

City of Bradenton, Florida

Comprehensive Annual Financial Report

Fiscal Year Ending September 30, 2013



About our cover:

1926: Manatee River Hotel ... meet the 2013: Hampton Inn & Suites. Following last year's addition of the Riverwalk to downtown Bradenton the renovated Manatee River Hotel, affectionately known as the 'Pink Palace,' provides yet another destination for locals and tourists alike.

The original Manatee River Hotel, built for \$850,000 in 1926, has been renovated into a Hampton Inn & Suites in conjunction with the National Park Service's historic preservation guidelines. The building maintains the charm and characteristics of the original hotel lobby including the grand stairway, wooden staircases, and marble floors. Making use of \$3.3 million in historic tax credits, the hotel is considered a 'contributing structure' in the Downtown Bradenton Historic District. With a financial contribution from Bradenton's Community Redevelopment Agency, property tax rebates from the city and Manatee County, and infrastructure improvements provided by the city, downtown has added yet another jewel to its crown.

CITY OF BRADENTON, FLORIDA

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2013

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“The building was once filled with prosperity and promise. Stars and socialites used to rub elbows with bootlegging gangsters and gun-slinging racketeers at the swanky rooftop parties that were held exclusively at the elegant hotel. During a time of prohibition, celebrities utilized the strategic location to dance the Charleston, toast bootlegged champagne and sip infamous Manatee Moonshine.”

~ *Merab-Michal Favorite*
Bradenton Times



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

February 24, 2014

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, 2013. 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, 2013 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 council

person 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 4, 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 50,455. 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 past several years of the recession had a potentially devastating financial impact on the local economy. Construction and the real estate industries were virtually non-existent during that time. With that being said, the City of Bradenton and Manatee County have a diversified economic base that relies on service, retail, light manufacturing, agriculture and particularly tourism. That diversity has allowed us to weather this downturn better than most.

The most recent economic indicators point to a turnaround in our local economy. Real estate has begun to rebound and which has led to the first increase in property values in several years.

Long-term financial planning. During the fiscal year 2011, the Bradenton City Council approved and adopted a formal Fund Balance Policy. The 2013 unassigned 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. For several years, a poor real estate market and rampant foreclosures have resulted in a severe reduction in property values. In a bold move, City Council has consistently 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*.

While weathering 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 handle 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. With the recent rebound in the building and construction industry, the City reinstated all impact fees effective January 1, 2014.

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. New parks, restaurants, and a redeveloped hotel are proof that downtown Bradenton has become a popular destination.

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 a pilot program to expand the use of the ASR (Aquifer Storage Recovery) technology as well as alternative means of utilizing our reclaimed wastewater. Additional projects moving forward are three additional Wares Creek bridge replacements, Manatee Avenue lighting improvements, and an expansion of the already considerable amenities available at the downtown Riverwalk. These projects reflect the city's commitment to not only put great recession behind us, 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, 2012. This was the thirty-ninth 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 2013 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, 2013.

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,



Carl Callahan
City Clerk & Treasurer
Chief of Staff



Government Finance Officers Association

**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, 2012

Executive Director/CEO

City of Bradenton Principal City Officials

Elected Officials

Mayor	<i>Wayne Poston</i>
Council - Ward 1	<i>Gene Gallo</i>
Council - Ward 2	<i>Gene Brown</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	<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
Gene Brown Harold Byrd, Jr.

City Attorney

William Lisch

**City Clerk
& Treasurer**

Carl Callahan

Accounting
Archives
Auditorium
Business Taxes
Cashiering
Golf Course
Human Resources
Information
Technology
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
Standards

**Public Works
& Utilities**

Claude Tankersley

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

**Fire
Control**

Charles Edwards

Administration
Prevention
Suppression
Training



The Manatee River Hotel was designed by J. Harold MacDowell, Cleveland, Ohio's City Architect, and was built by the H.C. VanSweringen Company, also of Cleveland. Total cost? \$850,000. VanSweringen was a developer/speculator associated with many real estate projects in the state and, along with his two brothers, was the principal investor responsible for the hotel. The family was long associated with the railroad industry and chose the property, in part, due to its close proximity to the Atlantic Coast Line Railroad Depot.

Referred to as the "Crown Jewel of the Gulf Coast," hotel building materials were imported from across the United States. Construction began in 1923 and took three years to complete due to the lavish decorations that went into the project.

The seven-story hotel featured Mediterranean Revival architecture including a barrel-tile roof, four corner towers, wood-trimmed balconies, several ballrooms for social events, and a rooftop garden with a bandstand/dance floor circled with lights that could be seen throughout downtown. The curvy steel awning support brackets, depicted below and still in place today, added pedestrian appeal at the ground level.

The hotel was open year-round from 1926 through 1929, and then was operated seasonally from late fall through April of each year.



STAFF PHOTO / HAROLD BUBIL
 These ground-level steel brackets are original to the Manatee River Hotel. Opened in 1926 and long known as the "Pink Palace," it is being renovated by Widewater's Hotels of Syracuse, N.Y., as a Hampton Inn and Suites.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 33%, 34%, and 29%, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report 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 solely 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of October 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 4-17 and 72-77, 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.

Other Information

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 and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of Local Governments and Non-Profit Organizations*, and *Chapter 10.550 Rules of the Auditor General—Local Government Entity Audits*, and is also not a required part of the financial statements.

The combining and individual fund statements and schedules, as well as the Schedule of Expenditures of Federal Awards and State Financial Assistance Projects are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, as well as the Schedule of Expenditures of Federal Awards and State Financial Assistance Projects is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2014, 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, and 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* in considering the City's internal control over financial reporting and compliance

Mauldin & Jenkins, LLC

Bradenton, Florida
February 24, 2014

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 2012-2013 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 18.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$163,029,137 (net position). Of this amount, \$67,202,806 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased \$9,665,724, or 6.3% 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 \$40,930,198, a decrease of \$7,441,679 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$23,240,348, or 69.2% of total general fund expenditures.
- Total governmental revenues decreased \$535,424, or 1.45% in comparison to the prior year.
- Total governmental expenditures increased \$5,385,346, or 12.85% in comparison to the prior year. Operating expenditures remained flat, while most of the increase in expenditures is related to the completion of the McKechnie Field renovation.

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 Position presents information on all of the City's *assets*, *deferred outflows of resources*, and *liabilities*, with the difference between the three reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All *changes in net position* 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 18-20 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 position presented in the governmental activities column on the Statement of Net Position. 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 position 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 21-24 of this report.

Proprietary Funds

Proprietary fund financial statements consist of a Statement of Net Position; Statement of Revenues, Expenses and Changes in Fund Net Position; 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 non-major enterprise fund, is presented as such on the proprietary funds financial statements. All internal service funds are considered to be non-major 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 25-28 of this report.

Fiduciary Funds

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. 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.

CITY OF BRADENTON, FLORIDA
Management's Discussion and Analysis

The fiduciary fund financial statements can be found on pages 29-30 of this report.

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 31-70 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 74-77 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time to be an indicator of a government's financial position. The City of Bradenton's assets exceeded liabilities by \$163,029,137 at the close of the 2013 fiscal year. The following schedule is a summary of the Statement of Net Position found on page 18 of this report.

Net Position at September 30, 2013

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 66,194,057	73,524,767	34,785,430	26,977,447	100,979,487	100,502,214
Internal balances	1,304,123	1,827,373	(1,304,123)	(1,827,373)	-	-
Capital assets, net depreciation	57,738,166	48,323,773	72,863,902	73,425,085	130,602,068	121,748,858
Total assets	125,236,346	123,675,913	106,345,209	98,575,159	231,581,555	222,251,072
Deferred Outflows of Resources						
Deferred charge on refunding	438,348	612,937	418,474	632,463	1,051,285	1,245,400
Total deferred outflows of resources	438,348	612,937	418,474	632,463	1,051,285	1,245,400
Liabilities						
Current and other liabilities	4,543,826	4,669,032	2,006,777	2,767,859	6,550,603	7,436,891
Long-term debt outstanding	40,422,180	41,413,931	22,436,457	21,282,237	62,858,637	62,696,168
Total liabilities	44,966,006	46,082,963	24,443,234	24,050,096	69,409,240	70,133,059
Net Position						
Investments in capital assets, net of related debt	29,190,556	18,853,236	65,903,360	59,890,864	95,093,916	78,744,100
Restricted	732,415	2,324,902	-	-	732,415	2,324,902
Unrestricted	50,785,717	57,027,749	16,417,089	15,266,662	67,202,806	72,294,411
Total net position	\$ 80,708,688	78,205,887	82,320,449	75,157,526	163,029,137	153,363,413

CITY OF BRADENTON, FLORIDA
Management's Discussion and Analysis

With the stresses of the great recession behind us, we began to see a turnaround in the local economy and the overall financial position reflects this vibrancy. The \$9,665,724 increase in net position is evidence that the City has continued to maintain a solid financial base. 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 and return to more normal operations in relatively short order. 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. This strategy works well in all economic situations.

A significant portion of the City's total net position (58.33%) reflect its *net 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 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 position (.45%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$67,202,806) 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 2013 and 2012 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 19 and 20 of this report.

	Statement of Activities					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for services	\$ 7,030,414	5,690,100	29,616,536	29,142,860	36,646,950	34,832,960
Operating grants and contributions	1,526,841	2,339,616	--	--	1,526,841	2,339,616
Capital grants and contributions	4,490,054	242,668	1,592,094	587,228	6,082,148	829,896
General Revenues:					--	--
Property taxes	12,857,121	12,970,233	--	--	12,857,121	12,970,233
Other taxes	13,275,787	9,887,202	--	--	13,275,787	9,887,202
Other	1,225,179	5,895,389	43,982	687,081	1,269,161	6,582,470
Total Revenues	\$ 40,405,396	37,025,208	31,252,612	30,417,169	71,658,008	67,442,377

CITY OF BRADENTON, FLORIDA
Management's Discussion and Analysis

Statement of Activities (continued)

Expenses

Governmental Activities							
General government	\$	9,075,136	8,247,333	--	--	9,075,136	8,247,333
Public safety		22,096,925	20,574,575	--	--	22,096,925	20,574,575
Transportation		2,577,388	2,884,855	--	--	2,577,388	2,884,855
Neighborhood Stabilization Program		--	744,812	--	--	--	744,812
Community Development Program		282,940	349,438	--	--	282,940	349,438
Energy Efficient Grant		--	150,856	--	--	--	150,856
State Housing Initiatives Program		94,718	81,729	--	--	94,718	81,729
Shelter Plus Care Program		147,110	163,635	--	--	147,110	163,635
Economic environment		--	7,047	--	--	--	7,047
Culture and recreation		2,577,032	2,490,494	--	--	2,577,032	2,490,494
Interest on long-term debt		1,182,515	1,239,189	--	--	1,182,515	1,239,189
Business-type Activities							
Water-sewer		--	--	17,310,472	16,845,092	17,310,472	16,845,092
Sanitation		--	--	6,181,905	5,627,349	6,181,905	5,627,349
Other		--	--	2,055,069	1,962,467	2,055,069	1,962,467
Total Expenses		38,033,764	36,933,963	25,547,446	24,434,908	63,581,210	61,368,871
Change in net position before other items		2,371,632	91,245	5,705,166	5,982,261	8,076,798	6,073,506
Transfers		365,493	348,147	(365,493)	(348,147)	--	--
Change in net position		2,737,125	439,392	5,339,673	5,634,114	8,076,798	6,073,506
Net position - beginning, restated		77,958,245	77,766,495	76,980,776	69,523,412	154,939,021	147,289,907
Net position -end of year	\$	<u>80,695,370</u>	<u>78,205,887</u>	<u>82,320,449</u>	<u>75,157,526</u>	<u>163,015,819</u>	<u>153,363,413</u>

Governmental activities reported an increase in the City's net position of \$2,737,125. This increase represents 3.39% of the year-end net position and compares favorably to the \$439,392 or .5% increase in year-end net position in the prior year. Although the City is not completely free from doldrums of the economic recession, the City appears to have emerged with few long-term side effects.

- With the exception of public safety, the overall spending on governmental activities has remained relatively flat. The City remains committed to providing the basic government services and the public safety expected by its citizens. The City consistently monitors the revenues and expenditures with the goal of achieving the reasonable balance between the citizens' expectations and the City's ability to deliver those services in a fiscally responsible manner.
- The inconsistent funding of the federal and state housing programs has had a significant impact on the City's ability to deliver those services to the citizens most in need of help. Community Development Block Grant, State Housing Initiative Program and Shelter Plus Care Program, in total, had less funding available to deliver services under city and state housing initiatives.
- Other items of note that put a significant strain on our current difficult financial situation include increases associated with public safety pension contributions (\$57,661) and other post-employment benefit liabilities (\$951,861). 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 position.

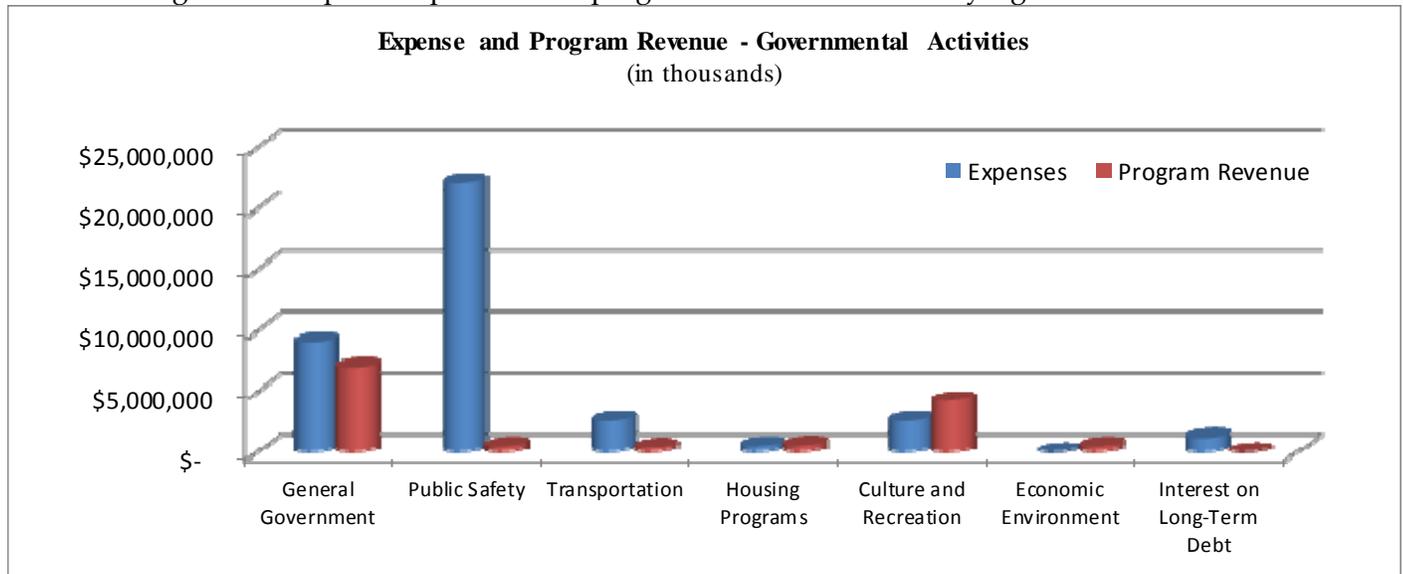
CITY OF BRADENTON, FLORIDA
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The City is working diligently to reduce the long-term negative impact associated with the above items. Over the past three years, the City has implemented widespread changes to the employee and retiree benefit packages. This year's financial statements reflect the stability these changes have brought to our

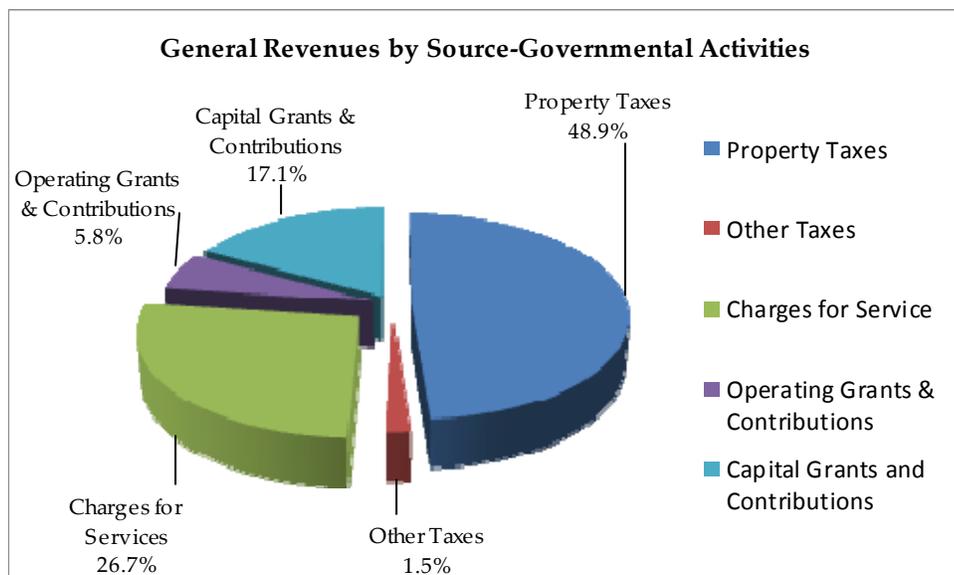
Other Post-Employment Benefits (OPEB) liability and our health care reserves. The City will continue to monitor to determine if further changes may be necessary to reduce the long-term economic impacts on the City's financial position, as well as ensure the long-term viability of such plans and benefits.

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 over the last six years of recession our activities have fundamentally changed and now may need to reflect our citizens' *ability* to pay.

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



The following graph shows the composition of general revenues for the City's 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 operations without being supplemented from governmental sources.

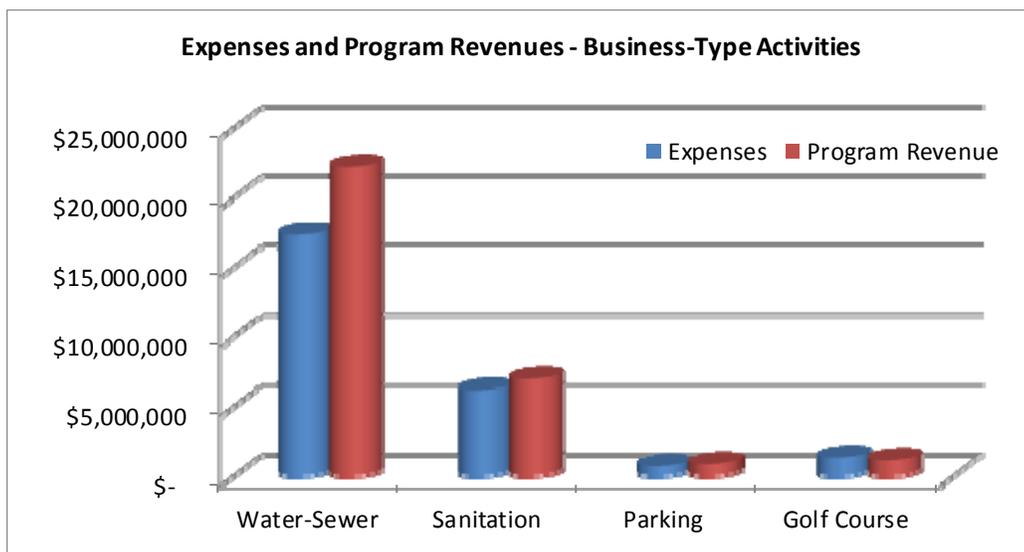
The increase in net position for business-type activities totaled \$5,339,673 and \$5,634,114 for the fiscal years 2013 and 2012, respectively. This net change in position represents a 6.94% increase compared to the 8.1% increase in the prior year.

Included in the above numbers is a \$4,334,927 increase in the net position of the Water-Sewer Fund. Operating income of \$3,189,033 accounted for most of the increase, while \$1,592,094 of capital contributions related to grants for capital projects accounted for the balance of the increase.

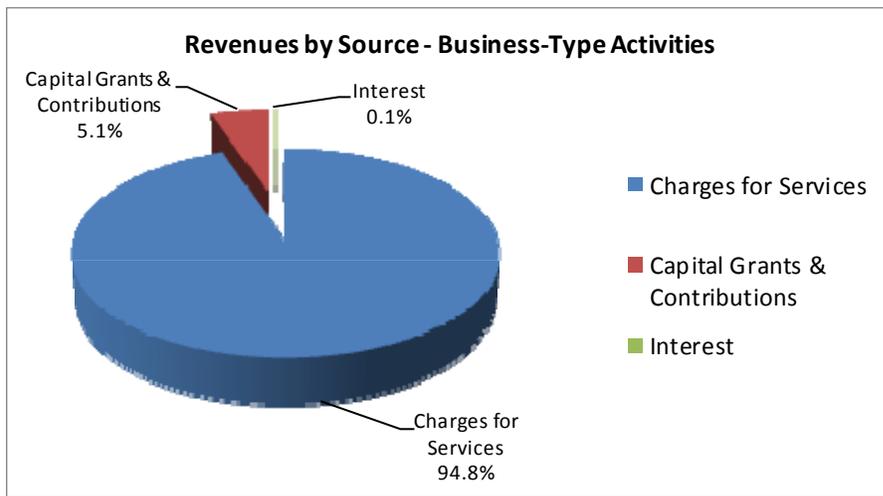
For the sixth consecutive year solid waste operations have resulted in an increase in net position. The \$768,346 increase in 2013 compares to the \$1,483,667 increase for 2012. These significant increases reflect a turnaround for a fund that for years relied on contributions from other sources to maintain 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, had 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 position (\$166,697) for a fifth consecutive year. The entire golf industry has been severely impacted by the depressed economy and the overall decrease in the golf industry. River Run experienced an 18% decrease in rounds played over the last five 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:



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



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 21-24. 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 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 \$40,930,198, a decrease of \$7,441,679 in comparison with the prior year. The decrease is primarily a result of use of investable assets for the completion of the McKechnie Field renovations. Approximately 56.53% of the ending fund balance (\$23,136,368) constitutes unassigned fund balance which is available for spending at the City's discretion.

Another \$14,637,309 has been set aside by City Council as either committed or assigned fund balance. The remaining \$3,156,521 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 (\$1,847,963), (2) bond retirement (\$71,785), or (3) inventories, grants and impact fees for future expenses.

General Fund

During 2013, the general fund balance has remained stable. The increase in ad valorem tax proceeds, utility taxes and licenses and permits were offset by an increase in some on-going expenditures associated with our public safety services. The net decrease in fund balance of \$358,970 represents 1.07% of total general

fund expenditures. Although this decrease is not materially significant to the financial statements, it speaks volumes to the City's ability to maintain a stable financial environment and minimize the negative impacts during a protracted economic downturn.

Public safety expenditures increased primarily as a result of one-time payments to police officers as a result of their collective bargaining. Higher fuel prices also contributed to the increased expenditures for public safety.

A one-time \$450,000 loan to the Manatee Players Theater contributed to an increase in general fund expenditures for the year-end September 30, 2013.

It should be noted that, consistent with previous years, most general fund operations experienced a decrease in expenditures while maintaining the same high-quality services our citizens expect.

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 72 and 79-83. Budget columns are provided for both the original adopted budget and the final budget for fiscal year 2013.

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.

An increase in ad valorem tax receipts necessitated a \$270,295 budget adjustment. The construction industry also has seen a late turnaround as the permits and fees associated with new construction were adjusted upward by \$606,732. The City also experienced a decrease in revenues related to the City's red light enforcement program. The related adjustment decreased budgeted revenues by \$14,250.

