

City of Bradenton, Florida

Comprehensive Annual Financial Report

Fiscal Year Ending September 30, 2014



The Wares Creek Restoration Project.

About our cover:

The heart and soul of any city is the framework upon which it's laid. The City of Bradenton is no different. Sustaining 50,000+ residents, and thousands of tourists, starts with the basics: Water. Sewer. Streets. Sanitation. Sidewalks. Parks. All are the responsibility of the city's Public Works & Utilities Department.

'Public Works' faces many of the same challenges as do other departments within the city ... balancing the provision of quality services with charging affordable fees to our citizens. Leveraging 'user fees' with grants and state/federal partnerships has allowed the department to fulfill their Mission Statement: "To develop, maintain and operate an efficient infrastructure system serving the City of Bradenton, and to effectively provide water, sewer and sanitation services to our residents."

With many thanks to the unsung heroes of the Public Works & Utilities Department that keep our city running, we present the 2014 City of Bradenton Comprehensive Annual Financial Report.

CITY OF BRADENTON, FLORIDA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2014

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The S. Earl Crawley Public Works Building
“Operations Central” for the city’s Public Works and Utilities functions:

Public Works Support Services
Purchasing, Budget and Debt Administration

Engineering
Construction Administration, GIS Mapping, Infrastructure
CADD Mapping, Capital Improvements

Public Works
City-wide Fleet Services, Solid Waste, Facilities Maintenance,
Electrical Maintenance, Streets, Drainage, Landscape & Grounds

Utilities
Water Distribution, Sewer Collection, Mechanical
Services, Water Treatment Plant, Wastewater Treatment Plant



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

March 19, 2015

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

Dear Mayor, Council and Citizens:

I am pleased to present the City of Bradenton Comprehensive Annual Financial Report (CAFR). This report addresses the City's finances for the fiscal year ended September 30, 2014. The accuracy of the data, the completeness and fairness of the presentation and the disclosures are the responsibility of the City Clerk & Treasurer, the Chief Financial Officer of the City. The data presented is believed to be accurate in all material respects and is presented to fairly reflect the financial position of the City. All disclosures necessary for a comprehensive understanding of the City's financial activity are included within this financial report.

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

Chapter 11.45 of the Florida Statutes requires an independent Certified Public Accountant's financial audit of all Florida municipalities. This requirement has been met for the fiscal year ended September 30, 2014 and the report of the independent auditors has been included in this document. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1996, the Florida Single Audit Act and the related OMB Circular A-133. The independent auditor's report on the basic financial statements and combining and individual fund statements and schedules, and the single audits is included in the Financial Section of this report.

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

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

Governmental accounting and auditing principles require that management provides a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Bradenton’s MD&A begins on page 4, immediately following the Independent Auditor’s Report.

City Organization. The City of Bradenton is centrally located on the west coast of Florida, approximately forty miles south of Tampa on the southern reaches of Tampa Bay. Bradenton encompasses 14.55 square miles and has a population of 51,119. The City of Bradenton provides a full range of services including police, fire, planning and community development, public works and utilities including water, sewer, solid waste and recycling services, as well as cultural and recreational facilities. Bradenton serves as the southern home to Major League Baseball’s Pittsburgh Pirates.

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

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

Local economy. The City of Bradenton and surrounding Manatee County had traditionally been one of the fastest growing regions in the nation. The past several years of the recession had a potentially devastating financial impact on the local economy. Construction and the real estate industries were virtually non-existent during that time. With that being said, the City of Bradenton and Manatee County have a diversified economic base that relies on service, retail, light manufacturing, agriculture and particularly tourism. That diversity has allowed us to weather the downturn better than most.

The most recent economic indicators point to a turnaround in our local economy. Real estate has begun to rebound as evidenced by a 6.5% increase in property values. Unemployment has dropped from 7.5% last year to a current level of 6.1% and tourism reached record levels in 2014.

Long-term financial planning. During the fiscal year 2013, the Bradenton City Council approved and adopted a formal Fund Balance Policy. The 2014 unassigned fund balances in the general fund have been maintained to insulate the general governmental operations from the fluctuations associated with the current economic uncertainty, or in the event of a natural or man-made disaster.

Relevant financial policies. For several years, a poor real estate market and rampant foreclosures resulted in a severe reduction in property values. In a bold move, City Council had consistently voted to raise the millage

rate to fend off a further deterioration of our financial condition. City leaders were not deterred from their goal to provide and maintain infrastructure for future growth and to practice sound fiscal responsibility with the City's resources to continue to maintain the quality of life for the citizens of Bradenton.

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

While weathering the economic downturn the City management team reviewed all operations in an effort to reduce costs while maintaining a consistent level of service. The City now operates with 7% fewer employees than it did in 1999, which is 13% below the 2005 level. As noted in this year's financial statements, this very conservative approach has allowed the City to handle the severe economic downturn better than most of its peers.

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

Major initiatives. The City adopted a series of policies and initiatives that are intended to provide short-term relief to our business community in hope of spurring an economic recovery that will aid all of our citizens. With the recent rebound in the building and construction industry, the City reinstated all impact fees effective January 1, 2014.

The City, through its three community redevelopment agencies, is aggressively implementing workforce development strategies, incentives for in-fill development and 'place branding' through the continuing efforts of Realize Bradenton. This strategy appears to be working well as there has been a very visible surge in interest in downtown Bradenton. New parks, restaurants, and a redeveloped hotel are proof that downtown Bradenton has become a popular destination.

Over the next several years, considerable efforts will be devoted to ensure that our citizens' quality of life is not only maintained, but enhanced. The City is moving forward with strategies to ensure that a safe and adequate water supply is available for current and future residents. Those projects, either in final stages of permitting or construction, include a pilot program to expand the use of the ASR (Aquifer Storage Recovery) technology as well as alternative means of utilizing our reclaimed wastewater. Additional projects moving toward completion are three additional Wares Creek bridge replacements, Manatee Avenue lighting improvements, and an expansion of the already considerable amenities available at the downtown Riverwalk. These projects reflect the city's commitment to not only put the great recession behind us, but to emerge in a better position to take advantage of a full recovery.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bradenton for its Comprehensive Annual Financial Report for fiscal year ended September 30, 2013. This was the fortieth year that the City of Bradenton received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily

readable and efficiently organized Comprehensive Annual Financial Report which must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe our 2014 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, 2014.

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

Sincerely,



Carl Callahan
City Clerk & Treasurer
Chief of Staff



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Bradenton
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

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

Executive Director/CEO

City of Bradenton

Principal City Officials

Elected Officials

| | |
|------------------|-------------------------|
| Mayor | <i>Wayne Poston</i> |
| Council - Ward 1 | <i>Gene Gallo</i> |
| Council - Ward 2 | <i>Gene Brown</i> |
| Council - Ward 3 | <i>Patrick Roff</i> |
| Council - Ward 4 | <i>Bemis Smith</i> |
| Council - Ward 5 | <i>Harold Byrd, Jr.</i> |

