
Part-time	0	0	0	0	0	0	0	0	0	0
Sewer	<u>59</u>	<u>58</u>	<u>58</u>	<u>58</u>	<u>58</u>	<u>58</u>	<u>50</u>	<u>50</u>	<u>47</u>	<u>47</u>
Total										
Full-time	557	579	579	579	579	575	542	537	500	501
Part-time	71	81	81	81	81	83	83	51	67	63

Source: City of Bradenton annual budgets

CITY OF BRADENTON, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Physical arrests	1,761	2,277	2,857	3,004	2,244	2,641	2,720	2,834	2,576	2,424
Parking violations	NA	NA	8,140	8,037	6,942	9,995	11,229	9,073	7,294	7,988
Traffic violations	6,089	6,051	8,329	12,660	12,182	17,186	11,535	10,247	7,050	7,586
Fire										
Number of calls answered	5,169	4,987	5,252	4,899	4,927	4,790	4,594	4,534	4,360	4,132
Inspections	1,238	3,478	1,955	1,092	2,215	1,408	721	1,398	1,914	1,968
Highways and streets										
Street resurfacing (miles)	0.323	0.278	0.427	0.147	2.370	2.307	2.400	2.500	10.450	3.1600
Potholes repaired	NA	NA	NA	NA	2,276	3,081	3,065	3,181	2,351	2,192
Sanitation										
Refuse collected (tons/day)	215.07	207.04	197.29	181.93	118.68	207.02	183.20	168.09	165.7	208.28
Recyclables collected (tons/day)	25.99	114.58	234.50	22.06	139.55	6.82	6.80	6.70	37.67	6.90
Water										
New connections	NA	NA	333	390	352	391	133	191	149	101
Water mains breaks	162	105	119	168	160	210	184	152	239	177
Average daily consumption (million of gallons)	4.96	4.96	5.14	5.02	5.43	5.86	4.84	4.91	5.01	5.12
Wastewater										
Average daily sewage treatment (million of gallons)	5.45	5.98	5.54	5.74	5.73	5.41	5.26	4.96	5.07	5.00

Sources: various City of Bradenton departments

* NA = (Not Available)

CITY OF BRADENTON, FLORIDA
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	NA	NA	NA	NA	125	122	126	120	115	119
Fire stations	3	3	3	3	3	3	3	3	3	3
Sanitation										
Collection trucks	18	18	18	18	18	21	19	19	14	15
Highways and streets										
Streets (miles)	139.00	139.00	139.00	142.00	142.00	144.92	149.00	149.00	149.00	154.69
Streetlights	NA	NA	NA	NA	3,800	3,825	3,867	3,882	3,882	4,247
Traffic signals	NA	NA	NA	NA	352	352	352	352	352	352
Culture and recreation										
Parks acreage	167.7	167.7	167.7	167.7	167.7	167.7	167.7	167.7	167.7	167.7
Parks	10	10	10	10	10	10	10	10	10	10
Tennis courts	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	161.01	183.80	183.80	183.80	184.00	254.00	254.00	254.00	254.00	254.00
Fire hydrants	NA	NA	NA	NA	1,728	1,788	1,788	1,835	1,858	1,860
Maximum daily capacity (millions of gallons)	6.95	6.95	6.95	6.95	6.95	12.00	12.00	12.00	12.00	12.00
Sewer										
Sanitary sewers (miles)	123.4	146.2	146.2	146.2	146.0	200.0	200.0	200.0	200.0	175.5
Storm sewers (miles)	73.6	75.0	75.0	75.0	75.0	106.0	108.0	108.0	108.0	106.4
Maximum daily capacity (million of gallons)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0

Note: No capital asset indicators are available for the general government function

Sources: various City of Bradenton departments

* NA = (Not Available)



18% of the electricity generated in the United States is used for lighting.