The City Investment Policy Statement authorizes investment of surplus funds in a wide range of fixed income securities that require mark-to-market at year end. Any corresponding increase or decrease in value would be applied to interest income. Current year-end valuations resulted in a \$1,251,112 offset to interest income. Actual cash flows of investment income on this portion of the portfolio have not been negatively impacted.

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

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General Fund Budget Changes

General Fund Department	Budget Increase	Reason for Increase
Building	38,200	* Increase in staff level due to increase in building activities
	13,800	* Increase in operational costs due to increase in staff level
Information Technology	29,500	Increase travel cost for Munis trainers
	83,500	Increase in contractual services for Munis training
	12,700	Increase in consultant cost for Munis training
Electrical Maintenance	47,500	Increase due to unforeseen employee retirement costs
Economic Environment	450,000	Loan to Manatee Players
Law Enforcement	101,000	Vehicle fuel, rising consumption
	225,450	* Establish budget for auxiliary funds: Abandoned Property, Forfeiture Funds, Explorer Funds and Federal Forfeiture Funds
	45,000	Increase in overtime due to unforeseen special events
		* <i>Revenue and expenditure adjustments necessary</i>

Overall, the expenditures for the general fund were under the final budget by \$946,402, or 2.74%.

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, 2013, total net position amounted to \$82,320,449 for the enterprise funds, compared to \$75,157,526 at the end of 2012. Net position changes are a result of operations, non-operating revenues and expenditures, capital contributions as well as donated assets.

A 2.8% increase in water-sewer revenues, coupled with major decreases in personnel, operating expenses, and capital expenditures resulted in \$4,334,927 increase in net position 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 stabilized the operating costs associated with solid waste. For the current year revenue decreased \$103,873 or (1.5%). Expenses were slightly higher due to higher landfill costs, fuel increases and additional depreciation associated with equipment turnover. The net result was an operating income of \$733,839 and a change in net position of \$768,346. These results are compared to the operating income of \$1,459,178 and an increase in net position of \$1,483,667 in 2012.

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.

2012 was an outstanding year for claims. As noted in the prior year the City would monitor the activity to see if the prior year was an anomaly and, as this year's results indicate, it was. In 2013, the medical self-insurance program returned to the anticipated levels of claims and operating expenditures. This year's results reflect a \$281,147 positive change in net position compared to \$1,398,883 in 2012.

The property and workers' compensation funds remained very stable for 2013. Net position for workers' compensation increased \$317,480 or 3.77%, while property insurance improved by \$33,563 or 1.56%.

Overall, the net position for the internal service funds increased from \$13,892,969 in 2012 to \$14,525,159 in 2013, or 4.55%.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013, amounts to \$130,602,068 (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's stormwater and wastewater treatment and recovery systems

The McKechnie Field renovation, previously listed in the planning or construction phase, was completed during the year.

Other projects still remaining in various stages of planning or construction:

- Wares Creek bridge replacements
- Public/private partnership for reuse water distribution

CITY OF BRADENTON, FLORIDA
Management's Discussion and Analysis

	Capital Assets					
	(Net of Accumulated Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 3,805,099	3,169,420	6,310,698	6,310,698	10,115,797	9,480,118
Building	27,586,505	27,856,728	14,791,537	15,225,541	42,378,042	43,082,269
Infrastructure	20,480,075	10,687,154	11,867,173	3,188,573	32,347,248	13,875,727
Improvements	1,506,639	1,925,488	28,427,647	32,687,741	29,934,286	34,613,229
Machinery and Equipment	4,288,870	3,192,395	5,514,245	5,274,998	9,803,115	8,467,393
Construciton in Progress	70,978	1,492,588	5,952,602	10,737,534	6,023,580	12,230,122
Total	\$ 57,738,166	48,323,773	72,863,902	73,425,085	130,602,068	121,748,858

For additional information regarding capital assets, please see Note G on page 47 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year the City had total bonded debt outstanding of \$35,082,190, with no general obligation debt. All City debt represents bonds secured solely by specified revenue sources.

	Bond Debt and Loans Payable					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue bonds	\$ 25,499,742	26,320,000	6,769,672	7,096,342	32,269,414	33,416,342
Notes	2,812,776	3,150,537	--	--	2,812,776	3,150,537
Total bonds	\$ 28,312,518	29,470,537	6,769,672	7,096,342	35,082,190	36,566,879

- McKechnie Field loan - \$7,500,000 for the renovation of the spring training home of the Pittsburgh Pirates: Debt for this loan is primarily covered by an interlocal agreement with Manatee County to use funding from the Bradenton Area Tourist Development Council.

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 50-52 of this report.

ECONOMIC FACTORS AND YEAR 2013 BUDGET AND RATES

Factors considered in preparing the City of Bradenton's budget for the 2014 fiscal year included the items listed on the following page:

- For the first time in six years, the City of Bradenton will experience a slight increase in taxable values. This generally positive upturn in the economy generated only a modest increase in non-ad valorem revenues. While the total taxable value of properties with the City increased 1.2%, that increase in taxable value will only generate approximately \$120,000 in additional income.
- Property Taxes - An increase in the ad valorem tax millage rate from 5.4356 to 5.8976, will net the General Fund an additional \$980,000 in revenue.
- Other Revenue Sources – It is anticipated the City's other large sources of revenue (sales tax, franchise fees, etc.) will be at levels similar to previous years.
- Building Permit Fees – Building permit fees, which must be utilized to fund only building services, are projected to be up significantly due to the recent improvement in the construction industry and local economy.
- General Fund – Most non-public safety departments are experiencing a slight increase in their budgets. In almost all instances this can be attributed to the increase in the required contribution to the Florida Retirement System. State of Florida pension costs increased this year after the state cut the rates in 2012-2013 as budget-balancing tool. Impact on the general fund is \$206,074 and \$342,519 citywide.
- Public Safety Pensions – Pension cost continue to increase. Overall police and fire pension costs are up 13.6% or \$519,100.
- Construction Market – The recent return of the housing and commercial construction markets necessitate an increase in staffing in the Building Department to offset additional building reviews and inspections. Staffing is being added incrementally and is being paid for exclusively by the user permit fees.
- Unemployment rate fell from 9.0% to 7.5%
- City population increased by .1%.
- Police, Fire and Park impact fees have been reinstated effective 1/1/2014.

As in prior years, the decision to increase the millage rate to offset increasing costs is a difficult issue, especially as our region is now beginning its economic recovery. This budget and millage rate increase is only reflective of the desire to provide these essential services that provide for the quality of life that is expected by the citizens of Bradenton. In those instances wherein the cost of providing services has outpaced our ability to pay, Council has shown its willingness to break with past practices and propose changes that will help ensure long-term stability in both cost and service delivery.

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.

Through the renovation of the long-abandoned Manatee River Hotel, the newly renovated Hampton Inn & Suites is yet another contribution to the City of Bradenton's downtown revival. With 119 rooms, and at a total renovation cost of \$21 million, it is expected that the hotel will generate 40 jobs, and \$500,000/year in tourist and sales tax revenue.



The ground floor of the hotel has been completely restored to its former glory, preserving historic elements from the original building.

In order to provide updated amenities, the second through seventh floors have completely new layouts. The developers still hope to attract the "heritage tourists" known for gravitating to historic structures while vacationing.

Taking up an entire city block, the hotel is adjacent to the South Florida Museum, Bishop Planetarium, Chamber of Commerce, Bradenton Auditorium and other government and commercial buildings. Within walking distance of the brand-new Riverwalk, the hotel seems to be well situated for a long and healthy relationship with the city.



CITY OF BRADENTON, FLORIDA
STATEMENT OF NET POSITION
September 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 55,143,530	31,096,264	86,239,794	2,108,370
Receivables (net of allowance for uncollectibles)	7,205,938	3,123,786	10,329,724	21,625
Prepaid items	119,604	2,128	121,732	14,871
Due from other governments	1,620,299	507,852	2,128,151	80,185
Due from insurance	140	--	140	--
Inventory	504,041	55,400	559,441	--
Internal balances	1,304,123	(1,304,123)	--	--
Deferred charges	319,263	--	319,263	--
Net pension asset	1,281,242	--	1,281,242	--
Capital assets (net of accumulated depreciation):				
Land	3,805,099	6,310,698	10,115,797	5,909,121
Buildings	27,586,505	14,791,537	42,378,042	502,105
Infrastructure	20,480,075	11,867,173	32,347,248	--
Improvements other than buildings	1,506,639	28,427,647	29,934,286	6,638,510
Machinery and equipment	4,288,870	5,514,245	9,803,115	3,577,368
Construction in progress	70,978	5,952,602	6,023,580	89,044
Total assets	<u>125,236,346</u>	<u>106,345,209</u>	<u>231,581,555</u>	<u>18,941,199</u>
Deferred Outflows of Resources				
Accumulated decrease in fair value of swap agreement	438,348	418,474	856,822	406,536
Total deferred outflows of resources	<u>438,348</u>	<u>418,474</u>	<u>856,822</u>	<u>406,536</u>
Liabilities				
Accounts payable and other current liabilities	\$ 2,232,849	1,089,090	3,321,939	18,525
Accrued interest payable	124,423	--	124,423	46,209
Due to other governments	11,616	--	11,616	--
Retainage payable	--	373,781	373,781	--
Unearned revenue	702,708	12,930	715,638	--
Noncurrent liabilities				
Due within one year	1,472,230	530,976	2,003,206	1,109,147
Due in more than one year:				
Other liabilities	--	7,684,220	7,684,220	--
Net OPEB payable	10,969,922	5,787,662	16,757,584	--
Swap rate agreement liability	438,348	673,149	1,111,497	406,536
Revenue bonds payable	24,618,705	--	24,618,705	5,251,776
Notes payable	2,456,675	6,311,938	8,768,613	3,118,444
Capital leases	--	118,393	118,393	--
Estimated claims payable	780,081	--	780,081	--
Compensated absences	1,158,449	454,320	1,612,769	--
Customer deposits	--	1,406,775	1,406,775	--
Total liabilities	<u>44,966,006</u>	<u>24,443,234</u>	<u>69,409,240</u>	<u>9,950,637</u>
Net Position				
Net investment in capital assets	29,190,556	65,903,360	95,093,916	7,236,781
Restricted for:				
Impact fees	535,096	--	535,096	--
Grants	197,319	--	197,319	--
Unrestricted	50,785,717	16,417,089	67,202,806	2,160,317
Total net position	<u>80,708,688</u>	<u>82,320,449</u>	<u>163,029,137</u>	<u>9,397,098</u>
 Total liabilities and net position	 <u>\$ 125,674,694</u>	 <u>106,763,683</u>	 <u>232,438,377</u>	 <u>19,347,735</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, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities				
General government	\$ 9,075,136	6,914,348	--	--
Public safety	22,096,925	--	495,508	15,314
Transportation	2,577,388	--	--	380,795
Community Development Program	282,940		278,065	--
State Housing Initiatives Program	94,718	30,830	106,154	--
Shelter Plus Care Program	147,110	--	147,110	--
Economic environment	--	--	500,004	--
Culture and recreation	2,577,032	85,236	--	4,093,945
Interest on long-term debt	1,182,515	--	--	--
Total governmental activities	<u>38,033,764</u>	<u>7,030,414</u>	<u>1,526,841</u>	<u>4,490,054</u>
Business-type activities				
Water-sewer	17,310,472	20,615,847	--	1,592,094
Sanitation	6,181,905	6,977,041	--	--
Parking	718,824	870,158	--	--
Golf course, nonmajor	1,336,245	1,153,490	--	--
Total business-type activities	<u>25,547,446</u>	<u>29,616,536</u>	<u>--</u>	<u>1,592,094</u>
Total primary government	<u>\$ 63,581,210</u>	<u>36,646,950</u>	<u>1,526,841</u>	<u>6,082,148</u>
Component units				
DDA/CRA/CCRA	<u>\$ 4,397,645</u>	<u>170,260</u>	<u>677,170</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
Transfers
Total general revenues and transfers
Change in net position
Net position, beginning, restated
Net position, 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
(2,160,788)	--	(2,160,788)	
(21,586,103)	--	(21,586,103)	
(2,196,593)	--	(2,196,593)	
(4,875)	--	(4,875)	
42,266	--	42,266	
--	--	--	
500,004	--	500,004	
1,602,149	--	1,602,149	
(1,182,515)	--	(1,182,515)	
(24,986,455)	--	(24,986,455)	
--	4,897,469	4,897,469	
--	795,136	795,136	
--	151,334	151,334	
--	(182,755)	(182,755)	
--	5,661,184	5,661,184	
(24,986,455)	5,661,184	(19,325,271)	
			\$ (3,550,215)
12,857,121	--	12,857,121	3,281,378
4,190,724	--	4,190,724	--
2,913,539	--	2,913,539	--
2,439,049	--	2,439,049	--
3,332,475	--	3,332,475	--
400,000	--	400,000	--
1,374,790	--	1,374,790	--
(149,611)	43,982	(105,629)	8,413
365,493	(365,493)	--	--
27,723,580	(321,511)	27,402,069	3,289,791
2,737,125	5,339,673	8,076,798	(260,424)
77,971,563	76,980,776	154,952,339	9,657,522
\$ 80,708,688	82,320,449	163,029,137	9,397,098

Reconciliation of Fund Balance to Net Assets

Total fund balances for governmental funds	\$	40,930,198
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		
		57,738,166
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:</p>		
Long-term receivables	7,045,860	
Deferred charges	319,263	
Net pension assets	<u>1,281,242</u>	8,646,365
<p>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.</p>		
		14,087,988
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Revenue bonds payable	25,499,742	
Notes payable	2,812,776	
OPEB liabilities	10,969,922	
Compensated absences	1,287,166	
Accrued interest payable	<u>124,423</u>	<u>(40,694,029)</u>
Total net position of governmental activities		<u>\$ 80,708,688</u>

CITY OF BRADENTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2013

	General Fund	McKechnie Field Renovation Capital Fund	State Housing Initiatives Partnership Program	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 38,312,100	--	97,876	883,332	39,293,308
Accounts receivable	4,382,839	--	2,195,315	627,784	7,205,938
Prepaid items	317	--	--	--	317
Due from other funds	2,202	--	--	--	2,202
Due from other governments	1,540,114	--	--	80,185	1,620,299
Inventory	504,041	--	--	--	504,041
Advances to other funds	1,847,963	--	--	--	1,847,963
Total assets	<u>\$ 46,589,576</u>	<u>--</u>	<u>2,293,191</u>	<u>1,591,301</u>	<u>50,474,068</u>
Liabilities, deferred inflows, and fund balances					
Liabilities					
Accounts payable	\$ 516,198	--	--	93,384	609,582
Accrued salaries, wages and benefits	1,130,035	--	--	4,768	1,134,803
Advances from other funds	--	--	--	106,669	106,669
Due to other funds	--	--	--	2,202	2,202
Due to other governments	11,616	--	--	--	11,616
Unearned revenues	618,726	--	--	14,412	633,138
Total liabilities	<u>2,276,575</u>	<u>--</u>	<u>--</u>	<u>221,435</u>	<u>2,498,010</u>
Deferred inflows of resources					
Unavailable revenue	4,222,761	--	2,195,315	627,784	7,045,860
Fund balances (deficit)					
Non-spendable					
Prepaid items	317	--	--	--	317
Inventory	504,041	--	--	--	504,041
Advances to other funds	1,847,963	--	--	--	1,847,963
Restricted for:					
Debt service	--	--	--	71,785	71,785
Impact fee programs	--	--	--	535,096	535,096
Grants	--	--	97,876	99,443	197,319
Committed to					
Capital projects	--	--	--	139,738	139,738
Emergency and disaster reserve	3,309,121	--	--	--	3,309,121
Assigned					
Special obligation debt services	9,660,425	--	--	--	9,660,425
Compensated absences	1,287,166	--	--	--	1,287,166
Red Light Safety Program	240,859	--	--	--	240,859
Unassigned (deficit)	23,240,348	--	--	(103,980)	23,136,368
Total fund balances, restated	<u>40,090,240</u>	<u>--</u>	<u>97,876</u>	<u>742,082</u>	<u>40,930,198</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 46,589,576</u>	<u>--</u>	<u>2,293,191</u>	<u>1,591,301</u>	<u>50,474,068</u>

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

CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Fiscal Year Ended September 30, 2013

	General Fund	McKechnie Field Renovation Capital Fund	State Housing Initiatives Partnership Program	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 23,442,721	--	--	--	23,442,721
Licenses and permits	1,416,904	--	--	--	1,416,904
Intergovernmental grants	495,508	--	106,154	1,305,974	1,907,636
Intergovernmental revenues	1,749,474	--	--	--	1,749,474
Impact Fees	--	--	--	4,354	4,354
Shared revenues	1,374,790	--	--	--	1,374,790
Payments in lieu of taxes	71,048	--	--	--	71,048
Charges for services	2,304,771	--	--	--	2,304,771
Fines and forfeitures	237,690	--	--	--	237,690
Interest and investment earnings	(132,700)	2,520	--	17,384	(112,796)
Rents	612,341	--	--	--	612,341
Franchise fees	2,913,539	--	--	--	2,913,539
Miscellaneous	415,529	--	--	9,210	424,739
Special assessments, property owners	20,030	--	30,830	--	50,860
Total revenues	<u>34,921,645</u>	<u>2,520</u>	<u>136,984</u>	<u>1,336,922</u>	<u>36,398,071</u>
Expenditures					
Current					
General government	7,495,950	--	--	452,090	7,948,040
Public safety	21,695,625	--	--	--	21,695,625
Transportation	2,257,845	--	--	--	2,257,845
Economic environment	450,000	--	94,718	426,562	971,280
Culture, recreation	1,678,460	--	--	6,573	1,685,033
Debt service					
Principal	--	--	--	1,158,019	1,158,019
Interest	--	--	--	1,139,888	1,139,888
Capital outlay	--	9,345,922	--	1,083,232	10,429,154
Total expenditures	<u>33,577,880</u>	<u>9,345,922</u>	<u>94,718</u>	<u>4,266,364</u>	<u>47,284,884</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,343,765</u>	<u>(9,343,402)</u>	<u>42,266</u>	<u>(2,929,442)</u>	<u>(10,886,813)</u>
Other financing sources (uses)					
Transfers from other funds	400,000	302,774	--	1,984,724	2,687,498
Contributions	--	3,000,000	--	--	3,000,000
Transfers to other funds	(2,182,376)	(20)	--	(139,609)	(2,322,005)
Sale of capital assets	29,397	--	--	--	29,397
Total other financing sources (uses)	<u>(1,752,979)</u>	<u>3,302,754</u>	<u>--</u>	<u>1,845,115</u>	<u>3,394,890</u>
Net change in fund balances	(409,214)	(6,040,648)	42,266	(1,084,327)	(7,491,923)
Fund balances, beginning-restated	<u>40,499,454</u>	<u>6,040,648</u>	<u>55,610</u>	<u>1,826,409</u>	<u>48,422,121</u>
Fund balances, ending	<u>\$ 40,090,240</u>	<u>--</u>	<u>97,876</u>	<u>742,082</u>	<u>40,930,198</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 are different because:

Net change in fund balances, total governmental funds \$ (7,491,923)

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 capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 10,989,089	
Less depreciation expense	<u>(2,498,709)</u>	8,490,380

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net assets.

Donated capital assets	1,086,303	
Net book value of capital assets disposed	<u>(162,290)</u>	924,013

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 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.

Principal repayments:		
General obligation debt or loans	1,158,019	
Amortization of discounts	<u>(13,320)</u>	1,144,699

Some receivables in the Statement of Activities do not provide current financial resources. 47,406

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (future use).

Change in:		
Other Post-employment Benefits (OPEB)	(666,487)	
Net Pension Obligation (NPO)	(57,661)	
Compensated absences	(115,693)	
Accrued interest payable	<u>(29,308)</u>	(869,149)

Internal service funds are used by management to charge the cost of medical, property and workers' compensation insurances. 491,699

Change in net assets of governmental activities \$ 2,737,125

CITY OF BRADENTON, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2013

	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	\$ 24,685,450	4,520,926	1,577,452	312,436	31,096,264	15,850,222
Customer accounts receivable	2,379,439	869,082	--	265	3,248,786	--
Allowance for uncollectibles	(125,000)	--	--	--	(125,000)	--
Due from other governments	503,263	--	1,734	2,855	507,852	--
Due from insurance	--	--	--	--	--	140
Prepaid items	--	--	--	2,128	2,128	119,287
Inventory	--	--	--	55,400	55,400	--
Total current assets	27,443,152	5,390,008	1,579,186	373,084	34,785,430	15,969,649
Noncurrent assets						
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	--
Machinery and equipment	8,129,889	6,361,313	41,513	513,639	15,046,354	--
Infrastructure	141,443,067	689,697	220,000	1,309,660	143,662,424	--
Construction work in progress	5,952,602	--	--	--	5,952,602	--
Less: accumulated depreciation	(117,215,712)	(4,622,905)	(1,523,129)	(1,569,398)	(124,931,144)	--
Total capital assets	58,613,099	3,025,986	8,798,647	2,426,170	72,863,902	--
Deferred outflow of resources	--	--	418,474	--	418,474	--
Total noncurrent assets	--	--	418,474	--	418,474	--
Total assets	\$ 86,056,251	8,415,994	10,796,307	2,799,254	108,067,806	15,969,649

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

	Business-type Activities-Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)		
Liabilities and Net Position						
Current liabilities						
Accounts payable	\$ 704,885	117,453	2,075	8,774	833,187	488,464
Retainage payable	373,781	--	--	--	373,781	--
Accrued payroll	166,766	65,472	4,188	19,478	255,904	--
Unearned revenues	--	--	12,930	--	12,930	69,570
Estimated payable for outstanding claims	--	--	--	--	--	106,375
Current portion of long-term debt	110,482	--	420,494	--	530,976	--
Total current liabilities	1,355,914	182,925	439,687	28,252	2,006,778	664,409
Noncurrent liabilities						
Long-term debt	803,794	--	5,626,536	--	6,430,330	--
Derivative instrument-interest rate swap	--	--	673,149	--	673,149	--
Estimated payable for outstanding claims	--	--	--	--	--	780,081
Customer deposits	1,392,337	14,438	--	--	1,406,775	--
OPEB liability	3,827,591	1,557,992	88,442	313,637	5,787,662	--
Other liabilities, construction drawdown	7,684,220	--	--	--	7,684,220	--
Compensated absences	287,126	130,968	7,638	28,588	454,320	--
Advances from other funds	1,000,310	740,984	--	--	1,741,294	--
Total long-term liabilities	14,995,378	2,444,382	6,395,765	342,225	24,177,750	780,081
Total liabilities	16,351,292	2,627,307	6,835,452	370,477	26,184,528	1,444,490
Net Position						
Invested in capital assets, net of related debt	57,698,823	3,025,986	2,752,381	2,426,170	65,903,360	--
Unrestricted	12,006,136	2,762,701	1,208,474	2,607	15,979,918	14,525,159
Total net position	69,704,959	5,788,687	3,960,855	2,428,777	81,883,278	14,525,159
Total liabilities and net position	\$ 86,056,251	8,415,994	10,796,307	2,799,254	108,067,806	15,969,649
Net position, above					\$ 81,883,278	
Adjustments to reflect consolidation of internal service fund activities related to enterprise funds					437,171	
Net position of business-type activities					<u>\$ 82,320,449</u>	

CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2013

	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	\$ 20,615,847	6,977,041	870,158	1,153,490	29,616,536	8,210,296
Operating expenses						
Personal services	5,672,180	2,541,127	156,802	674,510	9,044,619	--
OPEB expenses	186,467	79,451	4,864	14,593	285,375	--
Contractual services	1,037,738	5,835	15,601	23,827	1,083,001	1,728,089
Supplies and materials	4,104,828	1,251,158	65,288	480,900	5,902,174	721,695
Repairs and maintenance	681,957	368,510	29,406	33,861	1,113,734	--
Utilities	760,523	1,455,326	--	14,552	2,230,401	--
Claims	--	--	--	--	--	5,091,507
Depreciation and amortization cost	4,840,063	530,399	203,635	105,123	5,679,220	--
Total operating expenses	<u>17,283,756</u>	<u>6,231,806</u>	<u>475,596</u>	<u>1,347,366</u>	<u>25,338,524</u>	<u>7,541,291</u>
Operating income (loss)	3,332,091	745,235	394,562	(193,876)	4,278,012	669,005
Non-operating revenues (expenses)						
Interest and investment earnings	(26,749)	(23,842)	113,618	(19,045)	43,982	(36,815)
Gain (loss) on disposition of assets	93,439	19,782	--	24	113,245	--
Interest expenses and fiscal charges	(209,748)	(7,336)	(245,574)	--	(462,658)	--
Total non-operating revenues (expenses)	<u>(143,058)</u>	<u>(11,396)</u>	<u>(131,956)</u>	<u>(19,021)</u>	<u>(305,431)</u>	<u>(36,815)</u>
Operating income (loss) before capital contributions and transfers	3,189,033	733,839	262,606	(212,897)	3,972,581	632,190
Capital contributions	1,592,094	--	--	--	1,592,094	--
Transfers from other funds	--	34,507	--	46,200	80,707	--
Transfers to other funds	(446,200)	--	--	--	(446,200)	--
Change in net position	4,334,927	768,346	262,606	(166,697)	5,199,182	632,190
Total net position, beginning (restated)	<u>65,370,032</u>	<u>5,020,341</u>	<u>3,698,249</u>	<u>2,595,474</u>	<u>76,684,096</u>	<u>13,892,969</u>
Total net position, ending	<u>\$ 69,704,959</u>	<u>5,788,687</u>	<u>3,960,855</u>	<u>2,428,777</u>	<u>81,883,278</u>	<u>14,525,159</u>
Changes in net position, above					\$ 5,199,182	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					<u>140,491</u>	
Change in net position of business-type activities					<u>\$ 5,339,673</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, 2013

	Business-type Activities				Enterprise Funds Total	Governmental Activities Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)		
Cash flows from operating activities						
Receipts from charges for services	\$ 21,599,957	6,620,380	881,864	1,152,660	30,254,861	8,252,219
Payments to suppliers	(7,364,195)	(3,065,812)	(109,135)	(538,036)	(11,077,178)	(1,995,674)
Payments for employees	(5,656,474)	(2,517,903)	(154,514)	(669,015)	(8,997,906)	(5,512,976)
Net cash provided by operating activities	<u>8,579,288</u>	<u>1,036,665</u>	<u>618,215</u>	<u>(54,391)</u>	<u>10,179,777</u>	<u>743,569</u>
Cash flows from non-capital financing activities						
Advances from (to) other funds	9,904	7,337	--	--	17,241	--
Repayment of advances to other funds	(400,000)	--	--	--	(400,000)	--
Transfers from other funds	(446,200)	34,507	--	46,200	(365,493)	--
Net cash provided (used) by non-capital and related financing activities	<u>(836,296)</u>	<u>41,844</u>	<u>--</u>	<u>46,200</u>	<u>(748,252)</u>	<u>--</u>
Cash flows from capital and related financing activities						
Repayment of capital leases	(70,382)	--	--	--	(70,382)	--
Principal paid on capital debt	(325,972)	--	(408,874)	--	(734,846)	--
Construction loan proceeds, SRF	1,906,150	--	--	--	1,906,150	--
Interest paid on capital debt	(209,748)	(7,336)	(370,339)	--	(587,423)	--
Capital contributions	1,592,094	--	--	--	1,592,094	--
Proceeds from sale of capital assets	93,439	121,809	--	24	215,272	--
Acquisition and construction of capital assets	(4,310,512)	(868,562)	--	(40,990)	(5,220,064)	--
Net cash (used) by capital and related financing activities	<u>(1,324,931)</u>	<u>(754,089)</u>	<u>(779,213)</u>	<u>(40,966)</u>	<u>(2,899,199)</u>	<u>--</u>
Cash flows from investing activities						
Interest and investment earnings	(26,749)	(23,842)	113,618	(19,045)	43,982	(36,815)
Net cash provided by (used by) investing activities	<u>(26,749)</u>	<u>(23,842)</u>	<u>113,618</u>	<u>(19,045)</u>	<u>43,982</u>	<u>(36,815)</u>
Net increase (decrease) in cash and equivalents	6,391,312	300,578	(47,380)	(68,202)	6,576,308	706,754
Cash and cash equivalents, October 1, 2012	18,294,138	4,220,348	1,624,832	380,638	24,519,956	15,143,468
Cash and cash equivalents, September 30, 2013	<u>\$ 24,685,450</u>	<u>4,520,926</u>	<u>1,577,452</u>	<u>312,436</u>	<u>31,096,264</u>	<u>15,850,222</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 3,332,091	745,235	394,562	(193,876)	4,278,012	669,005
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization expense	4,840,063	530,399	203,635	105,123	5,679,220	--
(Increase) decrease:						
Accounts receivable	951,674	--	10,890	--	962,564	--
Prepaid items	--	--	--	--	--	(26,087)
Inventories	--	--	--	13,056	13,056	--
Due from other governments	--	(371,099)	(1,734)	(830)	(373,663)	--
Due from insurance	--	--	--	--	--	25,848
Increase (decrease):						
Accounts and retainage payable	(779,148)	15,017	1,160	2,048	(760,923)	185,840
Accrued payroll	(15,762)	4,009	2,154	1,468	(8,131)	--
Compensated absences	31,468	19,215	134	4,027	54,844	--
Unearned revenues	--	--	2,550	--	2,550	16,075
Customer deposits	32,436	14,438	--	--	46,874	--
Estimated payable for outstanding claims	--	--	--	--	--	(127,112)
OPEB liability	186,466	79,451	4,864	14,593	285,374	--
Total adjustments	<u>5,247,197</u>	<u>291,430</u>	<u>223,653</u>	<u>139,485</u>	<u>5,901,765</u>	<u>74,564</u>
Net cash provided by operating activities	<u>\$ 8,579,288</u>	<u>1,036,665</u>	<u>618,215</u>	<u>(54,391)</u>	<u>10,179,777</u>	<u>743,569</u>

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

CITY OF BRADENTON, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2013

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 1,809,356
Receivables	322,403
Interest receivable	206,543
Investments, at fair value	
U.S. Government obligations	10,395,920
Domestic corporate bonds	13,764,833
Convertible bonds	3,711,200
Domestic stocks	33,115,675
Corporate stocks	2,628,694
Master limited partnerships	3,439,082
International funds	4,005,429
Common equity securities	3,392,044
Preferred equity securities	1,173,101
Mutual funds	14,999,380
Real estate investment trust	3,027,463
Money market	884,543
Total investments	<u>94,537,364</u>
Total assets	<u>96,875,666</u>
Liabilities	
Accounts payable	<u>88,975</u>
Total liabilities	<u>88,975</u>
Net Position	
Held in trust for pension benefits	<u>\$ 96,786,691</u>

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

CITY OF BRADENTON, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Fiscal Year Ended September 30, 2013

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 3,749,479
Plan members	751,542
Repayment of pension benefits	1,636
State of Florida (from City's General Fund)	898,275
Total contributions	<u>5,400,932</u>
Investment earnings	
Interest	1,004,460
Dividends	1,418,653
Miscellaneous/settlement income	360,641
Net increase in the fair value of investments	<u>8,714,732</u>
Total investment earnings	11,498,486
Less investment expenses	<u>449,381</u>
Net investment earnings	<u>11,049,105</u>
Total additions, net	<u>16,450,037</u>
Deductions	
Benefits	4,590,992
Refunds of contributions	125,465
DROP plan payments	1,621,072
Administrative expenses	166,564
Total deductions	<u>6,504,093</u>
Change in net assets	9,945,944
Net position, beginning	<u>86,840,747</u>
Net position, ending	<u>\$ 96,786,691</u>

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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Bradenton, Florida (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

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 50,455. 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 and include:

- a. **Bradenton Downtown Development Authority (DDA)**
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 (CRA)**
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 (CRA)**
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/CRA, may be rescinded within thirty (30) days by a four/fifths (4/5) vote of the Bradenton

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

City Council. The Mayor may veto any rescinding action by the City Council. This veto, however, may be overridden by a four/fifths vote of the City Council.

- b. No formal action taken by the DDA/CRA 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/CRA.
- c. The annual budget of the DDA/CRA shall be considered final after approval by the City Council, or after 30 days have elapsed from the period of time said budget is passed by the DDA/CRA Board of Directors.

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

Based on the above factors, the City exercises financial accountability over the DDA/CRA and, therefore, they are considered a component unit of the City as defined by GAAP. The financial statements of the DDA/CRA 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, 2013. There were no component units for which the DDA/CRA 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/CRA and CCRA may be obtained at the City of Bradenton's City Clerk and Treasurer's Office, 101 Old Main Street, Bradenton, Florida 34205-7865.

The Mayor and City Council are also responsible for appointing 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 and Appeals
Affordable Housing Advisory Board	Code Enforcement Board
Planning Commission	Bradenton Housing Authority
Enterprise Zone Board	Merit Board
Tree and Land Preservation Board	Police Pension Board

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Fire Pension Board
Grievance Board
Downtown Development Authority/
Community Redevelopment Agencies

Central Community Redevelopment Agency
Nuisance Abatement Board

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position 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, 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The City 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 *McKechnie Field Renovation Capital Projects Fund* is used to account for renovations at McKechnie Field.
- c. The *State Housing Initiatives Partnership Program Fund* is used to account for the receipt, custody and expenditures of State Housing Initiatives Partnership grant funds.

The City 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 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.

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 expenses, 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's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Assets, Liabilities and Net Position or Equity

a. Deposits and investments

The City'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 Position, and each fund's portion of the pooled investments is reflected in the balance sheets or Statement of Net Position 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 or according to the City's established investment policy statement. In addition to state statutes, the City is also authorized to invest surplus funds in accordance with the City of Bradenton Investment Policy Statement. The pension trust funds are also authorized to invest in corporate stocks, bonds and commercial paper subject to certain restrictions.

Investments for the City, 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. 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 "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." Customer accounts (trade) receivables in the Water and Sewer Fund are shown net of an allowance for uncollectibles of \$125,000.

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.

CITY OF BRADENTON, FLORIDA
NOTES TO 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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 position.”

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:

- *Non-spendable:* Fund balances are reported as “non-spendable” 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. The City Council has adopted a fund balance policy that has authorized the City Clerk and Treasurer 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.

Emergency and Disaster Reserve: The City maintains in the General Fund's unassigned fund balance not less than 10% of the total budgeted operating expenditures of the current fiscal year to be used for Emergency and Disaster Reserve. This balance is needed to prepare for events including, but not limited to revenue declines (whether anticipated or unforeseen), unanticipated expenditures, and/ or unfunded mandates that exceed 5% of the General Fund operating expenditures. If these revenues are utilized for the above purposes, the City should attempt to replenish this reserve as soon as economically feasible. The balance is \$3,309,121 as of September 30, 2013.

Net Position: Net position represents the difference between assets and liabilities. Net position 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 position invested in capital assets, net of related debt excludes unspent debt proceeds. Net positions 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 positions not reported as net position invested in capital assets, net of related debt and restricted net position, are reported as unrestricted net position.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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.

i. Deferred Outflows / Inflows of Resources

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City only has one item that qualifies for reporting in this category. This element relates to the offset of the fair market value of the City’s swap agreement. As certain swap agreements qualify as effective hedges, the change in the fair market value occurs each year, the liability and the deferred outflow are adjusted.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of these items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from long-term receivable transactions and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 and 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 funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, on the modified accrual basis. 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, 2013, expenditures exceeded appropriations in the Public Safety Fire Protection Fund by \$1,056. The Public Safety Fire Protection Fund was funded from fund balance reserves.

NOTE C – DEFICIT FUND BALANCES

The Public Safety Fire Protection Special Revenue Fund has a deficit of \$103,980. This will be funded when future impact fee revenues are received. No further expenditures are permitted from the fund until a positive fund balance has been restored.

NOTE D – DEPOSITS AND INVESTMENTS

Deposits

At September 30, 2013, 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 OF BRADENTON, FLORIDA
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City Pooled Investments

As of September 30, 2013, the City (excluding the police and fire pension funds) had the following investments:

Investment Type	Fair Value	Less than 1 Year	Years 1-5	Years 6-10	Years More Than 10
U.S. Government securities	\$ 23,779,139	7,952,171	1,710,877	4,855,313	9,260,778
Corporate bonds	15,856,118	3,043,372	7,423,855	5,388,891	--
Collateralized mortgage obligations	4,582,998	--	1,281,675	2,214,939	1,086,384
Municipal obligations	285,469	--	--	93,369	192,100
State investment pool	2,032,137	2,032,137	--	--	--
Foreign/Yankee bonds	1,329,624	--	895,705	433,919	--
Money market	27,158,579	27,158,579	--	--	--
Total fair value	<u>\$ 75,024,064</u>	<u>40,186,259</u>	<u>11,312,112</u>	<u>12,986,431</u>	<u>10,539,262</u>

Reconciliation to Financial Statements

Pooled investments, above	\$ 75,024,064
Pooled cash	10,602,464
Nonpooled cash and cash on hand	613,266
	<u>\$ 86,239,794</u>

Statement of Net Position

Cash and investments	\$ 86,239,794
Restricted investments	--
	<u>\$ 86,239,794</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 Barclay's Aggregate Intermediate 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, 2013, 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-7 Like" as defined in GASB 31 and the City held \$2,013,169 in the SBA at September 30, 2013. 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.

CITY OF BRADENTON, FLORIDA
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Of the investments that the City holds, \$23,779,139 is in U.S. Government securities with an AA+ rating with Standard & Poor's; \$15,856,118 is in corporate bonds ranging from A- to BBB; \$285,469 in municipal obligations ranging from AA+ to AA-; \$1,329,624 in foreign/Yankee bonds ranging from A- to BBB-; \$4,582,998 in collateralized mortgage obligations; and \$27,158,579 is in money market and is rated AAAf/S1. The Local Government Surplus Funds Trust Fund (SBA) of \$2,013,169 is rated AAAM by Standard & Poor's. The City also held \$18,968 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.

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).

Investment Type	Fair Value	Less than 1 Year	Years 1-5	Years 6-10	Years More Than 10
U.S. Government securities	\$ 8,760,230	80,835	1,266,702	3,858,483	3,554,210
Corporate bonds	8,283,937	717,332	3,991,620	1,653,508	1,921,477
Domestic stock	10,817,841	10,817,841	--	--	--
Corporate stock	2,628,694	2,628,694	--	--	--
Convertible bonds	3,711,200	499,694	2,122,624	92,281	996,601
Mutual funds	14,999,380	14,999,380	--	--	--
Common equity securities	3,392,044	3,392,044	--	--	--
Preferred equity securities	1,173,101	1,173,101	--	--	--
Master Limited Partnership	3,439,082	3,439,082	--	--	--
Money market/cash	884,543	884,543	--	--	--
Total fair value	<u>\$ 58,090,052</u>	<u>38,632,546</u>	<u>7,380,946</u>	<u>5,604,272</u>	<u>6,472,288</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 over-the-counter, and 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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

investments the police pension fund holds, \$8,760,230 is in U.S. Government securities with a rating of AA+ with Standard & Poor's; \$8,283,937 is in corporate bonds with a rating ranging from AAA to BBB with Standard & Poor's; \$3,711,200 is in convertible bonds with a rating of A- to CCC+. The fund also consists of \$14,999,380 in mutual funds, \$3,392,044 in common equity securities and \$1,173,101 in preferred equity securities which are not rated; and \$884,543 in money market rated AA+ and \$3,439,082 in a Master Limited Partnership (MLP) not rated. The fund also has \$2,628,694 in corporate stocks and \$10,817,841 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 10% of the fund's assets at cost.

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 45% investment in the Russell 3000 Stock Index; a 15% investment in the MSCI World x-US, a 20% investment in the Merrill Lynch Intermediate Domestic Master Bond Index, a 5% investment in the Merrill Lynch Global Broad Market x U.S., a 5% in Merrill Lynch TIPS Index, and a 10% in NCREIF ODCE Index. On a relative basis, it is expected that the total portfolio performance will rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods. On an absolute basis, the objective is that the return of the total portfolio will equal or exceed the actuarial earnings assumption (8%), and provide inflation protection by meeting Consumer Price Index plus 3%.

Other objectives of the firefighters' pension fund are as follows:

Equity Performance – The combined equity portion of the portfolio, defined as common stocks and convertible bonds, is expected to perform at a rate at least equal to the 75% S&P 500 Index, 25% MSCI World x-U.S. Index. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods. The Equities must adhere to the following guidelines: a) must be traded on a national exchange or electronic network, b) not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible 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, and c) additional criteria may be outlined in the manager's addendum.

Fixed Income Performance – The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The fixed income portion of the portfolio is expected to perform at a rate at least equal to the Bank of America Merrill Lynch Capital U.S. Intermediate Domestic Master Bond Index. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods. The fixed income must adhere to the following guidelines; a) all direct investment in fixed income investments shall have a minimum average categorical rating of "Investment Grade" or higher

CITY OF BRADENTON, FLORIDA
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as reported by a major credit rating service, b) The value of bonds issued by any single corporation shall not exceed 3% of the total fund, and c) Additional criteria may be outlined in the manager's addendum

Treasury Inflation Protection Securities (TIPS) – The overall objective of the TIPS portfolio is to provide inflation protection while adding stability to the total fund. The TIPS portfolio is expected to approximate the structure and performance of the Bank of America Merrill Lynch TIPS Bond Index.

Alternative (Real Estate) - The overall objective of the alternative portion of the portfolio is to provide an attractive level of income with minimal volatility to the fund. This portion of the fund is expected to provide an absolute rate of return, and as benchmarked to the NCREIF ODCE Index.

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) foreign securities shall not exceed 25% of Plan's market value, and (3) all securities must be readily marketable.

Investment Type	Fair Value	Less than 1 Year	Years 1-5	Years 6-10	Years More Than 10
U.S. Government securities	\$ 1,635,690	86,085	897,480	233,403	418,722
Corporate bonds	5,480,896	61,950	1,774,401	2,065,790	1,578,755
Domestic stocks	22,297,834	22,297,834	--	--	--
International	4,005,429	4,005,429	--	--	--
Real estate investment trust	3,027,463	3,027,463	--	--	--
Money market/cash	1,809,356	1,809,356	--	--	--
Total fair value	<u>\$ 38,256,668</u>	<u>31,288,117</u>	<u>2,671,881</u>	<u>2,299,193</u>	<u>1,997,477</u>

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, \$1,635,690 is in U.S. Government securities with a Standard & Poor's rating range from AAA to BBB+; \$5,480,896 is in corporate bonds with a Standard & Poor's rating ranging from AA+ to BBB-; \$22,297,834 is in domestic stocks; \$4,005,429 is in international funds which are not rated; \$3,027,463 in real estate investment trust which is not rated and \$1,809,356 in money market/cash which is not rated.

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	<u>Target Allocation</u>	<u>Range Allocation</u>	<u>Target Benchmark</u>
All Cap Value	19%	14%-24%	Russell 3000 Value
Broad Growth Equity	19%	14%-24%	Russell 1000 Growth
Core Equity	7%	2%-12%	S & P 500
International Equity	15%	10%-20%	MSCI World x U.S.
Investment Grade Bonds	20%	15%-35%	BoA ML Int. Dmst. Mstr.
Global Bonds*	5%	0%-7%	BoA ML Global Brd. Mkt . X US
TIPS	5%	2%-7%	BoA ML TIPS
Real Estate*	10%	0%-15%	NCREIF ODCE

*Shall default to Investment Grade Bonds, if not funded.

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, Inc.

During August 2013, the City refinanced the loan agreement with Manatee Players, Inc. (a Florida nonprofit corporation) in the amount of \$2,800,000 for the reconstruction of the Manatee Players, Inc.'s theater. Manatee Players, Inc. is to repay the loan, with interest on the principal advanced, at a rate of 3.09% per annum with the first payment of \$47,052.73 due on March 27, 2014 and the final payment due on December 27, 2033. A summary of the payments to be received by the City on this note receivable in future years is on the following page.

CITY OF BRADENTON, FLORIDA
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Year Ending September 30	Principal	Interest
2014	\$ 76,859	64,299
2015	105,278	82,933
2016	108,569	79,642
2017	111,963	76,248
2018	115,463	72,748
2019-2023	633,764	307,291
2024-2028	739,211	201,844
2029-2033	862,201	78,853
2034	46,692	361
Total	<u>\$ 2,800,000</u>	<u>964,219</u>

In August 2013, the City entered into an agreement with Manatee Players, Inc. to provide a loan of \$450,000 for the purpose of completion of the new theater. Manatee Players, Inc. is to repay the loan, with interest on the principal advanced, at the rate of 2.250% per annum. An interest-only payment of \$1,470 was paid in September 2013. The first payment of \$60,230.07 is due September 30, 2014 and the final payment being due September 30, 2022.

The following is a summary of the payments to be received by the City on this note receivable in future years:

Year Ending September 30	Principal	Interest
2014	\$ 50,000	10,230
2015	50,000	9,093
2016	50,000	7,957
2017	50,000	6,820
2018	50,000	5,683
2019-2023	200,000	11,367
Total	<u>\$ 450,000</u>	<u>51,150</u>

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

Year Ending September 30	Principal	Interest
2014	\$ 66,671	37,083
2015	66,671	33,749
2016	66,671	30,415
2017	66,671	27,082
2018	66,671	23,748
2019-2023	333,353	68,739
2024-2026	116,674	4,431
Total	\$ 783,382	225,247

Other

The City has other long-term receivables in the amount of \$3,029,207. These receivables represent amounts owed by individuals in conjunction with the rehabilitation of private property and financing for locally owned businesses.

The total amount of long-term receivables discussed above is \$7,062,589 and is included within the governmental activities total accounts receivable balance in the Statement of Net Position as of September 30, 2013.

