

City of Bradenton, Florida

Comprehensive Annual Financial Report

Fiscal Year Ending September 30, 2012



About our cover:

This year marked the grand opening of Bradenton's Riverwalk - the city's crown jewel along the Manatee River. Thanks to a \$6.2 million dollar investment coordinated by Bradenton's Downtown Development Authority and Realize Bradenton, this 1.5 mile outdoor gathering place along the waterfront now boasts amenities including a fishing pier, day docks, outdoor living rooms, amphitheater, splash park, playground, beach volleyball, event plaza, and skate park.

The main objective of the development group? To build the interest and vibrancy of downtown Bradenton ... building community and making connections to ensure there is something for everyone. Planned activities include fishing tournaments, concerts, art walks, wellness activities, dog runs, fitness runs, volleyball and skate competitions, and water activities including boat races, canoeing and kayaking. With a goal of drawing a quarter-million people to the site this year, there's much to look forward to for downtown Bradenton!

CITY OF BRADENTON, FLORIDA

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2012

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Bradenton's Riverwalk features a number of amenities, including ...

Beach Volleyball

Two sandy courts with room for spectators

Skate Park

Designed by award-winning Team Pain, includes a 9.5' deep bowl and is strategically located underneath and around the DeSoto Bridge

Family Fun Zone

Colorful, interactive splash park and playgrounds suitable for kids of all ages

Outdoor Living Rooms

Shaded, furnished seating areas with panoramic views of the river

Amphitheater

Live entertainment area with seating for 400, shaded by beautiful sycamore trees

Botanical Walk

Native plants, butterfly gardens, area birds and wildlife

Pavilion and Event Area

Concessions, restrooms, classroom space and large, open area; Reels at Rossi outdoor movie venue

Fishing Pier

Redfish, snook and trout are plentiful in the waters surrounding this 300' pier



Tidal Discovery Zone

Educational opportunity to observe our ecosystem along the river's edge

Day Dock

350' dock with 20 boat slips for short-term visits

Tower Plaza

30' tower and a circle of decorative pavers marking a festive, open space visible to motorists, boaters, cyclists and pedestrians

Great Lawn

Picnicking, river gazing, exercise classes

Postcards from the Friendly City

Nine historic renderings of early Bradenton

First Responders' Memorial

In honor of our fallen public safety personnel

Regatta Plaza

Drum circles, kite flying, viewing area for water-based events

Kayak and Canoe Launch

Free wi-fi

Public art

19 pieces of public art including sound sculptures, drum yard, banners and outdoor seating

Flex Lawn

Perfect for wellness classes such as yoga and tai chi



City of Bradenton
2011 - 2012 Comprehensive
Annual Financial Report

Introductory Section



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

March 22, 2013

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's (the "City") Comprehensive Annual Financial Report (CAFR). This report addresses the City's finances for the fiscal year ended September 30, 2012. The accuracy of the data, the completeness and fairness of the presentation and the disclosures are the responsibility of the City Clerk and Treasurer, the chief financial officer of the City. The data presented is believed to be accurate in all material respects and is presented to fairly reflect the financial position of the City. All disclosures necessary for a comprehensive understanding of the City's financial activity are included within this financial report.

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

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, 2012, 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 are included in the Financial Section of this report.

The City operates under a charter adopted on May 19, 1903. The City Council is the legislative body for the City and is made up of five residents elected by the City voters. Each councilperson represents an individual ward, but all are elected “at large.” In addition to the City Council, the voters elect a mayor that serves as the Chief Elected Official.

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

City organization. The City 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 50,389. The City 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 and 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 and 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 and surrounding Manatee County have 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 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 could well lead 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 2012 unassigned fund balance in the General Fund has been maintained to insulate the general governmental operations from the fluctuations associated with the current economic uncertainty, or in the event of a natural or man-made disaster.

Relevant financial policies. A poor real estate market and rampant foreclosures have resulted in a 6% reduction in property values. In a bold move, City Council voted to raise the millage rate to fend off a further deterioration of our financial condition. City leaders will not be deterred from their goal to provide and maintain infrastructure for future growth and to practice sound fiscal responsibility with the City's resources to continue to maintain the quality of life for the citizens of Bradenton.

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

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

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

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

The City, through its three community redevelopment agencies, is aggressively implementing workforce development strategies, incentives for in-fill development and 'place branding' through the continuing efforts of Realize Bradenton. This strategy appears to be working well as there has been a very visible surge in interest in downtown Bradenton. 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 Wares Creek bridge replacements, Manatee Avenue improvements, and an expansion of the amenities available at the downtown Riverwalk. These projects reflect the City's commitment to not only weather the current economic downturn, but to emerge in a better position to take advantage of a full recovery.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bradenton for its Comprehensive Annual Financial Report for fiscal year ended September 30, 2011. This was the thirty-eighth year that the City 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 2012 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, 2012.

Acknowledgments. This report was completed through the dedication of the City's Financial Management Analyst, Sheila Lindergren, and the fine staff of professionals in the Finance Department, namely Linda Guth, Carol Gallagher, Sue Tolson, Maria Salazar and Sharon Beauchamp. I would like to express my appreciation and thanks to the firm of Mauldin & Jenkins, LLC who helped us with their comments and advice. Finally, I thank the Mayor and City Council for their guidance and support in planning and conducting the financial operations of the City of Bradenton in a responsible and progressive manner.

Sincerely,

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

Carl Callahan
City Clerk and Treasurer
Chief of Staff

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bradenton
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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



Christopher P. Moirice

President

Jeffrey R. Emen

Executive Director

City of Bradenton Principal City Officials

Elected Officials

Mayor	<i>Wayne Poston</i>
Council - Ward 1	<i>Gene Gallo</i>
Council - Ward 2	<i>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 / Chief of Staff	<i>Carl Callahan</i>
Planning & Community Development	<i>Timothy Polk</i>
Fire Control	<i>Charles Edwards</i>
Law Enforcement	<i>Michael Radzilowski</i>
Public Works & Utilities	<i>Claude Tankersley</i>

**Citizens
of the
City of Bradenton**

Mayor and City Council

Wayne Poston *Patrick Roff*
Gene Gallo *Bemis Smith*
Gene Brown *Harold Byrd, Jr.*

City Attorney

William Lisch

**City Clerk
and Treasurer**

Carl Callahan

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

**Planning and
Community
Development**

Timothy Polk

Code Enforcement
Grants and
Assistance
Planning/Zoning
Protective
Inspection

**Law
Enforcement**

Michael Radzilowski

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

**Public Works
and Utilities**

Claude Tankersley

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

**Fire
Control**

Charles Edwards

Administration
Prevention
Suppression
Training



City of Bradenton
2011 - 2012 Comprehensive
Annual Financial Report

Financial Section

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bradenton, Florida, (the "City") as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Bradenton Firefighters' Retirement System which represents 36%, 36%, and 37%, respectively, of the assets, net assets, and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Bradenton Firefighters' Retirement System, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the City of Bradenton Firefighters' Retirement System were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bradenton, Florida, as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post-employment benefit schedules on pages 3-15, 73 and 77-80, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's 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 relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 22, 2013

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As the City Clerk and Treasurer of the City of Bradenton, Florida (the "City"), I offer readers of our financial statements this narrative overview and analysis of our financial activities for the 2011-2012 fiscal years. I encourage readers to consider the information presented here in conjunction with additional information furnished in the transmittal letter on page 'i' of this report, and the City's financial statements beginning on page 17.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$153,363,413 (net assets). Of this amount, \$72,294,411 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased \$6,073,506, or 4.1% 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 \$48,371,877, an increase of \$4,867,424 in comparison with the prior year. Approximately 48.2% of this total amount, or \$23,292,752, remains available for spending at the City's discretion.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$23,396,447, or 70.7% of total General Fund expenditures.
- Total governmental revenues increased \$461,295, or 1.26% in comparison to the prior year.
- Total governmental expenditures increased \$5,892,111, or 16.36% in comparison to the prior year. The early loan payoffs and the McKechnie Field renovations account for most of this increase in expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

The Statement of Activities presents *revenues* and *expenses*, and shows how the government's net assets changed during the most recent fiscal year. All *changes in net assets* are reported in a manner similar to the approach used by a private-sector business in that revenues are recognized when earned or established criteria

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, parking system and 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 specific areas within the central core of Bradenton.

The City's government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental fund financial statements consist of a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. These statements are prepared using an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

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

For the most part, balances and activities accounted for in the governmental funds are also reported in the governmental activities columns of the government-wide financial statements. Due to the difference in the accounting basis used to prepare fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason there is an analysis after the Balance Sheet that reconciles the total fund balances to the amount of net assets presented in the governmental

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

activities column on the Statement of Net Assets. There is also an analysis after the Statement of Revenues, Expenditures and Changes in Fund Balances that reconciles the total change in fund balances for all governmental funds to the change in net assets as reported in the governmental activities column in the Statement of Activities.

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

The City's governmental fund financial statements are presented on pages 20-23 of this report.

Proprietary Funds

Proprietary fund financial statements consist of a Statement of Net Assets; Statement of Revenues, Expenses and Changes in Fund Net Assets; and Statement of Cash Flows. These statements are prepared using an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into *enterprise funds* and *internal service funds*.

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

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

The proprietary fund financial statements can be found on pages 24-27 of this report.

Fiduciary Funds

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

The fiduciary fund financial statements can be found on pages 28-29 of this report.

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 31-69 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. Required supplementary information can be found on pages 73 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time to be an indicator of a government's financial position. The City of Bradenton's assets exceeded liabilities by \$153,363,413 at the close of the 2012 fiscal year. The following schedule is a summary of the Statement of Net Assets found on page 17 of this report:

	Net Assets at September 30, 2012					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Current and other assets	\$ 74,137,704	65,936,281	27,609,910	23,085,367	101,747,614	89,021,648
Internal balances	1,827,373	2,657,096	(1,827,373)	(2,657,096)	-	--
Capital assets, net depreciation	48,323,773	48,211,229	73,425,085	73,536,227	121,748,858	121,747,456
Total assets	124,288,850	116,804,606	99,207,622	93,964,498	223,496,472	210,769,104
Liabilities						
Current and other liabilities	4,669,032	3,376,254	2,767,859	4,493,629	7,436,891	7,869,883
Long-term debt outstanding	41,413,931	35,661,857	21,282,237	19,947,457	62,696,168	55,609,314
Total liabilities	46,082,963	39,038,111	24,050,096	24,441,086	70,133,059	63,479,197
Net assets						
Investment in capital assets, net of related debt	18,853,236	23,688,608	59,890,864	58,413,500	78,744,100	82,102,108
Restricted	2,324,902	4,324,243	--	3,013,075	2,324,902	7,337,318
Unrestricted	57,027,749	49,753,644	15,266,662	8,096,837	72,294,411	57,850,481
Total net assets	\$ 78,205,887	77,766,495	75,157,526	69,523,412	153,363,413	147,289,907

In spite of the global economic distress and the significant decline in the Florida real estate market, the overall financial position of the City remained relatively stable. The \$6,073,506 increase in net assets 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. With few exceptions, this conservative fiscal approach stresses a pay-as-you-go strategy and demonstrates that non-recurring revenues need to be funneled back into City assets or infrastructure.

A significant portion of the City's total net assets (51.3%) reflect its *investment in capital assets* (i.e., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available to use for future spending. Although the City's investment in its capital assets is reported net 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.

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City's net assets (1.52%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$72,294,411) 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 2012 and 2011, 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

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues						
Charges for services	\$ 5,690,100	3,824,574	29,142,860	28,085,026	34,832,960	31,909,600
Operating grants and contributions	2,339,616	3,673,566	-	-	2,339,616	3,673,566
Capital grants and contributions	242,668	307,615	587,228	769,129	829,896	1,076,744
General revenues						
Property taxes	12,970,233	12,853,772	-	-	12,970,233	12,853,772
Other taxes	9,887,202	10,164,269	-	-	9,887,202	10,164,269
Other	5,895,389	5,849,917	687,081	475,104	6,582,470	6,325,021
Total Revenues	37,025,208	36,673,713 #	30,417,169	29,329,259 #	67,442,377	66,002,972
Expenses						
Governmental activities						
General government	8,247,333	9,369,379	-	-	8,247,333	9,369,379
Public safety	20,574,575	22,531,358	-	-	20,574,575	22,531,358
Transportation	2,884,855	2,793,289	-	-	2,884,855	2,793,289
Neighborhood Stabilization Grant	744,812	460,726	-	-	744,812	460,726
Community Development Program	349,438	729,978	-	-	349,438	729,978
Energy Efficiency Grant	150,856	29,418	-	-	150,856	29,418
State Housing Initiatives Program	81,729	104,315	-	-	81,729	104,315
Shelter Plus Care Program	163,635	151,905	-	-	163,635	151,905
Economic environment	7,047	8,610	-	-	7,047	8,610
Culture and recreation	2,490,494	2,945,045	-	-	2,490,494	2,945,045
Interest on long-term debt	1,239,189	1,127,587	-	-	1,239,189	1,127,587
Business-type Activities						
Water-sewer	-	-	16,845,092	17,788,224	16,845,092	17,788,224
Sanitation	-	-	5,627,349	6,131,518	5,627,349	6,131,518
Other	-	-	1,962,467	2,172,266	1,962,467	2,172,266
Total Expenses	36,933,963	40,251,610	24,434,908	26,092,008	61,368,871	66,343,618
Increase (decrease) in net assets						
before transfers	91,245	(3,577,897)	5,982,261	3,237,251	6,073,506	(340,646)
Transfers	348,147	514,645	(348,147)	(514,675)	-	-
Change in net assets	439,392	(3,063,252)	5,634,114	2,722,576	6,073,506	(340,646)
Net assets, beginning of year	77,766,495	80,829,717	69,523,412	66,800,836	147,289,907	147,630,553
Net assets, end of year	\$ 78,205,887	77,766,465	75,157,526	69,523,412	153,363,413	147,289,907

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

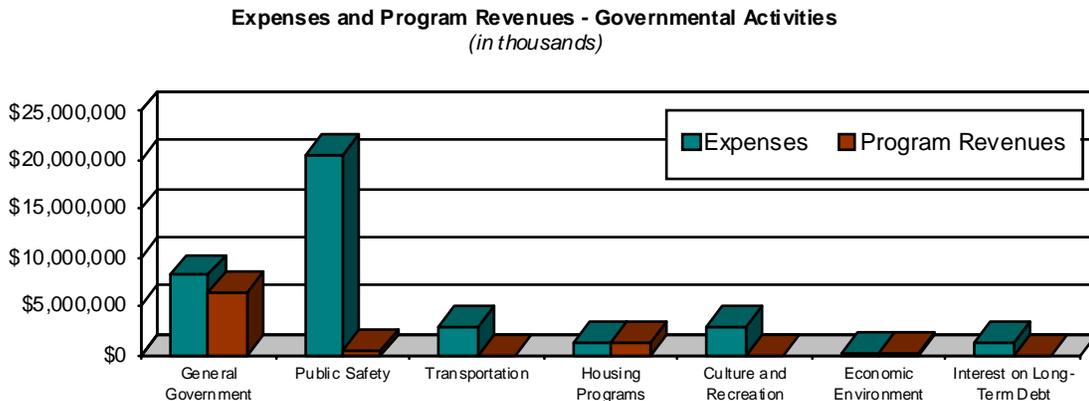
Governmental activities reported a net increase in City assets of \$439,392. The increase represents .5% of the year-end net assets and is the first year since 2008 (decrease of \$3,063,222 in 2011, \$5,023,058 in 2010 and \$1,582,041 in 2009) that the City has seen an increase in net assets, even though some of the negative impacts of the economic recession are still reflected generally through all City financial activities:

- Overall spending on governmental activities has continued on a downward trend. Despite a floundering economy, the City remains committed to providing the basic governmental services and public safety expected by its citizens. The City has continued to cut costs as necessary to achieve the reasonable balance between the citizens' expectations and the City's ability to deliver those services in a fiscally responsible manner.
- 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. The 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 an already difficult financial situation include increases associated with public safety pension contributions (\$1,338,903) and other post-employment benefit liabilities (\$372,318). Although the latter does not require the use of City resources for funding, it has contributed significantly to the reduction in the City's net assets.

The City is working diligently to reduce the long-term negative impact associated with the above items. Over the past two 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. 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.

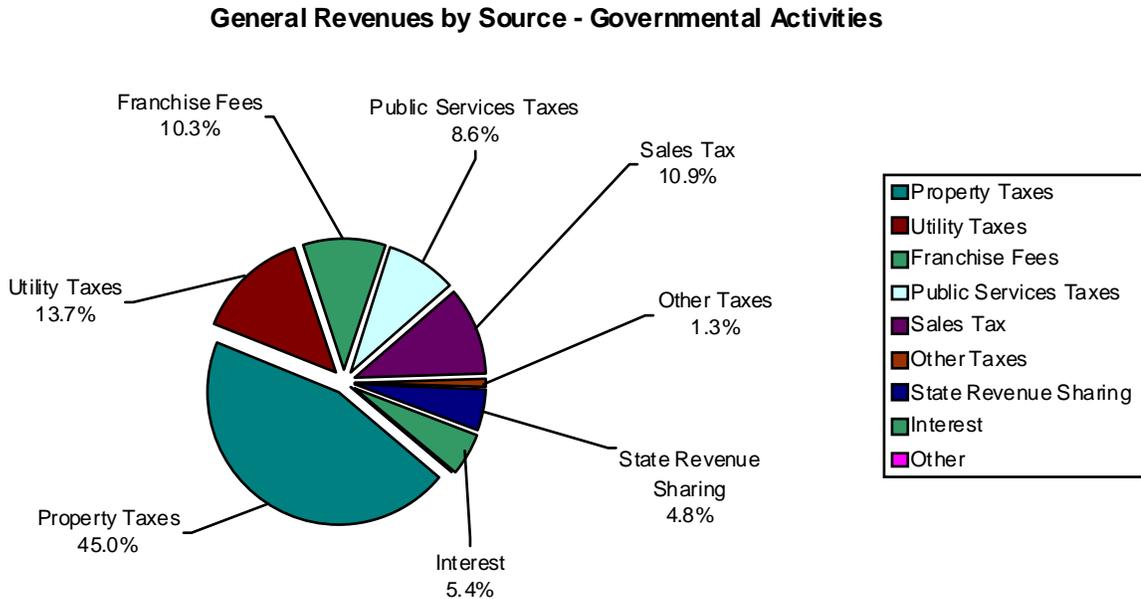
Historically the decision as to the number and level of services to provide has been dependent on our citizens' *willingness* to pay for such services. The City recognizes that over the last five years of recession our activities have fundamentally changed and now may need to reflect our citizens' *ability* to pay.

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



CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 assets for business-type activities totaled \$5,634,114 and \$2,722,576 for the fiscal years 2012 and 2011, respectively. This net change in assets represents an 8.10% increase over the prior year.

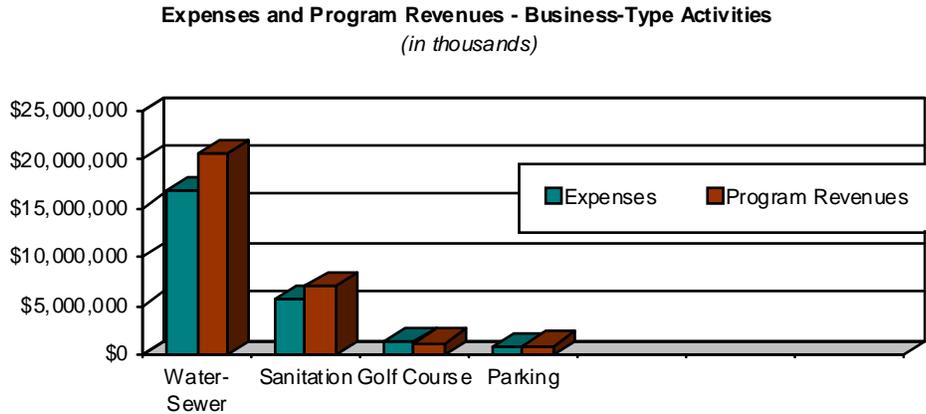
As noted above, the City's water-sewer operations posted a modest increase in net assets. This increase would have been more significant had it not been for the \$131,574 increase in the liability associated with Other Post-Employment Benefits (GASB 45). The positive results noted in the water-sewer operations are attributed to the City-initiated cost-cutting measures that have created a very efficient operation.

For the fifth consecutive year solid waste operations have resulted in an increase in net assets. The \$1,483,667 increase in 2012 compares to the \$911,312 increase for 2011. 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.

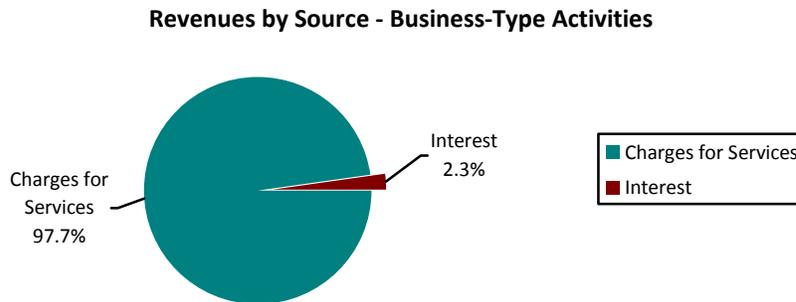
Almost since its inception in 1986, River Run Golf Links, the City's publicly owned golf course, had posted handsome financial returns that have been put into the golf course in the form of capital improvements or financial reserves. It is these reserves that have allowed the golf course to weather a decrease in net assets (\$107,937) for a fourth consecutive year. The entire golf industry has been severely impacted by the depressed economy. River Run experienced a 20% decrease in rounds played over the last four years. A more recent review of similar data reveals an uptick in play and a reason for optimism.

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 20-23. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of the spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the 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 \$48,371,877, an increase of \$4,867,424 in comparison with the prior year. The increase is primarily a reflection of the increase of \$4,805,828 in cash and investments. Many of these funds now available had been previously set aside for other uses. Approximately 48.2% of the ending fund balance (\$23,292,752) constitutes unassigned fund balance which is available for spending at the City's discretion.

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Another \$21,083,820 has been set aside by City Council as either committed or assigned fund balance. The remaining \$3,995,305 of the fund balance is either restricted or non-spendable, indicating that it is not available for new spending because it has previously been restricted for: (1) advances due from other funds (\$2,229,666), (2) bond retirement (\$69,030), or (3) inventories, prepaid items, grants, capital projects, and impact fees for future expenditures (\$1,696,609).