*The light switch: an unsung hero of the energy conservation world.
Many people believe that it takes more energy to turn a light 'on and off'
than to simply leave it 'on'. In actuality, when you flip a light switch 'on'
a surge of electricity lasting 0.0003 seconds is used to illuminate the bulb.
That means if you're leaving a room for more than 0.9 seconds,
you're actually saving energy by turning the lights 'off'.*

**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,
Members of the City Council and City Clerk
City of Bradenton, Florida

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, (the "City") as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2012. Our report references the implementation of a new accounting standard related to fund balance classification. Our report also includes a reference to 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. Other auditors audited the financial statements of the City of Bradenton Firefighters' Retirement System as described in our report on the City of Bradenton, Florida's financial statements. The financial statements of the City of Bradenton Firefighters' Retirement System were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

We noted a certain matter that we reported to management of the City in the accompanying Management Letter dated March 28, 2012.

Management's response to the recommendation identified in our audit is described in the accompanying response to the Management Letter. We did not audit the response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Honorable Mayor, members of City Council, management and others within the City, Federal and State awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 28, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Compliance

We have audited the City of Bradenton, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs and State financial assistance projects for the year ended September 30, 2011. The City's major Federal programs and State financial assistance projects are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs and State financial assistance projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General—Local Government Entity Audits*. Those standards, OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General—Local Government Entity Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City'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 of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and State financial assistance projects for the year ended September 30, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs and State financial assistance projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program and State financial assistance project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General—Local Government Entity Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program or State financial assistance project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program or State financial assistance project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Honorable Mayor, members of City Council, management and others within the City, Federal and State awarding agencies, and pass-through agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 28, 2012



**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,
Members of the City Council and City Clerk
City of Bradenton, Florida

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

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, (the "City") as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2012. Our report references the implementation of a new accounting standard related to fund balance classification. Our report also includes a reference to other auditors. Other auditors audited the financial statements of the City of Bradenton Firefighters' Retirement System as described in our report on the City of Bradenton, Florida's financial statements. The financial statements of the City of Bradenton Firefighters' Retirement System were not audited in accordance with *Government Auditing Standards*.

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—Local Governmental Entity Audits*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General—Local Governmental Entity Audits* 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, 2011. 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 Honorable Mayor, members of City Council, management and others within the City, 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 28, 2012

**CITY OF BRADENTON, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2011**

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

Significant deficiency(ies) identified? _____ yes x no

Noncompliance material to financial statements noted? _____ yes x no

Federal Programs and State Financial Assistance Projects

Dollar threshold used to determine Type A and Type B Federal programs and State financial assistance projects: \$300,000

Auditee qualified as low-risk auditee? _____ yes x no

Type of auditor's report issued on compliance for major Federal programs and State financial assistance projects: Unqualified Opinion

Internal Control over major Federal programs and State projects:

Material weakness(es) identified? _____ yes x no

Significant deficiency(ies) identified? _____ yes x no

Any audit findings disclosed that must be reported in accordance with Circular A-133 (Section .510(a))? _____ yes x no

Identification of major Federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.264	Department of Housing and Urban Development– Neighborhood Stabilization Program
66.458	Department of Environmental Protection Agency– Capitalization Grants for Clean Water State Revolving Funds, Recovery Act
81.128	Department of Energy–Energy Efficiency and Conservation Block Program, Recovery Act

Identification of major State financial assistance projects:

<u>CSFA Number(s)</u>	<u>Name of State Project or Cluster</u>
73.016	Florida Department of Revenue Facilities for Related Spring Training Franchises

Part II –Financial Statement Findings

No matters were noted.

Part III –Federal Award and State Financial Assistance Project Findings and Questioned Costs

No matters were noted.

Part IV – Summary Schedule of Prior Audit Findings

The status of all prior year audit findings is reported in the accompanying management letter under the Status of Prior Audit Recommendations heading.