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, 2013 was \$5.4356 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 2013 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
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NOTE G – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	CIP Reclass	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 3,169,804	635,295	--	--	3,805,099
Construction in progress	1,492,588	9,386,811	--	10,808,421	70,978
Total capital assets not being depreciated	<u>4,662,392</u>	<u>10,022,106</u>	<u>--</u>	<u>10,808,421</u>	<u>3,876,077</u>
Other capital assets					
Buildings	37,871,848	720,294	138,299	--	38,453,843
Other improvements	8,783,852	--	24,900	--	8,758,952
Machinery and equipment	13,932,425	1,284,993	761,321	787,401	15,243,498
Infrastructure	15,282,896	47,999	--	10,021,020	25,351,915
Total other capital assets at historical cost	<u>75,871,021</u>	<u>2,053,286</u>	<u>924,520</u>	<u>10,808,421</u>	<u>87,808,208</u>
Less accumulated depreciation for					
Buildings	10,015,504	852,743	909	--	10,867,338
Other improvements	6,963,279	289,034	--	--	7,252,313
Machinery and equipment	10,740,030	975,919	761,321	--	10,954,628
Infrastructure	4,490,827	381,013	--	--	4,871,840
Total accumulated depreciation	<u>32,209,640</u>	<u>2,498,709</u>	<u>762,230</u>	<u>--</u>	<u>33,946,119</u>
Governmental activities capital assets	<u>\$ 48,323,773</u>	<u>9,576,683</u>	<u>162,290</u>	<u>--</u>	<u>57,738,166</u>
	Beginning Balance	Increases	Decreases	CIP Reclass	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 6,310,698	--	--	--	6,310,698
Construction in progress	10,737,534	2,773,961	--	7,558,893	5,952,602
Total capital assets not being depreciated	<u>17,048,232</u>	<u>2,773,961</u>	<u>--</u>	<u>7,558,893</u>	<u>12,263,300</u>
Other capital assets					
Buildings	26,822,968	--	--	--	26,822,968
Other improvements	129,290,020	--	--	--	129,290,020
Machinery and equipment	14,826,877	1,498,854	1,330,724	51,347	15,046,354
Infrastructure	5,917,609	947,249	--	7,507,546	14,372,404
Total other capital assets at historical cost	<u>176,857,474</u>	<u>2,446,103</u>	<u>1,330,724</u>	<u>7,558,893</u>	<u>185,531,746</u>
Less accumulated depreciation for					
Buildings	11,597,428	434,003	--	--	12,031,431
Other improvements	96,991,969	3,870,404	--	--	100,862,373
Machinery and equipment	9,551,878	1,208,929	1,228,698	--	9,532,109
Infrastructure	2,339,347	165,884	--	--	2,505,231
Total accumulated depreciation	<u>120,480,622</u>	<u>5,679,220</u>	<u>1,228,698</u>	<u>--</u>	<u>124,931,144</u>
Business-type activities capital assets	<u>\$ 73,425,084</u>	<u>(459,156)</u>	<u>102,026</u>	<u>--</u>	<u>72,863,902</u>

CITY OF BRADENTON, FLORIDA
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Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 508,608
Public safety	588,610
Transportation	372,576
Community development	3,488
Culture and recreation	1,025,427
Total governmental activities, depreciation expense	<u>\$ 2,498,709</u>
Business-type activities	
Water-sewer utility	\$ 4,840,063
Sanitation	530,399
Parking	203,635
Golf course	105,123
Total business-type activities, depreciation expense	<u>\$ 5,679,220</u>

Commitments

Commitments under uncompleted construction projects at September 30, 2013, consist of the following:

	Amounts Authorized	Expended to Date	Committed
Capital project funds			
Sidewalks to Schools	\$ 521,989	30,089	491,900
Enterprise funds			
ASR Program-Aquifer Storage	3,384,250	3,359,250	25,000
Eastside Wastewater Improvements	6,662,411	6,497,411	165,000
Phase 1 Drainage Improvements	7,372,920	4,009,870	3,363,050
Lift Station #11 Replacement	500,000	61,512	438,488
Total	<u>\$ 18,441,570</u>	<u>13,958,132</u>	<u>4,483,438</u>

NOTE H – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund advance balances (long term in nature) at September 30, 2013, consisted of:

	Due to/ Advances from:
	General Fund
Due from/ Advances to:	Nonmajor governmental
	Water and sewer
	Sanitation
	<u>\$ 1,847,963</u>

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

CITY OF BRADENTON, FLORIDA
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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.

Interfund transfers for the year ended September 30, 2013, consisted of:

		Transfers to:					Total
		General Fund	McKechnie Field Renovation	Nonmajor Governmental	Sanitation	Golf Course	
Transfers from:	General Fund	\$ --	163,165	1,984,704	34,507	--	2,182,376
	McKechnie Field	--	--	20	--	--	20
	Nonmajor governmental	--	139,609	--	--	--	139,609
	Water and sewer	400,000	--	--	--	46,200	446,200
	Total	<u>\$ 400,000</u>	<u>302,774</u>	<u>1,984,724</u>	<u>34,507</u>	<u>46,200</u>	<u>2,768,205</u>

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

NOTE I – CAPITAL LEASES

The City has entered into a lease agreement as a lessee for financing the acquisition of 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:

	Enterprise (Business-type) Activities
Machinery and equipment	\$ 410,681
Less accumulated depreciation	(246,408)
Total	<u>\$ 164,273</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013, were recorded as follows within the City's Water & Sewer Fund:

2014	\$ 81,031
2015	123,204
Less interest	(12,600)
Present value of minimum lease payments	<u>\$ 191,635</u>

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, 2013, is shown on the following page.

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.

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Governmental activities					
Bonds/notes payable					
Promissory note, franchise fees	\$ 3,150,537	--	(337,761)	2,812,776	356,101
Florida Revenue Refunding Bond	1,970,000	--	(165,000)	1,805,000	185,000
Special Obligation Revenue Bond, Series 2007	16,850,000	--	(395,000)	16,455,000	410,000
Special Obligation Revenue Bond, Series 2012	7,500,000	--	(260,258)	7,239,742	286,037
Total bonds/notes payable	29,470,537	--	(1,158,019)	28,312,518	1,237,138
Estimated claims payable (internal service funds)	1,013,568	--	(127,112)	886,456	106,375
Swap rate agreement liability	612,937	--	(174,589)	438,348	--
OPEB liability	10,303,435	666,487	--	10,969,922	--
Compensated absences	1,171,473	481,616	(365,923)	1,287,166	128,717
Governmental activities long-term liabilities	<u>\$ 42,571,950</u>	<u>1,148,103</u>	<u>(1,825,643)</u>	<u>41,894,410</u>	<u>1,472,230</u>
	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Business-type activities					
Notes payable					
State Revolving Loan, Wastewater	\$ 290,804	--	(13,853)	276,951	14,272
State Revolving Loan, Stormwater	349,633	128,140	(32,084)	445,689	22,968
Promissory Note, Parking Garage Loan I	4,199,342	--	(278,279)	3,921,063	284,676
Promissory Note, Parking Garage Loan II	895,013	--	(52,619)	842,394	54,712
Promissory Note, Parking Garage Loan III	1,361,551	--	(77,976)	1,283,575	81,106
Total notes payable	7,096,343	128,140	(454,811)	6,769,672	457,734
Capital lease, sweepers	262,017	--	(70,382)	191,635	73,242
Other liabilities, SRF	6,186,245	1,778,009	(280,034)	7,684,220	--
Swap rate agreement liability	1,011,903	--	(338,754)	673,149	--
OPEB liability	5,502,286	285,376	--	5,787,662	--
Customer deposits	1,359,901	46,874	--	1,406,775	--
Compensated absences	399,476	169,992	(115,148)	454,320	--
Total long-term liabilities	21,818,171	2,408,391	(1,259,129)	22,967,433	530,976
Less deferred amount	(10,383)	--	(10,383)	--	--
Governmental activities long-term liabilities	<u>\$ 21,807,788</u>	<u>2,408,391</u>	<u>(1,248,746)</u>	<u>22,967,433</u>	<u>530,976</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Description of Debt

	Governmental	Business-type
<p>\$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 \$319,613 with a final payment of \$123,304 due June 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 the volatility of 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 .189%.</p>	\$ 2,812,776	-
<p>\$1,970,000 Florida Refunding Revenue Bond, Series 2012 was issued for the purpose of refinancing the Florida Municipal Loan 2001A. The principal is repaid annually with a final payment on November 1, 2021 of \$215,000. The interest rate is 2.20% and is paid semi-annually on November 1 and May 1. Non-ad valorem revenues are pledged to secure this issue.</p>	1,805,000	-
<p>\$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. To lower the volatility of 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 .79407%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners.</p>	-	3,921,063
<p>\$7,500,000 Special Obligation Revenue Bond, Series 2012 was issued for the purpose of financing the cost of capital improvements to the City's sport complex known as McKechnie Field. The principal is paid annually with the final payment of \$2,750,165 due February 1, 2027. The interest rate is 3.080% with semi-annual payments being paid on February 1 and August 1. Tourist development tax revenues and half-cent state sales tax revenues are pledged to secure this issue.</p>	7,239,742	-
<p>\$494,600 Clean Water State Revolving Fund, Wastewater was issued to complete pre-construction activities for various identified wastewater projects. The principal is paid in semi-annual payments; final payment of \$11,071 is due March 15, 2029. Interest rate is 3.00%. The principal and interest is secured by net revenues of the water and sewer system.</p>	-	276,951

(Continued)

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Description of Debt *(continued)*

	Governmental	Business-type
<p>\$601,860 Clean Water State Revolving Fund, Stormwater was issued to complete pre-construction activities for identified stormwater projects. The loan principal is to be repaid in semi-annual payments with a final payment of \$19,744 due March 2022. Interest rate is 3.00%. The principal and interest is secured by net revenues of the water and sewer system.</p>	-	445,689
<p>\$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 range from 3.50% to 5.00%. Retained Spring Training Franchise sales tax revenues are pledged to secure this issue.</p>	16,455,000	-
<p>\$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. To lower the volatility of 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 .11725%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners. Franchise fees are pledged to secure this issue.</p>	-	842,394
<p>\$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. To lower the volatility of 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 .12169%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners. Franchise fees are pledged to secure this issue.</p>	-	1,283,575
<p>Total bonds and notes</p>	\$ 28,312,518	6,769,672

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Debt Maturity

Debt service requirements at September 30, 2013, were as follows:

<u>Year Ended September 30</u>	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 457,734	236,008
2015	475,238	219,354
2016	493,197	202,245
2017	512,611	183,836
2018	532,100	165,285
2019 – 2023	2,984,498	518,549
2024 – 2028	1,285,407	64,131
2029	28,887	433
Total	<u>\$ 6,769,672</u>	<u>1,589,841</u>

Other Long-Term Debt Information

Conduit Debt:

From time to time, the City issues revenue bonds to provide financial assistance to private-sector entities or other third parties for the acquisition and construction of industrial and commercial facilities. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans and agreements. The City is not obligated in any manner for repayment of the bonds as discussed above. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2013, there were seven Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$13,758,802.

Other Liabilities

As of September 30, 2013, the City had entered into three construction loans with the State Revolving Fund Loan program. These have been presented in the financial statements as other liabilities until the construction phase and loans have been finalized. The other liabilities are as follows:

Clean Water State Revolving Fund, Wastewater WW410300 is a construction loan to fund Eastside Wastewater improvements. The loan is approved up to \$6,496,068 at an interest rate of 2.63%. The construction drawdown as of September 30, 2013, was \$6,254,310 with a capitalized interest of \$175,068. A payment of \$253,416 was paid as of September 30, 2013 and \$137,350 in 2012.

Clean Water State Revolving Fund, Wastewater WW410301 is in conjunction with loan WW410300 and is a contingency loan to cover the costs that typically occur with change orders. The loan is approved up to \$415,698 at an interest rate of 2.26%. The construction drawdown as of September 30, 2013, was \$81,400 with a payment of \$26,618 in 2013.

Clean Water State Revolving Fund, Stormwater SW410320 is a construction loan to fund Stormwater Management Facilities project, Wares Creek Drainage Improvement. This loan is approved up to \$894,762 at an interest rate of 2.33%. The construction drawdown as of September 30, 2013, was \$869,490 with a capitalized interest of \$7,882. No payments were made on this loan as of September 30, 2013.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Clean Water State Revolving Fund, Stormwater SW410330 is a construction loan to fund Stormwater Management Facilities projects, Wares Creek Bridges / 12th Ave. West, 14th Ave. West bridge replacements and 20th Street West and 14th Ave. West bridge replacement. vThis loan is approved up to \$1,352,283 at an interest rate of 1.84%. Construction drawdown as of September 30, 2013 was \$479,020.

Interest Rate Swaps

The City has entered into four 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 \$1,111,497, as of September 30, 2013. 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, 2013, 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 and 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 Plan*; 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 includes historical trend information about the

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

annual required contributions of the employer is 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.

Plan Descriptions

Firefighters' Pension Plan

The City's 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, 2013, was \$4,513,192, compared to \$23,576,245 for the City's entire payroll. At September 30, 2013, membership consisted of:

	<u>2013</u>
Retirees, disabled participants and beneficiaries	
Currently receiving benefits	57
Members in DROP	6
Current employees	
Vested	36
Non-vested	20
Total	<u><u>119</u></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 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 non-vested 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 non-vested member shall receive a refund of the member's accumulated contributions.

An annual 3% cost-of-living adjustment is added to normal and early retirement benefits and pre-retirement death benefits effective every October 1, following the date the retiree attains, or would have attained, age 55.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

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

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

As a condition of participation, firefighters' are required to contribute to the Plan. The percentage increased effective April 15, 2013, from 8% to 9% of their earnings and is scheduled to increase to 10% in 2014. 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 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. 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 8% of payroll.

Police Officers' Pension Plan

The City's Police Officers' Pension Plan (the "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, 2013, was \$7,688,390, compared to \$23,576,245 for the entire City's payroll. At October 1, 2013, membership consisted of:

	<u>2013</u>
Retirees, disabled participants and beneficiaries	
Currently receiving benefits	57
Members in DROP	6
Current employees	
Vested	36
Non-vested	20
Total	<u><u>119</u></u>

The plan covers permanent City police officers. Normal retirement is based on 20 years of creditable service and the attainment of age 45 or ten years of creditable service and the attainment of age 55. Such a retiree

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

would receive a normal retirement benefit of 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 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.

Other contributions are received from the State of Florida and the City. The State of Florida contribution results from the City's share of insurance tax. The City is required to fund any deficiencies between the total actuarial contribution requirement, the State Casualty Insurance Premium Tax and the employee contributions. The City's minimum contribution is 8% of annual compensation.

Funding Status and Progress

The amount shown below as the actuarial accrued liability is intended to help users assess: (1) a pension fund's funded status on an ongoing concern basis, and (2) 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, 2013, the actuarial accrued liability in excess of assets was \$12,856,436 determined as follows:

Actuarial accrued liability	\$ 47,471,556
Actuarial value of assets	<u>(34,615,120)</u>
Actuarial accrued liability in excess of assets	<u>\$ 12,856,436</u>

For the actuarial report dated October 1, 2013, the plan experienced a net actuarial gain of \$1,873,807. The primary source of this favorable experience was attributed to a 9.7% investment return (Actuarial Asset Basis) that exceeded the 8.0% assumption, and average increases in Pensionable Compensation that were less than the assumption by approximately 7%. These liability gains were partially offset by no employee turnover, and no mortality.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Police Officers' Pension Plan

As of October 1, 2013, the actuarial accrued liability in excess of assets was \$ 13,988,845 determined as follows:

Actuarial accrued liability	\$	68,419,818
Actuarial value of assets		<u>(54,430,973)</u>
Actuarial accrued liability in excess of assets	\$	<u><u>13,988,845</u></u>

For the actuarial report dated October 1, 2013, the plan experienced a net actuarial gain of \$1,964,329. The gain was primarily due to salary increases below the assumed rates and to recognized investment return above the assumed rate of 8%. The investment return was 10.8% based on market value of assets and 8.2% based on actuarial value of assets. The net gain has decreased the required employer contributions by 1.77% 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, 2012, 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 30 years (as of 10/1/2010) of the amortization period.

During the year ended September 30, 2013, contributions totaling \$2,799,072 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2012. The City contributed \$2,018,900, members contributed \$321,130, and the state contributed \$459,042. The state contributions were deposited into the City's account; the City then issued a check to the plan in the amount of \$459,042. The expenses associated with the plan were \$2,809,717.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2011	\$ 1,445,322	100.0%	\$ (100,127)
September 30, 2012	2,085,875	100.0%	(96,101)
September 30, 2013	2,481,899	100.0%	(92,144)

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NOTES TO FINANCIAL STATEMENTS

As of September 30, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$	47,471,556
Actuarial value of plan assets		34,615,120
Unfunded actuarial accrued liability	\$	<u>12,856,436</u>
Funded ration (actuarial value of plan assets/AAL)		72.92%
Covered payroll (annual payroll of active employees covered by the plan)	\$	4,175,030
UAAL as a percentage of covered payroll		307.9%

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

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net position is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of October 1, 2013.

Actuarial assumptions for the City's Firefighters' Pension Plan are as follows:

Valuation date		10/1/2013
Contribution rates		
Employer (and State)		65.28%
Plan members		8.46%
Actuarial cost method		Entry age normal
Amortization method		Level percent, closed
Remaining amortization period		29 years as of 10/1/2011
Asset valuation method		4-year smoothed market
Actuarial assumptions		
Investment rate of return		8.00%
Projected salary increases (includes inflation at 3%)		7.50%
Post retirement COLA (age 55 to 64)		3.00%

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Employer Fiscal Year Ending September 30:	2013	2012	2011
A. Annual Required Contribution (ARC)	\$ 2,477,942	2,081,849	1,440,036
B. Interest on Net Pension Obligation (NPO)	(7,688)	(8,010)	(8,433)
C. Adjustment to ARC	11,645	12,036	13,719
D. Annual pension cost (A + B + C)	2,481,899	2,085,875	1,445,322
E. Actual contributions	2,477,942	2,081,849	1,440,036
F. NPO at beginning of year	(96,101)	(100,127)	(105,403)
G. Increase (decrease) in NPO (D – E)	3,957	4,026	5,286
H. NPO at end of year (F + G)	(92,144)	(96,101)	(100,127)

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, 2013, contributions totaling \$2,792,339 were to be made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2012. The City's actual contribution was \$1,925,613, the state's was \$436,314 and members contributed \$430,412. The state contributions were deposited into the City's account; the City then issued a check to the plan in the amount of \$436,314. The expenses associated with the plan were \$3,951,677.

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2011	\$ 2,131,819	104.8%	\$(1,202,321)
September 30, 2012	2,138,733	101.9%	(1,242,802)
September 30, 2013	2,413,395	97.8%	(1,189,098)

As of September 30, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 68,419,818
Actuarial value of plan assets	54,430,973
Unfunded actuarial accrued liability	<u>\$ 13,988,845</u>
Funded ration (actuarial value of plan assets/AAL)	79.60%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 6,980,110
UAAL as a percentage of covered payroll	200.4%

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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net position is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of October 1, 2013.

Actuarial assumptions for the City's Police Officers' Pension Plan are as follows:

Valuation date	10/1/2013
Contribution rates	
Employer (and State)	37.15%
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	8.00%
Projected salary increases	6.7% to 9.1% (depending on service)
Includes inflation at	3.00%
Cost-of-living adjustments	2.0% (1/2 of assumed rate of inflation) for eligible members who retired on or after December 27, 1989

Employer Fiscal Year Ending September 30:	2013	2012	2011
A. Annual Required Contribution (ARC)	\$ 2,359,691	2,092,091	2,086,980
B. Interest on Net Pension Obligation (NPO)	(99,424)	(96,186)	(87,958)
C. Adjustment to ARC	(153,128)	(142,828)	(132,797)
D. Annual pension cost (A + B - C)	2,413,395	2,138,733	2,131,819
E. Actual contributions	2,359,691	2,179,214	2,234,659
F. NPO at beginning of year	(1,242,802)	(1,202,321)	(1,099,481)
G. Increase (decrease) in NPO (D - E)	53,704	(40,481)	(102,840)
H. NPO at end of year (F + G)	(1,189,098)	(1,242,802)	(1,202,321)

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

CITY OF BRADENTON
STATEMENT OF NET POSITION
POLICE PENSION FUND
September 30, 2013

Assets	
Interest receivable	\$ 124,807
Due from City	210,958
Due from plan members	13,794
Investments, at fair value	
U.S. Government obligations	8,760,230
Domestic corporate bonds	8,283,937
Convertible bonds	3,711,200
Domestic stock	10,817,841
Corporate stock	2,628,694
Master limited partnership	3,439,082
International funds	-
Mutual funds	14,999,380
Common equity securities	3,392,044
Preferred equity securities	1,173,101
Money market/cash	884,543
Total investments	<u>58,090,052</u>
Total assets	<u>58,439,611</u>
Liabilities	
Accounts payable	68,075
Total liabilities	<u>68,075</u>
Net assets held in trust for pension benefits and other purposes	<u>\$ 58,371,536</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

CITY OF BRADENTON
STATEMENT OF CHANGES IN NET POSITION
POLICE PENSION FUND
September 30, 2013

Additions

Contributions	
Employer	\$ 1,925,613
Plan members	430,412
Repayment of pension benefits	1,636
State of Florida (from City's General Fund)	436,314
Total contributions	2,793,975
Investment earnings	
Interest	698,155
Dividends	764,796
Net increase in fair value of investments	4,491,204
Total investment earnings	5,954,155
Less investment expenses	(240,771)
Net investment earnings	5,713,384
Total additions	5,713,384

Deductions

Benefits	2,556,605
Refunds of contributions	125,465
DROP payments	948,246
Administrative expenses	80,590
Total deductions	3,710,906
Change in net assets	4,796,453
Net assets, beginning	53,575,083
Net assets, ending	\$ 58,371,536

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, 2013, is as follows: Investments that represent 5% or more of the plan's net position are RBC Global Asset Management \$3,212,857, U.S. Real Estate Investment Fund LLC \$3,004,088 and Intech Enhanced Plus Fund \$3,995,765.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Firefighters' Pension Plan	Fair Value
U.S. Government obligations	\$ 1,635,690
Domestic stocks	22,297,834
Domestic corporate bonds	5,480,896
International funds	4,005,429
Real estate investment trust	3,027,463
Total	\$ 36,447,312

Police Officers' Pension Plan	Fair Value
U.S. Government obligations	\$ 8,760,230
Domestic corporate stocks	2,628,694
Domestic common stocks	10,817,841
Corporate bonds	8,283,937
Convertible bonds	3,711,200
Master limited partnership	3,439,082
Common equity securities	3,392,044
Preferred equity securities	1,173,101
Mutual funds	14,999,380
Money market/cash	884,543
Total	\$ 58,090,052

Other Employees' Pension Plans

Florida Retirement System

Substantially all City employees (except police and fire) are participants in the Florida Retirement System (the "plan"), a multiple-employer, cost-sharing public retirement system. The plan, 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.

Employees enrolled in the plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the plan on or after July 1, 2011, vest at eight years of creditable service. Employees enrolled in the plan prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. Employees enrolled in the plan on or after July 1, 2011, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. The plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before the normal retirement date.

Retirement benefits are based upon age, average compensation and years-of-service credit where average final compensation is computed as the average of an individual's five highest years of earnings. For employees enrolled in the plan on or after July 1, 2011, AFC is the average of the eight 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The City has no responsibility to the plan 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 plan. 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, as follows:

	Effective Contribution Rates—Employer	
	July 2012 to June 2013	July 2013 to June 2014
Regular employees	5.18%	6.95%
Special risk employees	14.90%	19.06%
DROP employees	5.44%	12.84%
Elected officials	10.23%	33.03%
Senior management	6.30%	18.31%

The City’s contributions made during the years ended September 30, 2013, 2012, and 2011 were \$746,215, \$662,613, and \$1,253,828, respectively; equal to the actuarially determined contribution requirements for each year. This is the second year that the employees contributed into the pension plan and the contributions for years ending September 30, 2013, 2012, and 2011 were \$ 334,146, \$345,564 and \$72,534, respectively. 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

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 2013, 2012 and 2011, the City provided required contributions of \$951,862, \$942,736, and \$872,485 respectively, toward the annual OPEB cost comprised of benefit payments made on behalf of retirees, exclusive of retiree contributions totaling \$407,989, \$293,661 and \$253,243, respectively.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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. In August 2012, additional policy changes were made; retired employees will now need 20 years of service with the City to be eligible for an insurance subsidy. The subsidy is limited to the employee only.