Department Heads

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

Citizens of the City of Bradenton

Mayor and City Council

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

City Attorney

William Lisch

City Clerk & Treasurer

Carl Callahan

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

Planning & Community Development

Timothy Polk

Code Enforcement
Grants & Assistance
Planning/Zoning
Protective Inspection

Law Enforcement

Michael Radzilowski

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

Public Works & Utilities

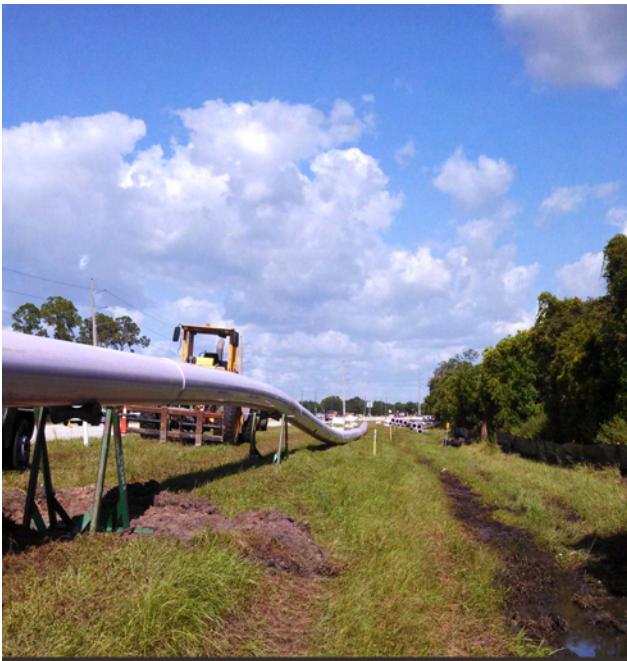
Claude Tankersley

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

Fire Control

Charles Edwards

Administration
Prevention
Suppression
Training



**20-inch Reclaimed Water Pipeline
from Bradenton to Lakewood Ranch**

Our Southwest Florida Water Management District shares the following information regarding reclaimed water:

- * *Costs less than most other water sources*
- * *Reduces fertilizer use as some nutrients remain*
- * *Reduces stress on drinking water supplies*
- * *Reduces disposal into waterways, which helps reduce nutrient loads into bays and rivers*
- * *Provides a sustainable and cost-effective water supply*

The process of converting wastewater to reclaimed water?

- * *Sand and debris are removed by screens and other processes*
- * *Sedimentation removes large solids*
- * *Microorganisms break down organic materials*
- * *Clarifiers remove microorganisms and remaining solids*
- * *Filtering makes water clear*
- * *Disinfection, usually with chlorine, kills remaining microorganisms*

Reuse facilities are constantly monitored to ensure that only high-quality reclaimed water is distributed. This water is clear and essentially pathogen-free.

Reclaimed water is highly treated, filtered wastewater - a clear and odorless high-quality water source with uses such as irrigation, street sweeping, decorative fountains, cooling tanks and fire protection.

Easily identifiable by its ‘purple pipe’, the City does its part in helping the area preserve its drinking water supply by offering reclaimed water as an irrigation alternative to areas such as: Lakewood Ranch, a master-planned community east of the city limits; Pirate City, the training facility for the Pittsburgh Pirates’ Major League Baseball franchise; and River Run Golf Links, the city-owned public golf course.



Photo credits: Jones Edmunds & Associates, Inc.

MAULDIN & JENKINS

CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bradenton, Florida (the "City"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Bradenton Firefighters' Retirement System which represents 34%, 35% and 29%, respectively, of the assets, net position and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Bradenton Firefighters' Retirement System, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the City's pension trust funds implemented Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* as of October 1, 2013. This standard modified the reporting requirements for financial statements of defined benefit pension plans. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and other post-employment benefit schedules on pages 4-18 and 76-86, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

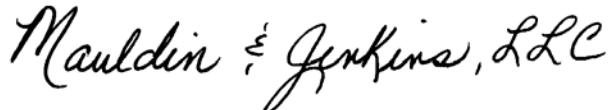
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of Local Governments and Non-Profit Organizations*, and *Chapter 10.550 Rules of the Auditor General–Local Government Entity Audits*, and is also not a required part of the financial statements.

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

The introductory section and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is cursive and fluid, with "Mauldin" and "& Jenkins" connected by a flourish, and "LLC" written in a smaller, separate area.

Bradenton, Florida
March 19, 2015

Management's Discussion and Analysis

As the City Clerk & Treasurer of the City of Bradenton, I offer readers of our financial statements this narrative overview and analysis of our financial activities for the 2013-2014 fiscal year. I encourage readers to consider the information presented here in conjunction with additional information I have furnished in my transmittal letter on page 'i' of this report, and the City's financial statements beginning on page 19.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$168,874,348 (net position). Of this amount, \$77,086,597 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased \$5,845,211, or 3.56% in comparison to the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43,279,077, an increase of \$2,348,879 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$24,944,019, or 70.2% of total general fund expenditures.
- Total governmental revenues increased \$3,956,010, or 11.33% in comparison to the prior year.
- Total governmental expenditures decreased \$8,868,594, or 18.8% in comparison to the prior year. Operating expenditures remained flat, while most of the decrease in expenditures is related to the decrease in capital outlay associated with the completion of the McKechnie Field renovation.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

CITY OF BRADENTON, FLORIDA
Management's Discussion and Analysis

when they may not be collected for several months after the end of the accounting period, and expenses are recorded even though they may not have used cash during the current period.

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

The financial statements also reflect the presentation of the City's *component units*, the Community Redevelopment Agencies (CRAs). The Bradenton Downtown Development Authority currently serves as the CRA Board for the City's Downtown and 14th Street CRAs. A third CRA, the Central Community Redevelopment Agency, has been established with its own board of directors. The CRAs were created with a stated purpose to revitalize a specific area within the central core of Bradenton.

The City's government-wide financial statements can be found on pages 19-21 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,

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Management's Discussion and Analysis

there are often significant differences between the totals presented. For this reason there is an analysis after the Balance Sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the Statement of Net Position. There is also an analysis after the Statement of Revenues, Expenditures and Changes in Fund Balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the Statement of Activities.

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

The City's governmental fund financial statements are presented on pages 22-25 of this report.

Proprietary Funds

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

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

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

The proprietary fund financial statements can be found on pages 26-29 of this report.

Fiduciary Funds

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

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The fiduciary fund financial statements can be found on pages 30-31 of this report.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-73 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This information concerns the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. It also includes budget-to-actual information regarding the general fund and major special revenue funds. Required supplementary information can be found on pages 76-86 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time to be an indicator of a government's financial position. The City of Bradenton's assets exceeded liabilities by \$168,874,348 at the close of the 2014 fiscal year. The following schedule is a summary of the Statement of Net Position found on page 19 of this report.

Net Position at September 30, 2014

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Assets | | | | | | |
| Current and other assets | \$ 68,214,998 | 66,194,057 | 39,328,467 | 34,785,430 | 107,543,465 | 100,979,487 |
| Internal balances | 877,258 | 1,304,123 | (877,258) | (1,304,123) | -- | -- |
| Capital assets, net depreciation | 55,756,518 | 57,738,166 | 74,927,753 | 72,863,902 | 130,684,271 | 130,602,068 |
| Total assets | 124,848,774 | 125,236,346 | 113,378,962 | 106,345,209 | 238,227,736 | 231,581,555 |
| Deferred Outflows of Resources | | | | | | |
| Deferred charge on refunding | 316,222 | 438,348 | 352,578 | 418,474 | 668,800 | 856,822 |
| Total deferred outflows of resources | 316,222 | 438,348 | 352,578 | 418,474 | 668,800 | 856,822 |
| Liabilities | | | | | | |
| Current and other liabilities | 4,243,663 | 4,543,826 | 2,791,410 | 2,006,777 | 7,035,073 | 6,550,603 |
| Long-term debt outstanding | 39,573,628 | 40,422,180 | 23,413,487 | 22,436,457 | 62,987,115 | 62,858,637 |
| Total liabilities | 43,817,291 | 44,966,006 | 26,204,897 | 24,443,234 | 70,022,188 | 69,409,240 |
| Net Position | | | | | | |
| Investments in capital assets, net of related debt | 28,792,837 | 29,190,556 | 61,428,839 | 65,903,360 | 90,221,676 | 95,093,916 |
| Restricted | 1,566,075 | 732,415 | -- | -- | 1,566,075 | 732,415 |
| Unrestricted | 50,988,793 | 50,785,717 | 26,097,804 | 16,417,089 | 77,086,597 | 67,202,806 |
| Total net position | \$ 81,347,705 | 80,708,688 | 87,526,643 | 82,320,449 | 168,874,348 | 163,029,137 |

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With the stresses of the great recession behind us, we began to see a turnaround in the local economy and the overall financial position reflects this vibrancy. The \$5,845,211 increase in net position is evidence that the City has continued to maintain a solid financial base. The City remained true to its conservative principals and a proactive approach to operations that allowed us to adapt positively during this serious downturn in the economy and return to more normal operations in relativity short order. With few exceptions, this conservative fiscal approach stresses a pay-as-you-go strategy and demonstrates that non-recurring revenues need to be funneled back into City assets or infrastructure. This strategy works well in all economic situations.