General Fund

During 2012, 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 one-time expenditures associated with our public safety services. The net increase in fund balance of \$680,798 represents 2.1% of total General Fund expenditures. Although this increase is not materially significant to the financial statements, it speaks volumes to the City's ability to maintain a stable financial environment during such economically trying times.

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

As noted above, the overall spending increased \$1,390,165. This increase resulted from significant increases in fuel costs, one-time payments associated with the compensation plan for the City firefighters, emergency radio purchases, and increases in actuarially required contributions for the police and fire pension plans.

It should be noted that most other General Fund operations experienced a decrease in expenditures while maintaining the same high-quality service 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 73 and 83-87. Budget columns are provided for both the original adopted budget and the final budget for fiscal year 2012.

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 \$351,000 budget adjustment. The City also experienced an increase in revenues related to the City's red light enforcement program. The related adjustment increased budgeted revenues by \$165,000. The construction industry also has seen a late turnaround as the permits and fees associated with new construction were adjusted upward by \$282,400.

Overall, final budgeted revenues were less than actual revenues by \$43,041, or .35%.

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

General Fund Budget Changes

General Fund Department	Budget Increase	Reasons for Increase
Law Enforcement	\$ 137,000	Vehicle fuel, rising fuel cost
	228,000 *	Created separate line item for holiday pay
	211,032	Actuarially required increase in pension contributions
	39,895	Expenditures for repairs and maintenance on aging police vehicles
Fire Control	8,400	Vehicle fuel, rising fuel cost
	249,000	Actuarially required increase in pension contributions
	152,210 *	Capital, emergency radios purchase and match after grant received
	50,000	Expenditures for repairs and maintenance on aging fire vehicles
Information Technology	25,510	Other services, additional costs associated with new computer system implementation
Streets	300,000	Materials and supplies, City Council decision to increase annual street resurfacing program

* *Revenue and expenditure adjustments necessary*

Overall, the expenditures for the General Fund were under the final budget by \$290,003, or 0.87%.

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's enterprise funds are the Water and Sewer Fund, the Sanitation Fund, the Parking Fund, and the Golf Course 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, 2012, total net assets amounted to \$75,157,526 for the enterprise funds, compared to \$69,523,412 at the end of 2011. Net asset changes are a result of operations, non-operating revenues and expenses, capital contributions as well as donated assets.

A 5.4% increase in water-sewer revenues, coupled with minor decreases in personnel and other operating expenses, resulted in \$3,427,682 in operating income for the Water and Sewer Fund.

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Sanitation Fund accounts for the revenue associated with collection of solid waste for both residential and commercial customers, along with curbside recycling collection. By continuously looking for operating efficiencies, including automated trucks which decrease manpower requirements, the City has successfully held the line or even reduced the operating costs associated with solid waste. Revenue increased \$118,969 (1.7%) while, as noted above, expenses decreased slightly. The net result was an operating income of \$1,337,735 and a change in net assets of \$1,483,667. These results are compared to the operating income of \$850,568 and an increase in net assets of \$911,312 in 2011.

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

The self-insurance funds performed better than expected for year-end 2012. The City consistently monitors revenue, expenditures and plan reserves. The medical self-insurance program continues to see the most improvement. A change in the self-insurance plan coupled with a change in our third party administrator resulted in \$1,557,641 or 27.6% drop in operating cost. The key to long term stability in our medical self-insurance program will be the ability to maintain this reduced level of claims. The City's insurance committee will continue to monitor this activity to determine if 2012 was an anomaly or if claims will return to previous levels.

The property and workers' compensation funds remained very stable for 2012.

Overall, the net assets for the internal service funds increased from \$11,995,278 in 2011, to \$13,892,969 in 2012, or 15.8%.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounts to \$121,748,858 (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.

Several projects previously listed in the planning or construction phases were completed during the year, including:

- Extension of Rossi Waterfront Park and construction of a 'day' dock;
- Energy Efficiency Block Grant (solar panels).

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- Wares Creek bridge replacements;
- McKechnie Field renovations;
- Public/private partnership for reuse water distribution.

	Capital Assets					
	(Net of Accumulated Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 3,169,420	3,169,420	6,310,698	6,310,698	9,480,118	9,480,118
Building	27,856,728	28,912,653	15,225,541	15,710,203	43,082,269	44,622,856
Infrastructure	10,687,154	9,755,334	3,188,573	3,205,220	13,875,727	12,960,554
Improvements	1,925,488	2,216,210	32,687,741	35,721,453	34,613,229	37,937,663
Machinery and equipment	3,192,395	2,990,155	5,274,998	4,313,416	8,467,393	7,303,571
Construction in progress	1,492,588	1,167,457	10,737,534	8,275,237	12,230,122	9,442,694
Total	\$ 48,323,773	48,211,229	73,425,085	73,536,227	121,748,858	121,747,456

For additional information regarding capital assets, please see Note G on pages 45-46 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year the City had total bonded debt outstanding of \$36,566,879, with no general obligation debt. All City debt represents bonds secured solely by specified revenue sources.

	Bonded Debt and Loans Payable					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenue bonds	\$ 26,320,000	20,493,025	7,096,342	10,499,635	33,416,342	20,493,025
Notes	3,150,537	3,470,150	--	--	3,150,537	13,969,785
Total bonds	\$ 29,470,537	23,963,175	7,096,342	10,499,635	36,566,879	34,462,810

- 2005 Utility System Revenue Refunding Bonds matured and were paid off as scheduled.
- 1995 Subordinate Lien Special Revenue bond was paid off ahead of schedule.
- Florida Municipal Loan was refinanced over the same maturity at a reduced rate of interest.
- McKechnie Field loan, \$7,500,000 for the purpose of 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 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 48-54 of this report.

CITY OF BRADENTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND YEAR 2012 BUDGET AND RATES

Factors considered in preparing the City's budget for the 2013 fiscal year included the following:

- Property values decreased an additional 4.2% which would have resulted in a nearly \$615,000 decrease in available General Fund revenues. In September 2012, the City Council authorized a millage rate increase to offset those declines and the potential negative impacts on the City's financial position. Initial indications are that property values will stabilize or may even see a slight increase.
- The Consumer Price Index increased 2.0% over the previous year's rate. The municipal cost index actually increased by approximately 1.0% for the same period of time. Although not specific to the City of Bradenton, it does provide economic guidance for budgeting.
- Also, not specific to the City, the unemployment rate for Manatee County at September 2012 was 9.0%, a marked decrease from the 10.9% rate reported in the previous year.
- The City's population increased by 1.7%.
- Interest rate earnings continued to be flat for fiscal year 2012. Consistent with prior practice, interest earnings continue to be budgeted on a conservative basis.

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

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

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the City of Bradenton's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Bradenton, Office of the City Clerk and Treasurer, 101 Old Main Street, Bradenton, Florida 34205; or through the City's website at www.cityofbradenton.com.



Outdoor Living Rooms

*For those who desire a place to sit ...
relax ... work ... or simply take in the
ambience of the riverfront ...*



City of Bradenton
2011 - 2012 Comprehensive
Annual Financial Report
Basic Financial Statements

CITY OF BRADENTON, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 54,198,558	24,519,956	78,718,514	2,809,973
Receivables (net of allowance for uncollectibles)	6,998,454	1,635,662	8,634,116	78,800
Prepaid items	95,366	2,128	97,494	10,620
Due from other governments	2,348,619	751,245	3,099,864	626,734
Due from insurance	25,989	-	25,989	-
Inventory	445,731	68,456	514,187	-
Internal balances	1,827,373	(1,827,373)	-	-
Restricted assets				
Restricted investments	7,455,997	-	7,455,997	-
Deferred charges	617,150	-	617,150	148,128
Deferred outflow of resources	612,937	632,463	1,245,400	605,813
Net pension asset	1,338,903	-	1,338,903	-
Capital assets (net of accumulated depreciation):				
Land	3,169,420	6,310,698	9,480,118	5,909,121
Buildings	27,856,728	15,225,541	43,082,269	-
Infrastructure	10,687,154	3,188,573	13,875,727	-
Improvements other than buildings	1,925,488	32,687,741	34,613,229	-
Machinery and equipment	3,192,395	5,274,998	8,467,393	1,424,999
Construction in progress	1,492,588	10,737,534	12,230,122	6,590,521
Total assets	<u>\$ 124,288,850</u>	<u>99,207,622</u>	<u>223,496,472</u>	<u>18,204,709</u>
Liabilities				
Accounts payable and other current liabilities	\$ 3,039,520	1,252,842	4,292,362	660,629
Accrued interest payable	95,115	-	95,115	46,076
Due to other governments	12,138	-	12,138	-
Retainage payable	-	979,085	979,085	-
Unearned revenue	364,240	10,380	374,620	-
Noncurrent liabilities				
Due within one year	1,357,019	549,520	1,906,539	1,201,239
Due in more than one year:				
Other liabilities	-	6,186,245	6,186,245	-
Net OPEB payable	10,303,435	5,502,288	15,805,723	-
Swap rate agreement liability	612,937	1,011,903	1,624,840	605,813
Revenue bonds payable	23,694,742	-	23,694,742	5,310,103
Notes payable	4,617,776	6,630,789	11,248,565	3,350,372
Capital leases	-	191,635	191,635	-
Estimated claims payable	912,568	-	912,568	-
Compensated absences	1,073,473	375,508	1,448,981	-
Customer deposits	-	1,359,901	1,359,901	-
Total liabilities	<u>46,082,963</u>	<u>24,050,096</u>	<u>70,133,059</u>	<u>11,174,232</u>
Net assets				
Invested in capital assets, net of related debt	18,853,236	59,890,864	78,744,100	4,062,927
Restricted for:				
Debt service	1,179,885	-	1,179,885	-
Impact fees	988,577	-	988,577	-
Grants	156,440	-	156,440	-
Unrestricted	57,027,749	15,266,662	72,294,411	2,967,550
Total net assets	<u>78,205,887</u>	<u>75,157,526</u>	<u>153,363,413</u>	<u>7,030,477</u>
Total liabilities and net assets	<u>\$ 124,288,850</u>	<u>99,207,622</u>	<u>223,496,472</u>	<u>18,204,709</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, 2012

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 8,247,333	5,679,319	639	159,668
Public safety	20,574,575	-	429,002	19,000
Transportation	2,884,855	-	-	-
Neighborhood Stabilization Grant	744,812	-	753,896	-
Community Development Program	349,438	8,356	341,584	-
Energy Efficiency Grant	150,856	-	150,856	64,000
State Housing Initiatives Program	81,729	2,425	-	-
Shelter Plus Care Program	163,635	-	163,635	-
Economic environment	7,047	-	500,004	-
Culture and recreation	2,490,494	-	-	-
Interest on long-term debt	1,239,189	-	-	-
Total governmental activities	36,933,963	5,690,100	2,339,616	242,668
Business-type activities				
Water-sewer	16,845,092	20,044,580	-	587,228
Sanitation	5,627,349	7,080,914	-	-
Parking	697,157	854,487	-	-
Golf course, nonmajor	1,265,310	1,162,879	-	-
Total business-type activities	24,434,908	29,142,860	-	587,228
Total primary government	\$ 61,368,871	34,832,960	2,339,616	829,896
Component units				
DDA/CRA/CCRA	\$ 3,876,083	177,515	352,071	499,610

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
Miscellaneous revenues
Transfers
Total general revenues and transfers
Change in net assets
Net assets, beginning, restated
Net assets, ending

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

Net (Expenses) Revenue and Changes in Net Assets

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
(2,407,707)	-	(2,407,707)	
(20,126,573)	-	(20,126,573)	
(2,884,855)	-	(2,884,855)	
9,084	-	9,084	
502	-	502	
64,000	-	64,000	
(79,304)	-	(79,304)	
-	-	-	
492,957	-	492,957	
(2,490,494)	-	(2,490,494)	
(1,239,189)	-	(1,239,189)	
(28,661,579)	-	(28,661,579)	
-	3,786,716	3,786,716	
-	1,453,565	1,453,565	
-	157,330	157,330	
-	(102,431)	(102,431)	
-	5,295,180	5,295,180	
(28,661,579)	5,295,180	(23,366,399)	
			\$ (2,846,887)
12,970,233	-	12,970,233	3,506,645
3,932,368	-	3,932,368	-
2,962,576	-	2,962,576	-
2,461,325	-	2,461,325	-
3,126,907	-	3,126,907	-
366,602	-	366,602	-
1,378,224	-	1,378,224	-
1,554,589	687,081	2,241,670	22,641
-	-	-	52,292
348,147	(348,147)	-	-
29,100,971	338,934	29,439,905	3,581,578
439,392	5,634,114	6,073,506	734,691
77,766,495	69,523,412	147,289,907	6,295,786
\$ 78,205,887	75,157,526	153,363,413	7,030,477

CITY OF BRADENTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2012

	General Fund	McKechnie Field Renovation Capital Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 36,647,588	-	2,407,502	39,055,090
Investments	-	7,455,997	-	7,455,997
Prepaid items	2,166	-	-	2,166
Due from other funds	594,338	-	-	594,338
Due from other governments	2,094,216	-	254,403	2,348,619
Inventory	445,731	-	-	445,731
Advances to other funds	2,229,666	-	-	2,229,666
Total assets	\$ 42,013,705	7,455,997	2,661,905	52,131,607
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 340,138	822,191	668,692	1,831,021
Accrued salaries, wages and benefits	901,474	-	4,401	905,875
Advances from other funds	-	-	105,613	105,613
Due to other funds	-	593,158	1,180	594,338
Due to other governments	12,138	-	-	12,138
Deferred revenue	310,745	-	-	310,745
Total liabilities	1,564,495	1,415,349	779,886	3,759,730
Fund balances (deficit)				
Non-spendable				
Prepaid items	2,166	-	-	2,166
Inventory	445,731	-	-	445,731
Advances to other funds	2,229,666	-	-	2,229,666
Restricted for:				
Debt service	-	-	69,030	69,030
Impact fee programs	-	-	1,092,272	1,092,272
Grants	-	-	156,440	156,440
Committed to				
Capital projects	-	6,040,648	667,972	6,708,620
Culture and recreation	1,500	-	-	1,500
Emergency and disaster reserve	3,300,943	-	-	3,300,943
Assigned				
Special obligation debt services	9,660,425	-	-	9,660,425
Compensated absences	1,171,473	-	-	1,171,473
Red Light Safety Program	240,859	-	-	240,859
Unassigned (deficit)	23,396,447	-	(103,695)	23,292,752
Total fund balances	40,449,210	6,040,648	1,882,019	48,371,877
Total liabilities and fund balances	\$ 42,013,705	7,455,997	2,661,905	52,131,607

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

Reconciliation of Fund Balance to Net Assets

Total fund balances for governmental funds	\$	48,371,877
<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>		
		48,323,773
<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	6,998,454	
Deferred charges	617,150	
Net pension assets	1,338,903	8,954,507
<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>		
		13,596,290
<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	24,350,000	
Notes payable	5,120,537	
OPEB liabilities	10,303,435	
Compensated absences	1,171,473	
Accrued interest payable	95,115	(41,040,560)
Total net assets of governmental activities		\$ 78,205,887

CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2012

	General Fund	McKechnie Field Renovation Capital Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 23,080,688	-	-	23,080,688
Licenses and permits	1,048,446	-	-	1,048,446
Intergovernmental grants	429,641	-	2,063,593	2,493,234
Intergovernmental revenues	1,672,181	-	-	1,672,181
Shared revenues	1,378,224	-	-	1,378,224
Payments in lieu of taxes	60,599	-	-	60,599
Charges for services	1,397,788	-	-	1,397,788
Fines and forfeitures	412,666	-	-	412,666
Interest and investment earnings	1,313,207	3,147	68,895	1,385,249
Rents	518,508	-	-	518,508
Fees	2,962,576	-	-	2,962,576
Miscellaneous	489,130	-	-	489,130
Special assessments, property owners	23,425	-	10,781	34,206
Total revenues	34,787,079	3,147	2,143,269	36,933,495
Expenditures				
Current				
General government	7,881,287	-	274	7,881,561
Public safety	21,302,361	-	-	21,302,361
Transportation	2,466,669	-	-	2,466,669
Economic environment	-	-	1,490,470	1,490,470
Culture, recreation	1,465,451	-	26,950	1,492,401
Debt service				
Principal	-	-	3,962,638	3,962,638
Interest	-	-	1,149,529	1,149,529
Fees and expenditures	-	-	112,039	112,039
Capital outlay	-	1,462,499	579,371	2,041,870
Total expenditures	33,115,768	1,462,499	7,321,271	41,899,538
Excess (deficiency) of revenues over (under) expenditures	1,671,311	(1,459,352)	(5,178,002)	(4,966,043)
Other financing sources (uses)				
Transfers from other funds	921,746	-	1,903,090	2,824,836
Proceeds from bonds	-	7,500,000	1,970,000	9,470,000
Transfers to other funds	(1,927,579)	-	(549,110)	(2,476,689)
Sale of capital assets	15,320	-	-	15,320
Total other financing sources (uses)	(990,513)	7,500,000	3,323,980	9,833,467
Net change in fund balances	680,798	6,040,648	(1,854,022)	4,867,424
Fund balances, beginning (restated)	39,768,412	-	3,736,041	43,504,453
Fund balances, ending	\$ 40,449,210	6,040,648	1,882,019	48,371,877

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	\$	4,867,424
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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	2,618,774	
Less depreciation expense	(2,487,447)	131,327

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net assets.		(151,565)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal or long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments:		
General obligation debt or loans	3,962,638	
Proceeds from loan	<u>(9,470,000)</u>	(5,507,362)

Some receivables in the Statement of Activities do not provide current financial resources.		(80,548)
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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)	(372,318)	
Net Pension Obligation (NPO)	134,009	
Compensated absences	(5,795)	
Accrued interest payable	<u>(22,720)</u>	(266,824)

Internal service funds are used by management to charge the cost of medical, property and workers' compensation insurances.		<u>1,446,940</u>
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Change in net assets of governmental activities:	\$	<u><u>439,392</u></u>
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CITY OF BRADENTON, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

	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	\$ 18,294,138	4,220,348	1,624,832	380,638	24,519,956	15,143,468
Customer accounts receivable	1,760,662	-	-	-	1,760,662	-
Allowance for uncollectibles	(125,000)	-	-	-	(125,000)	-
Due from other governments	732,863	5,202	10,890	2,290	751,245	-
Due from insurance	-	-	-	-	-	25,988
Prepaid items	-	-	-	2,128	2,128	93,200
Inventory	-	-	-	68,456	68,456	-
Total current assets	<u>20,662,663</u>	<u>4,225,550</u>	<u>1,635,722</u>	<u>453,512</u>	<u>26,977,447</u>	<u>15,262,656</u>
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	7,439,243	6,502,197	41,513	509,074	14,492,027	-
Infrastructure	125,205,662	674,897	220,000	1,309,660	127,410,219	-
Construction work in progress	10,737,534	-	-	-	10,737,534	-
Less: accumulated depreciation	(104,543,043)	(4,985,125)	(1,319,493)	(1,500,700)	(112,348,361)	-
Total capital assets	<u>59,142,649</u>	<u>2,789,850</u>	<u>9,002,283</u>	<u>2,490,303</u>	<u>73,425,085</u>	<u>-</u>
Deferred outflow of resources	-	-	632,463	-	632,463	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>632,463</u>	<u>-</u>	<u>632,463</u>	<u>-</u>
Total assets	<u>\$ 79,805,312</u>	<u>7,015,400</u>	<u>11,270,468</u>	<u>2,943,815</u>	<u>101,034,995</u>	<u>15,262,656</u>

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

	Business-type Activities—Enterprise Funds					Governmental Activities— Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)	Total	
Liabilities and Net Assets						
Current liabilities						
Accounts payable	\$ 878,729	102,436	915	6,726	988,806	302,624
Retainage payable	979,085	-	-	-	979,085	-
Accrued payroll	182,528	61,463	2,034	18,010	264,035	-
Unearned revenues	-	-	10,380	-	10,380	53,495
Estimated payable for outstanding claims	-	-	-	-	-	101,000
Current portion of long-term debt	132,017	6,705	409,324	1,474	549,520	-
Total current liabilities	2,172,359	170,604	422,653	26,210	2,791,826	457,119
Noncurrent liabilities						
Long-term debt	785,776	-	6,036,648	-	6,822,424	-
Derivative instrument-interest rate swap	-	-	1,011,903	-	1,011,903	-
Estimated payable for outstanding claims	-	-	-	-	-	912,568
Customer deposits	1,359,901	-	-	-	1,359,901	-
OPEB liability	3,641,125	1,478,541	83,578	299,044	5,502,288	-
Other liabilities, construction drawdown	6,186,245	-	-	-	6,186,245	-
Compensated absences	240,319	105,048	7,054	23,087	375,508	-
Advances from other funds	1,390,406	733,647	-	-	2,124,053	-
Total long-term liabilities	13,603,772	2,317,236	7,139,183	322,131	23,382,322	912,568
Total liabilities	15,776,131	2,487,840	7,561,836	348,341	26,174,148	1,369,687
Net Assets						
Invested in capital assets, net of related debt	52,053,950	2,789,850	2,556,761	2,490,303	59,890,864	-
Unrestricted	11,975,231	1,737,710	1,151,871	105,171	14,969,983	13,892,969
Total net assets	64,029,181	4,527,560	3,708,632	2,595,474	74,860,847	13,892,969
Total liabilities and net assets	\$ 79,805,312	7,015,400	11,270,468	2,943,815	101,034,995	15,262,656
Net assets, above					\$ 74,860,847	
Adjustments to reflect consolidation of internal service fund activities related to enterprise funds					296,679	
Net assets of business-type activities					\$ 75,157,526	

CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2012

	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	\$ 20,044,581	7,080,914	854,487	1,162,879	29,142,861	7,884,479
Operating expenses						
Personal services	5,729,231	2,452,214	142,664	654,762	8,978,871	-
OPEB expenses	131,574	53,429	3,020	10,806	198,829	-
Contractual services	1,809,087	5,605	23,025	20,519	1,858,236	1,692,885
Supplies and materials	3,176,892	1,025,543	53,007	418,846	4,674,288	3,248
Repairs and maintenance	656,890	387,727	32,611	28,076	1,105,304	-
Utilities	811,256	1,372,491	-	14,769	2,198,516	-
Claims	-	-	-	-	-	4,459,995
Depreciation and amortization cost	4,700,933	446,170	187,137	113,270	5,447,510	-
Total operating expenses	17,015,863	5,743,179	441,464	1,261,048	24,461,554	6,156,128
Operating income (loss)	3,028,718	1,337,735	413,023	(98,169)	4,681,307	1,728,351
Non-operating revenues (expenses)						
Interest and investment earnings	515,807	128,718	42,556	-	687,081	169,340
Gain (loss) on disposition of assets	(6,221)	-	-	-	(6,221)	-
Interest expenses and fiscal charges	(110,622)	(7,275)	(262,855)	(37,132)	(417,884)	-
Total non-operating revenues (expenses)	398,964	121,443	(220,299)	(37,132)	262,976	169,340
Operating income (loss) before capital contributions and transfers	3,427,682	1,459,178	192,724	(135,301)	4,944,283	1,897,691
Capital contributions	587,227	-	-	-	587,227	-
Transfers from other funds	-	24,489	-	27,364	51,853	-
Transfers to other funds	(400,000)	-	-	-	(400,000)	-
Change in net assets	3,614,909	1,483,667	192,724	(107,937)	5,183,363	1,897,691
Total net assets, beginning	60,414,272	3,043,893	3,515,908	2,703,411	69,677,484	11,995,278
Total net assets, ending	\$ 64,029,181	4,527,560	3,708,632	2,595,474	74,860,847	13,892,969
Changes in net assets, above					\$ 5,183,363	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					450,751	
Change in net assets of business-type activities					\$ 5,634,114	

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, 2012

	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	\$ 19,753,132	7,110,280	848,102	1,159,834	28,871,348	7,965,028
Payments to suppliers	(5,340,692)	(2,810,366)	(134,797)	(465,668)	(8,751,523)	(1,904,780)
Payments for employees	(5,737,258)	(2,443,147)	(147,322)	(663,600)	(8,991,327)	(4,578,778)
Net cash provided by operating activities	8,675,182	1,856,767	565,983	30,566	11,128,498	1,481,470
Cash flows from non-capital financing activities						
Advances from (to) other funds	(386,234)	7,263	-	-	(378,971)	-
Repayment of advances to other funds	(400,000)	-	-	-	(400,000)	-
Transfers from other funds	-	24,489	-	27,364	51,853	-
Net cash provided (used) by non-capital and related financing activities	(786,234)	31,752	-	27,364	(727,118)	-
Cash flows from capital and related financing activities						
Repayment of capital leases	(1,270)	(57)	-	-	(1,327)	-
Principal paid on capital debt	(2,705,932)	-	(393,020)	(378,000)	(3,476,952)	-
Construction loan proceeds, SRF	1,851,380	-	-	-	1,851,380	-
Interest paid on capital debt	(159,690)	(7,275)	(250,043)	(4,954)	(421,962)	-
Capital contributions	587,227	-	-	-	587,227	-
Acquisition and construction of capital assets	(4,418,805)	(870,310)	-	(22,088)	(5,311,203)	-
Net cash (used) by capital and related financing activities	(4,847,090)	(877,642)	(643,063)	(405,042)	(6,772,837)	-
Cash flows from investing activities						
Purchase of investments	5,718,606	-	-	163,374	5,881,980	-
Interest and investment earnings	515,807	128,718	42,556	-	687,081	169,340
Net cash flows from investing activities	6,234,413	128,718	42,556	163,374	6,569,061	169,340
Net increase (decrease) in cash and equivalents	9,276,271	1,139,595	(34,524)	(183,738)	10,197,604	1,650,810
Cash and cash equivalents, October 1, 2011	9,017,867	3,080,753	1,659,356	564,376	14,322,352	13,492,658
Cash and cash equivalents, September 30, 2012	<u>\$ 18,294,138</u>	<u>4,220,348</u>	<u>1,624,832</u>	<u>380,638</u>	<u>24,519,956</u>	<u>15,143,468</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 3,028,718	1,337,735	413,023	(98,169)	4,681,307	1,728,351
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization expense	4,700,933	446,170	187,137	113,270	5,447,510	-
(Increase) decrease:						
Accounts receivable	(306,247)	-	-	-	(306,247)	-
Prepaid items	-	-	-	(2,128)	(2,128)	(48,558)
Inventories	-	-	-	16,368	16,368	-
Due from other governments	-	29,366	(3,248)	(917)	25,201	-
Due from insurance	-	-	-	-	-	(10,399)
Increase (decrease):						
Accounts and retainage payable	1,144,819	(19,000)	(28,372)	(10,632)	1,086,815	292,023
Accrued payroll	(7,223)	2,460	(1,742)	(249)	(6,754)	-
Compensated absences	(804)	6,607	104	2,217	8,124	-
Unearned revenues	-	-	(3,940)	-	(3,940)	53,495
Customer deposits	(16,588)	-	-	-	(16,588)	-
Estimated payable for outstanding claims	-	-	-	-	-	(533,442)
OPEB liability	131,574	53,429	3,021	10,806	198,830	-
Total adjustments	5,646,464	519,032	152,960	128,735	6,447,191	(246,881)
Net cash provided by operating activities	<u>\$ 8,675,182</u>	<u>1,856,767</u>	<u>565,983</u>	<u>30,566</u>	<u>11,128,498</u>	<u>1,481,470</u>
Noncash investing, capital and financing activities						
Amortization of underwriters' discount	<u>\$ -</u>	<u>-</u>	<u>803</u>	<u>31,026</u>	<u>31,829</u>	<u>-</u>

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

CITY OF BRADENTON, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2012

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 1,741,372
Due from plan members	23,793
Due from state	6,639
Due from City	119,607
Interest receivable	245,111
Investments, at fair value	
U.S. Government obligations	10,230,301
Domestic corporate bonds	15,341,489
Convertible bonds	3,824,707
Domestic stocks	33,963,673
Corporate stocks	2,622,308
International funds	3,286,412
Common equity securities	2,422,081
Preferred equity securities	1,136,519
Mutual funds	10,928,699
Money market	1,046,342
Total investments	<u>84,802,531</u>
Total assets	<u>86,939,053</u>
Liabilities	
Accounts payable	<u>98,306</u>
Total liabilities	<u>98,306</u>
Net Assets	
Held in trust for pension benefits	<u><u>\$ 86,840,747</u></u>

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

CITY OF BRADENTON, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2012

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 3,618,198
Plan members	667,050
Repayment of pension benefits	2,607
State of Florida (from City's General Fund)	871,869
Total contributions	<u>5,159,724</u>
Investment earnings	
Interest	1,195,707
Dividends	801,066
Miscellaneous/settlement income	439,542
Net increase in the fair value of investments	<u>11,740,987</u>
Total investment earnings	14,177,302
Less investment expenses	452,133
Net investment earnings	<u>13,725,169</u>
Total additions, net	<u>18,884,893</u>
Deductions	
Benefits	4,132,433
Refunds of contributions	44,869
DROP plan payments	1,407,967
Administrative expenses	142,932
Total deductions	<u>5,728,201</u>
Change in net assets	13,156,692
Net assets, beginning	<u>73,684,055</u>
Net assets, ending	<u><u>\$ 86,840,747</u></u>

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



Family Fun Zones

A park is not a park without the traditional (and non-traditional) places to play. Riverwalk offers not only the perfect playgrounds ... but a splash park as well ... keeping kids cool on hot Florida days.

(Playground equipment was purchased at a discount from Disney's EPCOT Center - gently used by them for a special event.)

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 as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The City of Bradenton, Florida, was incorporated in 1903. It is located on the west coast of Florida, approximately midway down the state, and is comprised of 14.55 square miles with a population of 50,389. 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/CRAs are also included as a part of the City's Comprehensive Annual Financial Report.

The Bradenton Downtown Development Authority is an administrative unit only, with no assets, liabilities, equity, revenues or expenses/expenditures as of and for the year ended September 30, 2012. 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/CRAs and CCRA may be obtained at the City of Bradenton's City Clerk and Treasurer's Office, 101 Old Main Street, Bradenton, Florida 34205-7865.

The Mayor and City Council are also responsible for appointing 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 Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component units* for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, 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.

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.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are Payments in Lieu of Taxes, and other charges between the 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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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.

Assets, Liabilities and Net Assets 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 Assets, and each fund's portion of the pooled investments is reflected in the balance sheets or Statement of Net Assets as "cash and cash equivalents." Interest is distributed monthly based upon an average monthly balance. The investments of the police and fire pension trust funds are held by an investment banker selected by the respective individual pension board's Investment Committee.

State statutes authorize the City to invest its surplus public funds in the Local Government Surplus Funds Trust Fund, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government and interest-bearing time deposits with banks and/or savings and loans who qualify as authorized depositories under Florida law 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

c. Inventories and prepaid items

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

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

d. Restricted assets

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

e. Capital assets

Capital assets, which include property, buildings, improvements, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of two (2) years. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

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

Major outlays for capital assets and improvements are capitalized as the City's projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Buildings and improvements	20 - 50 years
Improvements other than buildings	20 - 50 years
Equipment	2 - 35 years
Infrastructure	50 - 75 years

f. Compensated absences

Accumulated unpaid vacation pay and the benefits associated with it are accrued when incurred in all proprietary fund types and in the component units. In governmental fund types, the cost of vacation pay is recognized when payments are made to employees or when matured, as a result of employee resignation or retirement. The general fund is the primary fund utilized to liquidate the liability for compensated absences.

All vacation pay is accrued when incurred in the government-wide financial statements. Sick leave is not recorded in the financial statements because sick leave is not vested.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

g. Long-term obligations

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

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

h. Fund equity

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

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

- *Nonspendable:* Fund balances are reported as “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. Currently, the City Clerk and Treasurer is authorized to assign fund balances.
- *Unassigned:* Fund balances are reported as “unassigned” as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balances only in the General Fund. Negative unassigned fund balances may be reported in the other funds.

Budget Stabilization: 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 budget stabilization. This balance is needed to prepare for events including, but not limited to, revenue

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 \$3,300,943 as of September 30, 2012.

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

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

Accounting Estimates

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

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The appropriated budget is the expenditure authority created by the Appropriation Resolution, which is entered into by City Council along with related estimated revenues for all funds.

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

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

- a. Prior to October 1, the City Clerk 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

- 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, 2012, expenditures exceeded appropriations in the Parks and Recreational Impact Fees-West Fund by \$50, Parks and Recreational Impact Fees-East Fund by \$20, Public Safety Fire Protection Fund by \$45, Energy Efficiency Conservation Fund by \$3,369, State Housing Initiatives Partnership Program by \$379, and the General Projects Fund by \$274. The Parks and Recreational Impact Fees-East Fund, Public Safety Fire Protection Fund, Energy Efficiency Conservation Fund, State Housing Initiatives Partnership Fund, and General Projects Fund were funded from fund balance reserves.

NOTE C – DEFICIT FUND BALANCES

The Public Safety Fire Protection Special Revenue Fund has a deficit of \$103,695. 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, 2012, the City’s cash-in-bank was fully insured by Federal Depository Insurance and the multiple financial collateral pool required by Sections 280.07 and 280.08, Florida Statutes. Hence, there is no custodial credit risk for the deposits of the City and/or its component units.

City Pooled Investments

As of September 30, 2012, the City (excluding the police and fire pension funds) had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>Years 1-5</u>	<u>Years 6-10</u>	<u>Years More Than 10</u>
U.S. Government securities	\$ 45,621,516	10,398,318	6,753,233	13,418,644	15,051,321
Corporate bonds	30,237,918	4,496,939	13,999,809	8,208,077	3,533,093
State investment pool	1,988,943	1,988,943	-	-	-
Foreign/Yankee bonds	1,489,709	205,136	997,360	287,213	-
Money market	4,711,338	4,711,338	-	-	-
Total fair value	<u>\$ 84,049,424</u>	<u>21,800,674</u>	<u>21,750,402</u>	<u>21,913,934</u>	<u>18,584,414</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Reconciliation to Financial Statements	
Pooled investments, above	\$ 84,049,424
Pooled cash	1,835,571
Nonpooled cash and cash on hand	289,516
	\$ 86,174,511
Statement of Net Assets	
Cash and investments	\$ 78,718,514
Restricted investments	7,455,997
	\$ 86,174,511

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, 2012, 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 \$1,988,943 in the SBA at September 30, 2012. Furthermore, the City's investment policy limits its domestic corporate bond issues with an investment grade rating (within top four rating classifications with the lowest rating not below Baa3/BBB- by Moody's or Standard & Poor's), obligations of the United States Government or any agency or instrument thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

Of the investments that the City holds, \$39,732,191 is in U.S. Government securities with an AA+ rating with Standard & Poor's; \$30,237,918 is in corporate bonds (\$11,343,536-AAA, \$1,202,381-AA+, \$126,473-AA, \$450,017-AA-, \$1,639,744-A+, \$3,766,324-A, \$4,506,072 -A-, \$2,286,291-BBB+, \$2,062,278-BBB, \$490,306-BBB-, \$101,218-BB, and \$2,263,278 not rated with Standard & Poor's); \$4,711,338 is in a money market deposit account and is not rated; and \$7,344,320 is in mutual funds and is rated AAf/S1. The Local Government Surplus Funds Trust Fund (SBA) of \$1,988,943 is rated AAAM by Standard & Poor's. The City also held \$34,714 in Fund B of the SBA. Fund B is accounted for as a NAV pool, and is not rated by any nationally recognized statistical agency.

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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Police Pension Fund

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

Investment Type	Fair Value	Less than 1 Year	Years 1-5	Years 6-10	Years More Than 10
U.S. Government securities	\$ 9,232,656	-	3,215,575	1,965,683	4,051,398
Corporate bonds	9,227,671	190,675	3,376,110	3,396,005	2,264,881
Domestic stock	12,951,968	12,951,968	-	-	-
Corporate stock	2,622,308	2,622,308	-	-	-
Convertible bonds	3,824,707	335,996	2,223,076	144,146	1,121,489
Mutual funds	10,928,699	10,928,699	-	-	-
Common equity securities	2,422,081	2,422,081	-	-	-
Preferred equity securities	1,136,519	1,136,519	-	-	-
Money market/cash	1,046,342	1,046,342	-	-	-
Total fair value	<u>\$ 53,392,951</u>	<u>31,634,588</u>	<u>8,814,761</u>	<u>5,505,834</u>	<u>7,437,768</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 investments the police pension fund holds, \$9,232,656 is in U.S. Government securities with a rating of AA+ with Standard & Poor’s; \$9,227,671 is in corporate bonds with a rating ranging from AAA to BBB with Standard & Poor’s; \$3,824,707 is in convertible bonds with a rating of A- to CCC+. The fund also consists of \$10,928,699 in mutual funds, \$2,422,081 in common equity securities and \$1,136,519 in preferred equity securities which are not rated; and \$1,043,434 in money market rated AA+ and \$2,908 not rated. The fund also has \$2,622,308 in corporate stocks and \$12,951,968 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

Firefighters' Pension Fund

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

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

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

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

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

Investment Type	Fair Value	Less than 1 Year	Years 1-5	Years 6-10	Years More Than 10
U.S. Government securities	\$ 997,645	-	379,414	267,419	350,812
Corporate bonds	6,113,818	95,065	2,225,260	1,800,898	1,992,595
Domestic stocks	21,011,705	21,011,705	-	-	-
International	3,286,412	3,286,412	-	-	-
Total fair value	<u>\$ 31,409,580</u>	<u>24,393,182</u>	<u>2,604,674</u>	<u>2,068,317</u>	<u>2,343,407</u>

CITY OF BRADENTON, FLORIDA
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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, \$997,645 is in U.S. Government securities with a Standard & Poor’s rating range from AAA to BBB+; \$6,113,818 is in corporate bonds with a Standard & Poor’s rating ranging from AA+ to BBB-; \$21,011,705 is in domestic stocks and \$3,286,413 is in international funds which are not rated.

	Target Allocation	Range Allocation	Target Benchmark
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	23%	18%-35%	BoA ML Int. Dmst. Mstr.
Global Bonds*	5%	0%-7%	USD
TIPS	5%	2%-7%	BoA ML TIPS
Real Estate*	7%	0%-12%	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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE E – NOTES RECEIVABLE

Manatee Players

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

The loan was due to mature on September 30, 2012, at which time all outstanding sums would have been due and payable. As of September 30, 2012, the outstanding amount remains \$2,798,450. See subsequent event note.

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.

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

Year Ending September 30	Principal	Interest
2013	\$ 66,671	40,416
2014	66,671	37,083
2015	66,671	33,749
2016	66,671	30,415
2017	66,671	27,082
2018-2022	333,352	85,407
2023-2026	166,616	11,512
Total	\$ 833,323	265,664

Other

The City has other long-term receivables in the amount of \$3,366,681. These receivables represent amounts owed by individuals in conjunction with the rehabilitation of private property and financing for locally owned businesses.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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, 2012 was \$5.2002 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 2012 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

NOTE G – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012, was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 3,169,420	-	-	3,169,420
Construction in progress	1,167,457	1,492,588	1,167,457	1,492,588
Total capital assets not being depreciated	4,336,877	1,492,588	1,167,457	4,662,008
Other capital assets				
Buildings	37,573,553	-	-	37,573,553
Other improvements	8,907,529	-	12,044	8,895,485
Machinery and equipment	13,316,582	1,038,465	334,379	14,020,668
Infrastructure	13,693,502	1,255,178	-	14,948,680
Total other capital assets at historical cost	73,491,166	2,293,643	346,423	75,438,386
Less accumulated depreciation for				
Buildings	8,660,900	1,055,925	-	9,716,825
Other improvements	6,691,319	290,722	12,044	6,969,997
Machinery and equipment	10,326,427	817,442	315,596	10,828,273
Infrastructure	3,938,168	323,358	-	4,261,526
Total accumulated depreciation	29,616,814	2,487,447	327,640	31,776,621
Governmental activities capital assets	\$ 48,211,229	1,298,784	1,186,240	48,323,773

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 6,310,698	-	-	6,310,698
Construction in progress	8,275,237	2,462,297	-	10,737,534
Total capital assets not being depreciated	<u>14,585,935</u>	<u>2,462,297</u>		<u>17,048,232</u>
Other capital assets				
Buildings	26,822,968	-	-	26,822,968
Other improvements	122,964,524	747,443	-	123,711,967
Machinery and equipment	13,063,386	2,056,119	627,479	14,492,026
Infrastructure	3,618,979	79,273	-	3,698,252
Total other capital assets at historical cost	<u>166,469,857</u>	<u>2,882,835</u>	<u>627,479</u>	<u>168,725,213</u>
Less accumulated depreciation for				
Buildings	11,112,765	484,662	-	11,597,427
Other improvements	87,243,071	3,781,155	-	91,024,226
Machinery and equipment	8,749,970	1,085,773	618,714	9,217,028
Infrastructure	413,759	95,920	-	509,679
Total accumulated depreciation	<u>107,519,565</u>	<u>5,447,510</u>	<u>618,714</u>	<u>112,348,360</u>
Business-type activities capital assets	<u>\$ 73,536,227</u>	<u>(102,378)</u>	<u>8,765</u>	<u>73,425,085</u>

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 528,373
Public safety	358,879
Transportation	485,481
Community development	7,047
Culture and recreation	1,107,667
Total governmental activities, depreciation expense	<u>\$ 2,487,447</u>
Business-type activities	
Water-sewer utility	\$ 4,700,933
Sanitation	446,170
Parking	187,137
Golf course	113,270
Total business-type activities, depreciation expense	<u>\$ 5,447,510</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Commitments

Commitments under uncompleted construction projects at September 30, 2012, consist of the following:

	Amounts Authorized	Expended to Date	Committed
Capital project funds			
McKechnie Field renovation	\$ 7,500,000	1,462,499	6,037,501
Sidewalks to Schools	521,989	30,089	491,900
Enterprise funds			
ASR program	3,384,250	2,812,979	571,271
EastSide wastewater improvements	6,662,411	5,826,533	835,878
Phase 1 drainage improvements	7,922,466	1,354,052	6,568,414
Wares Creek utilities relocation	608,340	413,662	194,678
ASR feasibility	1,172,501	1,022,501	150,000
Total	<u>\$ 27,771,957</u>	<u>12,922,315</u>	<u>14,849,642</u>

NOTE H – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at September 30, 2012, consisted of:

		Due to/ Advances from: General Fund
Due from/ Advances to:	Nonmajor governmental	\$ 105,613
	Water and sewer	1,390,406
	Sanitation	733,647
		<u>\$ 2,229,666</u>

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

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

Interfund transfers for the year ended September 30, 2012, consisted of:

		Transfers to:			
		General Fund	Nonmajor Governmental	Sanitation	Total
Transfers from:	General Fund	\$ -	1,903,090	24,489	1,927,579
	Nonmajor governmental	521,746	-	27,364	549,110
	Water and sewer	400,000	-	-	400,000
	Total	<u>\$ 921,746</u>	<u>1,903,090</u>	<u>51,853</u>	<u>2,876,689</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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	\$ 617,082
Less accumulated depreciation	(349,316)
Total	\$ 267,766

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2012, were as follows:

Year Ended September 30	Enterprise (Business-type) Activities
2013	\$ 81,031
2014	81,031
2015	123,204
Less interest	(23,249)
Present value of minimum lease payments	\$ 262,017

NOTE J – LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity for the year ended September 30, 2012, 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Governmental activities					
Bonds/notes payable					
Revenue bonds, subordinate lien	\$ 1,203,025	-	(1,203,025)	-	-
Promissory note, franchise fees	3,470,150	-	(319,613)	3,150,537	337,761
Promissory note, Florida Municipal	2,055,000	-	(2,055,000)	-	-
Florida Revenue Refunding Bond	-	1,970,000	-	1,970,000	165,000
Special Obligation Revenue Bond, Series 2007	17,235,000	-	(385,000)	16,850,000	395,000
Special Obligation Revenue Bond, Series 2012	-	7,500,000	-	7,500,000	260,258
Total bonds/notes payable	23,963,175	9,470,000	(3,962,638)	29,470,537	1,158,019
Estimated claims payable for internal service funds	1,547,010	-	(533,441)	1,013,569	101,000
Capital leases, copiers	5,720	-	(5,720)	-	-
Swap rate agreement liability	691,741	-	(78,804)	612,937	-
OPEB liability	9,931,117	372,318	-	10,303,435	-
Compensated absences	1,148,753	54,386	(31,666)	1,171,473	98,000
Governmental activities long-term liabilities	<u>\$ 37,287,516</u>	<u>9,896,704</u>	<u>(4,612,269)</u>	<u>42,571,951</u>	<u>1,357,019</u>