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)	\$ 494,738
Amortization of Unfunded Actuarial Accrued Liability	1,890,588
Interest on normal cost and amortization	--
Annual Required Contribution (ARC)	<u>2,385,326</u>
Interest on Net OPEB Obligation (NOO)	687,550
Adjustment to (ARC)	<u>(1,153,800)</u>
Annual OPEB cost (expense)	1,919,076
Estimated employer contributions	<u>(967,213)</u>
Estimated increase (decrease) in NOO	951,863
NOO at beginning of year	<u>15,805,721</u>
Estimated NOO at end of year	<u><u>\$ 16,757,584</u></u>

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, 2013 was as follows:

Schedule of Employer Contributions			
Fiscal Year Ending	Annual Required Contribution	Annual Contribution	Percentage Contributed
9/30/2011	\$ 3,988,990	872,485	21.87%
9/30/2012	1,827,519	942,736	51.59%
9/30/2013	2,385,326	967,213	40.55%

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The funded status and funding progress as of September 30, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 25,353,279
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	<u>\$ 25,353,279</u>
Funded ration (actuarial value of plan assets/AAL)	<u>0.00%</u>
Covered payroll (annual payroll of active employees covered by the plan)	\$ 19,113,086
UAAL as a percentage of covered payroll	132.65%

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, presents multi-year trend information.

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, 2012, 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 on a closed basis, calculated as a level percent of payroll over a 14-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.

The City makes the following assumptions in regard to healthcare cost trend and inflation rates: (1) inflation is projected at 3%, (2) initial per capita cost trend rate is projected at 8.5%, and (3) the ultimate per capita cost trend rate is 5.0454%. The initial per capita trend rate is fully offset by carrier changes, estimated to result in 9% savings.

NOTE M – DEFERRED COMPENSATION PLAN

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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

NOTE N – RISK MANAGEMENT AND SELF-INSURANCE PROGRAMS

Risk Management: The 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 \$5,200 to \$13,520 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. 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, 2011 to September 30, 2013:

	Medical Self-Insurance	Workers' Compensation Self-Insurance
Liability balance, September 30, 2011	\$ 566,000	981,009
Claims and changes in estimates	3,425,751	297,719
Claims payments	(3,521,751)	(735,160)
Liability balance, September 30, 2012	470,000	543,568
Claims and changes in estimates	3,853,292	970,455
Claims payments	(3,807,292)	(1,143,567)
Liability balance, September 30, 2013	\$ 516,000	370,456
Cash available to pay claims at September 30, 2013	\$ 4,545,798	9,124,821

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE O – CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the 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 Council that resolution of these matters will not have a materially adverse effect on the financial condition of the City.

NOTE P – RESTATEMENT AND CHANGE IN ACCOUNTING PRINCIPLE

The City has determined that a restatement of net position of the governmental and business-type activities is required to reflect corrections to beginning balances. The restatement is needed to record unbilled accounts receivable for the fiscal year 2012. The City had not recognized the utility revenue for a portion of the utility services (water, sewer, stormwater and solid waste) utilized, but not yet billed for the final month prior to year end. This adjustment is summarized below.

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than capitalized and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods.

Therefore, in conjunction with the implementation of Statement No. 65, the following restatements were required to the beginning net position of the Governmental Activities, Business-Type Activities, Water & Sewer Fund and the Parking Revenue Fund to properly recognize debt issuance costs as expenses in the periods in which they were incurred:

Governmental Activities, September 30, 2012, as previously reported	\$ 78,205,887
Adjustment for change in accounting principle - issuance costs	(284,568)
Adjustment for proper recognition of unbilled utility accounts receivable	50,244
Governmental Activities, September 30, 2013, as restated	<u>\$ 77,971,563</u>
Fund Balance, General Fund, previously stated	40,449,210
Adjustment for proper recognition of unbilled utility accounts receivable	50,244
Fund Balance, General Fund, as restated	<u>\$ 40,499,454</u>
Net Position, Business-Type Activities, previous reported	\$ 75,157,526
Adjustment for change in accounting principle - issuance costs	(10,383)
Adjustment for proper recognition of unbilled utility accounts receivable	1,833,633
Beginning net position, Business - Type Activities, as restated	<u>\$ 76,980,776</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Net position, Water & Sewer Fund, previously reported	\$ 64,029,181
Adjustment for proper recognition of unbilled utility accounts receivable	<u>1,340,851</u>
Net position, Water & Sewer Fund, as restated	<u><u>\$ 65,370,032</u></u>
Net position, Sanitation Fund, previously reported	\$ 4,527,560
Adjustment for proper recognition of unbilled utility accounts receivable	<u>492,781</u>
Net position, Sanitation Fund, as restated	<u><u>\$ 5,020,341</u></u>
Net position, Parking Fund, previously reported	\$ 3,708,632
Adjustment for change in accounting principle - issuance costs	<u>(10,383)</u>
Net position, Parking Fund, as restated	<u><u>\$ 3,698,249</u></u>

Required Supplementary Information

In accordance with the Governmental Accounting Standards Board Statement Number 34, the following budgetary comparison for the General Fund and the State Housing Initiatives Partnership Program Fund (a major special revenue fund) is 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, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 22,799,976	23,421,976	23,442,721	20,745
Franchise Fees	3,110,929	2,913,654	2,913,539	(115)
Licenses and permits	765,200	1,386,932	1,416,904	29,972
Intergovernmental grants	10,374	284,581	495,508	210,927
Intergovernmental revenues	1,661,498	1,718,498	1,749,474	30,976
Shared revenues	1,421,087	1,421,087	1,374,790	(46,297)
Charges for services	2,058,564	2,316,492	2,304,771	(11,721)
Fines and forfeitures	395,325	265,325	237,690	(27,635)
Interest and investment earnings	1,228,412	1,118,412	(132,700)	(1,251,112)
Payment in lieu of taxes	62,984	62,984	71,048	8,064
Rents	533,413	614,185	612,341	(1,844)
Special assessment-property owners	3,000	10,000	20,030	10,030
Miscellaneous	452,371	720,225	415,529	(304,696)
Total revenues	34,503,133	36,254,351	34,921,645	(1,332,706)
Expenditures				
General government services	7,539,780	7,760,500	7,495,950	264,550
Public safety	21,390,045	22,102,081	21,695,625	406,456
Transportation	2,424,797	2,504,339	2,257,845	246,494
Culture and recreation	1,691,362	1,707,362	1,678,460	28,902
Economic Environment	--	450,000	450,000	--
Total expenditures	33,045,984	34,524,282	33,577,880	946,402
Excess of revenues over expenditures	1,457,149	1,730,069	1,343,765	(386,304)
Other financing sources (uses)				
Transfers from other funds	400,000	400,000	400,000	--
Transfers to other funds	(2,005,704)	(2,168,869)	(2,182,376)	(13,507)
Proceeds from sale of capital assets	15,000	36,000	29,397	(6,603)
Total other financing sources (uses)	(1,590,704)	(1,732,869)	(1,752,979)	(20,110)
Net change in fund balance	(133,555)	(2,800)	(409,214)	(406,414)
Fund balance, October 1, 2012 (restated)	40,499,454	40,499,454	40,499,454	--
Fund balance, September 30, 2013	<u>\$ 40,365,899</u>	<u>40,496,654</u>	<u>40,090,240</u>	<u>(406,414)</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM (SHIPP) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ --	106,108	106,154	46
Special assessments, property owners	--	30,750	30,830	80
Total revenues	--	136,858	136,984	126
Expenditures				
Economic environment				
Personnel services	--	1,961	207	1,754
Operating expenditures	--	3,000	2,738	262
Public assistance	20,000	94,147	91,773	2,374
Total expenditures	20,000	99,108	94,718	4,390
Excess (deficiency) of revenues over (under) expenditures	(20,000)	37,750	42,266	4,516
Fund balance, October 1, 2012	55,610	55,610	55,610	--
Fund balance, September 30, 2013	\$ 35,610	93,360	97,876	4,516

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 Firefighters' Pension Trust Fund and 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
FIREFIGHTERS' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress
(in thousands of dollars)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)	Covered Payroll	UAAL as a Percentage of Covered Payroll (3) / (5)
10/1/2008	29,533,913	37,712,988	8,179,075	78.31%	4,065,747	201.17%
10/1/2009	29,759,576	40,029,289	10,269,713	74.34%	4,014,231	255.80%
10/1/2010	30,070,970	42,939,991	12,869,021	70.03%	3,575,486	359.90%
10/1/2011	28,968,552	44,421,789	15,453,237	65.21%	3,801,293	406.50%
10/1/2012	31,366,168	46,534,418	15,168,250	67.40%	3,861,209	392.84%
10/1/2013	34,615,120	47,471,556	12,856,436	72.92%	4,175,030	307.94%

Analysis of the dollar amounts of the 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 an ongoing-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally the greater this percentage, the stronger the plan.

Trends in the 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.

The assumptions used in the preparation of the above schedule are disclosed in Note K to the financial statements.

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Annual Contribution	Percentage Contributed
2008	1,070,966	1,070,966	100.00%
2009	1,091,800	1,091,800	100.00%
2010	1,312,075	1,312,075	100.00%
2011	1,440,036	1,440,036	100.00%
2012	2,081,849	2,081,849	100.00%
2013	2,477,942	2,477,942	100.00%

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

Schedule of Funding Progress
(in thousands of dollars)

Actuarial Valuation Date October 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)	Covered Payroll	UAAL as a Percentage of Covered Payroll (3) / (5)
2008	45,205,970	52,792,349	7,586,379	85.6%	6,618,369	114.6%
2009	46,688,948	57,318,819	10,629,871	81.5%	6,661,333	159.6%
2010	47,812,346	57,777,539	9,965,193	82.8%	6,518,785	152.9%
2011	48,975,195	61,931,747	12,956,552	79.1%	6,490,692	199.6%
2012	50,520,702	66,124,218	15,603,516	76.4%	6,776,210	230.3%
2013	54,430,973	68,419,818	13,988,845	79.6%	6,980,110	200.4%

Analysis of the dollar amounts of the 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 an ongoing-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally the greater this percentage, the stronger the plan.

Trends in the 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.

The assumptions used in the preparation of the above schedule are disclosed in Note K to the financial statements.

Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Annual Contribution	Percentage Contributed
2008	1,650,279	1,816,375	110.1%
2009	1,920,426	1,976,119	102.9%
2010	1,979,482	1,979,482	100.0%
2011	2,086,980	2,234,659	107.1%
2012	2,092,091	2,179,219	104.2%
2013	2,359,691	2,359,691	100.0%

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

Schedule of Funding Progress

Actuarial Valuation Date October 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio (1) / (2)	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2008	0	\$ 62,129,634	\$ 62,129,634	0.00%	\$ 21,085,856	294.65%
10/1/2010 *	0	45,958,950	45,958,950	0.00%	18,838,973	243.96%
10/1/2010 **	0	20,950,648	20,950,648	0.00%	18,838,973	111.21%
10/1/2012	0	25,353,279	25,353,279	0.00%	19,113,086	132.65%

* *Original Valuation-Before Policy Change*

** *Update Valuation-After Policy Change*

The assumptions used in the preparation of the above schedule are disclosed in Note L to the financial statements.

Schedule of Employer Contributions

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of OPEB Cost Contributed	Estimated Net OPEB Obligation
9/30/2011	4,062,969	872,485	21.47%	\$15,234,575
9/30/2012	1,513,882	942,736	62.27%	15,805,721
9/30/2013	1,919,075	967,213	50.40%	16,757,583

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.

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

For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Taxes				
General property taxes	\$ 12,586,826	12,860,826	12,857,121	(3,705)
Communication service tax	2,479,645	2,479,645	2,439,049	(40,596)
Half-cent sales tax	3,178,776	3,328,776	3,332,475	3,699
Utility tax	3,932,229	4,130,229	4,190,724	60,495
Local business tax	222,500	222,500	223,352	852
Other taxes	400,000	400,000	400,000	--
Total taxes	<u>22,799,976</u>	<u>23,421,976</u>	<u>23,442,721</u>	<u>20,745</u>
Franchise fees	3,110,929	2,913,654	2,913,539	(115)
Licenses and permits				
Building permits	595,000	1,106,732	1,128,364	21,632
Electrical permits	126,500	221,500	221,839	339
Plumbing permits	37,500	52,500	58,936	6,436
Other licenses and permits	6,200	6,200	7,765	1,565
Total licenses and permits	<u>765,200</u>	<u>1,386,932</u>	<u>1,416,904</u>	<u>29,972</u>
Intergovernmental grants	10,374	284,581	495,508	210,927
Intergovernmental revenues				
State revenue sharing	1,143,798	1,143,798	1,187,483	43,685
State mobile home licenses	34,950	34,950	34,442	(508)
State alcohol beverage licenses	21,500	21,500	28,189	6,689
Other grants	461,250	518,250	499,360	(18,890)
Total intergovernmental revenues	<u>1,661,498</u>	<u>1,718,498</u>	<u>1,749,474</u>	<u>30,976</u>
Shared revenues				
Ninth-cent gas tax	239,950	239,950	261,127	21,177
Five-cent gas tax	499,884	499,884	517,723	17,839
Four-cent gas tax	468,863	468,863	360,776	(108,087)
Two-cent gas tax	212,390	212,390	235,164	22,774
Total shared revenues	<u>1,421,087</u>	<u>1,421,087</u>	<u>1,374,790</u>	<u>(46,297)</u>
Charges for services				
General government fees	1,881,542	2,220,242	2,219,535	(707)
Marina rental revenue	80,772	--	--	--
Culture and recreation	96,250	96,250	85,236	(11,014)
Total charges for services	<u>2,058,564</u>	<u>2,316,492</u>	<u>2,304,771</u>	<u>(11,721)</u>
Fines and forfeitures	395,325	265,325	237,690	(27,635)
Interest and investment earnings	1,228,412	1,118,412	(132,700)	(1,251,112)
Payment in lieu of taxes	62,984	62,984	71,048	8,064
Rents	533,413	614,185	612,341	(1,844)
Special assessments-property owners	3,000	10,000	20,030	10,030
Miscellaneous	452,371	720,225	415,529	(304,696)
Total revenues	<u>\$ 34,503,133</u>	<u>36,254,351</u>	<u>34,921,645</u>	<u>(1,332,706)</u>

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
General Government				
Legislative				
Personnel services	\$ 438,272	438,272	440,454	(2,182)
Operating expenditures	38,648	38,648	33,375	5,273
Total Legislative	<u>476,920</u>	<u>476,920</u>	<u>473,829</u>	<u>3,091</u>
Executive-City Clerk				
Personnel services	350,069	350,069	315,982	34,087
Operating expenditures	2,439,865	2,439,865	2,419,269	20,596
Capital outlay	19,000	19,000	19,249	(249)
Total Executive-City Clerk	<u>2,808,934</u>	<u>2,808,934</u>	<u>2,754,500</u>	<u>54,434</u>
Financial				
Personnel services	293,347	293,347	295,766	(2,419)
Operating expenditures	9,352	9,352	7,130	2,222
Total Financial	<u>302,699</u>	<u>302,699</u>	<u>302,896</u>	<u>(197)</u>
Human Resources				
Personnel services	375,105	375,105	382,294	(7,189)
Operating expenditures	76,800	76,800	72,810	3,990
Total Human Resources	<u>451,905</u>	<u>451,905</u>	<u>455,104</u>	<u>(3,199)</u>
Administration				
Personnel services	21,794	21,794	22,442	(648)
Operating expenditures	985	985	325	660
Total Administration	<u>22,779</u>	<u>22,779</u>	<u>22,767</u>	<u>12</u>
Legal Counsel				
Operating expenditures	101,500	118,000	117,917	83
Florida Hardest Hit				
Personnel services	21,507	22,207	22,267	(60)
Operating expenditures	2,803	2,803	--	2,803
Total Florida Hardest Hit	<u>24,310</u>	<u>25,010</u>	<u>22,267</u>	<u>2,743</u>
Purchasing				
Personnel services	172,630	172,630	171,528	1,102
Operating expenditures	33,243	33,243	22,347	10,896
Total Purchasing	<u>205,873</u>	<u>205,873</u>	<u>193,875</u>	<u>11,998</u>

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL *(Continued)*
GENERAL FUND

For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Fleet Division				
Personnel services	\$ 622,615	636,615	631,948	4,667
Operating expenditures	110,952	110,952	86,666	24,286
Total Fleet Division	<u>733,567</u>	<u>747,567</u>	<u>718,614</u>	<u>28,953</u>
Facilities Maintenance				
Personnel services	196,676	196,676	157,251	39,425
Operating expenditures	245,493	245,493	194,447	51,046
Total Facilities Maintenance	<u>442,169</u>	<u>442,169</u>	<u>351,698</u>	<u>90,471</u>
Information Technology				
Personnel services	396,710	396,710	397,803	(1,093)
Operating expenditures	629,905	780,605	760,350	20,255
Capital outlay	50,000	25,000	--	25,000
Total Information Technology	<u>1,076,615</u>	<u>1,202,315</u>	<u>1,158,153</u>	<u>44,162</u>
Electrical Division				
Personnel services	404,301	451,801	452,699	(898)
Operating expenditures	36,170	46,690	45,347	1,343
Capital outlay	23,494	27,994	27,856	138
Total Electrical Division	<u>463,965</u>	<u>526,485</u>	<u>525,902</u>	<u>583</u>
Code Enforcement				
Personnel services	206,884	208,184	196,621	11,563
Operating expenditures	20,625	20,625	17,161	3,464
Total Code Enforcement	<u>227,509</u>	<u>228,809</u>	<u>213,782</u>	<u>15,027</u>
Grants and Assistance				
Personnel services	128,363	128,363	118,443	9,920
Operating expenditures	3,200	3,200	2,476	724
Total Grants and Assistance	<u>131,563</u>	<u>131,563</u>	<u>120,919</u>	<u>10,644</u>
Local Business Tax				
Personnel services	61,362	61,362	61,423	(61)
Operating expenditures	8,110	8,110	2,304	5,806
Total Local Business Tax	<u>69,472</u>	<u>69,472</u>	<u>63,727</u>	<u>5,745</u>
Total General Government	<u>7,539,780</u>	<u>7,760,500</u>	<u>7,495,950</u>	<u>264,550</u>

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL *(Continued)*
GENERAL FUND

For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Public Safety				
Law Enforcement				
Personnel services	\$ 11,228,013	11,517,513	11,581,388	(63,875)
Operating expenditures	986,898	1,393,148	1,246,247	146,901
Capital outlay	310,000	307,200	306,912	288
Total Law Enforcement	<u>12,524,911</u>	<u>13,217,861</u>	<u>13,134,547</u>	<u>83,314</u>
Dispatching				
Personnel services	667,030	680,030	627,194	52,836
Operating expenditures	14,500	14,500	12,814	1,686
Total Dispatching	<u>681,530</u>	<u>694,530</u>	<u>640,008</u>	<u>54,522</u>
Fire Control				
Personnel services	7,734,779	7,734,779	7,483,194	251,585
Operating expenditures	408,825	414,911	403,125	11,786
Capital outlay	40,000	40,000	34,751	5,249
Total Fire Control	<u>8,183,604</u>	<u>8,189,690</u>	<u>7,921,070</u>	<u>268,620</u>
Total Public Safety	<u>21,390,045</u>	<u>22,102,081</u>	<u>21,695,625</u>	<u>406,456</u>
Transportation				
Street Division				
Personnel services	624,126	624,126	524,736	99,390
Operating expenditures	977,779	970,779	866,943	103,836
Capital outlay	25,000	32,000	32,637	(637)
Total Street Division	<u>1,626,905</u>	<u>1,626,905</u>	<u>1,424,316</u>	<u>202,589</u>
Planning and Community Development				
Personnel services	319,549	350,891	355,616	(4,725)
Operating expenditures	64,217	60,417	47,433	12,984
Capital outlay	35,700	35,700	--	35,700
Total Planning and Community Development	<u>419,466</u>	<u>447,008</u>	<u>403,049</u>	<u>43,959</u>
Building				
Personnel services	352,788	390,988	391,549	(561)
Operating expenditures	25,638	39,438	38,931	507
Total Building	<u>378,426</u>	<u>430,426</u>	<u>430,480</u>	<u>(54)</u>
Total Transportation	<u>2,424,797</u>	<u>2,504,339</u>	<u>2,257,845</u>	<u>246,494</u>

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL *(Continued)*
GENERAL FUND
For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Culture and Recreation				
Landscape and Grounds Division				
Personnel services	\$ 921,897	949,897	957,604	(7,707)
Operating expenditures	511,154	453,523	442,820	10,703
Capital outlay	75,300	120,931	115,575	5,356
Total Landscape and Grounds Division	<u>1,508,351</u>	<u>1,524,351</u>	<u>1,515,999</u>	<u>8,352</u>
Special Recreation Facilities				
Personnel services	167,856	167,856	155,772	12,084
Operating expenditures	15,155	15,155	6,689	8,466
Total Special Recreation Facilities	<u>183,011</u>	<u>183,011</u>	<u>162,461</u>	<u>20,550</u>
Total Culture and Recreation	<u>1,691,362</u>	<u>1,707,362</u>	<u>1,678,460</u>	<u>28,902</u>
Economic Environment				
Operating expenditures	--	450,000	450,000	--
Total Economic Enviroment	<u>--</u>	<u>450,000</u>	<u>450,000</u>	<u>--</u>
Total expenditures	<u>\$ 33,045,984</u>	<u>34,524,282</u>	<u>33,577,880</u>	<u>946,402</u>

CITY OF BRADENTON, FLORIDA
 CAPITAL PROJECTS FUND
 MCKECHNIE FIELD RENOVATION CAPITAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest and investment earnings	\$ --	2,500	2,520	20
Total revenues	--	2,500	2,520	20
Expenditures				
Capital outlay	5,000,000	9,345,922	9,345,922	--
Total expenditures	5,000,000	9,345,922	9,345,922	--
Excess deficiency of revenues over (under) expenditures	(5,000,000)	(9,343,422)	(9,343,402)	20
Other financing sources				
Contributions	--	3,000,000	3,000,000	--
Transfer from General Fund	--	163,165	163,165	--
Transfer from Pirate City Capital Reserve	--	139,609	139,609	--
Transfer to Pirate City Capital Reserve	--	--	(20)	(20)
Total other financing sources	--	3,302,774	3,302,754	--
Net change in fund balance	(5,000,000)	(6,040,648)	(6,040,648)	20
Fund balance, October 1, 2012	6,040,648	6,040,648	6,040,648	--
Fund balance, September 30, 2013	\$ 1,040,648	--	--	20

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. By City ordinance, these funds shall be used exclusively for acquisitions, expansions, or capital improvements within the citywide road impact fee district. In the event that bonds or similar debt instruments are issued for advanced provision of capital facilities for which road impact fees may be expended, the impact fees may be used to pay debt service on such bonds or similar debt.

Parks and Recreational Impact Fee, West Fund

To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. By City ordinance, these funds shall be used exclusively for acquisitions, expansions, or capital improvements within the Parks and Recreation Impact Fee West district. In the event that bonds or similar debt instruments are issued for advanced provision of capital facilities for which parks and recreation impact fees may be expended, the fees may be used to pay debt service on such bonds or similar debt instruments.

Parks and Recreational Impact Fee, East Fund

To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. By City ordinance, these funds shall be used exclusively for acquisitions, expansions, or capital improvements within the Parks and Recreation Impact Fee East district. In the event that bonds or similar debt instruments are issued for advanced provision of capital facilities for which parks and recreation impact fees may be expended, the fees may be used to pay debt service on such bonds or similar debt instruments.

Public Safety Police Protection Fund

To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. By City ordinance, the funds collected from public safety impact fees shall be solely for the purpose of acquiring, equipping, and/or making capital improvements to public safety facilities under the jurisdiction of the City. In the event bonds or similar debt instruments are issued for advance provision of capital facilities for which public safety impact fees may be expended, the fees may be used to pay debt service on such bonds or similar debt.