A significant portion of the City's total net position (53.4%) reflect its *net investment in capital assets* (i.e., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available to use for future spending. Although the City's investment in its capital assets is reported net of related debt, it should still be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (.93%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$77,086,597) 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 2014 and 2013 reveals that the City continues to maintain healthy ratios for both governmental and business-type activities. The City Council understands that the pressures of the protracted downturn in the economy and the inherent risks associated with our close proximity to the Gulf of Mexico require that the current level of unrestricted fund balance should be maintained to help avoid the negative impacts of such risks.

Governmental Activities

The following is a summary of the Statement of Activities found on pages 20 and 21 of this report.

| | Statement of Activities | | | | | |
|------------------------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 8,366,605 | 7,030,414 | 31,064,775 | 29,616,536 | 39,431,380 | 36,646,950 |
| Operating grants and contributions | 1,386,490 | 1,526,841 | 8,574 | -- | 1,395,064 | 1,526,841 |
| Capital grants and contributions | 164,862 | 4,490,054 | 1,522,923 | 1,592,094 | | 6,082,148 |
| General Revenues: | | | | | | -- |
| Property taxes | 14,153,418 | 12,857,121 | -- | -- | | 12,857,121 |
| Other taxes | 13,968,939 | 13,275,787 | -- | -- | 13,968,939 | 13,275,787 |
| Other | 2,271,631 | 1,225,179 | 518,438 | 43,982 | 2,790,069 | 1,269,161 |
| Total Revenues | 40,311,945 | 40,405,396 | 33,114,710 | 31,252,612 | 57,585,452 | 71,658,008 |

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Statement of Activities (continued)

Expenses

| Governmental Activities | | | | | | |
|---|----------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| General government | 9,011,067 | 9,075,136 | -- | -- | 9,011,067 | 9,075,136 |
| Public Safety | 22,989,533 | 22,096,925 | -- | -- | 22,989,533 | 22,096,925 |
| Transportation | 3,463,464 | 2,577,388 | -- | -- | 3,463,464 | 2,577,388 |
| Community Development Program | 215,252 | 282,940 | -- | -- | 215,252 | 282,940 |
| State Housing Initiatives Program | 76,009 | 94,718 | -- | -- | 76,009 | 94,718 |
| Shelter Plus Care Program | 112,027 | 147,110 | -- | -- | 112,027 | 147,110 |
| Culture and recreation | 3,061,659 | 2,577,032 | -- | -- | 3,061,659 | 2,577,032 |
| Interest on long-term debt | 1,104,058 | 1,182,515 | -- | -- | 1,104,058 | 1,182,515 |
| Business-type Activities | | | | | | |
| Water-sewer | -- | -- | 19,053,943 | 17,310,472 | 19,053,943 | 17,310,472 |
| Sanitation | -- | -- | 6,390,604 | 6,181,905 | 6,390,604 | 6,181,905 |
| Other | -- | -- | 2,103,828 | 2,055,069 | 2,103,828 | 2,055,069 |
| Total Expenses | 40,033,069 | 38,033,764 | 27,548,375 | 25,547,446 | 67,581,444 | 63,581,210 |
| Change in net position before other items | 278,876 | 2,371,632 | 5,566,335 | 5,705,166 | (9,995,992) | 8,076,798 |
| Transfers | 360,141 | 365,493 | (360,141) | (365,493) | -- | -- |
| Change in net position | 639,017 | 2,737,125 | 5,206,194 | 5,339,673 | (9,995,992) | 8,076,798 |
| Net position - beginning, restated | 80,708,688 | 77,958,245 | 82,320,449 | 76,980,776 | 163,029,137 | 154,939,021 |
| Net position -end of year | \$ 81,347,705 | 80,695,370 | 87,526,643 | 82,320,449 | 153,033,145 | 163,015,819 |

Governmental activities reported an increase in the City's net position of \$639,017. This increase represents .79% of the year-end net position which compares to the \$2,737,125 increase in year-end net position in the prior year. Although the City is not completely free from doldrums of the economic recession, the City appears to have emerged with few long-term side effects.

- With the exception of public safety, the overall spending on governmental activities has remained relatively flat. The City remains committed to providing the basic government services and the public safety expected by its citizens. The City consistently monitors the revenues and expenditures with the goal of achieving the reasonable balance between the citizens' expectations and the City's ability to deliver those services in a fiscally responsible manner.
- The inconsistent funding of the federal and state housing programs has had a significant impact on the City's ability to deliver those services to the citizens most in need of help. Community Development Block Grant, State Housing Initiative Program and Shelter Plus Care Program, in total, had less funding available to deliver services under city and state housing initiatives.
- Other items of note that appear to have at least temporarily stabilized, but require constant monitoring are the increase cost associated with public safety pension contributions (\$24,474) and other post-employment benefit liabilities (\$871,085). Although the latter does not require the use of City resources for funding, it has contributed significantly to the reduction in the City's net position.

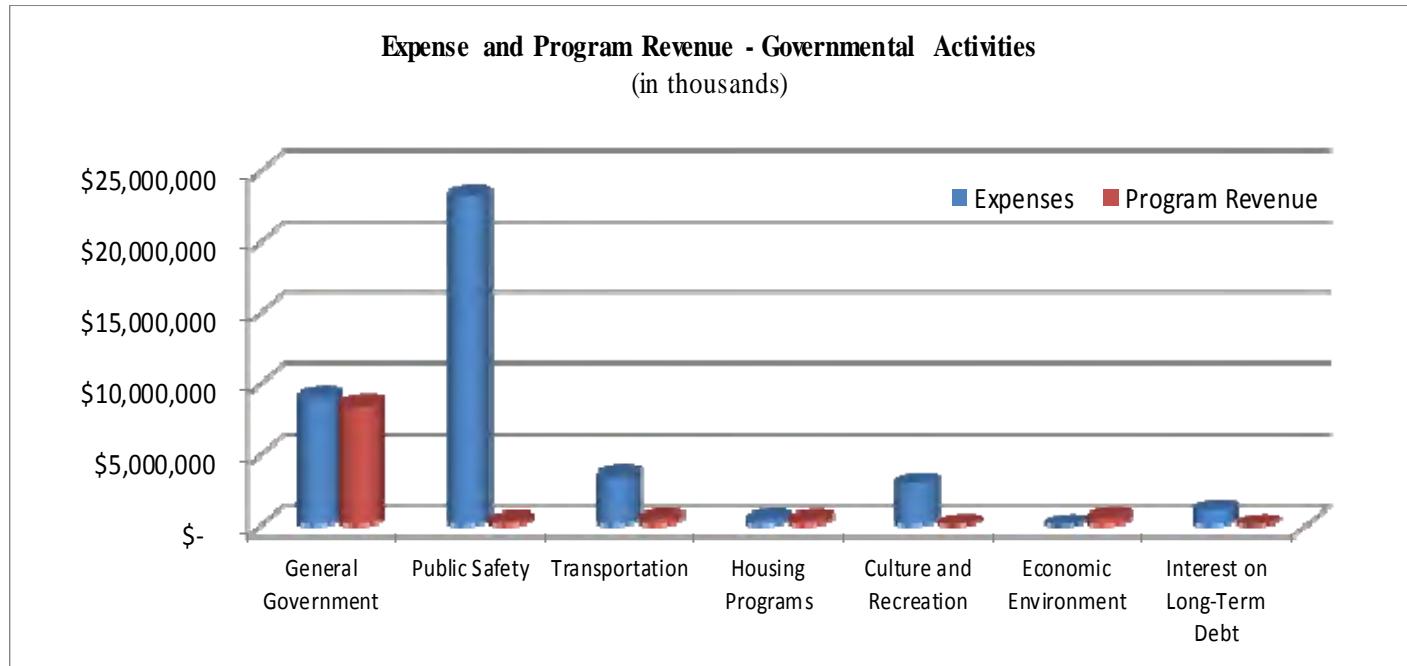
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The City is working diligently to reduce the long-term negative impact associated with the above items. Over the past three years, the City has implemented widespread changes to the employee and retiree benefit packages. This year's financial statements reflect the stability these changes have brought to our Other Post-Employment Benefits (OPEB) and our health care reserves.