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2011

	CFDA/ CSFA Number	Grant ID Number	Actual Expenditures
Federal Awards			
Department of Housing and Urban Development			
Community Development Block Grant/Entitlement Grants	14.218	B09MC120024	\$ 253,622
Community Development Block Grant/Entitlement Grants	14.218	B10MC120024	493,797
Neighborhood Stabilization Program	14.264	10DB-4X-08-51-02-F-04	460,726
Shelter Plus Care	14.238	FL 29C400001	86,506
Shelter Plus Care	14.238	FL 29C500001	50,633
Shelter Plus Care	14.238	FL0349C4H001001	14,766
Total Department of Housing and Urban Development			1,360,050
Department of Environmental Protection Agency			
Passed through the Florida Department of Environmental Protection Capitalization Grants for Clean Water State Revolving Funds, Recovery Act	66.458	95423009-90	1,782,099
Total Department of Environmental Protection Agency			1,782,099
Department of Justice			
Bullet Proof Vest Partnership Program	16.607	N/A	11,970
Passed through the Florida Department of Law Enforcement of Office of Attorney General			
Edward Byrne Formula Grant Program	16.579	2009-DJ-BX-0917	8,530
Edward Byrne Formula Grant Program, Recovery Act	16.579	2009-SB-B9-0807	14,432
Edward Byrne Formula Grant Program, Recovery Act	16.579	2010 DJ-BX-1364	40,354
Police Safety Partnership and Community Policing Grants, Recovery Act	16.710	2009-RK-WX-0230	295,189
Total Department of Justice			370,475
Department of Homeland Security			
Passed through the Florida Department of Community Affairs			
Severe Repetitive Loss Program	97.110	09SR-47-08-51-02-278	8,455
Severe Repetitive Loss Program	97.110	09SR-47-08-51-02-279	76,349
Total Department of Homeland Security			84,804
Department of Energy			
Energy Efficiency Conservation Block Grant, Recovery Act	81.128	DE-SC00002663	329,113
Total Department of Energy			329,113
Total Federal expenditures			<u>\$ 3,926,541</u>
State Financial Assistance			
Florida Housing Finance Agency			
State Housing Initiatives Partnership Program	52.901	N/A	\$ 104,315
Florida Department of Environmental Protection			
State Revolving Loan	37.077	SW410320	133,161
Florida Department of Transportation			
Sidewalk to Schools Lap	20.205	FM416236-1	1,054
Florida Department of Revenue			
Facilities for Retained Spring Training Franchises	73.016	N/A	500,004
Total State expenditures			<u>\$ 738,534</u>

This Schedule includes the Federal and State grant activity of the City of Bradenton, Florida, for the fiscal year ended September 30, 2011, and is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550 Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.

MANAGEMENT LETTER

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

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, (the "City") as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2012. Our report references the implementation of a new accounting standard related to fund balance classification. Our report also includes a reference to other auditors. Other auditors audited the financial statements of the City of Bradenton Firefighters' Retirement System as described in our report on the City of Bradenton, Florida's financial statements. The financial statements of the City of Bradenton Firefighters' Retirement System were not audited in accordance with *Government Auditing Standards*.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Financial Assistance Project and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, dated March 28, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports and schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of prior year findings are reported in the *Status of Prior Audit Recommendations*.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include 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 complied with Section 218.415, Florida Statutes.

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Matters required to be disclosed are reported under the heading *Current Year Recommendation*.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. There are no matters of this type that require disclosure.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or 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 disclosed the required information in the notes to financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2011, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2011. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City'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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Honorable Mayor, members of the City Council, management and others within the City, 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 28, 2012

CURRENT YEAR RECOMMENDATION

INTERGOVERNMENTAL RECEIVABLE

During the current year's audit, we noted an audit adjustment was required to properly record an intergovernmental receivable to the Central Community Redevelopment Agency (a discretely presented component unit of the City). Internal controls were not sufficient to detect this misstatement in the City's financial statements for the year ended September 30, 2010, which served as the beginning balance for the 2011 financial statements. An audit adjustment of \$250,000 was needed to correctly report the beginning balance of the fund balance in the General Fund and the governmental activities beginning balance of net assets at the entity-wide level for the year ended September 30, 2011.