Public Safety Fire Protection Fund

To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. By City ordinance, the funds collected from public safety impact fees shall be solely for the purpose of acquiring, equipping, and/or making capital improvements to public safety facilities under the jurisdiction of the City. In the event bonds or similar debt instruments are issued for advance provision of capital facilities for which public safety impact fees may be expended, the fees may be used to pay debt service on such bonds or similar debt.

Nonmajor Governmental Funds (Continued)

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.

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.

Franchise Fees Promissory Note 2000 Fund

Variable interest rate currently at .189%, 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 2012 Fund

2.2% interest rate, payable in installments from \$165,000 to \$215,000, 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.

Special Obligation Series 2012 Fund

3.08% interest rate, payable in installments from approximately \$260,000 to \$2,750,000, maturing in 2027. 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, 2013

	Special Revenue Funds				
	Road Impact Fee	Parks and Recreation Impact Fee- West	Parks and Recreation Impact Fee- East	Public Safety Police Protection	Public Safety Fire Protection
Assets					
Cash and cash equivalents	\$ 168,640	280,956	96,411	2,273	2,689
Accounts receivable	--	--	--	--	--
Due from other governments	--	--	--	--	--
Total assets	\$ 168,640	280,956	96,411	2,273	2,689
Liabilities					
Accounts payable	\$ --	--	13,184	--	--
Advances from other funds	--	--	--	--	106,669
Unearned revenues	--	--	--	--	--
Due to other funds	--	--	--	--	--
Accrued salaries, wages and benefits	--	--	--	--	--
Total liabilities	--	--	13,184	--	106,669
Deferred inflows of resources					
Unavailable revenue	--	--	--	--	--
Fund Balances (deficit)					
Restricted	168,640	280,956	83,227	2,273	--
Committed	--	--	--	--	--
Unassigned (deficit)	--	--	--	--	(103,980)
Total fund balances	168,640	280,956	83,227	2,273	(103,980)
Total liabilities, deferred inflows, and fund balances	\$ 168,640	280,956	96,411	2,273	2,689

Special Revenue Funds

<u>Community Development Program</u>	<u>Shelter Plus Care Grant</u>	<u>Total</u>
106,428	14,412	671,809
627,784	--	627,784
--	--	--
<u>734,212</u>	<u>14,412</u>	<u>1,299,593</u>
15	--	13,199
--	--	106,669
--	14,412	14,412
2,202	--	2,202
<u>4,768</u>	--	<u>4,768</u>
<u>6,985</u>	<u>14,412</u>	<u>141,250</u>
<u>627,784</u>	--	<u>627,784</u>
99,443	--	634,539
--	--	--
--	--	(103,980)
<u>99,443</u>	--	<u>530,559</u>
<u>734,212</u>	<u>14,412</u>	<u>1,299,593</u>

(Continued)

CITY OF BRADENTON, FLORIDA
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2013

	Debt Service Funds				Total
	Franchise Fees Promissory Note 2000	Florida Municipal Loan 2012	Special Obligation Series 2007	Special Obligation Series 2012	
Assets					
Cash and cash equivalents	\$ 66,039	1,627	3,380	739	71,785
Accounts receivable	--	--	--	--	--
Due from other governments	--	--	--	--	--
Total assets	\$ 66,039	1,627	3,380	739	71,785
Liabilities					
Accounts payable	\$ --	--	--	--	--
Advances from other funds	--	--	--	--	--
Unearned revenues	--	--	--	--	--
Due to other funds	--	--	--	--	--
Accrued salaries, wages and benefits	--	--	--	--	--
Total liabilities	--	--	--	--	--
Deferred inflows of resources					
Unavailable revenue	--	--	--	--	--
Fund Balances					
Restricted	66,039	1,627	3,380	739	71,785
Committed	--	--	--	--	--
Unassigned	--	--	--	--	--
Total fund balances	66,039	1,627	3,380	739	71,785
Total liabilities, deferred inflows, and fund balances	\$ 66,039	1,627	3,380	739	71,785

<u>Capital Projects Funds</u>			Total
<u>General</u>	<u>Pirate City</u>	<u>Total</u>	<u>Nonmajor</u>
<u>Projects</u>	<u>Capital</u>		<u>Governmental</u>
	<u>Reserve</u>		<u>Funds</u>
19,251	120,487	139,738	883,332
--	--	--	627,784
<u>80,185</u>	<u>--</u>	<u>80,185</u>	<u>80,185</u>
<u>99,436</u>	<u>120,487</u>	<u>219,923</u>	<u>1,591,301</u>
80,185	--	80,185	93,384
--	--	--	106,669
--	--	--	14,412
--	--	--	2,202
<u>--</u>	<u>--</u>	<u>--</u>	<u>4,768</u>
<u>80,185</u>	<u>--</u>	<u>80,185</u>	<u>221,435</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>627,784</u>
--	--	--	706,324
19,251	120,487	139,738	139,738
<u>--</u>	<u>--</u>	<u>--</u>	<u>(103,980)</u>
<u>19,251</u>	<u>120,487</u>	<u>139,738</u>	<u>742,082</u>
<u>99,436</u>	<u>120,487</u>	<u>219,923</u>	<u>1,591,301</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, 2013

	Special Revenue Funds				
	Road Impact Fee	Parks and Recreation Impact Fee- West	Parks and Recreation Impact Fee- East	Public Safety Police Protection	Public Safety Fire Protection
Revenues					
Intergovernmental grants	\$ --	--	--	--	--
Interest and investment earnings	4,804	238	482	(14)	--
Impact fees	2,074	946	--	563	771
Miscellaneous	--	--	--	--	--
Total revenues	<u>6,878</u>	<u>1,184</u>	<u>482</u>	<u>549</u>	<u>771</u>
Expenditures					
Current					
General government	--	--	--	--	--
Culture, recreation	--	--	6,573	--	--
Economic environment	--	--	--	--	--
Debt service					
Principal	--	--	--	--	--
Interest	--	--	--	--	1,056
Capital outlay	148,261	315,745	95,690	--	--
Total expenditures	<u>148,261</u>	<u>315,745</u>	<u>102,263</u>	<u>--</u>	<u>1,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(141,383)</u>	<u>(314,561)</u>	<u>(101,781)</u>	<u>549</u>	<u>(285)</u>
Other Financing Sources (Uses)					
Transfers to other funds	--	--	--	--	--
Transfers from other funds	--	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>(141,383)</u>	<u>(314,561)</u>	<u>(101,781)</u>	<u>549</u>	<u>(285)</u>
Fund balances (deficit), beginning	<u>310,023</u>	<u>595,517</u>	<u>185,008</u>	<u>1,724</u>	<u>(103,695)</u>
Fund balances (deficit), ending	<u>\$ 168,640</u>	<u>280,956</u>	<u>83,227</u>	<u>2,273</u>	<u>(103,980)</u>

Special Revenue Funds

<u>Community Development Program</u>	<u>Shelter Plus Care Grant</u>	<u>Total</u>
278,065	147,110	425,175
--	--	5,510
--	--	4,354
--	--	--
<u>278,065</u>	<u>147,110</u>	<u>435,039</u>
--	--	--
--	--	6,573
279,452	147,110	426,562
--	--	--
--	--	1,056
--	--	559,696
<u>279,452</u>	<u>147,110</u>	<u>993,887</u>
<u>(1,387)</u>	<u>--</u>	<u>(558,848)</u>
--	--	--
--	--	--
--	--	--
<u>(1,387)</u>	<u>--</u>	<u>(558,848)</u>
<u>100,830</u>	<u>--</u>	<u>1,089,407</u>
<u>99,443</u>	<u>--</u>	<u>530,559</u>

(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, 2013

	Debt Service Funds				Total
	Franchise Fees Promissory Note 2000	Florida Municipal Loan 2012	Special Obligation Series 2007	Special Obligation Series 2012	
Revenues					
Intergovernmental grants	\$ --	--	500,004	--	500,004
Interest and investment earnings	1,401	--	--	--	1,401
Impact fees	--	--	--	--	--
Miscellaneous	--	--	--	--	--
Total revenues	<u>1,401</u>	<u>--</u>	<u>500,004</u>	<u>--</u>	<u>501,405</u>
Expenditures					
Current					
General government	--	--	--	--	--
Culture, recreation	--	--	--	--	--
Economic environment	--	--	--	--	--
Debt service					
Principal	337,761	165,000	395,000	260,258	1,158,019
Interest	158,468	40,321	713,051	226,992	1,138,832
Capital outlay	--	--	--	--	--
Total expenditures	<u>496,229</u>	<u>205,321</u>	<u>1,108,051</u>	<u>487,250</u>	<u>2,296,851</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(494,828)</u>	<u>(205,321)</u>	<u>(608,047)</u>	<u>(487,250)</u>	<u>(1,795,446)</u>
Other Financing Sources (Uses)					
Transfers to other funds	--	--	--	--	--
Transfers from other funds	496,578	205,321	609,052	487,250	1,798,201
Total other financing sources (uses)	<u>496,578</u>	<u>205,321</u>	<u>609,052</u>	<u>487,250</u>	<u>1,798,201</u>
Net change in fund balances	1,750	--	1,005	--	2,755
Fund balances (deficit), beginning	<u>64,289</u>	<u>1,627</u>	<u>2,375</u>	<u>739</u>	<u>69,030</u>
Fund balances (deficit), ending	<u>\$ 66,039</u>	<u>1,627</u>	<u>3,380</u>	<u>739</u>	<u>71,785</u>

Capital Projects Funds

<u>General Projects</u>	<u>Pirate City Capital Reserve</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
380,795	--	380,795	1,305,974
5,579	4,894	10,473	17,384
--	--	--	4,354
9,210	--	9,210	9,210
<u>395,584</u>	<u>4,894</u>	<u>400,478</u>	<u>1,336,922</u>
452,090	--	452,090	452,090
--	--	--	6,573
--	--	--	426,562
--	--	--	1,158,019
--	--	--	1,139,888
523,536	--	523,536	1,083,232
<u>975,626</u>	<u>--</u>	<u>975,626</u>	<u>4,266,364</u>
<u>(580,042)</u>	<u>4,894</u>	<u>(575,148)</u>	<u>(2,929,442)</u>
--	(139,609)	(139,609)	(139,609)
50,000	136,523	186,523	1,984,724
50,000	(3,086)	46,914	1,845,115
<u>(530,042)</u>	<u>1,808</u>	<u>(528,234)</u>	<u>(1,084,327)</u>
549,293	118,679	667,972	1,826,409
<u>19,251</u>	<u>120,487</u>	<u>139,738</u>	<u>742,082</u>

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, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 9,235	9,235	4,804	(4,431)
Impact fees	--	--	2,074	2,074
Total revenues	<u>9,235</u>	<u>9,235</u>	<u>6,878</u>	<u>(2,357)</u>
Expenditures				
Capital outlay	<u>280,000</u>	<u>280,000</u>	<u>148,261</u>	<u>131,739</u>
Total expenditures	280,000	280,000	148,261	131,739
Net change in fund balance	(270,765)	(270,765)	(141,383)	129,382
Fund balance, October 1, 2012	<u>310,023</u>	<u>310,023</u>	<u>310,023</u>	<u>--</u>
Fund balance, September 30, 2013	<u>\$ 39,258</u>	<u>39,258</u>	<u>168,640</u>	<u>129,382</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PARKS AND RECREATIONAL IMPACT FEE – WEST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	<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	\$ 18,308	7,308	238	(7,070)
Impact fees	--	1,000	946	(54)
Total revenues	<u>18,308</u>	<u>8,308</u>	<u>1,184</u>	<u>(7,124)</u>
Expenses				
Culture, recreation				
Capital Outlay	--	323,308	315,745	7,563
Total expenditures	<u>--</u>	<u>323,308</u>	<u>315,745</u>	<u>7,563</u>
Excess (deficiency) of revenues over (under) expenditures	18,308	(315,000)	(314,561)	439
Fund balance, October 1, 2012	<u>595,517</u>	<u>595,517</u>	<u>595,517</u>	<u>--</u>
Fund balance, September 30, 2013	<u>\$ 613,825</u>	<u>280,517</u>	<u>280,956</u>	<u>439</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PARKS AND RECREATIONAL IMPACT FEE – EAST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	<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	\$ 5,485	5,485	482	(5,003)
Total revenues	<u>5,485</u>	<u>5,485</u>	<u>482</u>	<u>(5,003)</u>
Expenditures				
Economic environment:				
Operating expenditures	--	--	6,573	(6,573)
Capital outlay	<u>30,000</u>	<u>105,795</u>	<u>95,690</u>	<u>10,105</u>
Total expenditures	<u>30,000</u>	<u>105,795</u>	<u>102,263</u>	<u>3,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,515)</u>	<u>(100,310)</u>	<u>(101,781)</u>	<u>(1,471)</u>
Fund balance, October 1, 2012	<u>185,008</u>	<u>185,008</u>	<u>185,008</u>	<u>--</u>
Fund balance, September 30, 2013	<u>\$ 160,493</u>	<u>84,698</u>	<u>83,227</u>	<u>(1,471)</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PUBLIC SAFETY POLICE PROTECTION IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	<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	\$ 9,053	9,053	(14)	(9,067)
Impact fees	--	--	563	563
 Total revenues	 <u>9,053</u>	 <u>9,053</u>	 <u>549</u>	 <u>(8,504)</u>
 Fund balance, October 1, 2012	 <u>1,724</u>	 <u>1,724</u>	 <u>1,724</u>	 <u>--</u>
Fund balance, September 30, 2013	<u>\$ 10,777</u>	<u>10,777</u>	<u>2,273</u>	<u>(8,504)</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PUBLIC SAFETY FIRE PROTECTION IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 58	58	--	(58)
Impact fees	--	--	771	771
Total revenues	<u>58</u>	<u>58</u>	<u>771</u>	<u>713</u>
Expenditures				
Interest	58	58	1,056	(998)
Total expenditures	<u>58</u>	<u>58</u>	<u>1,056</u>	<u>(998)</u>
Net change in fund balance	<u>--</u>	<u>--</u>	<u>(285)</u>	<u>(285)</u>
Fund balance (deficit), October 1, 2012	<u>(103,695)</u>	<u>(103,695)</u>	<u>(103,695)</u>	<u>--</u>
Fund balance (deficit), September 30, 2013	<u><u>\$ (103,695)</u></u>	<u><u>(103,695)</u></u>	<u><u>(103,980)</u></u>	<u><u>(285)</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, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 376,101	278,101	278,065	(36)
Total revenues	376,101	278,101	278,065	(36)
Expenditures				
Economic environment				
Personnel services	151,419	159,419	163,564	(4,145)
Operating expenditures	28,806	28,806	13,727	15,079
Public assistance	171,801	102,161	102,161	--
Total expenditures	352,026	290,386	279,452	10,934
Excess (deficiency) of revenues over (under) expenditures	24,075	(12,285)	(1,387)	10,898
Fund balance, October 1, 2012	100,830	100,830	100,830	--
Fund balance, September 30, 2013	\$ 124,905	88,545	99,443	10,898

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, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 194,483	194,483	147,110	(47,373)
Total revenues	194,483	194,483	147,110	(47,373)
Expenditures				
Economic environment				
Public assistance	194,483	194,483	147,110	47,373
Total expenditures	194,483	194,483	147,110	47,373
Net change in fund balance	--	--	--	--
Fund balance, October 1, 2012	--	--	--	--
Fund balance, September 30, 2013	\$ --	--	--	--

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, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 2,201	2,201	1,401	(800)
Total revenues	2,201	2,201	1,401	(800)
Expenditures				
Loan principal repayments	337,761	337,761	337,761	--
Interest on bonds	161,018	161,018	158,468	2,550
Total expenditures	498,779	498,779	496,229	2,550
Deficiency of revenues (under) expenditures	(496,578)	(496,578)	(494,828)	1,750
Other financing sources				
Transfer from General Fund	496,578	496,578	496,578	--
Total other financing sources	496,578	496,578	496,578	--
Net change in fund balance	--	--	1,750	1,750
Fund balance, October 1, 2012	64,289	64,289	64,289	--
Fund balance, September 30, 2013	\$ 64,289	64,289	66,039	1,750

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
FLORIDA MUNICIPAL LOAN 2012 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Expenditures				
Loan principal repayments	\$ 165,000	165,000	165,000	--
Interest on bonds	40,321	40,321	40,321	--
Total expenditures	<u>205,321</u>	<u>205,321</u>	<u>205,321</u>	<u>--</u>
Other financing sources				
Transfer from General Fund	<u>205,321</u>	<u>205,321</u>	<u>205,321</u>	<u>--</u>
Total other financing sources	<u>205,321</u>	<u>205,321</u>	<u>205,321</u>	<u>--</u>
Net change in fund balance	--	--	--	--
Fund balance, October 1, 2012	<u>1,627</u>	<u>1,627</u>	<u>1,627</u>	<u>--</u>
Fund balance, September 30, 2013	<u><u>\$ 1,627</u></u>	<u><u>1,627</u></u>	<u><u>1,627</u></u>	<u><u>--</u></u>

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
SPECIAL OBLIGATION SERIES 2007 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 500,000	500,000	500,004	4
Total revenues	500,000	500,000	500,004	4
Expenditures				
Loan principal repayments	395,000	395,000	395,000	--
Interest on bonds	713,052	713,052	713,051	1
Fees and expenditures	1,000	1,000	--	1,000
Total expenditures	1,109,052	1,109,052	1,108,051	1,001
Excess deficiency of revenues over (under) expenditures	(609,052)	(609,052)	(608,047)	1,005
Other financing sources				
Transfer from General Fund	609,052	609,052	609,052	--
Net change in fund balance	--	--	1,005	1,005
Fund balance, October 1, 2012	2,375	2,375	2,375	--
Fund balance, September 30, 2013	\$ 2,375	2,375	3,380	1,005

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
SPECIAL OBLIGATION SERIES 2012 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Expenditures				
Loan principal repayments	\$ 260,258	260,258	260,258	--
Interest on bonds	226,992	226,992	226,992	--
Total expenditures	<u>487,250</u>	<u>487,250</u>	<u>487,250</u>	--
Deficiency of revenues (under) expenditures	(487,250)	(487,250)	(487,250)	--
Other financing sources				
Transfer from General Fund	<u>487,250</u>	<u>487,250</u>	<u>487,250</u>	--
Net change in fund balance	--	--	--	--
Fund balance, October 1, 2012	<u>739</u>	<u>739</u>	<u>739</u>	--
Fund balance, September 30, 2013	<u><u>\$ 739</u></u>	<u><u>739</u></u>	<u><u>739</u></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, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 16,872	16,872	5,579	(11,293)
Intergovernmental grants	546,900	1,046,510	380,795	(665,715)
Miscellaneous	--	--	9,210	9,210
Total revenues	<u>563,772</u>	<u>1,063,382</u>	<u>395,584</u>	<u>(667,798)</u>
Expenditures				
General government				
Operating expenditures	--	--	452,090	(452,090)
Capital outlay	1,160,570	1,660,180	523,536	1,136,644
Total expenditures	<u>1,160,570</u>	<u>1,660,180</u>	<u>975,626</u>	<u>684,554</u>
Excess (deficiency) of revenues over (under) expenditures	(596,798)	(596,798)	(580,042)	16,756
Other financing sources				
Transfer from General Fund	50,000	50,000	50,000	--
Net change in fund balance	(546,798)	(546,798)	(530,042)	16,756
Fund balance, October 1, 2012	<u>549,293</u>	<u>549,293</u>	<u>549,293</u>	<u>--</u>
Fund balance, September 30, 2013	<u>\$ 2,495</u>	<u>2,495</u>	<u>19,251</u>	<u>16,756</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, 2013

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 2,519	4,519	4,894	375
Total revenues	2,519	4,519	4,894	375
Other financing sources (uses)				
Transfer from General Fund	136,503	136,503	136,503	--
Transfer from McKechnie Field Fund	--	--	20	20
Transfer to McKechnie Field Fund	--	(139,609)	(139,609)	--
Total other financing sources (uses)	136,503	(3,106)	(3,086)	20
Net change in fund balance	139,022	1,413	1,808	395
Fund balance, October 1, 2012	118,679	118,679	118,679	--
Fund balance, September 30, 2013	\$ 257,701	120,092	120,487	395

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 POSITION
September 30, 2013

	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Property Insurance	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 4,545,798	9,124,821	2,179,603	15,850,222
Due from insurance	121	19	--	140
Prepaid items	119,287	--	--	119,287
Total current assets	<u>\$ 4,665,206</u>	<u>9,124,840</u>	<u>2,179,603</u>	<u>15,969,649</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 467,290	21,174	--	488,464
Unearned revenues	69,570	--	--	69,570
Estimated payable for outstanding claims	61,920	44,455	--	106,375
Total current liabilities	<u>598,780</u>	<u>65,629</u>	<u>--</u>	<u>664,409</u>
Noncurrent liabilities				
Estimated payable for outstanding claims	454,080	326,001	--	780,081
Total liabilities	<u>1,052,860</u>	<u>391,630</u>	<u>--</u>	<u>1,444,490</u>
Net position				
Unrestricted	<u>3,612,346</u>	<u>8,733,210</u>	<u>2,179,603</u>	<u>14,525,159</u>
Total liabilities and net position	<u>\$ 4,665,206</u>	<u>9,124,840</u>	<u>2,179,603</u>	<u>15,969,649</u>

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2013

	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Property Insurance	Total
Operating revenues				
Charges for services	\$ 5,404,277	1,747,390	1,058,629	8,210,296
Operating expenses				
Contractual services	818,747	42,252	867,090	1,728,089
Supplies and materials	477,604	244,091	--	721,695
Claims	3,807,292	1,143,567	140,648	5,091,507
Total operating expenses	<u>5,103,643</u>	<u>1,429,910</u>	<u>1,007,738</u>	<u>7,541,291</u>
Operating income	300,634	317,480	50,891	669,005
Non-operating revenues				
Interest income and investment earnings	<u>(19,487)</u>	<u>--</u>	<u>(17,328)</u>	<u>(36,815)</u>
Change in net position	281,147	317,480	33,563	632,190
Total net position, beginning	<u>3,331,199</u>	<u>8,415,730</u>	<u>2,146,040</u>	<u>13,892,969</u>
Total net position, ending	<u>\$ 3,612,346</u>	<u>8,733,210</u>	<u>2,179,603</u>	<u>14,525,159</u>

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2013

	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Property Insurance	Total
Cash flows from operating activities				
Receipts from charges for services	\$ 5,421,754	1,762,281	1,068,184	8,252,219
Receipts from interfund services provided	--	--	--	--
Payments to suppliers	(818,747)	(169,032)	(1,007,895)	(1,995,674)
Payments for employees	(4,080,479)	(1,432,497)	--	(5,512,976)
Net cash provided by operating activities	<u>522,528</u>	<u>160,752</u>	<u>60,289</u>	<u>743,569</u>
Cash flows from investing activities				
Interest and investment earnings received	(19,487)	--	(17,328)	(36,815)
Net change in cash and equivalents	503,041	160,752	42,961	706,754
Cash and cash equivalents, October 1, 2012	<u>4,042,757</u>	<u>8,964,069</u>	<u>2,136,642</u>	<u>15,143,468</u>
Cash and cash equivalents, September 30, 2013	<u>\$ 4,545,798</u>	<u>9,124,821</u>	<u>2,179,603</u>	<u>15,850,222</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 300,634	317,480	50,891	669,005
Adjustments to reconcile operating income to net cash provided by operating activities:				
(Increase) decrease:				
Due from insurance	1,402	14,891	9,555	25,848
Prepaid items	(26,087)	--	--	(26,087)
Increase (decrease):				
Unearned revenues	16,075	--	--	16,075
Accounts payable	184,504	1,493	(157)	185,840
Claims payable	46,000	(173,112)	--	(127,112)
Total adjustments	<u>221,894</u>	<u>(156,728)</u>	<u>9,398</u>	<u>74,564</u>
Net cash provided by operating activities	<u>\$ 522,528</u>	<u>160,752</u>	<u>60,289</u>	<u>743,569</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 POSITION
 FIDUCIARY FUNDS
 September 30, 2013