Until a plan is in place to fully fund the OPEB liability, the City will continue to review its benefits to determine if further changes may be necessary to reduce the long-term economic impacts on the City's financial position, as well as ensure the long-term viability of such plans and benefits.

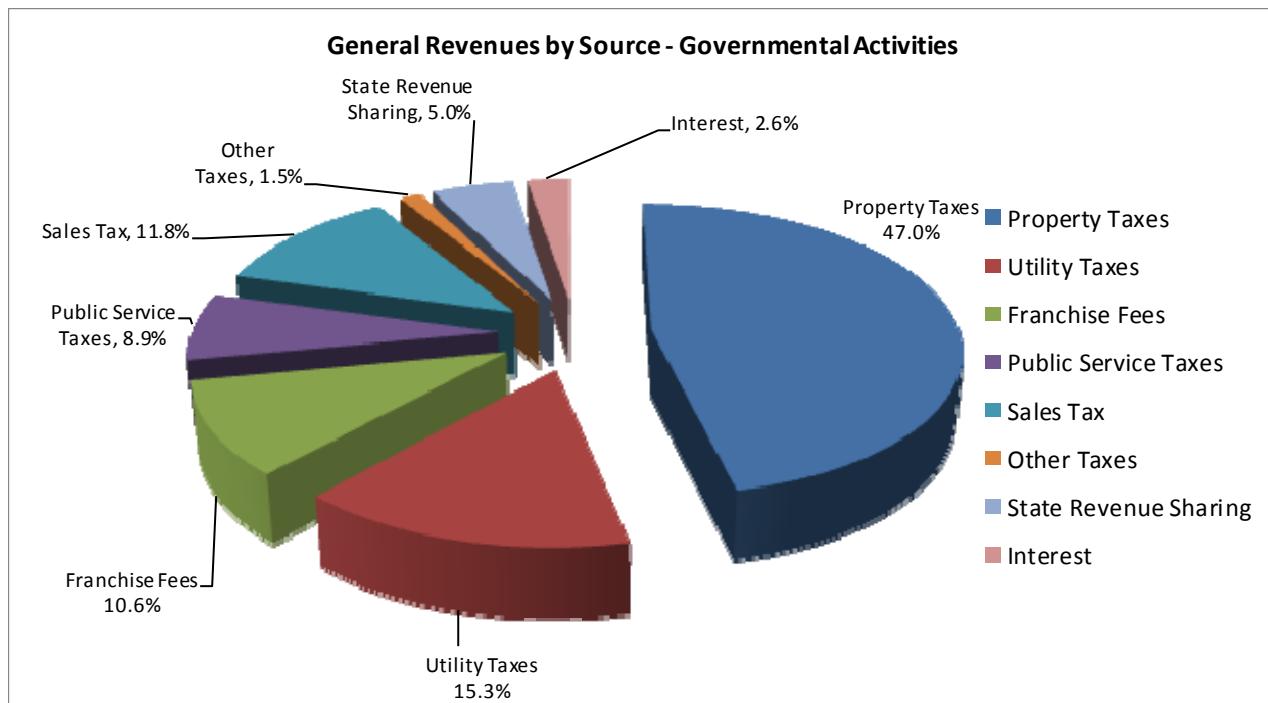
Historically the decision as to the number and level of services to provide has been dependent on our citizens' *willingness* to pay for such services. The City recognizes that until the benefits of full economic recovery are realized, many of our decisions may now need to truly reflect our citizens' *ability* to pay for such services.

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



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

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Business-Type Activities

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

The increase in net position for business-type activities totaled \$5,206,194 and \$5,339,673 for the fiscal years 2014 and 2013, respectively. This net change in position represents a 6.32% increase compared to the 6.94% increase in the prior year.

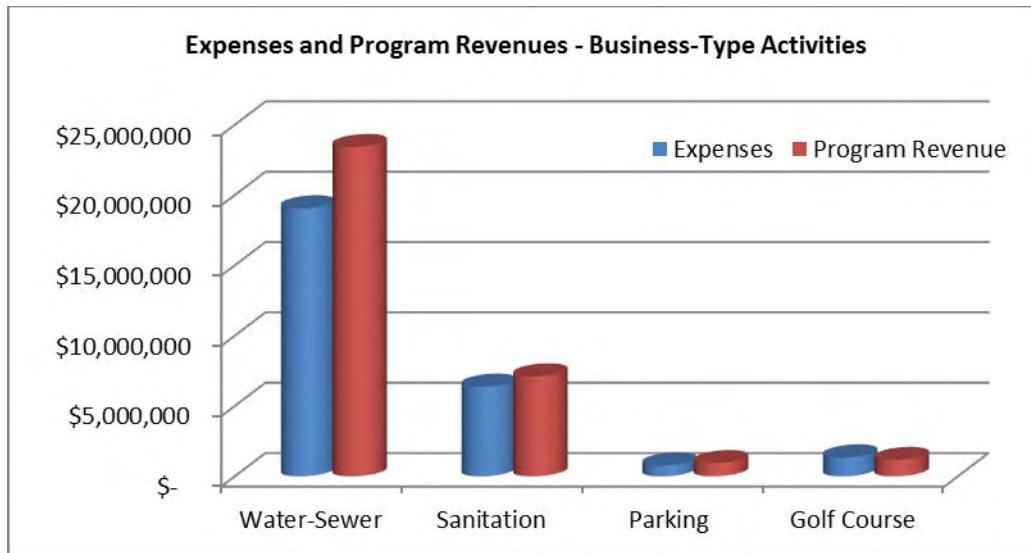
Included in the above numbers is a \$4,313,308 increase in the net position of the Water-Sewer Fund. Operating income of \$3,063,424 accounted for most of the increase, while \$1,522,923 of capital contributions related to grants for capital projects accounted for the balance of the increase.

For the past several years the solid waste operations have produced an increase in net position. The \$824,770 increase in 2014 compares to the \$768,346 increase for 2013. 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, the operation is financially sound.

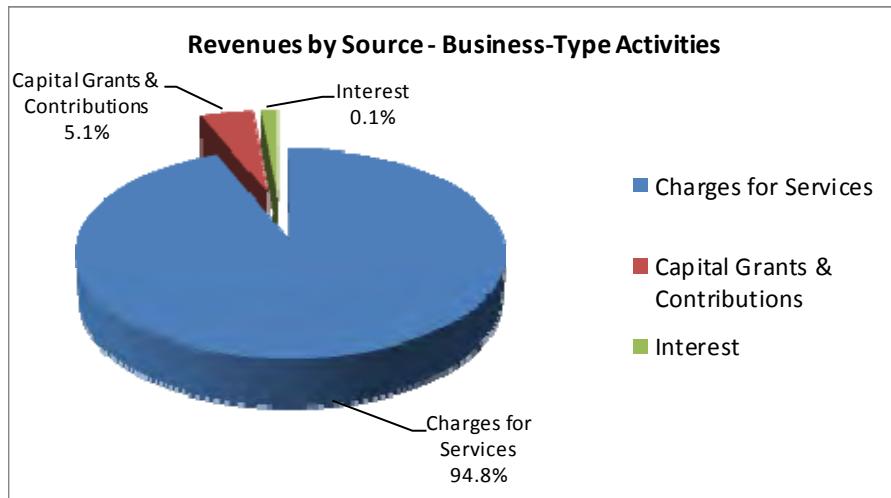
Almost since its inception in 1986 River Run Golf Links, the City's publicly owned golf course, had posted handsome financial returns that have been put into the golf course in the form of capital improvements or financial reserves. It is these reserves that have allowed the golf course to weather a decrease in net position (\$178,349) that has been a result of a protracted downturn in the golf industry as a whole. Consistent with this downturn, River Run has experienced a 16% decrease in rounds played over the last five years. A more recent review of similar data reveals an uptick in play and a reason for optimism.