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Business-type activities					
Notes payable					
Subordinate Lien Refunding 1995	\$ 371,975	-	(371,975)	-	-
Promissory Note Utility Refunding 2005	2,587,805	-	(2,587,805)	-	-
State Revolving Loan, Wastewater	309,807	-	(19,003)	290,804	13,853
State Revolving Loan, Stormwater	381,124	-	(31,491)	349,633	32,443
State Revolving Loan, Wastewater	-	279,999	(279,999)	-	-
Promissory Note, Parking Garage Loan I	4,467,173	-	(267,832)	4,199,341	278,279
Promissory Note, Parking Garage Loan II	945,225	-	(50,212)	895,013	52,619
Promissory Note, Parking Garage Loan III	1,436,526	-	(74,975)	1,361,551	77,976
Total notes payable	10,499,635	279,999	(3,683,292)	7,096,342	455,170
Capital lease, copiers	1,326	-	(1,326)	-	-
Capital lease, sweepers	329,579	-	(67,562)	262,017	70,382
Other liabilities, SRF	4,334,865	2,002,066	(150,686)	6,186,245	-
Swap rate agreement liability	1,023,652	27,032	(38,782)	1,011,902	-
OPEB liability	1,376,489	507,236	(523,824)	1,359,901	-
Customer deposits	5,303,458	198,828	-	5,502,286	-
Compensated absences	391,352	31,540	(23,416)	399,476	23,968
Total long-term liabilities	23,260,356	3,046,701	(4,488,888)	21,818,169	549,520
Less deferred amount	(42,676)	-	(32,293)	(10,383)	-
Governmental activities long-term liabilities	<u>\$ 23,217,680</u>	<u>3,046,701</u>	<u>(4,456,595)</u>	<u>21,807,786</u>	<u>549,520</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 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 .28859%.</p>	\$ 3,150,537	-
<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-annual on November 1 and May 1. Non-ad valorem revenues are pledged to secure this issue.</p>	1,970,000	-
<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. As a means of lowering its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.82%. Interest is paid at a variable rate, currently .86764%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners.</p>	-	4,199,341
<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>	7,500,000	-
<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>	-	290,804

(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>	-	349,633
<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>	16,850,000	-
<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. As a means of lowering its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.27%. The interest is paid at a variable rate, currently .14062%. 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>	-	895,013
<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. As a means of lowering its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.28%. The interest is paid at a variable rate, currently .14253%. 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>	-	1,361,551
<p>Total bonds and notes</p>	\$ 29,470,537	7,096,342

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Debt Maturity

Debt service requirements at September 30, 2012, were as follows:

Governmental Activities, Revenue Bonds and Notes

Year Ended September 30	Revenue Bonds		Promissory Notes	
	Principal	Interest	Principal	Interest
2013	\$ 820,258	980,364	337,761	161,018
2014	881,037	955,085	356,101	142,679
2015	909,847	925,670	375,438	123,344
2016	943,928	895,069	395,528	102,967
2017	973,289	859,023	417,302	81,484
2018 – 2022	5,392,266	3,778,971	1,268,407	103,513
2023 – 2027	7,544,375	2,811,764	-	-
2028 – 2032	3,965,000	1,589,038	-	-
2033 – 2037	4,890,000	660,406	-	-
Total	<u>\$ 26,320,000</u>	<u>13,455,390</u>	<u>3,150,537</u>	<u>715,005</u>

Business-type Activities, Revenue Bonds

Year Ended September 30	Revenue Bonds	
	Principal	Interest
2013	\$ 455,170	248,485
2014	468,189	232,075
2015	486,010	215,106
2016	504,294	197,671
2017	524,044	178,926
2018 – 2022	2,913,612	594,929
2023 – 2027	1,712,298	103,569
2028 – 2029	32,725	2,443
Total	<u>\$ 7,096,342</u>	<u>1,773,204</u>

Other Long-Term Debt Information

Subordinate Lien Special Revenue Refunding Bonds, Series 1995

These bonds are payable from and secured by a lien on the local government half-cent sales taxes, utility taxes, and the guaranteed entitlement portion of the state revenue-sharing funds. This lien is subordinate and inferior to the lien attached to certain outstanding utility revenue bonds of the City. This loan was paid off in advance in 2012.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

Revenues of the utility tax and local government half-cent sales tax funds together with the net revenues of the utility system are pledged to the debt service requirements of the Utility System Refunding Revenue Bonds, Series 1988A and the Utility System Refunding Revenue Bonds, Series 1995A. After the water and sewer utility has provided for current debt service requirements, these revenues become available to finance general governmental operations. This loan matured in 2012.

In accordance with bond covenants and Section 148 of the Internal Revenue Code the City is required to rebate to the U.S. Treasury, every five years, earnings on bond proceeds in excess of the bond yield. For the year ended September 30, 2012, no amounts were earned that have to be rebated to the U.S. Treasury for 2012.

From time to time the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2012, there were seven Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$14,937,260.

Other Liabilities

As of September 30, 2012, the City 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 Waste Water improvements. The loan is approved up to \$6,321,000 at an interest rate of 2.63%. The construction drawdown as of September 30, 2012, was \$6,183,650.

Clean Water State Revolving Fund, Wastewater WW410301 is in conjunction with loan WW410300 and is a contingency loan to cover the cost 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, 2012, was \$2,595.

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 \$1,624,840, as of September 30, 2012. 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Credit Risk: As of September 30, 2012, 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 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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

175 of the Florida Statutes. The City's total payroll for fire personnel at the year ended September 30, 2012, was \$4,587,036, compared to \$22,885,871 for the City's entire payroll. At September 30, 2012, membership consisted of:

	<u>2012</u>
Retirees and beneficiaries	
Currently receiving benefits	56
DROP retirees	6
Current employees	
Vested	35
Non-vested	<u>21</u>
Total	<u><u>118</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. These increases cease when the retiree attains, or would have attained, age 64. The monthly benefit for every retiree, or their beneficiary, who was receiving a normal, early or disability retirement benefit or pre-retirement benefit or pre-retirement death benefit on or before October 1, 1999, is increased by \$10 for each year of full retirement up to a maximum of \$100.

The plan provides disability benefits for both duty-related and non-duty-related disabilities. Disability caused by performance of duties is computed at 3% 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Every plan participant with ten years or more of credited service is eligible to receive non-line-of-duty disability benefits. A non-line-of-duty disability is computed at 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, 2012, from 7% to 8% of their earnings and is scheduled to increase to 9% and 10% in 2013, and 2014, respectively. 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, 2012, was \$7,098,372, compared to \$22,885,871 for the entire City's payroll. At October 1, 2012, membership consisted of:

	2012
Retirees, disabled participants and beneficiaries	
Currently receiving benefits	67
Terminated (not receiving benefits)	1
Members in DROP	5
Current employees	
Vested	44
Non-vested	63
Total	180

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 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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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, 2012, the actuarial accrued liability in excess of assets was \$15,168,250 determined as follows:

Actuarial accrued liability	\$ 46,534,418
Actuarial value of assets	<u>(31,366,168)</u>
Actuarial accrued liability in excess of assets	<u><u>\$ 15,168,250</u></u>

For the actuarial report dated October 1, 2012, the plan experienced a net actuarial gain of \$163,195. The primary source of favorable experience was attributable to average increases in pensionable compensation that were less than the assumption by approximately 5%. This gain was partially offset by a 6.5% investment return (actuarial asset basis), falling short of the 8.0% assumption, and no employee turnover.

Police Officers' Pension Plan

As of October 1, 2012, the actuarial accrued liability in excess of assets was \$ 15,603,516 determined as follows:

Actuarial accrued liability	\$ 66,124,218
Actuarial value of assets	<u>(50,520,702)</u>
Actuarial accrued liability in excess of assets	<u><u>\$ 15,603,516</u></u>

For the actuarial report dated October 1, 2012, the plan experienced a net actuarial loss of \$2,301,045. The loss was primarily due to recognized investment return below the assumed rate of 8%. The investment return was 17.6% based on market value of assets and 3.6% based on actuarial value of assets. The net loss has increased the required employer contribution by 1.93% of covered payroll.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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, 2010, 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, 2012, contributions totaling \$2,372,575 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2010. The City contributed \$1,625,655, members contributed \$290,726, and the state contributed \$456,194. The state contributions were deposited into the City's account; the City then issued a check to the plan in the amount of \$456,194. The expenses associated with the plan were \$2,876,898.

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2010	\$ 1,317,173	99.6%	\$ (105,413)
September 30, 2011	1,445,322	99.6%	(100,127)
September 30, 2012	2,085,875	99.8%	(96,101)

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

Schedule of Funding Progress
(in thousands of dollars)

Actuarial Valuation Date October 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ 30,071	42,940	70.0%	\$ 12,869	3,575	359.9%
2011	28,969	44,422	65.2%	15,453	3,801	406.5%
2012	31,366	46,534	67.4%	15,168	3,861	392.8%

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 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

annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally the smaller this percentage, the stronger the plan.

Valuation Date: October 1, 2012	
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay
	Closed
Remaining amortization period	30 years (as of 10/1/2010)
Asset valuation method	4-Year Smoothing
Actuarial assumptions:	
Investment rate of return	8.0% per year
Projected salary increases	7.5%
Inflation	3.0%
Post-retirement COLA (age 55 to 64)	3.0%

Employer Fiscal Year Ending September 30:	2012	2011	2010
A. Annual Required Contribution (ARC)	\$ 2,081,849	1,440,036	1,312,075
B. Interest on Net Pension Obligation (NPO)	(8,010)	(8,433)	(8,841)
C. Adjustment to ARC	12,036	13,719	13,939
D. Annual pension cost (A + B – C)	2,085,875	1,445,322	1,317,173
E. Actual contributions	2,081,849	1,440,036	1,312,074
F. NPO at beginning of year	(100,127)	(105,413)	(110,511)
G. Increase (decrease) in NPO (D – E)	4,026	5,286	5,098
H. NPO at end of year (F + G)	(96,101)	(100,127)	(105,413)

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, 2012, contributions totaling \$2,092,091 were to be made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2011. The City's actual contribution was \$1,756,114, the state's was \$423,100 and members contributed \$386,351. The state contributions were deposited into the City's account; the City then issued a check to the plan in the amount of \$423,100. The expenses associated with the plan were \$3,264,599.

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2010	\$ 2,024,084	97.8%	\$ (1,099,481)
September 30, 2011	2,131,819	104.8%	(1,202,321)
September 30, 2012	2,138,733	101.9%	(1,242,802)

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

Schedule of Funding Progress

(in thousands of dollars)

Actuarial Valuation Date October 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ 47,812	57,778	82.8%	\$ 9,965	6,519	152.9%
2011	48,975	61,932	79.1%	12,957	6,491	199.6%
2012	50,521	66,124	76.4%	15,604	6,776	230.3%

Analysis of the dollar amounts of actuarial value of assets, or actuarial accrued liability, in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the police pension plan's funding status on an on-going concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally the greater this percentage, the stronger the plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation.

Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally the smaller this percentage, the stronger the plan.

Additional information as of the latest actuarial valuation follows:

Valuation Date: October 1, 2012

Contribution rates

Employer (and state) 36.92%

Plan members 6.00%

Actuarial cost method Entry age normal

Amortization method Level percent, closed

Remaining amortization period 30 years

Asset valuation method 5-year smoothed market

Actuarial assumptions:

Investment rate of return 8.0%

Projected salary increases 6.7% to 9.1% depending on service

Includes inflation and other general 3%

increases at cost-of-living adjustments *One-half of assumed rate of inflation for eligible members who retired on or after December 27, 1989*

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Employer Fiscal Year Ending September 30:	2012	2011	2010
A. Annual Required Contribution (ARC)	\$ 2,092,091	2,086,980	1,979,482
B. Interest on Net Pension Obligation (NPO)	(96,186)	(87,958)	(91,527)
C. Adjustment to ARC	(142,828)	(132,797)	(136,129)
D. Annual pension cost (A + B – C)	2,138,733	2,131,819	2,024,084
E. Actual contributions	2,179,214	2,234,659	1,979,482
F. NPO at beginning of year	(1,202,321)	(1,099,481)	(1,144,083)
G. Increase (decrease) in NPO (D – E)	(40,481)	(102,840)	44,602
H. NPO at end of year (F + G)	(1,242,802)	(1,202,321)	(1,099,481)

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

September 30, 2012

Assets	
Interest receivable	\$ 174,861
Due from City	59,803
Due from plan members	13,145
Investments, at fair value	
U.S. Government obligations	9,232,656
Domestic corporate bonds	9,227,671
Convertible bonds	3,824,707
Domestic stock	12,951,968
Corporate stock	2,622,308
Mutual funds	10,928,699
Common equity securities	2,422,081
Preferred equity securities	1,136,519
Money market/cash	1,046,342
Total investments	<u>53,392,951</u>
Total assets	53,640,760
Liabilities	
Accounts payable	<u>65,677</u>
Total liabilities	<u>65,677</u>
Net assets held in trust for pension benefits and other purposes	<u>\$ 53,575,083</u>

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

September 30, 2012

Additions

Contributions	
Employer	\$ 1,756,114
Plan members	386,351
Repayment of pension benefits	2,607
State of Florida (from City's General Fund)	423,100
Total contributions	2,568,172
Investment earnings	
Interest	873,653
Dividends	332,908
Net increase in fair value of investments	7,123,116
Total investment earnings	8,329,677
Less investment expenses	(271,611)
Net investment earnings	8,058,066
Total additions	8,058,066

Deductions

Benefits	2,279,932
Refunds of contributions	44,869
DROP payments	618,401
Administrative expenses	74,167
Total deductions	3,017,369
Change in net assets	7,608,869
Net assets, beginning	45,966,214
Net assets, ending	\$ 53,575,083

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, 2012, is as follows. Investments that represent 5% or more of the plan's net assets are RBC Global Asset Management \$2,520,808, U.S. Real Estate Investment Fund LLC \$2,582,434 and Intech Enhanced Plus Fund \$3,385,290.

Firefighters' Pension Plan	Fair Value
U.S. Government obligations	\$ 997,645
Domestic stocks	21,011,705
Domestic corporate bonds	6,113,818
International funds	3,286,412
Total	\$ 31,409,580

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Police Officers' Pension Plan	Fair Value
U.S. Government obligations	\$ 9,232,656
Domestic corporate stocks	2,622,308
Domestic common stocks	12,951,968
Corporate bonds	9,227,671
Convertible bonds	3,824,707
Common equity securities	2,422,081
Preferred equity securities	1,136,519
Mutual funds	10,928,699
Money market/cash	1,046,342
Total	\$ 53,392,951

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 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.

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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Participating employer contributions are based upon state-wide rates established by the State of Florida, as follows:

	Effective Contribution Rates– Employer	
	July 2011 to June 2012	July 2012 to June 2013
Regular employees	4.91%	5.18%
Special risk employees	14.10%	14.90%
DROP employees	4.42%	5.44%
Elected officials	11.14%	10.23%
Senior management	6.27%	6.30%

The City’s contributions made during the years ended September 30, 2012, 2011, and 2010, were \$662,613, \$1,253,828, and \$1,382,505, 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, 2012 and 2011, were \$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

For the fiscal year ending September 30, 2009, the City implemented Governmental Accounting Standard Board Statement No. 45, Accounting and Reporting by Employers for Post-Employment Benefits Other than Pensions, for certain post-employment health care and life insurance benefits provided by the City. The requirement of this Statement was implemented prospectively, with the actuarially determined liability of \$20,950,648 at the October 1, 2010, date of transition being amortized over 15 years. Accordingly, for financial reporting purposes, no liability was reported for the post-employment health care and life insurance benefits liability at the date of transition.

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

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

Funding Policy: Currently, the City’s OPEB benefits are unfunded. There is no separate trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation as it does for its pension plans. Therefore, the ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to its current investment policy. For the fiscal years 2012, 2011 and 2010, the City provided required contributions of \$942,736 \$872,485, and \$1,168,213, respectively, toward the annual OPEB cost comprised of benefit payments made on behalf of retirees, exclusive of retiree contributions totaling \$293,661 \$253,243 and \$287,744, 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)	\$ 401,096
Amortization of Unfunded Actuarial Accrued Liability	1,426,423
Interest on normal cost and amortization	-
Annual Required Contribution (ARC)	<u>1,827,519</u>
Interest on Net OPEB Obligation (NOO)	662,704
Adjustment to (ARC)	(976,341)
Annual OPEB cost (expense)	<u>1,513,882</u>
Estimated employer contributions	(942,736)
Estimated increase (decrease) in NOO	571,146
NOO at beginning of year	<u>15,234,575</u>
Estimated NOO at end of year	<u><u>\$ 15,805,721</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, 2012 was as follows:

Schedule of Employer Contributions

Fiscal Year Ending	Annual Required Contribution	Annual Contributed	Percentage Contributed
9/30/2010	\$ 5,674,267	\$ 1,168,213	20.59%
9/30/2011	3,988,990	872,485	21.87%
9/30/2012	1,827,519	942,736	51.59%

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The funded status and funding progress as of September 30, 2012, was as follows:

Schedule of Funding Progress

Actuarial Valuation Date October 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((b -a) / c)
2008	\$ -	62,129,634	62,129,634	0.00%	\$ 21,085,856	294.65%
2010*	-	45,958,950	45,958,950	0.00%	18,838,973	243.96%
2010**	-	20,950,648	20,950,648	0.00%	18,838,973	111.21%

**Original Valuation-Before Policy Change*

***Update Valuation-After Policy Changes*

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, 2010, OPEB actuarial valuation, the individual entry age normal cost method with increasing normal cost pattern consistent with the salary increase assumptions used in the FRS pension plan was used. The unfunded actuarial accrued liability is amortized on a closed basis, calculated as a level percent of payroll over a 15-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 9%, and (3) the ultimate per capita cost trend rate is 5.0%. The initial per capita trend rate is fully offset by carrier changes, estimated to result in 9% savings.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE M – WATER AND SEWER UTILITY RATE COVENANTS

The City has agreed, in authorizing ordinances, that it will fix, establish and maintain such rates and collect such fees, rentals and other charges for the services and facilities of the water and sewer utility systems, and revise the same from time-to-time whenever necessary. The ordinances further establish that such rates, fees, rentals and charges will always provide "gross revenues" in each fiscal year sufficient to pay the cost of operation and maintenance of the system in such fiscal year, along with all reserve and other payments required to be made, and will further be sufficient to provide an amount equal to 115% of the bond service requirement becoming due in such fiscal year on all outstanding bonds.

The City has complied with these ordinances for the year ended September 30, 2012, as indicated below:

Water and Sewer Utility		
Revenues of the system	\$	20,044,582
Interest earnings of the system		515,807
Guaranteed state revenue		376,545
Local half-cent tax revenue		3,126,907
Utility tax revenue		3,932,368
Gross revenues of the system		27,996,209
Operations and maintenance of the system (excluding depreciation and amortization)		(12,316,315)
Bond service requirement:		
2005 Utility Systems Refunding Revenue Bonds	2,575,394	
	x 115%	
	2,961,703	(2,961,703)
Excess rate coverage		\$ 12,718,191

NOTE N – DEFERRED COMPENSATION PLAN

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

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

NOTE O – RISK MANAGEMENT AND SELF-INSURANCE PROGRAMS

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

Medical Self-Insurance Program: The City maintains a self-insurance program with regard to medical benefits for employees and dependents. The City contributes \$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.

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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, 2010 to September 30, 2012:

	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program
Liability balance, September 30, 2010	\$ 550,000	852,421
Claims and changes in estimates	4,361,923	1,276,998
Claims payments	(4,345,923)	(1,148,410)
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
Cash available to pay claims at September 30, 2012	\$ 4,042,757	8,964,069

NOTE P – CONTINGENT LIABILITIES

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

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

CITY OF BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE Q – PRIOR-PERIOD ADJUSTMENT/BRADENTON COMMUNITY REDEVELOPMENT AGENCY

The Bradenton Community Redevelopment Agency, a component unit of the City, has determined that a restatement of the net assets of the governmental activities is required to reflect corrections to beginning balances of capital assets for work in process related to a construction project accumulated since fiscal year 2010. The capital assets did not include all activity related to construction in progress incurred in prior years.

Governmental Activities, September 30, 2011, as previously reported	\$ 2,787,043
Adjustment for proper recognition of capital assets (construction in progress)	<u>577,307</u>
Governmental Activities, September 30, 2011, as restated	<u><u>\$ 3,364,350</u></u>

NOTE R – CHANGE IN REPORTING ENTITY–CITY OF BRADENTON

In accordance with GASB Statement No. 54, the City has reclassified the Franchise Fee Fund into the General Fund operations.

Fund Balance, General Fund, September 30, 2011, as previously reported	\$ 30,107,987
GASB Statement No. 54 fund reclassification	
Franchise Fee Fund	<u>9,660,425</u>
Fund Balance, General Fund, September 30, 2011, as restated	<u><u>\$ 39,768,412</u></u>
Fund Balance, Franchise Fee Fund, September 30, 2011, as previously reported	\$ 9,660,425
GASB Statement No. 54 fund reclassification	
Franchise Fee Fund	<u>(9,660,425)</u>
Fund Balance, Franchise Fee Fund, September 30, 2011, as restated	<u><u>\$ -</u></u>

NOTE S – SUBSEQUENT EVENT

On December 27, 2012, the City of Bradenton and the Manatee Players, Inc. entered into a new agreement to replace the previous loan with the Manatee Players that expired on September 30, 2012.

The new agreement called for the execution of a new \$2,800,000 loan that would be interest only for the first year. The interest rate for the entire period of the loan is 3.09%. Commencing on March 27, 2014, quarterly principal and interest payments in the amount of \$47,053, calculated by amortizing the principal balance outstanding together with the interest, in equal quarterly payments over a 20 year amortization period, shall be due.