We recommend the City carefully review the financial statements and their applicable reporting requirements under generally accepted accounting principles to ensure that all information and financial data is being properly reported in the future.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

ADVANCES TO/FROM OTHER FUNDS

During prior audits, we noted several large advances to/from the various funds of the City. However, this long-term interfund borrowing was 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.

NEW VENDOR SET UP

During the prior year audit, we noted that the accounting staff has the capability to set up new vendors. This allows for the possibility that the accounting staff processing vendor invoices for payment could submit fraudulent documentation for a fictitious vendor and remain undetected. We recommended that the City consider restricting the function of "new vendor set up" to staff who is not responsible for processing invoices for payment.

During the current audit we noted that City staff has made several changes in relation to this finding. We continue to recommend the City continue to strengthen the restriction of the function of "new vendor set up" to staff who is not responsible for processing invoices for payment.



To: Mayor and City Council
From: Carl Callahan, City Clerk & Treasurer
Date: March 28, 2012
Subject: Response to Management Letter – Fiscal Year Ending September 30, 2011

~~~~~  
The following is a summation of my responses to the recommendations made by our audit firm, Mauldin & Jenkins. These recommendations are based upon their financial audit of the City of Bradenton records for the fiscal year ending September 30, 2011.

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

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

##### Auditor's Comments / Recommendations:

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

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

##### *City's Response:*

*As noted in previous audits the city will calculate and consider paying interest on the outstanding loans between the various funds. In calculating the interest the city utilizes an interest rate consistent with the return on the city's liquid surplus funds. This year, the calculation yielded an 'interest due' that was immaterial relative to the overall balances due, and subsequently was not booked.*

*The city continues the practice of consistently paying down the long-term loans between the various funds.*

### **New Vendor Set-Up**

#### Auditor's Comments / Recommendations:

During the prior year audit, we noted that the accounting staff has the capability to set up new vendors. This allows for the possibility that the accounting staff processing vendor invoices for payment could submit fraudulent documentation for a fictitious vendor and remain undetected. We recommend that the city consider restricting the function of "new vendor set-up" to staff who is not processing invoices for payment.

During the current audit we noted that city staff has made several changes in relation to this finding. We recommend the city continue to strengthen the restriction of the function of "new vendor set up" to staff who is not responsible for processing invoices for payment.

#### *City's Response:*

*The city thoroughly reviewed this process and determined the current accounting software would not allow for such a division of duties. New software with enhanced capability is scheduled to 'go live' July, 2012. In the interim, new vendor information (including W-9s) is manually reviewed by the Assistant City Clerk & Treasurer, who does not have access to payment processing.*

## **CURRENT AUDIT FINDINGS AND RECOMMENDATIONS**

### **Restatement of Prior-Year Balances**

#### Auditor's Comments / Recommendations:

During the current year's audit, we noted an audit adjustment was required to properly record an intergovernmental receivable to the Central Community Redevelopment Agency (a discretely presented component unit of the city). Internal controls were not sufficient to detect this misstatement in the city's financial statements for the year ended September 30, 2010, which served as the beginning balance for the 2011 financial statements. An audit adjustment of \$250,000 was needed to correctly report the beginning balance of the fund balance in the general fund and the governmental activities beginning balance of net assets at the entity-wide level for the year ended September 30, 2011.

We recommend the city carefully review the financial statements and their applicable reporting requirements under generally accepted accounting principles to ensure that all information and financial data is being properly reported in the future.

#### *City's Response:*

*The City of Bradenton's financial management staff recognizes the importance of the controls necessary to monitor the proper recording of all intergovernmental transactions. The City Clerk & Treasurer's office will thoroughly review all financial statements and applicable reporting requirements under generally accepted accounting principles to ensure that all transactions are being properly reported.*