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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 22-25. 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.

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At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43,279,077, an increase of \$2,348,879 in comparison with the prior year. The increase is primarily a result of an increase in tax receipts, building permits and interest/investment income. Approximately 57.5% of the ending fund balance (\$24,902,358) constitutes unassigned fund balance which is available for spending at the City's discretion.

Another \$14,940,227 has been set aside by City Council as either committed or assigned fund balance. The remaining \$3,436,492 of the fund balance is either restricted or non-spendable, indicating that it is not available for new spending because it has previously been restricted for (1) advances due from other funds (\$1,397,009), (2) bond retirement (\$73,904), or (3) inventories, grants and impact fees for future expenses.

General Fund

During 2014, the general fund balance has remained stable. The increase in ad valorem tax proceeds, utility taxes and licenses and permits were offset by an increase in some on-going expenditures associated with our public safety services. The net increase in fund balance of \$1,865,287 represents 5.25% of total General Fund expenditures. Although this increase may not significantly change our financial position, it speaks volumes to the City's ability to maintain a stable financial environment during the years of the recession while being poised to take advantage of the economic turnaround ahead.

Public safety expenditures increased primarily as a result of salary increases to police officers as part of a new collective bargaining agreement. Higher fuel prices also contributed to the increased expenditures for public safety.

Transportation saw a significant increase in cost that can be attributed to an additional allocation of funds for street paving. Also contributing to the increase was the need to add additional personnel in the building services section to keep up with the demands of the surging construction industry.

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

General Fund - Budgetary Highlights

Operating a government the size of the City of Bradenton is a dynamic process. Budget amendments are approved throughout the year. Budget-to-actual statements and schedules are provided in the financial statements for the general fund on pages 76 and 88-92. Budget columns are provided for both the original adopted budget and the final budget for fiscal year 2014.

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.

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An increase in ad valorem tax receipts necessitated a \$360,000 budget adjustment. The construction industry also has seen a late turnaround as the permits and fees associated with new construction were adjusted upward by \$922,045.

The City Investment Policy Statement authorizes investment of surplus funds in a wide range of fixed income securities that require mark-to-market at year end. Any corresponding increase or decrease in value would be applied to interest income. Current year-end valuations resulted in a \$418,000 offset to interest income. Actual cash flows of investment income on this portion of the portfolio have not been negatively impacted.

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

General Fund Budget Changes

| General Fund Department | Budget Increase | Reason for Increase |
|------------------------------|--------------------------------|--|
| Building | 72,156 11,993 * 68,400 * | Staffing changes due to construction industry demand Computer equipment for new staff Software implementation - Summation |
| Executive City Clerk | 11,800 27,700 | Equipment for council chambers Increase in contractual services |
| Finance | 32,752 | Increase due to reorganization of personnel |
| Facilities Maintenance | 28,400 32,863 | Increase for building repairs Increase due to HVAC system |
| Fire Control | 19,000 | Increase to Building R&M |
| Human Resources | 51,200 | Increase in operating expenditures for legal fees |
| Information Technology | 40,804 246,000 | Increase in operational expenses due to training and compliances Telephone System Replacement |
| Law Enforcement | 344,200 26,435 * 17,487 | Increase in personnel cost with new collective bargaining agreement Increase due to JAG Grant Lighting equipment packages for cars |
| Legal | 138,700 | Increase third party representation associated with Indian Springs Park |
| Landscape & Grounds Division | 130,300 | Increase in R&M on equipment and the Riverwalk maintenance |
| Street Division | 24,200 | Increase in road resurfacing |

* Revenue and expenditure adjustments necessary

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Overall, the expenditures for the general fund were under the final budget by \$453,357, or 1.26%.

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

Proprietary Funds

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

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

At September 30, 2014, total net position amounted to \$87,526,643 for the enterprise funds, compared to \$82,320,449 at the end of 2013. Net position changes are a result of operations, non-operating revenues and expenditures, capital contributions as well as donated assets.

A 6.2% increase in water-sewer revenues, coupled with an additional \$1,522,923 in capital contributions, and only moderate increases in operating expenditures resulted in \$4,313,308 increase in net position for the Water-Sewer Fund.

The Sanitation Fund accounts for the revenue associated with collection of solid waste for both residential and commercial customers, along with curbside recycling collection. By continuously looking for operating efficiencies, including automated trucks which decrease manpower requirements, the City has successfully stabilized the operating costs associated with solid waste. For the current year revenue increased \$119,792 or (1.7%). Expenses were slightly higher due to increases associated with higher wages and Other Post-Employment Benefits. The net result was an operating income of \$700,575 and a change in net position of \$824,770. These results are compared to the operating income of \$745,235 and an increase in net position of \$768,346 in 2013.

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.

2014 was an outstanding year for maintaining claims cost. As noted in the prior year the City would monitor the activity to see if the prior year was an anomaly and, as this year's results indicate, it was not. In 2014, the medical self-insurance program returned to the anticipated levels of claims and operating expenditures. This year's results reflect a \$151,821 positive change in net position compared to \$281,147 in 2013.

The property and workers' compensation funds remained very stable for 2014. Net position for workers' compensation increased \$101,100 or 1.16%, while property insurance decreased by \$2,216 or .10%.

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Overall, the net position for the internal service funds increased from \$14,525,159 in 2013 to \$14,775,864 in 2014, or 1.73%.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$130,684,271 (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
- Water/Sewer line replacement and system upgrades

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

- Wares Creek bridge replacements
- Public/private partnership for reuse water distribution
- Water meter replacement program
- Sidewalks to schools – sidewalk replacement program

| | Capital Assets (Net of Accumulated Depreciation) | | | | | |
|--------------------------|---|------------|--------------------------|------------|-------------|-------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Land | \$ 3,589,995 | 3,805,099 | 6,372,988 | 6,310,698 | 9,962,983 | 10,115,797 |
| Building | 26,547,150 | 27,586,505 | 14,388,489 | 14,791,537 | 40,935,639 | 42,378,042 |
| Infrastructure | 19,808,747 | 20,480,075 | 12,666,623 | 11,867,173 | 32,475,370 | 32,347,248 |
| Improvements | 1,449,708 | 1,506,639 | 24,405,892 | 28,427,647 | 25,855,600 | 29,934,286 |
| Machinery and Equipment | 4,330,830 | 4,288,870 | 6,010,707 | 5,514,245 | 10,341,537 | 9,803,115 |
| Construction in Progress | 30,088 | 70,978 | 11,083,054 | 5,952,602 | 11,113,142 | 6,023,580 |
| Total | \$ 55,756,518 | 57,738,166 | 74,927,753 | 72,863,902 | 130,684,271 | 130,602,068 |

For additional information regarding capital assets, please see Note G on page 48 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year the City had total bonded debt outstanding of \$38,474,864, with no general obligation debt. All City debt represents bonds secured solely by specified revenue sources.