Required Supplementary Information

In accordance with the Governmental Accounting Standards Board Statement Number 34, the following budgetary comparison for the General 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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 22,367,797	23,074,499	23,080,688	6,189
Franchise Fees	2,764,000	2,959,700	2,962,576	2,876
Licenses and permits	765,000	1,047,400	1,048,446	1,046
Intergovernmental grants	254,274	440,158	429,641	(10,517)
Intergovernmental revenues	1,657,850	1,678,850	1,672,181	(6,669)
Shared revenues	1,421,087	1,376,087	1,378,224	2,137
Charges for services	1,408,238	1,365,438	1,397,788	32,350
Fines and forfeitures	252,475	417,475	412,666	(4,809)
Interest and investment earnings	1,126,634	1,311,934	1,313,207	1,273
Payment in lieu of taxes	62,984	62,984	60,599	(2,385)
Rents	504,540	505,840	518,508	12,668
Special assessment-property owners	3,000	21,000	23,425	2,425
Miscellaneous	206,275	479,153	489,130	9,977
	<u>32,794,154</u>	<u>34,740,518</u>	<u>34,787,079</u>	<u>46,561</u>
Expenditures				
General government services	7,840,508	8,081,113	7,881,287	199,826
Public safety	19,965,989	21,320,151	21,302,361	17,790
Transportation	2,422,739	2,526,279	2,466,669	59,610
Culture and recreation	1,543,728	1,478,228	1,465,451	12,777
	<u>31,772,964</u>	<u>33,405,771</u>	<u>33,115,768</u>	<u>290,003</u>
Excess of revenues over expenditures	1,021,190	1,334,747	1,671,311	326,564
Other financing sources (uses)				
Transfers from other funds	400,000	921,746	921,746	-
Transfers to other funds	(1,770,560)	(1,924,060)	(1,927,579)	(3,519)
Proceeds from sale of capital assets	15,000	15,000	15,320	320
	<u>(1,355,560)</u>	<u>(987,314)</u>	<u>(990,513)</u>	<u>(3,199)</u>
Net change in fund balance	(334,370)	347,433	680,798	323,365
Fund balance, October 1, 2011 (restated)	39,768,412	39,768,412	39,768,412	-
Fund balance, September 30, 2012	<u>\$ 39,434,042</u>	<u>40,115,845</u>	<u>40,449,210</u>	<u>323,365</u>

Required Supplementary Information

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

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

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

Schedule of Funding Progress
(in millions of dollars)

Actuarial Valuation Date October 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2007	42.57	47.70	89.3%	5.13	6.73	76.2%
2008	45.21	52.79	85.6%	7.58	6.62	114.6%
2009	46.69	57.32	81.5%	10.60	6.66	159.6%
2010	47.81	57.78	82.8%	9.97	6.52	152.9%
2011	48.96	61.93	79.1%	12.96	6.49	199.6%
2012	50.52	66.12	76.4%	15.60	6.78	230.3%

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 a going-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally the greater this percentage, the stronger the plan.

Trends in 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.

Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Annual Contribution	Percentage Contributed
2007	\$ 1,613,002	1,620,098	100.4%
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%

*This is the required contribution amount determined as a percentage of the actual payroll for the fiscal year.

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

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

Valuation date	10/1/2012
Contribution rates	
Employer (and State)	36.92%
Plan members	6.00%
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions	
Investment rate of return	8.0%
Projected salary increases	6.7% to 9.1% (depending on service)
Includes inflation at cost-of-living adjustments	3.0%
	One-half of assumed rate of inflation for eligible members who retired on or after December 27, 1989

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

Schedule of Funding Progress

Actuarial Valuation Date October 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
2008	\$ -	\$ 62,129,634	0.00%	\$ 62,129,634	\$ 21,085,856	294.65%
2010*	-	45,958,950	0.00%	45,958,950	18,838,973	243.96%
2010**	-	20,950,648	0.00%	20,950,648	18,838,973	111.21%

* *Original Valuation-Before Policy Change*

** *Update Valuation-After Policy Changes*

Schedule of Employer Contributions

Fiscal Year Ending	Annual Required Contribution	Annual Contribution	Percentage Contributed
9/30/2010	\$ 5,674,267	\$ 1,168,213	20.59%
9/30/2011	3,988,990	872,485	21.87%
9/30/2012	1,827,519	942,736	51.59%

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

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

Valuation date		10/1/2010
Contribution rates		
Employer		5.0%
Actuarial cost method		Entry age normal
Amortization method		Level percent, closed
Remaining amortization period		15 years
Asset valuation method		Unfunded
Actuarial assumptions		
Investment rate of return		4.35%
Projected salary increases	3.00% to 9.10%	(depending on service)
Payroll growth assumptions		4.0%
Initial per capita cost trend rate		9.0%**
Ultimate per capita cost trend rate		5.0%
Includes inflation at		3.0%

***Initial Per Capita Cost trend rate is fully offset by carrier changes estimated to result in 9% savings.*



City of Bradenton
2011 - 2012 Comprehensive
Annual Financial Report

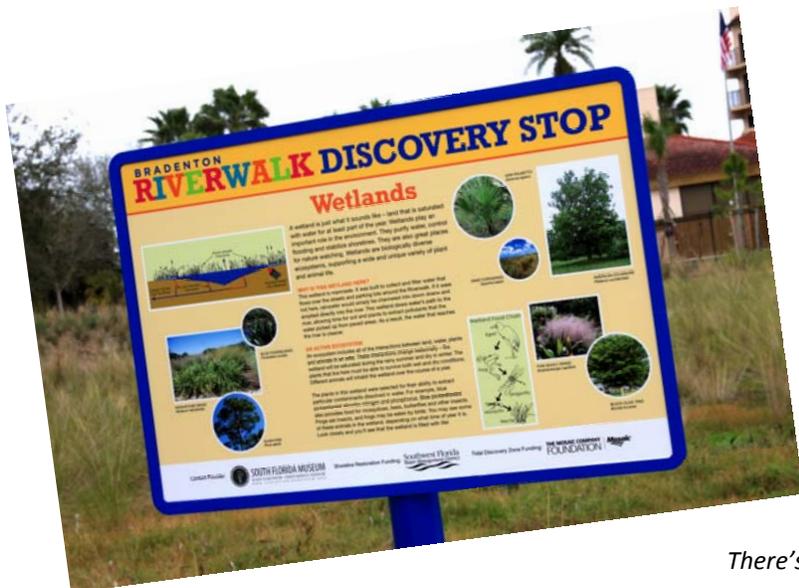
Combining & Individual Fund
Statements and Schedules

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.



“Discovery Stops”

There’s no shortage of information for those interested in learning about the Riverwalk’s ecosystem.

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

For the Fiscal Year Ended September 30, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Taxes				
General property taxes	\$ 12,613,742	12,964,742	12,970,233	5,491
Communication service tax	2,562,684	2,461,384	2,461,325	(59)
Half-cent sales tax	3,120,336	3,120,336	3,126,907	6,571
Utility tax	3,590,535	3,930,935	3,932,368	1,433
Local business tax	230,500	230,500	223,253	(7,247)
Other taxes	250,000	366,602	366,602	-
Total taxes	<u>22,367,797</u>	<u>23,074,499</u>	<u>23,080,688</u>	<u>6,189</u>
Franchise fees	2,764,000	2,959,700	2,962,576	2,876
Licenses and permits				
Building permits	595,000	839,600	839,611	11
Electrical permits	125,000	162,800	162,800	-
Plumbing permits	37,500	37,500	42,995	5,495
Other licenses and permits	7,500	7,500	3,040	(4,460)
Total licenses and permits	<u>765,000</u>	<u>1,047,400</u>	<u>1,048,446</u>	<u>1,046</u>
Intergovernmental grants	254,274	440,158	429,641	(10,517)
Intergovernmental revenues				
State revenue sharing	1,584,960	1,584,960	1,574,783	(10,177)
State mobile home licenses	34,950	34,950	34,584	(366)
State alcohol beverage licenses	21,500	21,500	26,742	5,242
Other grants	16,440	37,440	36,072	(1,368)
Total intergovernmental revenues	<u>1,657,850</u>	<u>1,678,850</u>	<u>1,672,181</u>	<u>(6,669)</u>
Shared revenues				
Ninth-cent gas tax	239,950	239,950	241,460	1,510
Five-cent gas tax	499,884	523,884	524,300	416
Four-cent gas tax	468,863	375,863	375,499	(364)
Two-cent gas tax	212,390	236,390	236,965	575
Total shared revenues	<u>1,421,087</u>	<u>1,376,087</u>	<u>1,378,224</u>	<u>2,137</u>
Charges for services				
General government fees	1,219,966	1,202,166	1,228,806	26,640
Marina rental revenue	80,772	80,772	81,736	964
Culture and recreation	107,500	82,500	87,246	4,746
Total charges for services	<u>1,408,238</u>	<u>1,365,438</u>	<u>1,397,788</u>	<u>32,350</u>
Fines and forfeitures	252,475	417,475	412,666	(4,809)
Interest and investment earnings	1,126,634	1,311,934	1,313,207	1,273
Payment in lieu of taxes	62,984	62,984	60,599	(2,385)
Rents	504,540	505,840	518,508	12,668
Fees	2,764,000	2,959,700	2,962,576	2,876
Special assessments-property owners	3,000	21,000	23,425	2,425
Miscellaneous	206,275	479,153	489,130	9,977
Total revenues	<u>\$ 32,794,154</u>	<u>34,740,518</u>	<u>34,787,079</u>	<u>46,561</u>

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

For the Fiscal Year Ended September 30, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
General Government				
Legislative				
Personnel services	\$ 420,266	425,866	423,956	1,910
Operating expenditures	41,732	41,732	29,816	11,916
Total Legislative	<u>461,998</u>	<u>467,598</u>	<u>453,772</u>	<u>13,826</u>
Executive-City Clerk				
Personnel services	341,821	299,821	284,308	15,513
Operating expenditures	2,462,495	2,462,495	2,440,330	22,165
Total Executive-City Clerk	<u>2,804,316</u>	<u>2,762,316</u>	<u>2,724,638</u>	<u>37,678</u>
Financial				
Personnel services	290,963	290,963	281,865	9,098
Operating expenditures	17,578	17,578	18,634	(1,056)
Total Financial	<u>308,541</u>	<u>308,541</u>	<u>300,499</u>	<u>8,042</u>
Human Resources				
Personnel services	397,703	380,903	377,147	3,756
Operating expenditures	100,585	168,585	163,555	5,030
Total Human Resources	<u>498,288</u>	<u>549,488</u>	<u>540,702</u>	<u>8,786</u>
Administration				
Personnel services	16,328	19,328	20,405	(1,077)
Operating expenditures	1,210	1,210	632	578
Total Administration	<u>17,538</u>	<u>20,538</u>	<u>21,037</u>	<u>(499)</u>
Legal Counsel				
Operating expenditures	101,500	109,800	109,238	562
Florida Hardest Hit				
Personnel services	20,947	32,553	29,130	3,423
Purchasing				
Personnel services	185,048	185,048	183,699	1,349
Operating expenditures	15,985	15,985	8,287	7,698
Total Purchasing	<u>201,033</u>	<u>201,033</u>	<u>191,986</u>	<u>9,047</u>
Fleet Division				
Personnel services	642,644	687,533	686,658	875
Operating expenditures	83,524	83,524	69,089	14,435
Capital outlay	94,000	94,000	93,981	19
Total Fleet Division	<u>820,168</u>	<u>865,057</u>	<u>849,728</u>	<u>15,329</u>

(Continued)

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended September 30, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Facilities Maintenance				
Personnel services	\$ 223,959	223,959	215,860	8,099
Operating expenditures	218,655	232,555	234,020	(1,465)
Capital outlay	15,000	-	-	-
Total Facilities Maintenance	457,614	456,514	449,880	6,634
Information Technology				
Personnel services	398,888	389,888	384,599	5,289
Operating expenditures	723,025	877,835	810,891	66,944
Capital outlay	-	12,800	12,848	(48)
Total Information Technology	1,121,913	1,280,523	1,208,338	72,185
Electrical Division				
Personnel services	416,335	414,335	400,307	14,028
Operating expenditures	37,050	55,050	55,393	(343)
Capital outlay	141,395	143,595	143,620	(25)
Total Electrical Division	594,780	612,980	599,320	13,660
Code Enforcement				
Personnel services	196,271	199,871	195,899	3,972
Operating expenditures	25,760	20,360	14,712	5,648
Total Code Enforcement	222,031	220,231	210,611	9,620
Grants and Assistance				
Personnel services	147,560	99,560	99,229	331
Operating expenditures	3,350	33,350	32,087	1,263
Total Grants and Assistance	150,910	132,910	131,316	1,594
Local Business Tax				
Personnel services	52,136	57,736	59,012	(1,276)
Operating expenditures	6,795	3,295	2,080	1,215
Total Local Business Tax	58,931	61,031	61,092	(61)
Total General Government	7,840,508	8,081,113	7,881,287	199,826

(Continued)

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

For the Fiscal Year Ended September 30, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Public Safety				
Law Enforcement				
Personnel services	\$ 10,631,668	11,018,700	11,018,355	345
Operating expenditures	832,375	1,186,881	1,186,012	869
Capital outlay	30,000	-	-	-
Total Law Enforcement	<u>11,494,043</u>	<u>12,205,581</u>	<u>12,204,367</u>	<u>1,214</u>
Dispatching				
Personnel services	643,884	670,184	658,536	11,648
Operating expenditures	9,664	9,664	9,642	22
Total Dispatching	<u>653,548</u>	<u>679,848</u>	<u>668,178</u>	<u>11,670</u>
Fire Control				
Personnel services	7,376,131	7,795,131	7,793,935	1,196
Operating expenditures	364,363	413,637	410,200	3,437
Capital outlay	77,904	225,954	225,681	273
Total Fire Control	<u>7,818,398</u>	<u>8,434,722</u>	<u>8,429,816</u>	<u>4,906</u>
Total Public Safety	<u>19,965,989</u>	<u>21,320,151</u>	<u>21,302,361</u>	<u>17,790</u>
Transportation				
Street Division				
Personnel services	658,046	569,046	545,945	23,101
Operating expenditures	937,337	1,188,837	1,179,050	9,787
Capital outlay	10,000	10,000	6,870	3,130
Total Street Division	<u>1,605,383</u>	<u>1,767,883</u>	<u>1,731,865</u>	<u>36,018</u>
Planning and Community Development				
Personnel services	336,963	368,903	368,075	828
Operating expenditures	67,028	46,128	36,122	10,006
Capital outlay	30,000	-	-	-
Total Planning and Community Development	<u>433,991</u>	<u>415,031</u>	<u>404,197</u>	<u>10,834</u>
Building				
Personnel services	356,915	316,915	311,425	5,490
Operating expenditures	26,450	26,450	19,182	7,268
Total Building	<u>383,365</u>	<u>343,365</u>	<u>330,607</u>	<u>12,758</u>
Total Transportation	<u>2,422,739</u>	<u>2,526,279</u>	<u>2,466,669</u>	<u>59,610</u>

(Continued)

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended September 30, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Culture and Recreation				
Landscape and Grounds Division				
Personnel services	\$ 1,037,083	946,083	940,038	6,045
Operating expenditures	301,039	316,739	316,678	61
Capital outlay	-	27,800	27,840	(40)
Total Landscape and Grounds Division	<u>1,338,122</u>	<u>1,290,622</u>	<u>1,284,556</u>	<u>6,066</u>
Special Recreation Facilities				
Personnel services	189,381	171,381	171,006	375
Operating expenditures	16,225	16,225	9,889	6,336
Total Special Recreation Facilities	<u>205,606</u>	<u>187,606</u>	<u>180,895</u>	<u>6,711</u>
Total Culture and Recreation	<u>1,543,728</u>	<u>1,478,228</u>	<u>1,465,451</u>	<u>12,777</u>
Total expenditures	<u>\$ 31,772,964</u>	<u>33,405,771</u>	<u>33,115,768</u>	<u>290,003</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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest and investment earnings	\$ -	3,100	3,147	47
Total revenues	-	3,100	3,147	47
Expenditures				
Capital outlay	-	1,462,499	1,462,499	-
Total expenditures	-	1,462,499	1,462,499	-
Excess deficiency of revenues over (under) expenditures	-	(1,459,399)	(1,459,352)	47
Other financing sources				
Proceeds from loan	-	7,500,000	7,500,000	-
Total other financing sources	-	7,500,000	7,500,000	-
Net change in fund balance	-	6,040,601	6,040,648	47
Fund balance, October 1, 2011	-	-	-	-
Fund balance, September 30, 2012	\$ -	6,040,601	6,040,648	47

Nonmajor Governmental Funds

Special Revenue Funds

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

Road Impact Fee Fund

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

Parks and Recreational Impact Fee, West Fund

To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. These funds are restricted for park capital improvements on the City's west side.

Parks and Recreational Impact Fee, East Fund

To account for the receipt, custody and expenditure (including transfers) of impact fee revenue. These funds are restricted for park capital improvements on the City's east side.

Public Safety Police Protection Fund

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

Public Safety Fire Protection Fund

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

Neighborhood Stabilization Program Fund

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

Community Development Program Fund

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

Nonmajor Governmental Funds (Continued)

Shelter Plus Care Grant Fund

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

Energy Efficiency Conservation Fund

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

State Housing Initiatives Partnership Program (SHIPP) Fund

To account for the receipt, custody and expenditure of State Housing Initiatives Partnership Program grant funds.

Debt Service Funds

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

1995 Subordinate Lien Special Revenue Refunding Bonds Fund

3.7% to 5.25% interest rates, payable in installments from \$145,000 to \$270,000, maturing in 2015. These funds are restricted for the repayment of the debt's principal and interest.

Franchise Fees Promissory Note 2000 Fund

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

Florida Municipal Loan 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.

Nonmajor Governmental Funds (Continued)

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, 2012

	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	\$ 310,023	595,517	185,008	1,724	1,918
Due from other governments	-	-	-	-	-
Total assets	\$ 310,023	595,517	185,008	1,724	1,918
Liabilities					
Accounts payable	\$ -	-	-	-	-
Advances from other funds	-	-	-	-	105,613
Due to other funds	-	-	-	-	-
Accrued salaries, wages and benefits	-	-	-	-	-
Total liabilities	-	-	-	-	105,613
Fund Balances (deficit)					
Restricted	310,023	595,517	185,008	1,724	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(103,695)
Total fund balances	310,023	595,517	185,008	1,724	(103,695)
Total liabilities and fund balances	\$ 310,023	595,517	185,008	1,724	1,918

Special Revenue Funds

Neighborhood Stabilization Program	Community Development Program	Shelter Plus Care Grant	Energy Efficiency Conservation Fund	State Housing Initiatives Partnership Program	Total
413,194	106,428	-	-	56,474	1,670,286
-	-	27,778	-	-	27,778
<u>413,194</u>	<u>106,428</u>	<u>27,778</u>	<u>-</u>	<u>56,474</u>	<u>1,698,064</u>
413,194	17	27,778	-	864	441,853
-	-	-	-	-	105,613
-	1,180	-	-	-	1,180
-	4,401	-	-	-	4,401
<u>413,194</u>	<u>5,598</u>	<u>27,778</u>	<u>-</u>	<u>864</u>	<u>553,047</u>
-	100,830	-	-	55,610	1,248,712
-	-	-	-	-	-
-	-	-	-	-	(103,695)
-	100,830	-	-	55,610	1,145,017
<u>413,194</u>	<u>106,428</u>	<u>27,778</u>	<u>-</u>	<u>56,474</u>	<u>1,698,064</u>

(Continued)

CITY OF BRADENTON, FLORIDA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2012

	Debt Service Funds					Total
	1995 Subordinate Lien Special Revenue Refunding Bonds	Franchise Fees Promissory Note 2000	Florida Municipal Loan 2012	Special Obligation Series 2007	Special Obligation Series 2012	
Assets						
Cash and cash equivalents	\$ -	64,289	1,627	2,375	739	69,030
Due from other governments	-	-	-	-	-	-
Total assets	\$ -	64,289	1,627	2,375	739	69,030
Liabilities						
Accounts payable	\$ -	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Accrued salaries, wages and benefits	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Fund Balances						
Restricted	-	64,289	1,627	2,375	739	69,030
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	-	64,289	1,627	2,375	739	69,030
Total liabilities and fund balances	\$ -	64,289	1,627	2,375	739	69,030

Capital Projects Funds			
General Projects	Pirate City Capital Reserve	Total	Total Nonmajor Governmental Funds
549,507	118,679	668,186	2,407,502
226,625	-	226,625	254,403
<u>776,132</u>	<u>118,679</u>	<u>894,811</u>	<u>2,661,905</u>
226,839	-	226,839	668,692
-	-	-	105,613
-	-	-	1,180
-	-	-	4,401
<u>226,839</u>	<u>-</u>	<u>226,839</u>	<u>779,886</u>
-	-	-	1,317,742
549,293	118,679	667,972	667,972
-	-	-	(103,695)
<u>549,293</u>	<u>118,679</u>	<u>667,972</u>	<u>1,882,019</u>
<u>776,132</u>	<u>118,679</u>	<u>894,811</u>	<u>2,661,905</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, 2012

	Special Revenue Funds				
	Road Impact Fee	Parks and Recreational Impact Fee– West	Parks and Recreational Impact Fee– East	Public Safety Police Protection	Public Safety Fire Protection
Revenues					
Intergovernmental grants	\$ -	-	-	-	-
Interest and investment earnings	6,420	20,528	6,221	4,900	34
Special assessments, property owners	-	-	-	-	-
Total revenues	6,420	20,528	6,221	4,900	34
Expenditures					
Current					
General government	-	-	-	-	-
Culture, recreation	-	26,950	-	-	-
Economic environment	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	1,045
Fees and expenditures	-	-	-	-	-
Capital outlay	-	-	5,020	304,282	-
Total expenditures	-	26,950	5,020	304,282	1,045
Excess (deficiency) of revenues over (under) expenditures	6,420	(6,422)	1,201	(299,382)	(1,011)
Other Financing Sources (Uses)					
Proceeds from loan	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	6,420	(6,422)	1,201	(299,382)	(1,011)
Fund balances (deficit), beginning	303,603	601,939	183,807	301,106	(102,684)
Fund balances (deficit), ending	<u>\$ 310,023</u>	<u>595,517</u>	<u>185,008</u>	<u>1,724</u>	<u>(103,695)</u>

Special Revenue Funds

Neighborhood Stabilization Program	Community Development Program	Shelter Plus Care Grant	Energy Efficiency Conservation Fund	State Housing Initiatives Partnership Program	Total
753,896	341,584	163,635	150,856	-	1,409,971
-	-	-	-	-	38,103
-	8,356	-	-	2,425	10,781
<u>753,896</u>	<u>349,940</u>	<u>163,635</u>	<u>150,856</u>	<u>2,425</u>	<u>1,458,855</u>
-	-	-	-	-	-
-	-	-	-	-	26,950
744,812	349,438	163,635	150,856	81,729	1,490,470
-	-	-	-	-	-
-	-	-	-	-	1,045
-	-	-	-	-	-
-	-	-	-	-	309,302
<u>744,812</u>	<u>349,438</u>	<u>163,635</u>	<u>150,856</u>	<u>81,729</u>	<u>1,827,767</u>
<u>9,084</u>	<u>502</u>	<u>-</u>	<u>-</u>	<u>(79,304)</u>	<u>(368,912)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,084	502	-	-	(79,304)	(368,912)
(9,084)	100,328	-	-	134,914	1,513,929
<u>-</u>	<u>100,830</u>	<u>-</u>	<u>-</u>	<u>55,610</u>	<u>1,145,017</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, 2012