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
	Fund	Fund	
Assets			
Cash and cash equivalents	\$ 1,809,356	--	1,809,356
Due from state	9,557	--	9,557
Due from city	75,441	210,958	286,399
Due from plan members	12,653	13,794	26,447
Interest receivable	81,736	124,807	206,543
Investments, at fair value			
U.S. Government obligations	1,635,690	8,760,230	10,395,920
Domestic corporate bonds	5,480,896	8,283,937	13,764,833
Convertible bonds	--	3,711,200	3,711,200
Domestic stocks	22,297,834	10,817,841	33,115,675
Corporate stocks	--	2,628,694	2,628,694
Master limited partnerships	--	3,439,082	3,439,082
International funds	4,005,429	--	4,005,429
Common equity securities	--	3,392,044	3,392,044
Preferred equity securities	--	1,173,101	1,173,101
Mutual funds	--	14,999,380	14,999,380
Real estate investment trust	3,027,463	--	3,027,463
Money market	--	884,543	884,543
Total investments	<u>36,447,312</u>	<u>58,090,052</u>	<u>94,537,364</u>
Total assets	<u>38,436,055</u>	<u>58,439,611</u>	<u>96,875,666</u>
Liabilities			
Accounts payable	<u>20,900</u>	<u>68,075</u>	<u>88,975</u>
Total liabilities	<u>20,900</u>	<u>68,075</u>	<u>88,975</u>
Net Position			
Held in trust for pension benefits and other purposes	<u>\$ 38,415,155</u>	<u>58,371,536</u>	<u>96,786,691</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS

For the Fiscal Year Ended September 30, 2013

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
	Fund	Fund	
Additions			
Contributions			
Employer	\$ 1,823,866	1,925,613	3,749,479
Plan members	321,130	430,412	751,542
Repayment of pension benefits	--	1,636	1,636
State of Florida (from City's General Fund)	461,961	436,314	898,275
Total contributions	<u>2,606,957</u>	<u>2,793,975</u>	<u>5,400,932</u>
Investment earnings			
Interest	306,305	698,155	1,004,460
Dividends	653,857	764,796	1,418,653
Miscellaneous/settlement income	360,641	--	360,641
Net increase in the fair value of investments	<u>4,223,528</u>	<u>4,491,204</u>	<u>8,714,732</u>
Total investment earnings	5,544,331	5,954,155	11,498,486
Less investment expenses	<u>208,610</u>	<u>240,771</u>	<u>449,381</u>
Net investment earnings	<u>5,335,721</u>	<u>5,713,384</u>	<u>11,049,105</u>
Total additions, net	<u>7,942,678</u>	<u>8,507,359</u>	<u>16,450,037</u>
Deductions			
Benefits	2,034,387	2,556,605	4,590,992
Refunds of contributions	--	125,465	125,465
DROP plan payments	672,826	948,246	1,621,072
Administrative expenses	85,974	80,590	166,564
Total deductions	<u>2,793,187</u>	<u>3,710,906</u>	<u>6,504,093</u>
Change in net position	5,149,491	4,796,453	9,945,944
Net position, beginning	<u>33,265,664</u>	<u>53,575,083</u>	<u>86,840,747</u>
Net position, ending	<u>\$ 38,415,155</u>	<u>58,371,536</u>	<u>96,786,691</u>

Discretely Presented Component Units

The 'component units' columns in the Statement of Net Position 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 Downtown Development Authority is a dependent special district created by the Laws of Florida, Chapter 74-425, Special Legislative Acts of 1974.

Bradenton Community Redevelopment Agency

The Bradenton Community Redevelopment Agency 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 Community Redevelopment Agency 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 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 POSITION
 COMPONENT UNITS
 September 30, 2013

<u>Bradenton Downtown Development Authority</u>					
	<u>Bradenton Downtown Development Authority</u>	<u>Bradenton Community Redevelopment Agency</u>	<u>14th Street Community Redevelopment Agency</u>	<u>Central Community Redevelopment Agency</u>	<u>Totals</u>
Assets					
Cash and cash equivalents	\$ --	1,566,005	266,278	276,087	2,108,370
Accounts receivable	--	--	--	21,625	21,625
Due from other governments	--	80,185	--	--	80,185
Prepaid insurance	--	--	--	14,871	14,871
Capital assets					
Land	--	--	2,923,829	2,985,292	5,909,121
Construction in progress	--	--	--	89,044	89,044
Buildings, net	--	--	502,105	--	502,105
Improvements, net	--	6,638,510	--	--	6,638,510
Machinery and equipment, net	--	658	--	3,576,710	3,577,368
Total assets	--	8,285,358	3,692,212	6,963,629	18,941,199
Deferred Outflows					
Accumulated decrease in fair value of hedging derivative	--	--	--	406,536	406,536
Liabilities					
Accounts payable	--	--	--	18,525	18,525
Accrued interest payable	--	20,383	2,122	23,704	46,209
Long-term liabilities					
Due within one year	--	--	875,611	233,536	1,109,147
Due in more than one year					
Revenue bonds payable	--	5,165,965	85,811	--	5,251,776
Notes payable	--	--	--	3,118,444	3,118,444
Interest rate swap contract	--	--	--	406,536	406,536
Total liabilities	--	5,186,348	963,544	3,800,745	9,950,637
Net POSITION					
Net investment in capital assets	--	1,473,203	2,464,512	3,299,066	7,236,781
Unrestricted	--	1,625,807	264,156	270,354	2,160,317
Total net position	\$ --	3,099,010	2,728,668	3,569,420	9,397,098

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2013

ALL COMPONENT UNITS

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Assets of the Component Units</u>
Government activities					
Community Development	\$ 3,926,443	170,260	677,170	--	\$ (3,079,013)
Interest on long-term debt	<u>471,202</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(471,202)</u>
Total component units	<u>\$ 4,397,645</u>	<u>170,260</u>	<u>677,170</u>	<u>--</u>	<u>(3,550,215)</u>
General revenues					
Tax increment funding					3,281,378
Unrestricted investment earnings					8,413
Miscellaneous revenues					<u>--</u>
Total general revenues					<u>3,289,791</u>
Change in net assets					(260,424)
Net position, beginning					<u>9,657,522</u>
Net position, ending					<u>\$ 9,397,098</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2013

Bradenton Community Redevelopment Agency					Net (Expense)
Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Change in Net Assets of the Component Unit
Government activities					
Community Development	\$ 2,740,328	--	427,641	--	\$ (2,312,687)
Interest on long-term debt	<u>249,935</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(249,935)</u>
Total Bradenton Community Redevelopment Agency	<u>\$ 2,990,263</u>	<u>--</u>	<u>427,641</u>	<u>--</u>	<u>(2,562,622)</u>
General revenues					
Tax increment funding					2,025,503
Investment earnings					6,940
Other revenues					<u>--</u>
Total general revenues					<u>2,032,443</u>
Change in net position					(530,179)
Net position, beginning of year, as restated					<u>3,629,189</u>
Net position, end of year					<u>\$ 3,099,010</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2013

14th Street Community Redevelopment Agency					Net (Expense)
Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Change in Net Assets of the Component Unit
Government activities					
Community Development	\$ 219,182	--	--	--	\$ (219,182)
Interest on long-term debt	<u>37,604</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(37,604)</u>
Total 14th Street Community Redevelopment Agency	<u>\$ 256,786</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(256,786)</u>
General revenues					
Tax increment funding					395,211
Unrestricted investment earnings					<u>862</u>
Total general revenues					<u>396,073</u>
Change in net position					139,287
Net position, beginning					<u>2,589,381</u>
Net position, ending					<u>\$ 2,728,668</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2013

Central Community Redevelopment Agency

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Assets of the Component Unit</u>
Government activities					
Community Development	\$ 966,933	170,260	249,529	--	\$ (547,144)
Interest on long-term debt	<u>183,663</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(183,663)</u>
Total Central Community Redevelopment Agency	<u>\$ 1,150,596</u>	<u>170,260</u>	<u>249,529</u>	<u>--</u>	<u>(730,807)</u>
General revenues					
Tax increment funding					860,664
Unrestricted investment earnings					<u>611</u>
Total general revenues					<u>861,275</u>
Change in net position					130,468
Net position, beginning of year, as restated					<u>3,438,952</u>
Net position, end of year					<u>\$ 3,569,420</u>



The original Manatee River Hotel had 250 rooms ... more than double the count of today's Hampton Inn & Suites. The going rate for a room in 1926? \$2.25 for a single, \$5.50 for a double.

In 1948 the hotel underwent a complete remodel, including room renovations that reduced the total number of occupancies to 170 per night. The rooftop gardens were removed and the roof was converted to a sundeck.

According to legend, the Manatee River Hotel played host to guests of some celebrity including Rita Hayworth, Tyrone Power, Greta Garbo, Clark Gable, President Herbert Hoover, and a variety of baseball teams in town for spring training including the St. Louis Cardinals, Philadelphia Phillies and Milwaukee Braves.



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.

Contents	Page
Financial Trends	124
<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	131
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	
Debt Capacity	136
<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	142
<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	144
<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>	

Source

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).



2013 ... The modernized version of the Hampton Inn & Suites' lobby.



CITY OF BRADENTON, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	\$ 16,777,759	12,887,064	17,729,130	16,480,126	26,757,655	26,242,893	25,595,080	23,688,608	18,853,236	29,190,556
Restricted	25,093,577	30,138,835	25,729,021	35,307,860	25,355,699	25,066,065	21,889,878	4,324,243	2,324,902	732,415
Unrestricted	22,947,491	25,798,294	31,106,637	36,230,240	35,071,462	34,293,817	33,094,759	49,753,644	57,027,749	50,785,717
Total governmental net position	<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>	<u>78,205,887</u>	<u>80,708,688</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 53,237,950	51,528,628	52,193,816	50,110,225	57,932,879	57,376,349	56,563,358	58,413,500	59,890,864	65,903,360
Restricted	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	2,166,117	4,527,798	5,604,192	11,610,427	4,982,748	6,042,809	7,224,403	8,096,837	15,266,662	16,417,089
Total business-type net position	<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>	<u>75,157,526</u>	<u>82,320,449</u>
Primary government										
Invested in capital assets, net of related debt	\$ 70,015,709	64,415,692	69,922,946	66,590,351	84,690,534	83,619,242	82,158,438	82,102,108	78,744,100	95,093,916
Restricted	28,231,787	33,282,269	28,949,763	38,320,935	28,368,774	28,079,140	24,902,953	7,337,318	2,324,902	732,415
Unrestricted	25,113,608	30,326,092	36,710,829	47,840,667	40,054,210	40,336,626	40,319,162	57,850,481	72,294,411	67,202,806
Total primary net position	<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>	<u>153,363,413</u>	<u>163,029,137</u>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
General government	\$ 6,339,355	8,815,241	10,362,642	7,817,764	9,927,526	10,821,162	11,031,574	9,369,379	8,247,333	9,075,136 (1)
Public safety	16,922,308	16,856,411	18,631,835	19,288,504	20,933,673	22,608,726	22,864,152	22,531,358	20,574,575	22,096,925 (2)
Transportation	3,906,821	3,407,812	3,903,857	4,307,161	4,630,993	3,300,430	3,109,157	2,793,289	2,884,855	2,577,388
Neighborhood Stabilization Grant	--	--	--	--	--	--	1,067,769	460,726	744,812	-- (3)
Community Development Program	602,914	496,035	594,060	509,025	545,736	640,582	405,125	729,978	349,438	282,940
Housing Assistance Program	2,982,473	2,990,960	2,807,645	2,750,502	3,246,985	3,463,616	1,133,014	--	--	--
Energy Efficiency Conservation Program	--	--	--	--	--	--	--	29,418	150,856	-- (3)
State Housing Initiatives Program	414,634	255,586	1,141,220	1,115,123	61,653	604,871	451,003	104,315	81,729	94,718
Shelter Plus Care Program	--	--	9,255	89,706	130,161	156,086	227,385	151,905	163,635	147,110
Economic environment	34,147	631	17,625	--	27,463	10,327	8,297	8,610	7,047	--
Culture and recreation	2,924,364	2,870,695	3,028,399	2,937,357	4,420,779	3,193,560	3,055,759	2,945,045	2,490,494	2,577,032
Interest on long-term debt	641,624	821,891	873,798	1,052,507	1,265,864	1,216,311	1,173,161	1,127,587	1,239,189	1,182,515
Total governmental activities expenses	34,768,640	36,515,262	41,370,336	39,867,649	45,190,833	46,015,671	44,526,396	40,251,610	36,933,963	38,033,764
Business-type activities										
Water and Sewer	15,174,383	15,465,554	16,471,733	17,182,008	18,046,291	19,228,039	18,173,824	17,788,224	16,845,092	17,310,472
Sanitation	5,477,523	5,972,705	6,208,743	6,350,625	6,528,224	6,506,834	6,352,001	6,131,518	5,627,349	6,181,905
Parking	--	--	236,507	771,224	774,913	818,755	783,496	800,768	697,157	718,824
Golf Course	1,509,224	1,459,044	1,294,183	1,325,772	1,390,336	1,446,488	1,413,037	1,371,498	1,265,310	1,336,245
Total business-type activities expenses	22,161,130	22,897,303	24,211,166	25,629,629	26,739,764	28,000,116	26,722,358	26,092,008	24,434,908	25,547,446
Total primary government expenses	\$ 56,929,770	59,412,565	65,581,502	65,497,278	71,930,597	74,015,787	71,248,754	66,343,618	61,368,871	63,581,210
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 2,724,673	5,713,910	5,438,417	4,448,160	5,499,999	3,118,650	3,484,499	3,777,718	5,679,319	6,914,348
Community Development Program	39,769	65,382	48,675	53,567	26,919	--	2,100	9,556	8,356	--
Housing Assistance Program	11,597	--	--	--	--	--	--	--	--	--
State Housing Initiatives Program	85,968	157,427	125,374	68,452	107,450	13,285	10,520	37,300	2,425	30,830
Culture and recreation	--	--	--	--	--	--	--	--	--	85,236
Operating grants and contributions	6,302,540	4,574,255	5,272,394	6,198,967	6,617,786	7,432,288	5,861,896	3,673,566	2,339,616	1,526,841
Capital grants and contributions	185,972	571,248	100,376	350,438	401,775	--	302,042	307,615	242,668	4,490,054 (4)
Total govt. activities program revenues	9,350,519	11,082,222	10,985,236	11,119,584	12,653,929	10,564,223	9,661,057	7,805,755	8,272,384	13,047,309
Business-type activities										
Charges for services										
Water and Sewer	16,159,322	16,777,278	17,626,662	19,073,641	17,837,280	18,684,199	17,674,071	19,023,763	20,044,580	20,615,847
Sanitation	5,234,566	5,053,176	6,067,606	6,728,290	6,879,192	6,767,688	6,696,938	6,961,945	7,080,914	6,977,041
Other	1,600,339	1,561,112	1,957,094	2,567,511	2,579,530	2,205,050	2,104,764	2,099,318	2,017,366	2,023,648
Operating grants and contributions	--	--	--	--	--	--	412,570	769,129	587,228	1,592,094
Total business-type program revenues	22,994,227	23,391,566	25,651,362	28,369,442	27,296,002	27,656,937	26,888,343	28,854,155	29,730,088	31,208,630
Total primary govt. program revenues	\$ 32,344,746	34,473,788	36,636,598	39,489,026	39,949,931	38,221,160	36,549,400	36,659,910	38,002,472	44,255,939
Net (expense)/revenue										
Governmental activities	\$ (25,418,121)	(25,433,040)	(30,385,100)	(28,748,065)	(32,536,904)	(35,451,448)	(34,865,339)	(32,445,855)	(28,661,579)	(24,986,455)
Business-type activities	833,097	494,263	1,440,196	2,739,813	556,238	(343,179)	165,985	2,762,147	5,295,180	5,661,184
Total primary government net expense	\$ (24,585,024)	(24,938,777)	(28,944,904)	(26,008,252)	(31,980,666)	(35,794,627)	(34,699,354)	(29,683,708)	(23,366,399)	(19,325,271)

(continued)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 9,323,620	11,206,029	12,597,102	14,982,691	14,449,476	14,182,819	12,722,890	12,853,772	12,970,233	12,857,121
Utility taxes	3,487,763	3,679,392	3,923,729	3,730,455	3,614,330	3,674,959	3,864,722	3,926,752	3,932,368	4,190,724
Franchise fees	2,619,133	2,873,944	3,647,783	3,557,735	3,408,379	3,458,060	3,109,552	3,098,917	2,962,576	2,913,539
Public service taxes	2,575,777	2,927,551	2,870,757	2,882,546	2,866,892	2,634,733	2,529,202	2,472,542	2,461,325	2,439,049
Impact fees	--	--	--	--	--	--	34,933	--	--	--
Local-government half-cent sales taxes	3,264,405	4,006,309	3,915,794	3,737,615	3,452,928	3,065,377	3,034,041	3,245,371	3,126,907	3,332,475
Other taxes	370,580	707,770	825,615	781,258	422,857	655,991	497,245	519,064	366,602	400,000
State revenue sharing	1,438,399	2,005,629	2,035,592	2,017,301	1,852,696	1,609,583	1,616,479	1,619,296	1,378,224	1,374,790
Unrestricted investment earnings	899,642	316,499	2,103,118	2,789,012	1,308,264	3,540,262	2,208,876	1,018,973	1,554,589	(149,611)
Repayment of loan - CCRA	--	--	--	--	--	--	33,335	66,671	--	--
Gain on sale of capital assets	7,499	653,318	3,935,263	675,319	343,608	1,072,623	6,160	46,060	--	--
Transfers	435,558	(17,600)	270,942	(19,700)	(15,936)	(25,000)	184,846	514,675	348,147	365,493
Total governmental activities	24,422,376	28,358,841	36,125,695	35,134,232	31,703,494	33,869,407	29,842,281	29,382,093	29,100,971	27,723,580
Business-type activities										
Investment earnings	557,258	130,320	654,731	862,178	609,869	818,055	618,876	459,777	657,081	43,982
Gain on sale of capital assets	148,368	15,400	(5,095)	93,286	12,932	3,655	13,512	15,327	--	--
Transfers	(435,558)	17,600	(270,942)	19,700	15,936	25,000	(184,846)	(514,675)	(348,147)	(365,493)
Total business-type activities	270,068	163,320	378,694	975,164	638,737	846,710	447,542	(39,571)	308,934	(321,511)
Total primary government	\$ 24,692,444	28,522,161	36,504,389	36,109,396	32,342,231	34,716,117	30,289,823	29,342,522	29,409,905	27,402,069
Change in Net Assets										
Governmental activities	\$ (995,745)	2,925,801	5,740,595	6,386,167	(833,410)	(1,582,041)	(5,023,058)	(3,063,222)	439,392	2,737,125
Business-type activities	1,103,165	657,583	1,818,890	3,714,977	1,194,975	503,531	613,527	2,722,576	5,634,114	5,339,673
Total primary government	\$ 107,420	3,583,384	7,559,485	10,101,144	361,565	(1,078,510)	(4,409,531)	(340,646)	6,073,506	8,076,798

(1) Increase is due to increased OPEB and compensated absences allocations.

(2) Increase is due to one-time salary increases and contractual agreements being allocated.

(3) Decrease is due to grant expiring.

(4) Increase includes one-time contribution of \$3 million for the McKechnie Field Renovation project.

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

Fiscal Year	Property Tax	Utility Tax	Communication Service Tax	Half-Cent Sales Tax	Total
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
2012	12,970,233	3,932,368	2,461,325	3,126,907	22,490,833
2013	12,857,121	4,190,724	2,439,049	3,332,475	22,819,369

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

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
General fund							
Reserved	\$ 347,874	328,968	956,734	1,730,005	839,764	569,585	546,807
Unreserved	10,493,985	12,399,154	18,546,496	17,672,862	17,869,835	19,753,036	17,979,801
Total General Fund	<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	\$ 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	17,521,568	18,710,078	18,949,081	17,512,722	17,587,349	16,350,074	16,563,777
Debt service funds	1,987,244	2,047,762	2,062,665	2,062,223	1,989,717 ⁽¹⁾	1,529,898	1,494,961
Capital projects funds	244,020 ⁽²⁾	4,475,280	189,789 ⁽²⁾	9,494,884	40,345	674,607	--
Total all other governmental funds	<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⁾ Decrease is due to residual equity transfer

⁽²⁾ Increase is due to unexpended loan proceeds

CITY OF BRADENTON, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST THREE FISCAL YEARS

	Fiscal Year		
	2011	2012	2013
General Fund			
Nonspendable	\$ 3,035,344	2,677,563	2,352,321
Committed	6,245,670	3,302,443	3,309,121
Assigned	1,389,565	11,072,757	11,188,450
Unassigned	19,437,408	23,396,447	23,240,348
Total General Fund	\$ 30,107,987	40,449,210	40,090,240
All other governmental funds			
Restricted, reported in			
Special revenue funds	\$ 1,513,929	1,248,712	732,415
Debt service funds	2,698,546	69,030	71,785
Committed, reported in			
Capital projects funds	635,160	6,708,620	139,738
Assigned, reported in			
Debt service funds	8,548,831	--	--
Unassigned, reported in			
Special revenue funds	--	(103,695)	(103,980)
Total all other governmental funds	\$ 13,396,466	7,922,667	839,958
Total all governmental funds	\$ 43,504,453	48,371,877	40,930,198