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Bond Debt and Loans Payable

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------|-------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Revenue bonds | \$ 24,618,705 | 25,499,742 | -- | -- | 24,618,705 | 25,499,742 |
| Notes | 2,456,675 | 2,812,776 | 13,380,521 | 6,769,672 | 15,837,196 | 9,582,448 |
| Total bonds | <u>\$ 27,075,380</u> | <u>28,312,518</u> | <u>13,380,521</u> | <u>6,769,672</u> | <u>40,455,901</u> | <u>35,082,190</u> |

- State Revolving Loan Funds – An additional \$7,358,684 in Wastewater and Stormwater construction loans were permanently converted to notes payable.

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

Additional information concerning long-term debt can be found in Note J on pages 51-55 of this report.

ECONOMIC FACTORS AND YEAR 2014 BUDGET AND RATES

Factors considered in preparing the City of Bradenton’s budget for the 2015 fiscal year included the items listed below:

- The City of Bradenton experienced an increase in taxable values of 6.5%. This increase in property values is estimated to generate \$1,002,378 in additional revenue.
- Other Revenue Sources – It is anticipated the City’s other large sources of revenue (sales tax, franchise fees, etc.) have benefited from the economic recovery and as a result the City should experience a moderate increase to these revenues.
- Building Permit Fees – Building permit fees, which must be utilized to fund only building services, are projected to be up significantly due to the recent improvement in the construction industry and local economy.
- General Fund – Most non-public safety departments are experiencing a slight increase in their budgets. In almost all instances this can be attributed to the increase in wages from recently approved collective bargaining agreements.
- Public Safety Pensions – As a result of better-than-expected investment returns and union concessions in pension benefits, the City will see a slight decrease in its required pension contributions

CITY OF BRADENTON, FLORIDA
Management's Discussion and Analysis

- Construction Market – The recent return of the housing and commercial construction markets necessitated an increase in staffing in the Building Department to offset additional building reviews and inspections. Staffing is being added incrementally and is being paid for exclusively by the user permit fees.
- Unemployment rate fell from 7.5% to 6.1%
- City population increased by .1%.
- Police, Fire and Park impact fees have been permanently reinstated.

The citizens of Bradenton expect a sound and fiscally conservative budget. The City has consistently taxed its citizens to not only provide the essential services, but to continue the quality of life they have come to expect. It is this approach that will enable the City to keep the millage rate the same for the fiscal year 2015.

REQUESTS FOR INFORMATION

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

CITY OF BRADENTON, FLORIDA

STATEMENT OF NET POSITION

September 30, 2014

| | Primary Government | | | Component Units |
|--|-------------------------|--------------------------|-------------|-----------------|
| | Governmental Activities | Business-type Activities | Total | |
| Assets | | | | |
| Cash and investments | \$ 57,962,126 | 34,657,522 | 92,619,648 | 962,212 |
| Receivables (net of allowance for uncollectibles) | 6,820,991 | 2,915,101 | 9,736,092 | 93,935 |
| Prepaid items | 242,129 | -- | 242,129 | 35,495 |
| Due from other governments | 1,433,789 | 1,727,061 | 3,160,850 | 6,700 |
| Due from insurance | 65,549 | -- | 65,549 | -- |
| Inventory | 433,646 | 28,783 | 462,429 | -- |
| Internal balances | 877,258 | (877,258) | -- | -- |
| Net pension asset | 1,256,768 | -- | 1,256,768 | -- |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | 3,589,995 | 6,372,988 | 9,962,983 | 5,909,121 |
| Buildings | 26,547,150 | 14,388,489 | 40,935,639 | 3,910,725 |
| Infrastructure | 19,808,747 | 12,618,939 | 32,427,686 | -- |
| Improvements other than buildings | 1,449,708 | 24,453,576 | 25,903,284 | 6,393,396 |
| Machinery and equipment | 4,330,830 | 6,010,707 | 10,341,537 | 9,177 |
| Construction in progress | 30,088 | 11,083,054 | 11,113,142 | 89,044 |
| Total assets | 124,848,774 | 113,378,962 | 238,227,736 | 17,409,805 |
| Deferred Outflows of Resources | | | | |
| Accumulated decrease in fair value of swap agreement | 316,222 | 352,578 | 668,800 | 352,974 |
| Total deferred outflows of resources | 316,222 | 352,578 | 668,800 | 352,974 |
| Liabilities | | | | |
| Accounts payable and other current liabilities | \$ 2,336,991 | 1,594,767 | 3,931,758 | 40,035 |
| Accrued interest payable | 118,312 | 8,553 | 126,865 | 44,563 |
| Due to other governments | 14,279 | -- | 14,279 | -- |
| Retainage payable | -- | 256,775 | 256,775 | -- |
| Unearned revenue | 396,999 | 17,170 | 414,169 | -- |
| Noncurrent liabilities | | | | |
| Due within one year | 1,377,082 | 914,145 | 2,291,227 | 1,003,588 |
| Due in more than one year: | | | | |
| Other liabilities | -- | 2,170,138 | 2,170,138 | -- |
| Net OPEB payable | 11,722,396 | 6,159,492 | 17,881,888 | -- |
| Swap rate agreement liability | 316,222 | 577,747 | 893,969 | 352,974 |
| Revenue bonds payable | 23,505,362 | -- | 23,505,362 | 5,221,166 |
| Notes payable | 2,081,237 | 12,584,769 | 14,666,006 | 2,875,791 |
| Capital leases | -- | -- | -- | -- |
| Estimated claims payable | 661,245 | -- | 661,245 | -- |
| Compensated absences | 1,287,166 | 429,500 | 1,716,666 | -- |
| Customer deposits | -- | 1,491,841 | 1,491,841 | -- |
| Total liabilities | 43,817,291 | 26,204,897 | 70,022,188 | 9,538,117 |
| Net Position | | | | |
| Net investment in capital assets | 28,792,837 | 61,428,839 | 90,221,676 | 7,210,918 |
| Restricted for: | | | | |
| Impact fees | 889,156 | -- | 889,156 | -- |
| Grants | 127,334 | -- | 127,334 | -- |
| Debt service | 73,904 | -- | 73,904 | |
| Public safety | 403,169 | -- | 403,169 | |
| Public works/transportation | 72,512 | -- | 72,512 | |
| Unrestricted | 50,988,793 | 26,097,804 | 77,086,597 | 1,013,744 |
| Total net position | 81,347,705 | 87,526,643 | 168,874,348 | 8,224,662 |
| Total liabilities and net position | \$ 125,164,996 | 113,731,540 | 238,896,536 | 17,762,779 |

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, 2014

| Functions/Programs | Program Revenues | | | |
|--|-----------------------------|-----------------------------|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government | | | | |
| Governmental activities | | | | |
| General government | \$ 9,011,067 | 8,316,511 | -- | 164,862 |
| Public safety | 22,989,533 | -- | 118,901 | -- |
| Transportation | 3,463,464 | -- | 435,416 | -- |
| Community Development Program | 215,252 | 12,155 | 220,142 | -- |
| State Housing Initiatives Program | 76,009 | 6,585 | -- | -- |
| Shelter Plus Care Program | 112,027 | -- | 112,027 | -- |
| Economic environment | -- | -- | 500,004 | -- |
| Culture and recreation | 3,061,659 | 31,354 | -- | -- |
| Interest on long-term debt | 1,104,058 | -- | -- | -- |
| Total governmental activities | <u>40,033,069</u> | <u>8,366,605</u> | <u>1,386,490</u> | <u>164,862</u> |
| Business-type activities | | | | |
| Water-sewer | 19,053,943 | 21,888,741 | -- | 1,522,923 |
| Sanitation | 6,390,604 | 7,096,833 | -- | -- |
| Parking | 766,706 | 922,901 | 8,574 | -- |
| Golf course | 1,337,122 | 1,156,300 | -- | -- |
| Total business-type activities | <u>27,548,375</u> | <u>31,064,775</u> | <u>8,574</u> | <u>1,522,923</u> |
| Total primary government | <u><u>\$ 67,581,444</u></u> | <u><u>39,431,380</u></u> | <u><u>1,395,064</u></u> | <u><u>1,687,785</u></u> |
| Component units | | | | |
| DDA/CRA/CCRA | <u><u>\$ 4,782,400</u></u> | <u><u>192,760</u></u> | <u><u>203,015</u></u> | <u><u>--</u></u> |
| General revenues | | | | |
| Property taxes | | | | |
| Utility taxes | | | | |
| Franchise fees | | | | |
| Public service taxes | | | | |
| Local government half-cent sales taxes | | | | |
| Other taxes | | | | |
| State revenue sharing, unrestricted | | | | |
| Unrestricted investment earnings | | | | |
| Gain on sale of capital assets | | | | |
| Transfers | | | | |
| Total general revenues and transfers | | | | |
| Change in net position | | | | |
| Net position, beginning | | | | |
| Net position, ending | | | | |