	Debt Service Funds					Total
	1995 Subordinate Lien Special Revenue Refunding Bonds	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	16,326	1,432	-	-	-	17,758
Special assessments, property owners	-	-	-	-	-	-
Total revenues	16,326	1,432	-	500,004	-	517,762
Expenditures						
Current						
General government	-	-	-	-	-	-
Culture, recreation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Debt service						
Principal	1,203,025	319,613	2,055,000	385,000	-	3,962,638
Interest	43,236	177,445	100,150	726,911	100,742	1,148,484
Fees and expenditures	946	-	62,198	376	48,519	112,039
Capital outlay	-	-	-	-	-	-
Total expenditures	1,247,207	497,058	2,217,348	1,112,287	149,261	5,223,161
Excess (deficiency) of revenues over (under) expenditures	(1,230,881)	(495,626)	(2,217,348)	(612,283)	(149,261)	(4,705,399)
Other Financing Sources (Uses)						
Proceeds from loan	-	-	1,970,000	-	-	1,970,000
Transfers to other funds	(549,110)	-	-	-	-	(549,110)
Transfers from other funds	259,627	495,626	248,427	612,907	150,000	1,766,587
Total other financing sources (uses)	(289,483)	495,626	2,218,427	612,907	150,000	3,187,477
Net change in fund balances	(1,520,364)	-	1,079	624	739	(1,517,922)
Fund balances (deficit), beginning	1,520,364	64,289	548	1,751	-	1,586,952
Fund balances (deficit), ending	\$ -	64,289	1,627	2,375	739	69,030

Capital Projects Funds

General Projects	Pirate City Capital Reserve	Total	Total Nonmajor Governmental Funds
153,618	-	153,618	2,063,593
11,801	1,233	13,034	68,895
-	-	-	10,781
<u>165,419</u>	<u>1,233</u>	<u>166,652</u>	<u>2,143,269</u>
274	-	274	274
-	-	-	26,950
-	-	-	1,490,470
-	-	-	3,962,638
-	-	-	1,149,529
-	-	-	112,039
<u>192,319</u>	<u>77,750</u>	<u>270,069</u>	<u>579,371</u>
<u>192,593</u>	<u>77,750</u>	<u>270,069</u>	<u>7,321,271</u>
<u>(27,174)</u>	<u>(76,517)</u>	<u>(103,417)</u>	<u>(5,178,002)</u>
-	-	-	1,970,000
-	-	-	(549,110)
-	136,503	136,503	1,903,090
<u>-</u>	<u>136,503</u>	<u>136,503</u>	<u>3,323,980</u>
(27,174)	59,986	32,812	(1,854,022)
<u>576,467</u>	<u>58,693</u>	<u>635,160</u>	<u>3,736,041</u>
<u><u>549,293</u></u>	<u><u>118,679</u></u>	<u><u>667,972</u></u>	<u><u>1,882,019</u></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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 8,285	8,285	6,420	(1,865)
Total revenues	8,285	8,285	6,420	(1,865)
Net change in fund balance	8,285	8,285	6,420	(1,865)
Fund balance, October 1, 2011	303,603	303,603	303,603	-
Fund balance, September 30, 2012	\$ 311,888	311,888	310,023	(1,865)

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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 16,434	16,434	20,528	4,094
Total revenues	16,434	16,434	20,528	4,094
Expenses				
Culture, recreation				
Operating expenditures	-	27,000	26,950	50
Total expenditures	-	27,000	26,950	50
Excess (deficiency) of revenues over (under) expenditures	16,434	(10,566)	(6,422)	4,144
Fund balance, October 1, 2011	601,939	601,939	601,939	-
Fund balance, September 30, 2012	<u>\$ 618,373</u>	<u>591,373</u>	<u>595,517</u>	<u>4,144</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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 6,515	6,515	6,221	(294)
Total revenues	6,515	6,515	6,221	(294)
Expenditures				
Economic environment:				
Capital outlay	-	5,000	5,020	(20)
Total expenditures	-	5,000	5,020	(20)
Excess (deficiency) of revenues over (under) expenditures	6,515	1,515	1,201	(314)
Fund balance, October 1, 2011	183,807	183,807	183,807	-
Fund balance, September 30, 2012	\$ 190,322	185,322	185,008	(314)

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PUBLIC SAFETY POLICE PROTECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 11,598	6,598	4,900	(1,698)
Total revenues	11,598	6,598	4,900	(1,698)
Expenditures				
Capital outlay	310,000	305,000	304,282	718
Total expenditures	310,000	305,000	304,282	718
Deficiency of revenues under expenditures	(298,402)	(298,402)	(299,382)	(980)
Fund balance, October 1, 2011	301,106	301,106	301,106	-
Fund balance, September 30, 2012	<u>\$ 2,704</u>	<u>2,704</u>	<u>1,724</u>	<u>(980)</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
PUBLIC SAFETY FIRE PROTECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 54	54	34	(20)
Total revenues	54	54	34	(20)
Expenditures				
Interest	-	1,000	1,045	(45)
Total expenditures	-	1,000	1,045	(45)
Net change in fund balance	54	(946)	(1,011)	(65)
Fund balance (deficit), October 1, 2011	(102,684)	(102,684)	(102,684)	-
Fund balance (deficit), September 30, 2012	<u>\$ (102,630)</u>	<u>(103,630)</u>	<u>(103,695)</u>	<u>(65)</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
NEIGHBORHOOD STABILIZATION PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ -	753,896	753,896	-
Miscellaneous revenue	630,000	-	-	-
Total revenues	<u>630,000</u>	<u>753,896</u>	<u>753,896</u>	<u>-</u>
Expenditures				
Economic environment				
Personnel services	66,350	-	-	-
Operating expenditures	950	950	-	950
Public assistance	894,290	744,812	744,812	-
Total expenditures	<u>961,590</u>	<u>745,762</u>	<u>744,812</u>	<u>950</u>
Excess (deficiency) of revenues over (under) expenditures	(331,590)	8,134	9,084	950
Fund balance (deficit), October 1, 2011	<u>(9,084)</u>	<u>(9,084)</u>	<u>(9,084)</u>	<u>-</u>
Fund balance (deficit), September 30, 2012	<u><u>\$ (340,674)</u></u>	<u><u>(950)</u></u>	<u><u>-</u></u>	<u><u>950</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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 434,037	341,599	341,584	(15)
Special assessments, property owners	-	8,300	8,356	56
Miscellaneous	100	100	-	(100)
Total revenues	<u>434,137</u>	<u>349,999</u>	<u>349,940</u>	<u>(59)</u>
Expenditures				
Economic environment				
Personnel services	160,196	168,196	167,414	782
Operating expenditures	27,245	27,245	15,385	11,860
Public assistance	209,060	166,822	166,639	183
Total expenditures	<u>396,501</u>	<u>362,263</u>	<u>349,438</u>	<u>12,825</u>
Excess (deficiency) of revenues over (under) expenditures	37,636	(12,264)	502	12,766
Fund balance, October 1, 2011	<u>100,328</u>	<u>100,328</u>	<u>100,328</u>	<u>-</u>
Fund balance, September 30, 2012	<u>\$ 137,964</u>	<u>88,064</u>	<u>100,830</u>	<u>12,766</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
SHELTER PLUS CARE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental grants	\$ 227,606	227,606	163,635	(63,971)
Total revenues	<u>227,606</u>	<u>227,606</u>	<u>163,635</u>	<u>(63,971)</u>
Expenditures				
Economic environment				
Personnel services	33,123	33,123	1,146	31,977
Public assistance	194,483	194,483	162,489	31,994
Total expenditures	<u>227,606</u>	<u>227,606</u>	<u>163,635</u>	<u>63,971</u>
Net change in fund balance	--	--	--	--
Fund balance, October 1, 2011	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance, September 30, 2012	<u>\$ --</u>	<u>--</u>	<u>--</u>	<u>--</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
ENERGY EFFICIENCY CONSERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 145,392	150,300	150,856	556
Total revenues	145,392	150,300	150,856	556
Expenditures				
Economic environment				
Personnel services	75,929	75,929	54,256	21,673
Operating expenditures	12,350	71,558	96,600	(25,042)
Total expenditures	88,279	147,487	150,856	(3,369)
Net change in fund balance	57,113	2,813	--	(2,813)
Fund balance, October 1, 2011	--	--	--	--
Fund balance, September 30, 2012	\$ 57,113	2,813	--	(2,813)

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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 71,358	-	-	-
Special assessments, property owners	1,000	2,400	2,425	25
Total revenues	<u>72,358</u>	<u>2,400</u>	<u>2,425</u>	<u>25</u>
Expenditures				
Economic environment				
Personnel services	-	415	414	1
Operating expenditures	-	1,000	827	173
Public assistance	71,358	79,935	80,488	(553)
Total expenditures	<u>71,358</u>	<u>81,350</u>	<u>81,729</u>	<u>(379)</u>
Excess (deficiency) of revenues over (under) expenditures	1,000	(78,950)	(79,304)	(354)
Fund balance, October 1, 2011	<u>134,914</u>	<u>134,914</u>	<u>134,914</u>	<u>-</u>
Fund balance, September 30, 2012	<u><u>\$ 135,914</u></u>	<u><u>55,964</u></u>	<u><u>55,610</u></u>	<u><u>(354)</u></u>

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
1995 SUBORDINATE LIEN SPECIAL REVENUE REFUNDING BONDS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 23,210	16,410	16,326	(84)
Total revenues	23,210	16,410	16,326	(84)
Expenditures				
Loan principal repayments	216,600	1,197,000	1,203,025	(6,025)
Interest on bonds	65,237	49,337	43,236	6,101
Fees and expenditures	1,000	954	946	8
Total expenditures	282,837	1,247,291	1,247,207	84
Deficiency of revenues (under expenditures)	(259,627)	(1,230,881)	(1,230,881)	-
Other financing sources (uses)				
Transfer to general fund	-	(521,746)	(521,746)	-
Transfer to golf course fund	-	(27,364)	(27,364)	-
Transfer from general fund	259,627	259,627	259,627	-
Total other financing sources	259,627	(289,483)	(289,483)	-
Net change in fund balance	-	(1,520,364)	(1,520,364)	-
Fund balance, October 1, 2011	1,520,364	1,520,364	1,520,364	-
Fund balance, September 30, 2012	\$ 1,520,364	-	-	-

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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 5,913	2,413	1,432	(981)
Total revenues	5,913	2,413	1,432	(981)
Expenditures				
Loan principal repayments	319,613	319,613	319,613	-
Interest on bonds	178,396	178,396	177,445	951
Total expenditures	498,009	498,009	497,058	951
Deficiency of revenues (under) expenditures	(492,096)	(495,596)	(495,626)	(30)
Other financing sources				
Transfer from General Fund	492,096	495,596	495,626	30
Total other financing sources	492,096	495,596	495,626	30
Fund balance, October 1, 2011	64,289	64,289	64,289	-
Fund balance, September 30, 2012	\$ 64,289	64,289	64,289	-

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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Expenditures				
Loan principal repayments	\$ 145,000	2,085,000	2,055,000	30,000
Interest on bonds	100,150	100,150	100,150	-
Fees and expenditures	3,277	33,277	62,198	(28,921)
Total expenditures	<u>248,427</u>	<u>2,218,427</u>	<u>2,217,348</u>	<u>1,079</u>
Other financing sources				
Proceeds from loan	-	1,970,000	1,970,000	-
Transfer from General Fund	248,427	248,427	248,427	-
Total other financing sources	<u>248,427</u>	<u>2,218,427</u>	<u>2,218,427</u>	<u>-</u>
Net change in fund balance	-	-	1,079	1,079
Fund balance, October 1, 2011	<u>548</u>	<u>548</u>	<u>548</u>	<u>-</u>
Fund balance, September 30, 2012	<u>\$ 548</u>	<u>548</u>	<u>1,627</u>	<u>1,079</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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 500,004	500,004	500,004	-
Total revenues	500,004	500,004	500,004	-
Expenditures				
Loan principal repayments	385,000	385,000	385,000	-
Interest on bonds	726,911	726,911	726,911	-
Fees and expenditures	1,000	1,000	376	624
Total expenditures	1,112,911	1,112,911	1,112,287	624
Excess deficiency of revenues over (under) expenditures	(612,907)	(612,907)	(612,283)	624
Other financing sources				
Transfer from General Fund	612,907	612,907	612,907	-
Net change in fund balance	-	-	624	624
Fund balance, October 1, 2011	1,751	1,751	1,751	-
Fund balance, September 30, 2012	\$ 1,751	1,751	2,375	624

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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Expenditures				
Interest on bonds	\$ -	100,700	100,742	(42)
Fees and expenditures	-	49,300	48,519	781
Total expenditures	-	150,000	149,261	739
Deficiency of revenues (under) expenditures	-	(150,000)	(149,261)	739
Other financing sources				
Transfer from General Fund		150,000	150,000	-
Net change in fund balance	-	-	739	739
Fund balance, October 1, 2011	-	-	-	-
Fund balance, September 30, 2012	\$ -	-	739	739

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, 2012

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 4,174	7,600	11,801	4,201
Intergovernmental grants	680,965	153,618	153,618	-
Total revenues	<u>685,139</u>	<u>161,218</u>	<u>165,419</u>	<u>4,201</u>
Expenditures				
General government				
Operating expenditures	-	-	274	(274)
Capital outlay	680,965	192,319	192,319	-
Total expenditures	<u>680,965</u>	<u>192,319</u>	<u>192,593</u>	<u>(274)</u>
Excess (deficiency) of revenues over (under) expenditures	4,174	(31,101)	(27,174)	3,927
Net change in fund balance	4,174	(31,101)	(27,174)	3,927
Fund balance, October 1, 2011	<u>576,467</u>	<u>576,467</u>	<u>576,467</u>	<u>-</u>
Fund balance, September 30, 2012	<u><u>\$ 580,641</u></u>	<u><u>545,366</u></u>	<u><u>549,293</u></u>	<u><u>3,927</u></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, 2012

	<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	\$ 2,044	2,044	1,233	(811)
Total revenues	<u>2,044</u>	<u>2,044</u>	<u>1,233</u>	<u>(811)</u>
Expenditures				
Capital outlay	-	77,750	77,750	-
Total expenditures	<u>-</u>	<u>77,750</u>	<u>77,750</u>	<u>-</u>
Excess deficiency of revenues over (under) expenditures	2,044	(75,706)	(76,517)	(811)
Other financing sources				
Transfer from General Fund	136,503	136,503	136,503	-
Total other financing sources	<u>136,503</u>	<u>136,503</u>	<u>136,503</u>	<u>-</u>
Net change in fund balance	138,547	60,797	59,986	(811)
Fund balance, October 1, 2011	<u>58,693</u>	<u>58,693</u>	<u>58,693</u>	<u>-</u>
Fund balance, September 30, 2012	<u>\$ 197,240</u>	<u>119,490</u>	<u>118,679</u>	<u>(811)</u>

Internal Service Funds

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

Property Insurance Fund

To account for insurance of properties for all city departments.

Medical Self-Insurance Program Fund

To account for the receipt, custody and expense of medical self-insurance program funds.

Workers' Compensation Self-Insurance Program Fund

To account for the receipt, custody and expense of workers' compensation self-insurance program funds.

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
September 30, 2012

	Property Insurance	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 2,136,642	4,042,757	8,964,069	15,143,468
Due from insurance	9,555	1,523	14,910	25,988
Prepaid items	-	93,200	-	93,200
Total current assets	<u>\$ 2,146,197</u>	<u>4,137,480</u>	<u>8,978,979</u>	<u>15,262,656</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 157	282,786	19,681	302,624
Unearned revenues	-	53,495	-	53,495
Estimated payable for outstanding claims	-	47,000	54,000	101,000
Total current liabilities	<u>157</u>	<u>383,281</u>	<u>73,681</u>	<u>457,119</u>
Noncurrent liabilities				
Estimated payable for outstanding claims	-	423,000	489,568	912,568
Total liabilities	<u>157</u>	<u>806,281</u>	<u>563,249</u>	<u>1,369,687</u>
Net assets				
Unrestricted	<u>2,146,040</u>	<u>3,331,199</u>	<u>8,415,730</u>	<u>13,892,969</u>
Total liabilities and net assets	<u>\$ 2,146,197</u>	<u>4,137,480</u>	<u>8,978,979</u>	<u>15,262,656</u>

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
For the Fiscal Year Ended September 30, 2012

	Property Insurance	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Total
Operating revenues				
Charges for services	\$ 1,092,724	5,575,106	1,216,649	7,884,479
Operating expenses				
Contractual services	795,659	762,681	134,545	1,692,885
Supplies and materials	-	-	3,248	3,248
Claims	203,084	3,521,751	735,160	4,459,995
Total operating expenses	998,743	4,284,432	872,953	6,156,128
Operating income	93,981	1,290,674	343,696	1,728,351
Non-operating revenues				
Interest income and investment earnings	61,131	108,209	-	169,340
Change in net assets	155,112	1,398,883	343,696	1,897,691
Total net assets, beginning	1,990,928	1,932,316	8,072,034	11,995,278
Total net assets, ending	\$ 2,146,040	3,331,199	8,415,730	13,892,969

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2012

	Property Insurance	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Total
Cash flows from operating activities				
Receipts from charges for services	\$ 1,083,719	5,627,207	1,254,102	7,965,028
Payments to suppliers	(1,002,726)	(762,681)	(139,373)	(1,904,780)
Payments for employees	-	(3,406,176)	(1,172,602)	(4,578,778)
Net cash provided (used) by operating activities	<u>80,993</u>	<u>1,458,350</u>	<u>(57,873)</u>	<u>1,481,470</u>
Cash flows from investing activities				
Interest and investment earnings received	<u>61,131</u>	<u>108,209</u>	-	<u>169,340</u>
Net increase (decrease) in cash and equivalents	142,124	1,566,559	(57,873)	1,650,810
Cash and cash equivalents, October 1, 2011	<u>1,994,518</u>	<u>2,476,198</u>	<u>9,021,942</u>	<u>13,492,658</u>
Cash and cash equivalents, September 30, 2012	<u>\$ 2,136,642</u>	<u>4,042,757</u>	<u>8,964,069</u>	<u>15,143,468</u>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income	\$ 93,981	1,290,674	343,696	1,728,351
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
(Increase) decrease:				
Due from insurance	(9,005)	(1,394)	-	(10,399)
Prepaid items	-	(48,558)	-	(48,558)
Increase (decrease):				
Unearned revenues	-	53,495	-	53,495
Accounts payable	(3,983)	260,133	35,873	292,023
Claims payable	-	(96,000)	(437,442)	(533,442)
Total adjustments	<u>(12,988)</u>	<u>167,676</u>	<u>(401,569)</u>	<u>(246,881)</u>
Net cash provided (used) by operating activities	<u>\$ 80,993</u>	<u>1,458,350</u>	<u>(57,873)</u>	<u>1,481,470</u>

Fiduciary Funds

Trust Funds

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

Pension Trust Funds

Firefighters' Pension Fund

To account for the financial operation and condition of the firefighters' pension fund.

Police Officers' Pension Fund

To account for the financial operation and condition of the police officers' pension fund.

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 September 30, 2012

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
Assets			
Cash and cash equivalents	\$ 1,741,372	-	1,741,372
Due from state	6,639	-	6,639
Due from city	59,804	59,803	119,607
Due from plan members	10,648	13,145	23,793
Interest receivable	70,250	174,861	245,111
Investments, at fair value			
U.S. Government obligations	997,645	9,232,656	10,230,301
Domestic corporate bonds	6,113,818	9,227,671	15,341,489
Convertible bonds	-	3,824,707	3,824,707
Domestic stocks	21,011,705	12,951,968	33,963,673
Corporate stocks	-	2,622,308	2,622,308
International funds	3,286,412	-	3,286,412
Common equity securities	-	2,422,081	2,422,081
Preferred equity securities	-	1,136,519	1,136,519
Mutual funds	-	10,928,699	10,928,699
Money market	-	1,046,342	1,046,342
Total investments	<u>31,409,580</u>	<u>53,392,951</u>	<u>84,802,531</u>
Total assets	<u>33,298,293</u>	<u>53,640,760</u>	<u>86,939,053</u>
Liabilities			
Accounts payable	<u>32,629</u>	<u>65,677</u>	<u>98,306</u>
Total liabilities	<u>32,629</u>	<u>65,677</u>	<u>98,306</u>
Net Assets			
Held in trust for pension benefits and other purposes	<u>\$ 33,265,664</u>	<u>53,575,083</u>	<u>86,840,747</u>

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

For the Fiscal Year Ended September 30, 2012

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
Additions			
Contributions			
Employer	\$ 1,862,084	1,756,114	3,618,198
Plan members	280,699	386,351	667,050
Repayment of pension benefits	-	2,607	2,607
State of Florida (from City's General Fund)	448,769	423,100	871,869
Total contributions	<u>2,591,552</u>	<u>2,568,172</u>	<u>5,159,724</u>
Investment earnings			
Interest	322,054	873,653	1,195,707
Dividends	468,158	332,908	801,066
Miscellaneous/settlement income	439,542	-	439,542
Net increase in the fair value of investments	<u>4,617,871</u>	<u>7,123,116</u>	<u>11,740,987</u>
Total investment earnings	5,847,625	8,329,677	14,177,302
Less investment expenses	<u>180,522</u>	<u>271,611</u>	<u>452,133</u>
Net investment earnings	<u>5,667,103</u>	<u>8,058,066</u>	<u>13,725,169</u>
Total additions, net	<u>8,258,655</u>	<u>10,626,238</u>	<u>18,884,893</u>
Deductions			
Benefits	1,852,501	2,279,932	4,132,433
Refunds of contributions	-	44,869	44,869
DROP plan payments	789,566	618,401	1,407,967
Administrative expenses	<u>68,765</u>	<u>74,167</u>	<u>142,932</u>
Total deductions	<u>2,710,832</u>	<u>3,017,369</u>	<u>5,728,201</u>
Change in net assets	5,547,823	7,608,869	13,156,692
Net assets, beginning	<u>27,717,841</u>	<u>45,966,214</u>	<u>73,684,055</u>
Net assets, ending	<u>\$ 33,265,664</u>	<u>53,575,083</u>	<u>86,840,747</u>



“Art Slam”



Bradenton “Blues Fest”



Public Events

What better way to showcase Bradenton than to host events attended by residents and visitors alike? Through the efforts of Realize Bradenton the Art Slam, the Blues Fest, and many other groups have discovered the value of holding their events in downtown Bradenton and along the Riverwalk.