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 15,757,740	18,520,742	20,217,203	22,376,950	21,353,555	24,213,879	22,648,100	23,018,041	23,080,688	23,442,721
Fees	2,619,133	2,873,944	3,647,783	3,557,735	3,408,379	3,458,060	3,144,485	3,098,917	2,962,576	2,917,893
Licenses and permits	1,084,355	1,242,053	1,209,567	856,491	698,400	611,915	408,822	659,196	1,048,446	1,416,904
Intergovernmental grants	5,245,351	4,165,673	4,176,287	4,791,310	5,473,651	5,315,180	3,941,244	2,659,818	2,493,234	1,907,636
Intergovernmental revenues	4,747,777	6,065,392	6,073,046	5,981,527	5,725,130	2,303,987	1,883,486	1,787,238	1,672,181	1,749,474
Shared revenues	984,863	1,199,883	1,074,823	1,354,366	1,572,848	1,524,007	1,553,687	1,548,422	1,378,224	1,374,790
Payments in lieu of taxes	--	--	37,420	26,469	--	23,530	32,135	32,739	60,599	71,048
Charges for services	1,437,295	1,680,424	1,991,797	1,810,531	1,782,019	1,260,384	1,344,936	1,326,562	1,397,788	2,304,771
Fines and forfeitures	218,286	344,499	443,675	532,968	290,816	211,744	373,336	186,348	412,666	237,690
Interest / investment earnings	860,813	310,320	2,014,139	2,789,012	1,308,264	3,232,029	2,017,029	1,020,191	1,385,249	(112,796)
Rents	517,679	772,487	828,301	669,236	494,488	470,159	466,346	512,039	518,508	612,341
Contributions	--	120,000	550,003	12,178	580,269	12,600	402,000	--	--	--
Miscellaneous	294,746	1,653,150	272,544	495,487	1,097,029	413,600	850,924	565,026	489,130	424,739
Special assessments, property owners	118,550	273,507	385,360	166,819	156,070	26,700	20,620	57,663	34,206	50,860
Total revenues	33,886,588	39,222,074	42,921,948	45,421,079	43,940,918	43,077,774	39,087,150	36,472,200	36,933,495	36,398,071
Expenditures										
General government services	6,982,206	8,773,246	9,685,207	9,468,737	8,943,084	8,639,038	8,925,980	7,582,145	7,881,561	7,948,040
Public safety	16,288,189	17,191,344	18,647,250	20,433,678	20,894,380	20,154,685	20,882,402	20,586,889	21,302,361	21,695,625
Transportation	3,626,071	3,239,374	3,796,308	3,961,684	4,224,462	2,823,742	2,573,471	2,239,094	2,466,669	2,257,845
Economic environment	4,062,277	3,883,555	4,597,384	4,457,254	4,007,562	4,866,802	3,284,296	1,493,782	1,490,470	971,280
Culture-recreation	2,275,590	2,378,850	2,413,482	2,518,351	3,237,798	1,892,760	1,718,338	1,624,229	1,492,401	1,685,033
Capital outlay	1,091,001	1,708,531	7,364,019	10,185,766	10,603,881	1,387,684	922,980	358,972	2,041,870	10,429,154
Debt service principal	807,330	984,459	1,123,184	881,989	1,242,267	929,592	975,837	1,014,089	3,962,638	1,158,019
Debt service interest	610,109	767,724	870,080	827,223	1,244,167	1,192,588	1,149,688	1,104,550	1,149,529	1,139,888
Debt service fees/expenditures	3,404	44,139	25,487	846,338	3,187	3,879	3,809	3,677	112,039	--
Total expenditures	35,746,177	38,971,222	48,522,401	53,581,020	54,400,788	41,890,770	40,436,801	36,007,427	41,899,538	47,284,884
Excess (deficiency) of revenues over (under) expenditures	(1,859,589)	250,852	(5,600,453)	(8,159,941)	(10,459,870)	1,187,004	(1,349,651)	464,773	(4,966,043)	(10,886,813)
Other financing sources (uses)										
Transfers from other funds	13,723,314	14,802,962	16,196,528	16,563,335	16,077,562	16,647,339	14,300,643	5,139,545	2,824,836	2,687,498
Transfers to other funds	(14,468,569)	(14,820,562)	(16,875,586)	(16,583,035)	(16,093,498)	(16,672,339)	(14,715,797)	(5,024,870)	(2,476,689)	(2,322,005)
Repayment of loan, CCRA	--	--	--	--	--	--	33,335	66,671	--	--
Sales of capital assets	7,499	708,266	4,853,057	304,366	597,205	464,669	31,394	13,760	15,320	29,397
Issuance of debt	--	6,000,000	3,000,000	18,645,000	--	--	--	--	9,470,000	3,000,000
Proceeds from capital lease	447,563	--	--	299,031	--	--	--	--	--	--
Special item, Manatee Player:	--	--	--	(1,528,122)	(771,877)	(307,000)	(191,450)	--	--	--
Special item, CCRA	--	--	--	--	--	--	(1,000,000)	--	--	--
Total other financing sources (uses) and special items	(290,193)	6,690,666	7,173,999	17,700,575	(190,608)	132,669	(1,541,875)	195,106	9,833,467	3,394,890
Net change in fund balances	\$ (2,149,782)	6,941,518	1,573,546	9,540,634	(10,650,478)	1,319,673	(2,891,526)	659,879	4,867,424	(7,491,923)
Debt service as a percentage of noncapital expenditures	4.38%	5.06%	6.94%	5.90%	3.13%	5.37%	5.44%	5.96%	13.41%	6.33%

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 Service Tax	Half-Cent Sales Tax	Total
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
2012	12,970,233	366,602	241,460	524,300	375,499	236,965	3,932,368	2,461,325	3,126,907	24,235,659
2013	12,857,121	400,000	261,127	517,723	360,776	235,164	4,190,724	2,439,049	3,332,475	24,594,159

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

Fiscal Year	Real 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
2004	\$ 2,189,246,096	273,692,308	339,319	(551,753,735)	1,911,523,988	4.30	NA	NA
2005	2,483,653,512	304,917,186	553,522	(573,027,459)	2,216,096,761	4.75	3,362,151,679	85.13%
2006	3,164,475,719	341,229,608	312,762	(612,358,030)	2,893,660,059	4.75	4,118,376,119	86.82%
2007	3,925,825,566	348,608,525	368,986	(648,676,654)	3,626,126,423	4.75	4,923,479,731	87.37%
2008	4,400,363,084	334,236,652	421,725	(684,559,927)	4,050,461,534	4.11	5,419,581,388	82.34%
2009	4,029,617,425	365,563,886	427,546	(942,525,097)	3,453,083,760	4.28	5,338,133,954	80.89%
2010	3,486,297,604	368,980,353	427,080	(910,893,012)	2,944,812,025	4.28	4,766,598,049	75.51%
2010	3,210,891,376	356,363,905	396,212	(874,956,035)	2,692,695,458	4.95	3,567,651,493	75.51%
2012	3,054,389,054	326,685,423	434,387	(828,217,894)	2,553,290,970	5.20	3,381,508,864	75.30%
2013	2,904,553,317	321,276,532	441,707	(765,296,847)	2,460,974,709	5.44	3,226,271,556	76.28%

* 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 4% discount is allowed if the taxes are paid in November; the discount declines by 1% 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			Manatee County			Overlapping Rates School District			Total Direct and 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	
2004	4.3000	-	4.3000	7.7089	0.1699	7.8788	8.2960	-	8.2960	20.4748
2005	4.7500	-	4.7500	7.7245	0.1543	7.8788	7.9990	-	7.9990	20.6278
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	4.1134	-	4.1134	6.2993	0.0956	6.3949	7.6660	-	7.6660	18.1743
2009	4.2843	-	4.2843	6.2993	0.1090	6.4083	7.3720	-	7.3720	18.0646
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
2012	5.2002	-	5.2002	6.2993	0.1303	6.4296	7.5890	-	7.5890	19.2188
2013	5.4356	-	5.4356	6.2993	0.1303	6.4296	7.5720	-	7.5720	19.4372

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

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

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Tropicana Products	\$ 138,910,244	1	5.64%	\$ 17,345,874	5	0.91%
Manatee Memorial Hospital LP	83,666,658	2	3.40%	48,369,588	1	2.53%
HCA Health Services of Florida	49,215,519	3	2.00%	44,678,866	2	2.34%
Freedom Village Ltd.	37,265,802	4	1.51%			
Florida Power & Light	30,944,363	5	1.26%			
Carlton Arms of Bradenton	26,698,989	6	1.08%	24,046,116	3	1.25%
Sawgrass Cove Vistas	19,628,293	7	0.80%	14,460,719	7	0.76%
Continental 115 Fund LLC	18,831,806	8	0.77%			
Morguard Watermark Apartments LLC	17,383,871	9	0.71%			
Continental 117 Fund LLC	17,144,006	10	0.70%			
Westport Holdings				21,379,701	4	1.11%
CMC Bradenton LLC				15,048,182	6	0.79%
TC Perico Company				11,868,793	8	0.62%
Wal-Mart Stores				11,434,753	9	0.60%
Litchfield Investment Co LLC				11,350,658	10	0.59%
TOTALS	\$ 439,689,551		17.87%	\$ 219,983,250		11.50%

⁽¹⁾ Percentage of total net assessed value is calculated using total net taxable assessed value on page 132

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 9,912,217	9,323,619	94.1%	31,528	9,355,147	94.4%
2005	9,912,217	11,206,029	113.1%	8,585	11,214,614	113.1%
2006	11,924,345	12,565,367	105.4%	31,735	12,597,102	105.6%
2007	13,058,221	14,858,015	113.8%	124,676	14,982,691	114.7%
2008	15,485,988	14,387,727	92.9%	61,749	14,449,476	93.3%
2009	15,062,032	13,697,033	90.9%	419,268	14,116,301	93.7%
2010	14,291,119	12,683,700	88.8%	38,910	12,722,610	89.0%
2011	13,315,918	12,812,986	96.2%	40,706	12,853,692	96.5%
2012	13,277,624	12,937,796	97.4%	32,438	12,970,233	97.7%
2013	13,249,291	12,743,879	96.2%	24,661	12,768,539	96.4%

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			
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	5.766%	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
2012	--	29,470,537	--	--	--	7,096,343	262,017	36,828,896	6.468%	730.89
2013	--	28,312,518	--	--	--	6,769,672	191,635	35,273,825	6.753%	699.11

⁽¹⁾ See the Schedule of Demographic and Economic Statistics (page 142) 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

Fiscal Year	General Bonds/Notes	<i>Less: Amounts Available in Debt Service Fund</i>	Total	Percentage of Estimated Actual Taxable Value ⁽¹⁾ of Property	Per Capita ⁽²⁾
2004	\$ 12,056,264	2,266,465	9,789,799	0.2912%	184.72
2005	17,071,805	2,326,983	14,744,822	0.3580%	271.53
2006	10,371,243	2,341,886	8,029,357	1.6310%	167.15
2007	28,134,254	2,341,444	25,792,810	0.4697%	474.05
2008	26,882,693	2,268,938	24,613,755	0.4611%	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	0.6552%	430.72
2011	23,963,175	1,586,952	22,376,223	0.6617%	450.01
2012	29,470,537	69,030	29,401,507	0.8318%	583.49
2013	28,312,518	71,785	28,240,733	0.8714%	559.72

⁽¹⁾ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property (page 132) for property value data

⁽²⁾ Population data can be found in the Schedule of Demographic and Economic Statistics (page 142)

CITY OF BRADENTON, FLORIDA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 September 30, 2013

<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	\$ 101,750,000	15.12%	15,384,600
Manatee County School Board	457,246,296	15.12%	<u>69,135,640</u>
Subtotal, overlapping debt			84,520,240
City of Bradenton direct debt	28,312,518	100.00%	<u>28,312,518</u>
Total direct and overlapping debt			<u><u>\$ 112,832,758</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. 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)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Total governmental funds	\$ 33,894	39,930	47,775	45,725	44,528	43,078	39,087	36,472	36,933	36,398
Less ad valorem revenues	9,540	11,444	12,851	14,983	14,449	14,182	12,723	12,854	12,970	12,857
Total non-ad valorem revenues	24,354	28,486	34,924	30,742	30,079	28,896	26,364	23,618	23,963	23,541
Less restricted funds:										
Special revenues ⁽²⁾	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	--	--
Capital projects	--	--	--	--	--	--	--	--	--	--
Adjusted non-ad valorem revenues	\$ 21,591	25,723	32,161	27,979	27,316	26,133	23,601	20,855	23,963	23,541
Expenditures										
General expenditures										
Public safety	\$ 16,288	17,191	18,647	20,434	20,894	20,155	20,822	20,587	21,302	21,696
General government	6,982	8,773	9,685	9,469	8,943	8,639	8,088	7,582	7,881	7,948
Total general expenditures	23,270	25,964	28,332	29,903	29,837	28,794	28,910	28,169	29,183	29,644
Less ad valorem revenues available to pay general expenditures	9,540	11,444	12,851	14,983	14,449	14,182	12,723	12,854	12,970	12,857
Adjusted general expenditures	13,730	14,520	15,481	14,920	15,388	14,612	16,187	15,315	16,213	16,787
Legally available non-ad valorem revenues	\$ 7,861	11,203	16,680	13,059	11,928	11,521	7,414	5,540	7,584	6,754
Average of current and prior year	\$ 9,164	9,532	13,942	14,870	12,494	11,725	9,468	6,477	6,562	7,169
Annual debt service requirement⁽¹⁾	1,420	1,752	1,993	1,709	2,486	2,121	2,105	2,119	2,136	2,297
Coverage	5.54x	6.39x	8.37x	7.64x	4.80x	5.43x	3.52x	2.61x	3.55x	2.94x
Percentage of governmental funds	4.19%	4.39%	4.17%	4.74%	5.58%	4.92%	5.39%	5.81%	5.78%	6.31%

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

⁽²⁾ The Special Revenue Bond matured in 2011 and as such there are no further restrictions on special revenues.

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	
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
2012	20,044,581	12,314,930	7,729,651	--	--	(1)
2013	20,615,847	12,443,693	8,172,154	--	--	(1)

(1) The Utility System Refunding Revenue bond matured in 2012

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⁾ (in thousands)	Per Capita Personal Income⁽³⁾	Unemployment Rate⁽⁴⁾
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	10.9
2012	50,389	2,382,177	47,276	9.0
2013	50,455	2,388,187	47,333	8.1

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 2003 to 2011, estimated for 2012 and 2013
- ⁽⁴⁾ Florida Department of Labor and Employment Security

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

Employer	2013			2004		
	Employees⁽¹⁾	Rank	Percentage of Total City Employment⁽²⁾	Employees⁽¹⁾	Rank	Percentage of Total City Employment⁽²⁾
Manatee County School Board	5,500	1	34.52%	4,528	1	30.07%
Beall's, Inc.	1,924	2	12.08%	821	7	5.45%
Manatee County Government	1,727	3	10.84%	1,801	3	11.96%
Manatee Memorial Hospital	1,445	4	9.07%	1,100	6	7.31%
Tropicana Products, Inc.	1,200	5	7.53%	3,200	2	21.25%
Blake Medical Center	1,100	6	6.90%	1,200	4	7.97%
Manatee Co. Sheriff's Dept.	1,092	7	6.85%	1,133	5	7.52%
Publix	875	8	5.49%	--		0%
IMG Academies	564	9	3.54%	--		0%
City of Bradenton	504	10	3.16%	--	8	0%
Wellcraft	--		-	645	9	4.28%
SYSCO Westcoast Florida	--		-	630	10	4.18%
Total	15,931		100.00%	15,058		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

Full-Time Equivalent Employees as of September 30

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Full-time	108	109	109	109	107	102	87	90	94	92
Part-time	22	24	24	26	5	7	8	4	5	2
Public safety										
Police										
Officers	121	121	121	121	122	122	120	119	118	120
Civilians	29	29	29	29	28	30	25	29	30	30
Part-time civilians	20	20	20	20	28	12	26	26	26	26
Fire										
Firefighters and officers	71	71	71	70	70	70	65	64	65	65
Civilians	5	5	5	6	5	5	3	3	3	3
Part-time civilians	0	0	0	0	0	0	0	0	0	0
Highway and streets										
Engineering	5	5	5	5	7	7	8	8	8	8
Part-time engineering	2	2	2	1	0	0	0	1	1	1
Maintenance	18	18	18	19	17	16	13	13	13	13
Sanitation	65	65	65	66	55	55	55	52	52	52
Culture and recreation										
Full-time	49	49	49	44	42	39	36	35	31	31
Part-time	37	37	37	36	35	32	32	32	32	32
Water										
Full-time	50	50	50	50	39	41	41	41	40	40
Part-time	0	0	0	0	0	0	0	0	0	0
Sewer	58	58	58	58	50	50	47	47	50	50
Total										
Full-time	579	580	580	577	542	537	500	501	504	504
Part-time	81	83	83	83	68	51	66	63	64	61

Source: City of Bradenton annual budgets

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

		Fiscal Year									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function											
Police											
	Physical arrests	2,857	3,004	2,244	2,641	2,720	2,834	2,576	2,424	2,137	2,229
	Parking violations	8,140	8,037	6,942	9,995	11,229	9,073	7,294	7,988	4,320	4,615
	Traffic violations	8,329	12,660	12,182	17,186	11,535	10,247	7,050	7,586	4,881	5,009
Fire											
	Number of calls answered	5,252	4,899	4,927	4,790	4,594	4,534	4,360	4,132	4,423	4,225
	Inspections	1,955	1,092	2,215	1,408	721	1,398	1,914	1,968	2,272	1,689
145	Highways and streets										
	Street resurfacing (miles)	0.427	0.147	2.370	2.307	2.400	2.500	10.450	3.160	3.778	1.356
	Potholes repaired	NA	NA	2,276	3,081	3,065	3,181	2,351	2,192	1,743	1,419
Sanitation											
	Refuse collected (tons/day)	197.29	181.93	118.68	207.02	183.20	168.09	165.70	208.28	244.12	236.66
	Recyclables collected (tons/day)	234.50	22.06	139.55	6.82	6.80	6.70	37.67	6.90	7.69	8.11
Water											
	New connections	333	390	352	391	133	191	149	101	132	133
	Water mains breaks	119	168	160	210	184	152	239	177	142	178
	Average daily consumption (million of gallons)	5.14	5.02	5.43	5.86	4.84	4.91	5.01	5.12	5.49	5.89
Wastewater											
	Average daily sewage treatment (million of gallons)	5.54	5.74	5.73	5.41	5.26	4.96	5.07	5.00	5.39	5.52

Source: Various City of Bradenton Departments

* NA = (Not Available)

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

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	NA	NA	125	122	126	120	115	119	125	123
Fire stations	3	3	3	3	3	3	3	3	3	3
Sanitation										
Collection trucks	18	18	18	21	19	19	19	15	16	16
Highways and streets										
Streets (miles)	139.00	142.00	142.00	144.92	149.00	149.00	149.00	154.69	154.58	155.16
Streetlights	NA	NA	3,800	3,825	3,867	3,882	3,882	4,247	4,247	4,317
Traffic signals	NA	NA	352	352	352	352	352	352	352	364
Culture and recreation										
Parks acreage	167.70	167.70	167.70	167.70	167.70	167.70	167.70	193.29	193.29	193.29
Parks	10	10	10	10	10	10	10	10	11	11
Tennis courts	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	183.80	183.80	184.00	254.00	254.00	254.00	254.00	254.00	254.00	254.70
Fire hydrants	NA	NA	1,728	1,788	1,788	1,835	1,858	1,860	1,876	1,880
Maximum daily capacity (millions of gallons)	6.95	6.95	6.95	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Sewer										
Sanitary sewers (miles)	146.2	146.2	146.2	200.0	200.0	200.0	200.0	175.5	175.5	176.1
Storm sewers (miles)	75.0	75.0	75.0	106.0	108.0	108.0	108.0	106.4	106.4	107.1
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

Source: Various City of Bradenton Departments

* NA = (Not Available)



**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**

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

We have audited, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 24, 2014. Our report includes a reference to other auditors who audited the financial statements of the City of Bradenton Firefighters' Retirement System as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report also includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2013-1 to be a material weaknesses.

Compliance and Other Matters

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

City's Response to Findings

Management's responses to the findings and recommendations identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 24, 2014



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

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 projects for the year ended September 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state 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 on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and state project 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*, 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 and state 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 project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 24, 2014

**CITY OF BRADENTON, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? X yes no

Significant deficiencies identified not considered
to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Programs and State Financial Assistance Projects

Internal Control over major federal or state programs:
Material weaknesses identified? yes X no

Significant deficiencies identified not considered
to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for
major Federal programs and state financial assistance
projects: Unmodified

Any audit findings disclosed that are required to
be reported in accordance with OMB Circular
A-133, Section 510(a)? yes X no

Identification of major federal program:

CFDA Number	Name of Federal Program or Cluster
16.710	Police Safety Partnership and Community Policing Grant

Identification of major state financial assistance projects:

CFDA Number	Name of State Project or Cluster
37.077	State Revolving Loan Program
73.016	Facilities for Retained Spring Training Franchises

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

Auditee qualified as low-risk auditee? X yes no

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2013 -1 Restatement of Prior Year Balances

Criteria: Internal controls should be in place to ensure that financial statements properly present the financial position and results of operations of the City in accordance with generally accepted accounting principles (GAAP) and that all of the City's accounts receivable and revenues are properly reported.

Condition: Misstatements were detected in the City's financial statements for the year ended September 30, 2012 due to the omission of the City's utility unbilled accounts receivable.

Context/Cause: During our audit for the year ended September 30, 2013, misstatements were identified that caused the need to restate opening equity for the year ended September 30, 2012 surrounding the City's utility accounts. We addressed this matter with the City and they were able to determine the appropriate adjustment required to the City's general ledger to properly report the unbilled utility accounts receivables within the City's Water and Sewer Fund, Sanitation Fund, and General Fund.

Effect: Audit adjustments to increase net position / fund balance and increase accounts receivable within the Water and Sewer Fund by \$1,340,851, the Sanitation Fund by \$492,781, and the General Fund by \$50,244 was required to be reported as of September 30, 2012.

Recommendation: We recommend the City carefully review the financial statements and applicable reporting requirements to ensure that all information and financial data is being properly reported.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding and recommendation. We have made adjustments to our system to ensure that the utility unbilled accounts receivable are properly recorded as of yearend and we also have procedures in place to prepare and review the City's financial statements to ensure proper reporting.

SECTION III FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE PROJECT FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no prior audit findings for the fiscal year ended September 30, 2012.

CITY OF BRADENTON, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2013

	CFDA/CSFA Number	Grant ID Number	Actual Expenditures
Federal Awards			
Department of Housing and Urban Development			
Community Development Block Grant Program/ Entitlement Grants	14.218	B11MC120024	\$ 241,878
Community Development Block Grant Program/ Entitlement Grants	14.218	B12MC120024	<u>36,187</u>
			<u>278,065</u>
Shelter Plus Care	14.238	FL 0349V4H001102	89,326
Shelter Plus Care	14.238	FL 29C500001	17,615
Shelter Plus Care	14.238	FL 0463L4H001201	12,819
Shelter Plus Care	14.238	FL 0349C4H001203	<u>27,350</u>
			<u>147,110</u>
			<u>425,175</u>
Environmental Protection Agency			
Passed through the Florida Department of Environmental Protection Capitalization Grants for Clean Water State Revolving Funds, Recovery Act	66.458	WW410301	<u>105,424</u>
			<u>105,424</u>
Department of Justice			
Bullet Proof Vest Partnership Program	16.607	N/A	5,671
Public Safety Partnership and Community Policing Grants, Recovery Act	16.710	2009-RK-WX-0230	<u>269,178</u>
			<u>274,849</u>
Department of Homeland Security			
State Homeland Security Grant	97.067	10-DS-39-13-00-16-414	1,221
State Homeland Security Grant	97.067	11-DS-9Z-13-00-16-436	<u>5,724</u>
			<u>6,945</u>
Department of Transportation			
Passed through Florida Highway Administration Recreational Trail Program	20.219	T2911	<u>127,124</u>
			<u>127,124</u>
Total expenditures of Federal awards			<u>\$ 939,517</u>

CITY OF BRADENTON, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2013

	CFDA/CSFA Number	Grant ID Number	Actual Expenditures
State Financial Assistance			
Florida Housing Finance Agency			
State Housing Initiatives Partnership Program	52.901	N/A	\$ 94,718
Florida Department of Environmental Protection			
Wastewater Treatment Facility Construction, State Revolving L	37.077	SW410320	869,490
9th Ave West Bridge Replacement, State Revolving Loan	37.077	SW68117P	128,140
12/14th Ave Bridge Replacement & 20th Street W Drainage	37.077	SW410330	479,020
ASR Wells K114, Southwest Florida Water Management District	37.066	06CS0000038	107,064
Florida Department of Revenue			
Facilities for Retained Spring Training Franchises	73.016	N/A	<u>500,004</u>
Total expenditures of State financial assistance			<u>\$ 2,178,436</u>

This Schedule includes the Federal and State grant activity of the City of Bradenton, Florida, for the fiscal year ended September 30, 2013, 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.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

We have audited the financial statements of the City of Bradenton, Florida, (the "City") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated February 24, 2014. We did not audit the financial statements of the City of Bradenton Firefighters' Retirement System which represents 33%, 34%, and 29%, respectively, of the assets, net position, 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 solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General. 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 February 24, 2014, 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 or 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. There were no findings or recommendations made in the preceding annual financial audit report.
- 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. In connection with our audit, we did not have any such recommendation.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., 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 the financial statements.
- Section 10.554(1)(i)6.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)6.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, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.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.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 24, 2014