Discretely Presented Component Units

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

Nonmajor Discretely Presented Component Units

Bradenton Downtown Development Authority

The Bradenton 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 (CCRA) is a dependent special district created by the Community Redevelopment Act of 1969, Chapter 163 Part III, Florida Statutes, and City of Bradenton Ordinance 2628 passed by the Bradenton City Council on July 12, 2000. The Central Community Redevelopment Agency provides a framework for coordinating and facilitating public and private redevelopment of the Central Community Redevelopment District and adjacent areas.

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF NET ASSETS
 COMPONENT UNITS
 September 30, 2012

	<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	\$ -	2,453,499	275,225	81,249	2,809,973
Accounts receivable	-	-	-	78,800	78,800
Due from other governments	-	499,610	-	127,124	626,734
Prepaid insurance	-	-	-	10,620	10,620
Deferred charges	-	145,169	-	2,959	148,128
Deferred outflow of resources	-	-	-	605,813	605,813
Capital assets					
Land	-	-	2,923,829	2,985,292	5,909,121
Construction in progress	-	6,501,477	-	89,044	6,590,521
Machinery and equipment(net of accumulated depreciation)	-	1,297	516,694	907,008	1,424,999
Total assets	-	9,601,052	3,715,748	4,887,909	18,204,709
Liabilities					
Accounts payable and other liabilities	-	645,306	-	15,323	660,629
Accrued interest payable	-	20,383	930	24,763	46,076
Long-term liabilities					
Due within one year	-	-	976,339	224,900	1,201,239
Due in more than one year					
Revenue bonds payable	-	5,161,005	149,098	-	5,310,103
Notes payable	-	-	-	3,350,372	3,350,372
Interest rate swap contract liability	-	-	-	605,813	605,813
Total liabilities	-	5,826,694	1,126,367	4,221,171	11,174,232
Net Assets					
Invested in capital assets, net of related debt	-	1,341,769	2,315,086	406,072	4,062,927
Unrestricted	-	2,432,589	274,295	260,666	2,967,550
Total net assets	\$ -	3,774,358	2,589,381	666,738	7,030,477

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2012

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	\$ 3,394,900	177,515	352,071	499,610	\$ (2,365,704)
Interest on long-term debt	<u>481,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(481,183)</u>
Total component units	<u>\$ 3,876,083</u>	<u>177,515</u>	<u>352,071</u>	<u>499,610</u>	<u>(2,846,887)</u>
General revenues					
Tax increment funding					3,506,645
Unrestricted investment earnings					22,641
Miscellaneous revenues					<u>52,292</u>
Total general revenues					<u>3,581,578</u>
Change in net assets					734,691
Net assets, beginning, restated					<u>6,295,786</u>
Net assets, ending					<u>\$ 7,030,477</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2012

Bradenton 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	\$ 1,996,462	-	-	499,610	\$ (1,496,852)
Interest on long-term debt	<u>254,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(254,677)</u>
Total Bradenton Community Redevelopment Agency	<u>\$ 2,251,139</u>	<u>-</u>	<u>-</u>	<u>499,610</u>	<u>(1,751,529)</u>
General revenues					
Tax increment funding					2,088,425
Investment earnings					20,820
Other revenues					<u>52,292</u>
Total general revenues					<u>2,161,537</u>
Change in net assets					410,008
Net assets, beginning, restated					<u>3,364,350</u>
Net assets, ending					<u>\$ 3,774,358</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2012

14th Street Community Redevelopment Agency

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Assets of the Component Unit</u>
Government activities				
Community Development	\$ 248,707	-	-	\$ (248,707)
Interest on long-term debt	<u>10,417</u>	<u>-</u>	<u>-</u>	<u>(10,417)</u>
Total 14th Street Community Redevelopment Agency	<u>\$ 259,124</u>	<u>-</u>	<u>-</u>	<u>(259,124)</u>
General revenues				
Tax increment funding				463,452
Unrestricted investment earnings				<u>1,133</u>
Total general revenues				<u>464,585</u>
Change in net assets				205,461
Net assets, beginning				<u>2,383,920</u>
Net assets, ending				<u>\$ 2,589,381</u>

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNIT
 For the Fiscal Year Ended September 30, 2012

Central Community Redevelopment Agency

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Assets of the Component Unit</u>
Government activities				
Community Development	\$ 1,149,731	177,515	352,071	\$ (620,145)
Interest on long-term debt	216,089	-	-	(216,089)
Total Central Community Redevelopment Agency	<u>\$ 1,365,820</u>	<u>177,515</u>	<u>352,071</u>	<u>(836,234)</u>
General revenues				
Tax increment funding				954,768
Unrestricted investment earnings				<u>688</u>
Total general revenues				<u>955,456</u>
Change in net assets				119,222
Net assets, beginning				<u>547,516</u>
Net assets, ending				<u>\$ 666,738</u>



City of Bradenton
2011 - 2012 Comprehensive
Annual Financial Report

Statistical Section

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	129
<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	136
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	
Debt Capacity	141
<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	147
<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	149
<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).



Postcards from The Friendly City

In partnership with the South Florida Museum and the Manatee Historic Village Park, artists Jean Blackburn and Don Brandes were commissioned to depict Bradenton's history

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 15,997,339	16,777,759	12,887,064	17,729,130	16,480,126	26,757,655	26,242,893	25,595,080	23,688,608	18,853,236
Restricted	24,911,540	25,093,577	30,138,835	25,729,021	35,307,860	25,355,699	25,066,065	21,889,878	4,324,243	2,324,902
Unrestricted	24,905,693	22,947,491	25,798,294	31,106,637	36,230,240	35,071,462	34,293,817	33,094,759	49,753,644	57,027,749
Total governmental net assets	<u>\$ 65,814,572</u>	<u>64,818,827</u>	<u>68,824,193</u>	<u>74,564,788</u>	<u>88,018,226</u>	<u>87,184,816</u>	<u>85,602,775</u>	<u>80,579,717</u>	<u>77,766,495</u>	<u>78,205,887</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 53,383,080	53,237,950	51,528,628	52,193,816	50,110,225	57,932,879	57,376,349	56,563,358	58,413,500	59,890,864
Restricted	3,133,523	3,138,210	3,143,434	3,220,742	3,013,075	3,013,075	3,013,075	3,013,075	3,013,075	-
Unrestricted	922,509	2,166,117	4,527,798	5,604,192	11,610,427	4,982,748	6,042,809	7,224,403	8,096,837	15,266,662
Total business-type net assets	<u>\$ 57,439,112</u>	<u>58,542,277</u>	<u>59,199,860</u>	<u>61,018,750</u>	<u>64,733,727</u>	<u>65,928,702</u>	<u>66,432,233</u>	<u>66,800,836</u>	<u>69,523,412</u>	<u>75,157,526</u>
Primary government										
Invested in capital assets, net of related debt	\$ 69,380,419	70,015,709	64,415,692	69,922,946	66,590,351	84,690,534	83,619,242	82,158,438	82,102,108	78,744,100
Restricted	28,045,063	28,231,787	33,282,269	28,949,763	38,320,935	28,368,774	28,079,140	24,902,953	7,337,318	2,324,902
Unrestricted	25,828,202	25,113,608	30,326,092	36,710,829	47,840,667	40,054,210	40,336,626	40,319,162	57,850,481	72,294,411
Total primary net assets	<u>\$ 123,253,684</u>	<u>123,361,104</u>	<u>128,024,053</u>	<u>135,583,538</u>	<u>152,751,953</u>	<u>153,113,518</u>	<u>152,035,008</u>	<u>147,380,553</u>	<u>147,289,907</u>	<u>153,363,413</u>

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
General government	\$ 5,239,621	6,339,355	8,815,241	10,362,642	7,817,764	9,927,526	10,821,162	11,031,574	9,369,379	8,247,333 (1)
Public safety	13,805,051	16,922,308	16,856,411	18,631,835	19,288,504	20,933,673	22,608,726	22,864,152	22,531,358	20,574,575 (1)
Transportation	3,369,296	3,906,821	3,407,812	3,903,857	4,307,161	4,630,993	3,300,430	3,109,157	2,793,289	2,884,855
Neighborhood Stabilization Grant	-	-	-	-	-	-	-	1,067,769	460,726	744,812
Community Development Program	547,530	602,914	496,035	594,060	509,025	545,736	640,582	405,125	729,978	349,438
Housing Assistance Program	2,776,016	2,982,473	2,990,960	2,807,645	2,750,502	3,246,985	3,463,616	1,133,014	-	- (3)
Energy Efficiency Conservation Program	-	-	-	-	-	-	-	-	29,418	150,856 (2)
State Housing Initiatives Program	570,666	414,634	255,586	1,141,220	1,115,123	61,653	604,871	451,003	104,315	81,729
Shelter Plus Care Program	-	-	-	9,255	89,706	130,161	156,086	227,385	151,905	163,635
Economic environment	26,192	34,147	631	17,625	-	27,463	10,327	8,297	8,610	7,047
Culture and recreation	2,288,519	2,924,364	2,870,695	3,028,399	2,937,357	4,420,779	3,193,560	3,055,759	2,945,045	2,490,494 (1)
Interest on long-term debt	590,203	641,624	821,891	873,798	1,052,507	1,265,864	1,216,311	1,173,161	1,127,587	1,239,189
Total governmental activities expenses	29,213,094	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
Business-type activities										
Water and Sewer	15,315,953	15,174,383	15,465,554	16,471,733	17,182,008	18,046,291	19,228,039	18,173,824	17,788,224	16,845,092 (1)
Sanitation	4,878,955	5,477,523	5,972,705	6,208,743	6,350,625	6,528,224	6,506,834	6,352,001	6,131,518	5,627,349 (1)
Parking	-	-	-	236,507	771,224	774,913	818,755	783,496	800,768	697,157
Golf Course	1,497,296	1,509,224	1,459,044	1,294,183	1,325,772	1,390,336	1,446,488	1,413,037	1,371,498	1,265,310
Total business-type activities expenses	21,692,204	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
Total primary government expenses	\$ 50,905,298	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
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 2,765,081	2,724,673	5,713,910	5,438,417	4,448,160	5,499,999	3,118,650	3,484,499	3,777,718	5,679,319
Community Development Program	50,094	39,769	65,382	48,675	53,567	26,919	-	2,100	9,556	8,356
Housing Assistance Program	4,148	11,597	-	-	-	-	-	-	-	-
State Housing Initiatives Program	73,486	85,968	157,427	125,374	68,452	107,450	13,285	10,520	37,300	2,425
Culture and recreation	414,613	-	-	-	-	-	-	-	-	-
Operating grants and contributions	4,736,353	6,302,540	4,574,255	5,272,394	6,198,967	6,617,786	7,432,288	5,861,896	3,673,566	2,339,616
Capital grants and contributions	681,758	185,972	571,248	100,376	350,438	401,775	-	302,042	307,615	242,668
Total govt. activities program revenues	8,725,533	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
Business-type activities										
Charges for services										
Water and Sewer	14,919,342	16,159,322	16,777,278	17,626,662	19,073,641	17,837,280	18,684,199	17,674,071	19,023,763	20,044,580
Sanitation	5,007,815	5,234,566	5,053,176	6,067,606	6,728,290	6,879,192	6,767,688	6,696,938	6,961,945	7,080,914
Other	1,381,126	1,600,339	1,561,112	1,957,094	2,567,511	2,579,530	2,205,050	2,104,764	2,099,318	2,017,366
Operating grants and contributions	-	-	-	-	-	-	-	412,570	769,129	587,228
Total business-type program revenues	21,308,283	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
Total primary govt. program revenues	\$ 30,033,816	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
Net (expense)/revenue										
Governmental activities	\$ (20,487,561)	(25,418,121)	(25,433,040)	(30,385,100)	(28,748,065)	(32,536,904)	(35,451,448)	(34,865,339)	(32,445,855)	(28,661,579)
Business-type activities	(383,921)	833,097	494,263	1,440,196	2,739,813	556,238	(343,179)	165,985	2,762,147	5,295,180
Total primary government net expense	\$ (20,871,482)	(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)

(continued)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 8,299,374	9,323,620	11,206,029	12,597,102	14,982,691	14,449,476	14,182,819	12,722,890	12,853,772	12,970,233
Utility taxes	3,426,596	3,487,763	3,679,392	3,923,729	3,730,455	3,614,330	3,674,959	3,864,722	3,926,752	3,932,368
Franchise fees	2,370,966	2,619,133	2,873,944	3,647,783	3,557,735	3,408,379	3,458,060	3,109,552	3,098,917	2,962,576
Public service taxes	3,055,549	2,575,777	2,927,551	2,870,757	2,882,546	2,866,892	2,634,733	2,529,202	2,472,542	2,461,325
Impact fees	-	-	-	-	-	-	-	34,933	-	-
Local-government half-cent sales taxes	3,338,260	3,264,405	4,006,309	3,915,794	3,737,615	3,452,928	3,065,377	3,034,041	3,245,371	3,126,907
Other taxes	327,913	370,580	707,770	825,615	781,258	422,857	655,991	497,245	519,604	366,602
State revenue sharing	1,368,709	1,438,399	2,005,629	2,035,592	2,017,301	1,852,696	1,609,583	1,616,479	1,619,296	1,378,224
Unrestricted investment earnings	1,670,473	899,642	316,499	2,103,118	2,789,012	1,308,264	3,540,262	2,208,876	1,018,973	1,554,589
Repayment of loan - CCRA	-	-	-	-	-	-	-	33,335	66,671	-
Gain on sale of capital assets	137,923	7,499	653,318	3,935,263	675,319	343,608	1,072,623	6,160	46,060	-
Transfers	593	435,558	(17,600)	270,942	(19,700)	(15,936)	(25,000)	184,846	514,675	348,147
Total governmental activities	23,996,356	24,422,376	28,358,841	36,125,695	35,134,232	31,703,494	33,869,407	29,842,281	29,382,633	29,100,971
Business-type activities										
Investment earnings	463,894	557,258	130,320	654,731	862,178	609,869	818,055	618,876	459,777	687,081
Gain on sale of capital assets	(13,434)	148,368	15,400	(5,095)	93,286	12,932	3,655	13,512	15,327	-
Transfers	(593)	(435,558)	17,600	(270,942)	19,700	15,936	25,000	(184,846)	(514,675)	(348,147)
Total business-type activities	449,867	270,068	163,320	378,694	975,164	638,737	846,710	447,542	(39,571)	338,934
Total primary government	\$ 24,446,223	24,692,444	28,522,161	36,504,389	36,109,396	32,342,231	34,716,117	30,289,823	29,343,062	29,439,905
Change in Net Assets										
Governmental activities	\$ 3,508,795	(995,745)	2,925,801	5,740,595	6,386,167	(833,410)	(1,582,041)	(5,023,058)	(3,063,222)	439,392
Business-type activities	65,946	1,103,165	657,583	1,818,890	3,714,977	1,194,975	503,531	613,527	2,722,576	5,634,114
Total primary government	\$ 3,574,741	107,420	3,583,384	7,559,485	10,101,144	361,565	(1,078,510)	(4,409,531)	(340,646)	6,073,506

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

(2) First year of grant was 2011

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

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

Fiscal Year	Property Tax	Utility Tax	Communication Service Tax	Half-Cent Sales Tax	Total
2003	\$ 8,299,374	3,426,596	3,055,549	3,338,259	18,119,778
2004	9,323,620	3,487,763	2,575,777	3,264,405	18,651,565
2005	11,206,029	3,679,392	2,927,551	4,006,309	21,819,281
2006	12,597,102	3,923,729	2,870,757	3,915,794	23,307,382
2007	14,982,691	3,730,455	2,882,546	3,737,615	25,333,307
2008	14,449,476	3,614,330	2,866,892	3,452,928	24,383,626
2009	14,182,819	3,674,959	2,634,733	3,065,377	23,557,888
2010	12,722,890	3,864,722	2,529,202	3,034,041	22,150,855
2011	12,853,772	3,926,752	2,472,542	3,245,371	22,498,437
2012	12,970,233	3,932,368	2,461,325	3,126,907	22,490,833

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General fund								
Reserved	\$ 323,008	347,874	328,968	956,734	1,730,005	839,764	569,585	546,807
Unreserved	12,878,780	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>\$ 13,201,788</u>	<u>10,841,859</u>	<u>12,728,122</u>	<u>19,503,230</u>	<u>19,402,867</u>	<u>18,709,599</u>	<u>20,322,621</u>	<u>18,526,608</u>
All other governmental funds								
Reserved	\$ 5,396,506	5,396,506	4,971,505	4,571,506	6,344,209	5,839,417	6,608,900	6,009,228
Unreserved, reported in								
Special revenue funds	17,364,099	17,521,568	18,710,078	18,949,081	17,512,722	17,587,349	16,350,074	16,563,777
Debt service funds	1,924,535	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	254,050	244,020 ⁽²⁾	4,475,280	189,789 ⁽²⁾	9,494,884	40,345	674,607	-
Total all other governmental funds	<u>\$ 24,939,190</u>	<u>25,149,338</u>	<u>30,204,625</u>	<u>25,773,041</u>	<u>35,414,038</u>	<u>25,456,828</u>	<u>25,163,479</u>	<u>24,067,966</u>

⁽¹⁾ 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 TWO FISCAL YEARS

	Fiscal Year	
	2011	2012
General Fund		
Nonspendable	\$ 3,035,344	2,677,563
Committed	6,245,670	3,302,443
Assigned	1,389,565	11,072,757
Unassigned	19,437,408	23,396,447
Total General Fund	<u>\$ 30,107,987</u>	<u>40,449,210</u>
All other governmental funds		
Restricted, reported in		
Special revenue funds	\$ 1,513,929	1,248,712
Debt service funds	2,698,546	69,030
Committed, reported in		
Capital projects funds	635,160	6,708,620
Assigned, reported in		
Debt service funds	8,548,831	-
Unassigned, reported in		
Special revenue funds	-	(103,695)
Total all other governmental funds	<u>\$ 13,396,466</u>	<u>7,922,667</u>
Total all governmental funds	<u>\$ 43,504,453</u>	<u>48,371,877</u>

NOTE: GASB 54 was implemented during fiscal year 2011

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 15,109,432	15,757,740	18,520,742	20,217,203	22,376,950	21,353,555	24,213,879	22,648,100	23,018,041	23,080,688
Fees	2,370,966	2,619,133	2,873,944	3,647,783	3,557,735	3,408,379	3,458,060	3,144,485	3,098,917	2,962,576
Licenses and permits	784,674	1,084,355	1,242,053	1,209,567	856,491	698,400	611,915	408,822	659,196	1,048,446
Intergovernmental grants	4,410,438	5,245,351	4,165,673	4,176,287	4,791,310	5,473,651	5,315,180	3,941,244	2,659,818	2,493,234
Intergovernmental revenues	4,716,711	4,747,777	6,065,392	6,073,046	5,981,527	5,725,130	2,303,987	1,883,486	1,787,238	1,672,181
Shared revenues	997,931	984,863	1,199,883	1,074,823	1,354,366	1,572,848	1,524,007	1,553,687	1,548,422	1,378,224
Payments in lieu of taxes	367	-	-	37,420	26,469	-	23,530	32,135	32,739	60,599
Charges for services	1,275,207	1,437,295	1,680,424	1,991,797	1,810,531	1,782,019	1,260,384	1,344,936	1,326,562	1,397,788
Fines and forfeitures	239,663	218,286	344,499	443,675	532,968	290,816	211,744	373,336	186,348	412,666
Interest / investment earnings	1,594,855	860,813	310,320	2,014,139	2,789,012	1,308,264	3,232,029	2,017,029	1,020,191	1,385,249
Rents	519,377	517,679	772,487	828,301	669,236	494,488	470,159	466,346	512,039	518,508
Contributions	-	-	120,000	550,003	12,178	580,269	12,600	402,000	-	-
Miscellaneous	692,095	294,746	1,653,150	272,544	495,487	1,097,029	413,600	850,924	565,026	489,130
Special assessments, property owners	115,892	118,550	273,507	385,360	166,819	156,070	26,700	20,620	57,663	34,206
Total revenues	32,827,608	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
Expenditures										
General government services	6,311,801	6,982,206	8,773,246	9,685,207	9,468,737	8,943,084	8,639,038	8,925,980	7,582,145	7,881,561
Public safety	14,194,629	16,288,189	17,191,344	18,647,250	20,433,678	20,894,380	20,154,685	20,882,402	20,586,889	21,302,361
Transportation	3,468,400	3,626,071	3,239,374	3,796,308	3,961,684	4,224,462	2,823,742	2,573,471	2,239,094	2,466,669
Economic environment	3,992,006	4,062,277	3,883,555	4,597,384	4,457,254	4,007,562	4,866,802	3,284,296	1,493,782	1,490,470
Culture-recreation	2,252,437	2,275,590	2,378,850	2,413,482	2,518,351	3,237,798	1,892,760	1,718,338	1,624,229	1,492,401
Capital outlay	3,242,213	1,091,001	1,708,531	7,364,019	10,185,766	10,603,881	1,387,684	922,980	358,972	2,041,870
Debt service principal	794,733	807,330	984,459	1,123,184	881,989	1,242,267	929,592	975,837	1,014,089	3,962,638
Debt service interest	643,004	610,109	767,724	870,080	827,223	1,244,167	1,192,588	1,149,688	1,104,550	1,149,529
Debt service fees/expenditures	-	3,404	44,139	25,487	846,338	3,187	3,879	3,809	3,677	112,039
Total expenditures	34,899,223	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
Excess (deficiency) of revenues over (under) expenditures	(2,071,615)	(1,859,589)	250,852	(5,600,453)	(8,159,941)	(10,459,870)	1,187,004	(1,349,651)	464,773	(4,966,043)
Other financing sources (uses)										
Transfers from other funds	13,839,053	13,723,314	14,802,962	16,196,528	16,563,335	16,077,562	16,647,339	14,300,643	5,139,545	2,824,836
Transfers to other funds	(13,838,460)	(14,468,569)	(14,820,562)	(16,875,586)	(16,583,035)	(16,093,498)	(16,672,339)	(14,715,797)	(5,024,870)	(2,476,689)
Repayment of loan, CCRA	-	-	-	-	-	-	-	33,335	66,671	-
Sales of capital assets	137,923	7,499	708,266	4,853,057	304,366	597,205	464,669	31,394	13,760	15,320
Issuance of debt	-	-	6,000,000	3,000,000	18,645,000	-	-	-	-	9,470,000
Proceeds from capital lease	-	447,563	-	-	299,031	-	-	-	-	-
Special item, Manatee Players	-	-	-	-	(1,528,122)	(771,877)	(307,000)	(191,450)	-	-
Special item, CCRA	-	-	-	-	-	-	-	(1,000,000)	-	-
Total other financing sources (uses) and special items	138,516	(290,193)	6,690,666	7,173,999	17,700,575	(190,608)	132,669	(1,541,875)	195,106	9,833,467
Net change in fund balances	\$ (1,933,099)	(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
Debt service as a percentage of noncapital expenditures	5.02%	4.38%	5.06%	6.94%	5.90%	3.13%	5.37%	5.44%	5.96%	13.41%

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

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
2003	\$ 1,728,472,073	280,774,844	339,299	(276,460,811)	1,733,125,405	4.30	NA	NA
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%
2011	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%

* 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			Overlapping Rates						Total Direct and Overlapping Rates
				Manatee County			School District			
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	
2003	4.30	-	3.9500	7.7311	0.1993	7.9304	8.3470	-	8.3470	20.2274
2004	4.30	-	4.3000	7.7089	0.1699	7.8788	8.2960	-	8.2960	20.4748
2005	4.75	-	4.3000	7.7245	0.1543	7.8788	7.9990	-	7.9990	20.1778
2006	4.75	-	4.7500	7.5719	0.1344	7.7063	7.9330	-	7.9330	20.3893
2007	4.75	-	4.7500	6.2993	0.0876	6.3869	7.6140	-	7.6140	18.7509
2008	4.11	-	4.7500	6.2993	0.0956	6.3949	7.6660	-	7.6660	18.8109
2009	4.28	-	4.1123	6.2993	0.1090	6.4083	7.3720	-	7.3720	17.8926
2010	4.28	-	4.2843	6.2993	0.1254	6.4247	7.5410	-	7.5410	18.2500
2011	4.95	-	4.9452	6.2993	0.1303	6.4296	7.5910	-	7.5910	18.9658
2012	5.20	-	5.2002	6.2993	0.1333	6.4326	7.5890	-	7.5890	19.2218

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

CITY OF BRADENTON, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾
Tropicana Products	\$ 154,293,349	1	6.04%	\$ 402,398,787	1	23.22%
Manatee Memorial Hospital LP	83,393,756	2	3.27%	68,826,842	2	3.97%
City of Bradenton (as Lessor)	58,820,860	3	2.30%	9,683,864	10	0.56%
HCA Health Services of Florida	56,531,219	4	2.21%	46,171,852	3	2.66%
Presbyterian Retirement Communities	45,730,554	5	1.79%	-	-	-
Freedom Village Ltd.	33,791,065	6	1.32%	-	-	-
139 Florida Power & Light	26,081,347	7	1.02%	-	-	-
Carlton Arms of Bradenton	24,049,683	8	0.94%	25,091,491	5	1.45%
Verizon Florida	21,383,079	9	0.84%	-	-	-
Continental 115 Fund LLC	17,156,374	10	0.67%	-	-	-
West Port Holdings LLC				23,246,658	6	1.34%
CMC Bradenton LLC				15,503,190	7	0.89%
EQR Sawgrass Cove Vistas Inc				13,952,321	8	0.81%
TC-Perico Company				12,021,842	9	0.69%
Walmart				26,875,396	4	1.55%
TOTALS	\$ 521,231,286		20.41%	\$ 643,772,243		37.15%

⁽¹⁾ Percentage of total net assessed value is calculated using total net taxable assessed value on page 145

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
2003	\$ 8,911,090	8,299,374	93.1%	48,014	8,347,388	93.7%
2004	9,912,217	9,323,619	94.1%	31,528	9,355,147	94.4%
2005	11,924,345	11,206,029	94.0%	8,585	11,214,614	94.0%
2006	13,058,221	12,565,367	96.2%	31,735	12,597,102	96.5%
2007	15,485,988	14,858,015	95.9%	124,676	14,982,691	96.7%
2008	15,062,032	14,387,727	95.5%	61,749	14,449,476	95.9%
2009	14,291,119	13,697,033	95.8%	419,268	14,116,301	98.8%
2010	13,315,918	12,683,700	95.3%	38,910	12,722,610	95.5%
2011	13,277,624	12,812,986	96.5%	40,706	12,853,692	96.8%
2012	13,249,291	12,937,796	97.6%	32,438	12,970,233	97.9%

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			
2003	\$ 2,605,225	10,258,369	61,629	19,685,484	814,775	-	56,508	33,481,990	5.965%	641.65
2004	2,457,025	9,599,239	482,218	17,906,864	767,975	-	13,902	31,227,223	7.103%	589.20
2005	2,301,225	14,770,580	405,422	8,622,605	718,775	7,872,056	12,155	34,702,818	6.908%	639.06
2006	2,141,625	8,229,618	327,588	6,642,371	668,375	16,687,334	7,998	34,704,909	7.515%	632.02
2007	1,970,625	26,163,629	489,674	4,551,038	614,375	16,608,614	151,481	50,549,436	5.251%	929.06
2008	1,792,025	25,090,668	166,592	2,340,000	557,975	16,217,211	105,044	46,269,515	5.756%	855.42
2009	1,605,825	24,347,276	98,596	-	499,175	15,781,718	56,789	42,389,379	6.100%	784.25
2010	1,408,225	23,569,039	28,605	-	436,775	13,055,210	6,634	38,504,488	6.696%	714.75
2011	1,203,025	22,760,150	5,721	-	371,975	10,127,661	330,906	34,799,438	6.842%	699.85
2012	-	29,470,537	-	-	-	7,096,342	262,017	36,828,896	6.468%	730.89

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

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

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

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⁾
2003	\$ 12,863,594	2,203,756	10,659,838	0.3536%	204.29
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

⁽¹⁾ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property (page 145) for property value data

⁽²⁾ Population data can be found in the Schedule of Demographic and Economic Statistics (page 155)

CITY OF BRADENTON, FLORIDA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 September 30, 2012

<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	\$ 121,860,000	15.12%	18,425,232
Manatee County School Board	324,419,651	15.12%	49,052,251
Subtotal, overlapping debt			<u>67,477,483</u>
City of Bradenton direct debt	29,470,537	100.00%	<u>23,968,896</u>
Total direct and overlapping debt			<u><u>\$ 91,446,379</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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Total governmental funds	\$ 32,965	33,894	39,930	47,775	45,725	44,528	43,078	39,087	36,472	36,933
Less ad valorem revenues	8,503	9,540	11,444	12,851	14,983	14,449	14,182	12,723	12,854	12,970
Total non-ad valorem revenues	24,462	24,354	28,486	34,924	30,742	30,079	28,896	26,364	23,618	23,963
Less restricted funds:										
Special revenues	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Adjusted non-ad valorem revenues	\$ 21,699	21,591	25,723	32,161	27,979	27,316	26,133	23,601	20,855	23,963
Expenditures										
General expenditures										
Public safety	\$ 14,194	16,288	17,191	18,647	20,434	20,894	20,155	20,822	20,587	21,302
General government	5,541	6,982	8,773	9,685	9,469	8,943	8,639	8,088	7,582	7,881
Total general expenditures	19,735	23,270	25,964	28,332	29,903	29,837	28,794	28,910	28,169	29,183
Less ad valorem revenues available to pay general expenditures	8,503	9,540	11,444	12,851	14,983	14,449	14,182	12,723	12,854	12,970
Adjusted general expenditures	11,232	13,730	14,520	15,481	14,920	15,388	14,612	16,187	15,315	16,213
Legally available non-ad valorem revenues	\$ 10,467	7,861	11,203	16,680	13,059	11,928	11,521	7,414	5,540	7,584
Average of current and prior year	\$ 11,720	9,164	9,532	13,942	14,870	12,494	11,725	9,468	6,477	7,750
Annual debt service requirement⁽¹⁾	1,437	1,420	1,752	1,993	1,709	2,486	2,121	2,105	2,119	2,136
Coverage	7.28x	5.54x	6.39x	8.37x	7.64x	4.80x	5.43x	3.52x	2.61x	3.55x
Percentage of governmental funds	4.36%	4.19%	4.39%	4.17%	4.74%	5.58%	4.92%	5.39%	5.81%	5.78%

(1) Excludes debt service on obligations where non-ad valorem revenues were not used to pay debt service.
Source: City of Bradenton, Florida Finance Department

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

Computation of Legal Debt Margin

There is no debt limit mandated by law.

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

Utility System Refunding Revenue Bond

Fiscal Year	Water-Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2003	\$ 14,164,067	8,680,050	5,484,017	2,346,883	423,135	1.98
2004	14,493,519	8,574,087	5,919,432	2,340,000	423,075	2.14
2005	14,482,551	9,494,616	4,987,935	2,340,000	423,075	1.81
2006	17,626,662	11,136,105	6,490,557	2,340,000	356,213	2.41
2007	18,966,413	12,413,962	6,552,451	2,398,628	233,166	2.49
2008	17,818,864	12,673,305	5,145,559	2,271,883	272,834	2.02
2009	18,684,199	14,349,381	4,334,818	2,402,364	284,804	1.61
2010	17,674,071	13,000,165	4,673,906	2,405,505	192,166	1.80
2011	19,023,763	12,772,791	6,250,972	2,494,266	97,882	2.41
2012	20,044,581	12,314,930	7,729,651	-	-	(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⁾ <i>(in thousands)</i>	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2003	52,181	\$ 1,997,280	38,276	4.1
2004	52,999	2,218,008	41,850	3.4
2005	54,303	2,397,423	44,149	3.2
2006	54,911	2,608,108	47,497	3.2
2007	54,409	2,654,397	48,786	4.3
2008	54,090	2,663,500	49,242	7.6
2009	54,051	2,585,584	47,836	12.5
2010	53,871	2,578,266	47,860	12.6
2011	49,724	2,380,984	47,884	10.9
2012	50,389	2,382,177	47,276	9.0

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
- ⁽⁴⁾ Florida Department of Labor and Employment Security

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

Employer	2012			2003		
	Employees ⁽¹⁾	Rank	Percentage of Total City Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total City Employment ⁽²⁾
Manatee County School Board	5,200	1	34.00%	4,528	1	29.51%
Beall's, Inc.	1,701	2	11.12%	821	7	5.35%
Manatee County Government	1,557	3	10.18%	1,639	3	10.68%
Manatee Memorial Hospital	1,445	4	9.45%	1,100	6	7.17%
Tropicana Products, Inc.	1,200	5	7.85%	3,200	2	20.85%
Manatee Co. Sheriff's Dept.	1,148	6	7.51%	1,133	5	7.38%
Blake Medical Center	1,100	7	7.19%	1,200	4	7.82%
Publix	881	8	5.76%	-	-	-
Pierce Manufacturing	569	9	3.72%	-	-	-
IMG Academies	493	10	3.22%	-	-	-
Wellcraft Marine	-		-	645	8	4.20%
Security Link from Ameritech/ADT	-		-	450	10	2.93%
SYSCO Westcoast Florida	-		-	630	9	4.11%
City of Bradenton	-		-	-	-	-
Total	15,294		100.00%	15,346		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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Full-time	108	108	109	109	109	107	102	87	90	94
Part-time	22	22	24	24	26	5	7	8	4	5
Public safety										
Police										
Officers	121	121	121	121	122	122	122	120	119	118
Civilians	29	29	29	29	29	28	30	25	29	30
Part-time civilians	20	20	20	20	20	28	12	26	26	26
Fire										
Firefighters and officers	71	71	71	71	70	70	70	65	64	65
Civilians	5	5	5	5	6	5	5	3	3	3
Part-time civilians	0	0	0	0	0	0	0	0	0	0
Highway and streets										
Engineering	5	5	5	5	5	7	7	8	8	8
Part-time engineering	2	2	2	2	1	0	0	0	1	1
Maintenance	18	18	18	18	19	17	16	13	13	13
Sanitation	65	65	65	65	66	55	55	55	52	52
Culture and recreation										
Full-time	49	49	49	49	44	42	39	36	35	31
Part-time	37	37	37	37	36	35	32	33	32	32
Water										
Full-time	50	50	50	50	50	39	41	41	41	40
Part-time	0	0	0	0	0	0	0	0	0	0
Sewer	58	58	58	58	58	50	50	47	47	50
Total										
Full-time	579	579	579	579	575	542	537	500	501	504
Part-time	81	81	81	81	83	83	51	67	63	64

Source: City of Bradenton annual budgets

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

		Fiscal Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function											
Police											
Physical arrests		2,277	2,857	3,004	2,244	2,641	2,720	2,834	2,576	2,424	2,137
Parking violations		NA	8,140	8,037	6,942	9,995	11,229	9,073	7,294	7,988	4,320
Traffic violations		6,051	8,329	12,660	12,182	17,186	11,535	10,247	7,050	7,586	4,881
Fire											
Number of calls answered		4,987	5,252	4,899	4,927	4,790	4,594	4,534	4,360	4,132	4,423
Inspections		3,478	1,955	1,092	2,215	1,408	721	1,398	1,914	1,968	2,272
150 Highways and streets											
Street resurfacing (miles)		0.278	0.427	0.147	2.370	2.307	2.400	2.500	10.450	3.1600	3,778
Potholes repaired		NA	NA	NA	2,276	3,081	3,065	3,181	2,351	2,192	1,743
Sanitation											
Refuse collected (tons/day)		207.04	197.29	181.93	118.68	207.02	183.20	168.09	165.7	208.28	244.12
Recyclables collected (tons/day)		114.58	234.50	22.06	139.55	6.82	6.80	6.70	37.67	6.90	7.69
Water											
New connections		NA	333	390	352	391	133	191	149	101	132
Water mains breaks		105	119	168	160	210	184	152	239	177	142
Average daily consumption (million of gallons)		4.96	5.14	5.02	5.43	5.86	4.84	4.91	5.01	5.12	5.493
Wastewater											
Average daily sewage treatment (million of gallons)		5.98	5.54	5.74	5.73	5.41	5.26	4.96	5.07	5.00	5.39

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	NA	NA	NA	125	122	126	120	115	119	125
Fire stations	3	3	3	3	3	3	3	3	3	3
Sanitation										
Collection trucks	18	18	18	18	21	19	19	14	15	16
Highways and streets										
Streets (miles)	139.00	139.00	142.00	142.00	144.92	149.00	149.00	149.00	154.69	154.58
Streetlights	NA	NA	NA	3,800	3,825	3,867	3,882	3,882	4,247	4,247
Traffic signals	NA	NA	NA	352	352	352	352	352	352	352
Culture and recreation										
Parks acreage	167.7	167.7	167.7	167.7	167.7	167.7	167.7	167.7	193.29	193.29
Parks	10	10	10	10	10	10	10	10	10	11
Tennis courts	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	183.80	183.80	183.80	184.00	254.00	254.00	254.00	254.00	254.00	254.00
Fire hydrants	NA	NA	NA	1,728	1,788	1,788	1,835	1,858	1,860	1,876
Maximum daily capacity (millions of gallons)	6.95	6.95	6.95	6.95	12.00	12.00	12.00	12.00	12.00	12.00
Sewer										
Sanitary sewers (miles)	146.2	146.2	146.2	146.0	200.0	200.0	200.0	200.0	175.5	175.5
Storm sewers (miles)	75.0	75.0	75.0	75.0	106.0	108.0	108.0	108.0	106.4	106.4
Maximum daily capacity (million of gallons)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0

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

Source: Various City of Bradenton Departments

* NA = (Not Available)



Big Eyes, Big Ears

Likened to a giant periscope, by swiveling this sculpture visitors are able to capture the sights and sounds of the Manatee River.



Parabolic (Sound) Dishes

Visitors can walk between these acoustic sculptures and experiment with the different sound effects they create.

Interactive Sculptures

The Downtown Development Authority commissioned Bill and Mary Buchen to create these interactive sculptures, giving a unique perspective to Riverwalk visitors.



City of Bradenton
2011 - 2012 Comprehensive
Annual Financial Report

Single Audit and
Grants Compliance

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bradenton, Florida, (the "City") as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 22, 2013. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the City of Bradenton Firefighters' Retirement System as described in our report on the City of Bradenton, Florida's financial statements. The financial statements of the City of Bradenton Firefighters' Retirement System were not audited in accordance with *Government Auditing Standards*, and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the City of Bradenton Firefighters' Retirement System.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that are reported to management of the City in a Management Letter dated March 22, 2013.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 22, 2013

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

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

Compliance

We have audited the City of Bradenton, Florida's (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget, (OMB) OMB Circular A-133 *Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs and State financial assistance projects for the year ended September 30, 2012. The City's major Federal programs and State financial assistance projects are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs and State financial assistance projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General—Local Government Entity Audits*. Those standards, OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General—Local Government Entity Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and State financial assistance projects for the year ended September 30, 2012.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs and State financial assistance projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program and State financial assistance project to determine the auditing procedures for

the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General—Local Government Entity Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over compliance.

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

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

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 22, 2013

**CITY OF BRADENTON, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2012**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		<u>Unqualified</u>		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	_____ x _____	no
Significant deficiency(ies) identified?	_____	yes	_____ x _____	none reported
Noncompliance material to financial statements noted?	_____	yes	_____ x _____	no

Federal Programs and State Financial Assistance Projects

Type of auditor's report issued on compliance for major Federal programs and State financial assistance projects:		<u>Unqualified</u>		
Internal Control over major Federal programs and State projects:				
Material weakness(es) identified?	_____	yes	_____ x _____	no
Significant deficiency(ies) identified?	_____	yes	_____ x _____	none reported
Any audit findings disclosed that must be reported in accordance with Circular A-133 (Section .510(a))?	_____	yes	_____ x _____	no
Dollar threshold used to determine Type A and Type B Federal programs and State financial assistance projects:			<u>\$300,000</u>	
Auditee qualified as low-risk auditee for Federal programs?	_____	yes	_____ x _____	no

Identification of major Federal programs:

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

Identification of major State financial assistance projects:

<u>CSFA Number(s)</u>	<u>Name of State Project or Cluster</u>
73.016	Florida Department of Revenue, Facilities for Retained Spring Training Franchise
37.077	Florida Department of Environmental Protection Agency, Wastewater Treatment Facility Construction, State Revolving Loan

Part II – Financial Statement Findings

No matters were reported.

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

No matters were reported.

Part IV – Summary Schedule of Prior Audit Findings

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

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2012

	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	\$ 43,191
Community Development Block Grant Program/Entitlement Grants	14.218	B12MC120024	306,749
			<u>349,940</u>
Neighborhood Stabilization Grant	14.264	10DB-4X-08-51-02-F-04	744,813
Shelter Plus Care	14.238	FL 0349V4H001102	28,556
Shelter Plus Care	14.238	FL 29C500001	50,284
Shelter Plus Care	14.238	FL 0349C4H001001	84,794
			<u>163,634</u>
Total Department of Housing and Urban Development			<u>1,258,387</u>
Environmental Protection Agency			
Passed through the Florida Department of Environmental Protection			
Capitalization Grants for Clean Water State Revolving Funds,			
Recovery Act	66.458	95423009-90	1,041,807
Total Environmental Protection Agency			<u>1,041,807</u>
Department of Justice			
Bullet Proof Vest Partnership Program	16.607	N/A	5,027
Passed through the Florida Department of Law Enforcement of			
Office of Attorney General			
Edward Byrne Justice Assistance Grant Program	16.738	2010 DJ-BX-1364	5,336
Edward Byrne Justice Assistance Grant Program	16.738	2011 DJ-BX-2994	38,369
Edward Byrne Justice Assistance Grant Program	16.738	2012 DJ-BX-0278	29,044
			<u>72,749</u>
Public Safety Partnership and Community Policing Grants,			
Recovery Act	16.710	2009-RK-WX-0230	195,333
Total Department of Justice			<u>273,109</u>
Department of Homeland Security			
Passed through the Florida Department of Community Affairs			
Severe Repetitive Loss Program	97.110	09SR-47-08-51-02-278	21,020
Severe Repetitive Loss Program	97.110	09SR-47-08-51-02-279	9,305
			<u>30,325</u>
State Homeland Security Grant	97.067	10-DS-39-13-00-16-414	7,653
Passed through the Florida Emergency Management Agency			
Assistance to Firefighter Grant (City sub-recipient to West			
Manatee Fire Department)	97.044	EMW-2011-FR-00435	158,407
Total Department of Homeland Security			<u>196,385</u>
Department of Energy			
Energy Efficiency Conservation Block Grant Program, Recovery Act	81.128	DE-SC00002663	176,762
Total Department of Energy			<u>176,762</u>
Department of Transportation			
Highway Planning and Construction, Recovery Act	20.205	FM 416236-1	30,089
Highway Planning and Construction, Recovery Act	20.205	FM 428250-1	78
			<u>30,167</u>
Total Department of Transportation			<u>30,167</u>
Total expenditures of Federal awards			<u>\$ 2,976,617</u>
State Financial Assistance			
Florida Housing Finance Agency			
State Housing Initiatives Partnership Program	52.901	N/A	\$ 81,729
Florida Department of Environmental Protection			
Wastewater Treatment Facility Construction, State Revolving Loan	37.077	SW410320	377,282
Florida Department of Revenue			
Facilities for Retained Spring Training Franchises	73.016	N/A	500,004
Florida Fish and Wildlife Conservation Commission			
Florida Boating Improvement Program	77.006	11395	99,500
Total expenditures of State financial assistance			<u>\$ 1,058,515</u>

This Schedule includes the Federal and State grant activity of the City of Bradenton, Florida, for the fiscal year ended September 30, 2012, 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.



Through skating, a lesson in how to co-exist

In an outstandingly creative use of space the Riverwalk's planners, in conjunction with local skate groups and award-winning Team Pain, chose to construct a skate park underneath an overpass that serves as the gateway into Bradenton. A civics lesson may be had by young, old, nimble and not-so-nimble when they navigate through the skate park amongst bikes, skates, scooters, skateboards ... kids, adults ... rookies and seasoned veterans. All have a place to hone their craft in what has become one of the most popular destinations along the Riverwalk.

MANAGEMENT LETTER

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

We have audited the financial statements of the City of Bradenton, Florida, (the "City") as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated March 22, 2013. We did not audit the financial statements of the City of Bradenton Firefighters' Retirement System which represents 36%, 36%, and 37%, respectively, of the assets, net assets, and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Bradenton Firefighters' Retirement System, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 March 22, 2013, should be considered in conjunction with this management letter.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and 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 violations of provisions of contracts or grant agreements, fraud, illegal acts or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The City disclosed the required information in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2012, 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, 2012. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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
March 22, 2013