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

Net (Expenses) Revenue and Changes in Net Assets

| Primary Government | | | |
|--------------------------------|---------------------------------|------------------------|------------------------|
| Governmental Activities | Business-type Activities | Total | Component Units |
| (529,694) | -- | (529,694) | |
| (22,870,632) | -- | (22,870,632) | |
| (3,028,048) | -- | (3,028,048) | |
| 17,045 | -- | 17,045 | |
| (69,424) | -- | (69,424) | |
| -- | -- | -- | |
| 500,004 | -- | 500,004 | |
| (3,030,305) | -- | (3,030,305) | |
| (1,104,058) | -- | (1,104,058) | |
| <u>(30,115,112)</u> | <u>--</u> | <u>(30,115,112)</u> | |
| | | | |
| -- | 4,357,721 | 4,357,721 | |
| -- | 706,229 | 706,229 | |
| -- | 164,769 | 164,769 | |
| -- | (180,822) | (180,822) | |
| <u>--</u> | <u>5,047,897</u> | <u>5,047,897</u> | |
| <u>(30,115,112)</u> | <u>5,047,897</u> | <u>(25,067,215)</u> | |
| | | | |
| | | <u>\$ (4,386,625)</u> | |
| | | | |
| 14,153,418 | -- | 14,153,418 | 3,207,594 |
| 4,591,870 | -- | 4,591,870 | -- |
| 3,134,768 | -- | 3,134,768 | -- |
| 2,241,335 | -- | 2,241,335 | -- |
| 3,600,966 | -- | 3,600,966 | -- |
| 400,000 | -- | 400,000 | -- |
| 1,480,349 | -- | 1,480,349 | -- |
| 791,282 | 492,155 | 1,283,437 | 6,595 |
| -- | 26,283 | 26,283 | -- |
| <u>360,141</u> | <u>(360,141)</u> | <u>--</u> | <u>--</u> |
| <u>30,754,129</u> | <u>158,297</u> | <u>30,912,426</u> | <u>3,214,189</u> |
| <u>639,017</u> | <u>5,206,194</u> | <u>5,845,211</u> | <u>(1,172,436)</u> |
| <u>80,708,688</u> | <u>82,320,449</u> | <u>163,029,137</u> | <u>9,397,098</u> |
| <u>\$ 81,347,705</u> | <u>87,526,643</u> | <u>168,874,348</u> | <u>8,224,662</u> |

CITY OF BRADENTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014

| | General Fund | State Housing Initiatives Partnership Program | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|--|--------------------------------|--------------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 40,649,449 | 130,426 | 1,349,652 | 42,129,527 |
| Accounts receivable | 4,181,389 | 2,013,680 | 625,922 | 6,820,991 |
| Prepaid items | 29,762 | -- | -- | 29,762 |
| Due from other funds | 2,532 | -- | -- | 2,532 |
| Due from other governments | 1,433,789 | -- | -- | 1,433,789 |
| Inventory | 433,646 | -- | -- | 433,646 |
| Advances to other funds | 1,397,009 | -- | -- | 1,397,009 |
| Total assets | <u>\$ 48,127,576</u> | <u>2,144,106</u> | <u>1,975,574</u> | <u>52,247,256</u> |
| Liabilities, deferred inflows, and fund balances | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 661,270 | -- | 15 | 661,285 |
| Accrued salaries, wages and benefits | 1,244,413 | -- | 5,007 | 1,249,420 |
| Advances from other funds | -- | -- | 47,008 | 47,008 |
| Due to other funds | -- | -- | 2,532 | 2,532 |
| Due to other governments | 14,279 | -- | -- | 14,279 |
| Unearned revenues | 223,834 | 101,966 | -- | 325,800 |
| Total liabilities | <u>2,143,796</u> | <u>101,966</u> | <u>54,562</u> | <u>2,300,324</u> |
| Deferred inflows of resources | | | | |
| Unavailable revenue | 4,028,253 | 2,013,680 | 625,922 | 6,667,855 |
| Fund balances (deficit) | | | | |
| Non-spendable | | | | |
| Prepaid items | 29,762 | -- | -- | 29,762 |
| Inventory | 433,646 | -- | -- | 433,646 |
| Advances to other funds | 1,397,009 | -- | -- | 1,397,009 |
| Restricted for: | | | | |
| Debt service | -- | -- | 73,904 | 73,904 |
| Impact fee programs | -- | -- | 899,156 | 899,156 |
| Grants | -- | 28,460 | 98,874 | 127,334 |
| Public Safety | 403,169 | -- | -- | 403,169 |
| Public works/transportation | 72,512 | -- | -- | 72,512 |
| Committed to | | | | |
| Capital projects | -- | -- | 264,817 | 264,817 |
| Emergency and disaster reserve | 3,469,355 | -- | -- | 3,469,355 |
| Assigned | | | | |
| Special obligation debt services | 9,660,425 | -- | -- | 9,660,425 |
| Compensated absences | 1,304,643 | -- | -- | 1,304,643 |
| Red Light Safety Program | 240,987 | -- | -- | 240,987 |
| Unassigned (deficit) | 24,944,019 | -- | (41,661) | 24,902,358 |
| Total fund balances | <u>41,955,527</u> | <u>28,460</u> | <u>1,295,090</u> | <u>43,279,077</u> |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 48,127,576</u> | <u>2,144,106</u> | <u>1,975,574</u> | <u>52,247,256</u> |

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 | \$ | 43,279,077 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds | | |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds: | | 55,756,518 |
| Long-term receivables | 6,667,855 | |
| Deferred charges | 305,945 | |
| Net pension assets | <u>1,256,768</u> | 8,230,568 |
| 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. | | |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | | 14,303,121 |
| Revenue bonds payable | 24,618,705 | |
| Notes payable | 2,456,675 | |
| OPEB liabilities | 11,722,396 | |
| Compensated absences | 1,305,491 | |
| Accrued interest payable | <u>118,312</u> | (40,221,579) |
| Total net position of governmental activities | \$ | 81,347,705 |

CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2014

| | General Fund | State Housing Initiatives Partnership Program | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--|--------------------------------|--------------------------------|
| Revenues | | | | |
| Taxes | \$ 25,211,755 | -- | -- | 25,211,755 |
| Licenses and permits | 1,852,002 | -- | -- | 1,852,002 |
| Intergovernmental grants | 102,884 | -- | 832,173 | 935,057 |
| Intergovernmental revenues | 1,784,193 | -- | -- | 1,784,193 |
| Impact Fees | -- | -- | 526,272 | 526,272 |
| Shared revenues | 1,480,349 | -- | -- | 1,480,349 |
| Payments in lieu of taxes | 65,874 | -- | -- | 65,874 |
| Charges for services | 2,385,279 | -- | -- | 2,385,279 |
| Fines and forfeitures | 319,227 | -- | -- | 319,227 |
| Interest and investment earnings | 705,509 | 8 | 12,918 | 718,435 |
| Rents | 644,143 | -- | -- | 644,143 |
| Franchise fees | 3,134,768 | -- | -- | 3,134,768 |
| Miscellaneous | 1,171,726 | -- | -- | 1,171,726 |
| Special assessments, property owners | 19,946 | 6,585 | 12,155 | 38,686 |
| Total revenues | <u>38,877,655</u> | <u>6,593</u> | <u>1,383,518</u> | <u>40,267,766</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 8,293,353 | -- | 17,606 | 8,310,959 |
| Public safety | 22,490,782 | -- | -- | 22,490,782 |
| Transportation | 3,176,830 | -- | -- | 3,176,830 |
| Economic environment | -- | 76,009 | 323,433 | 399,442 |
| Culture, recreation | 1,575,414 | -- | 11,717 | 1,587,131 |
| Debt service | | | | |
| Principal | -- | -- | 1,237,138 | 1,237,138 |
| Interest | -- | -- | 1,096,011 | 1,096,011 |
| Fees and expenditures | -- | -- | 840 | 840 |
| Capital outlay | -- | -- | 117,157 | 117,157 |
| Total expenditures | <u>35,536,379</u> | <u>76,009</u> | <u>2,803,902</u> | <u>38,416,290</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,341,276</u> | <u>(69,416)</u> | <u>(1,420,384)</u> | <u>1,851,476</u> |
| Other financing sources (uses) | | | | |
| Transfers from other funds | 400,000 | -- | 1,973,392 | 2,373,392 |
| Transfers to other funds | (2,013,250) | -- | -- | (2,013,250) |
| Sale of capital assets | 137,261 | -- | -- | 137,261 |
| Total other financing sources (uses) | <u>(1,475,989)</u> | <u>--</u> | <u>1,973,392</u> | <u>497,403</u> |
| Net change in fund balances | 1,865,287 | (69,416) | 553,008 | 2,348,879 |
| Fund balances, beginning | <u>40,090,240</u> | <u>97,876</u> | <u>742,082</u> | <u>40,930,198</u> |
| Fund balances, ending | <u>\$ 41,955,527</u> | <u>28,460</u> | <u>1,295,090</u> | <u>43,279,077</u> |

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

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

Amounts reported for governmental activities in the Statement of Activities are different because:

| | |
|---|--------------|
| Net change in fund balances, total governmental funds | \$ 2,348,879 |
|---|--------------|

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

| | |
|---------------------------|--------------------------------|
| Capital outlay | \$ 1,121,842 |
| Less depreciation expense | <u>(2,998,544)</u> (1,876,702) |

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

| | |
|---|----------------------------|
| Donated capital assets | 164,862 |
| Net book value of capital assets disposed | <u>(269,808)</u> (104,946) |

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

| | |
|----------------------------------|---------------------------|
| Principal repayments: | |
| General obligation debt or loans | 1,237,138 |
| Amortization of discounts | <u>(13,318)</u> 1,223,820 |

Some receivables in the Statement of Activities do not provide current financial resources. (378,005)

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) | (752,474) |
| Net Pension Obligation (NPO) | (24,474) |
| Compensated absences | (18,325) |
| Accrued interest payable | <u>6,111</u> (789,162) |

Internal service funds are used by management to charge the cost of medical, property and workers' compensation insurances. 215,133

| | |
|---|------------|
| Change in net assets of governmental activities | \$ 639,017 |
|---|------------|

CITY OF BRADENTON, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

| | 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 | \$ 27,282,473 | 5,600,717 | 1,479,898 | 294,434 | 34,657,522 | 15,832,599 | |
| Customer accounts receivable | 2,215,272 | 824,564 | -- | 265 | 3,040,101 | -- | |
| Allowance for uncollectibles | (125,000) | -- | -- | -- | (125,000) | -- | |
| Due from other governments | 1,725,966 | -- | 973 | 122 | 1,727,061 | -- | |
| Due from insurance | -- | -- | -- | -- | -- | 65,549 | |
| Prepaid items | -- | -- | -- | -- | -- | 109,918 | |
| Inventory | -- | -- | -- | 28,783 | 28,783 | -- | |
| Total current assets | <u>31,098,711</u> | <u>6,425,281</u> | <u>1,480,871</u> | <u>323,604</u> | <u>39,328,467</u> | <u>16,008,066</u> | |
| Noncurrent assets | | | | | | | |
| Capital assets | | | | | | | |
| Land | 3,319,284 | -- | 1,097,798 | 1,955,906 | 6,372,988 | -- | |
| Buildings | 17,133,077 | 597,881 | 8,962,466 | 216,363 | 26,909,787 | -- | |
| Machinery and equipment | 9,225,803 | 6,499,996 | 112,973 | 513,639 | 16,352,411 | -- | |
| Infrastructure | 142,649,091 | 689,697 | 220,000 | 1,309,660 | 144,868,448 | -- | |
| Construction work in progress | 11,083,055 | -- | -- | -- | 11,083,055 | -- | |
| Less: accumulated depreciation | (122,493,066) | (4,789,467) | (1,713,319) | (1,663,084) | (130,658,936) | -- | |
| Total capital assets | <u>60,917,244</u> | <u>2,998,107</u> | <u>8,679,918</u> | <u>2,332,484</u> | <u>74,927,753</u> | <u>--</u> | |
| Deferred outflow of resources | -- | -- | 352,578 | -- | 352,578 | -- | |
| Total noncurrent assets | -- | -- | <u>352,578</u> | -- | <u>352,578</u> | -- | |
| Total assets | <u>\$ 92,015,955</u> | <u>9,423,388</u> | <u>10,513,367</u> | <u>2,656,088</u> | <u>114,608,798</u> | <u>16,008,066</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 Position | | | | | | |
| Current liabilities | | | | | | |
| Accounts payable | \$ 1,015,707 | 180,390 | 3,895 | 21,325 | 1,221,317 | 426,286 |
| Retainage payable | 256,775 | -- | -- | -- | 256,775 | -- |
| Accrued payroll | 267,155 | 78,989 | 4,796 | 22,510 | 373,450 | -- |
| Accrued interest payable | -- | -- | 8,553 | -- | 8,553 | -- |
| Unearned revenues | -- | -- | 17,170 | -- | 17,170 | 71,199 |
| Estimated payable for outstanding claims | -- | -- | -- | -- | -- | 73,472 |
| Current portion of long-term debt | 477,272 | -- | 436,873 | -- | 914,145 | -- |
| Total current liabilities | 2,016,909 | 259,379 | 471,287 | 43,835 | 2,791,410 | 570,957 |
| Noncurrent liabilities | | | | | | |
| Long-term debt | 7,395,105 | -- | 5,189,664 | -- | 12,584,769 | -- |
| Derivative instrument-interest rate swap | -- | -- | 577,747 | -- | 577,747 | -- |
| Estimated payable for outstanding claims | -- | -- | -- | -- | -- | 661,245 |
| Customer deposits | 1,478,572 | 13,269 | -- | -- | 1,491,841 | -- |
| OPEB liability | 4,068,068 | 1,663,074 | 94,504 | 333,846 | 6,159,492 | -- |
| Other liabilities, construction drawdown | 2,170,138 | -- | -- | -- | 2,170,138 | -- |
| Compensated absences | 263,584 | 129,520 | 8,417 | 27,979 | 429,500 | -- |
| Advances from other funds | 605,312 | 744,689 | -- | -- | 1,350,001 | -- |
| Total long-term liabilities | 15,980,779 | 2,550,552 | 5,870,332 | 361,825 | 24,763,488 | 661,245 |
| Total liabilities | 17,997,688 | 2,809,931 | 6,341,619 | 405,660 | 27,554,898 | 1,232,202 |
| Net Position | | | | | | |
| Net investment in capital assets | 53,044,867 | 2,998,107 | 3,053,381 | 2,332,484 | 61,428,839 | -- |
| Unrestricted | 20,973,400 | 3,615,350 | 1,118,367 | (82,056) | 25,625,061 | 14,775,864 |
| Total net position | 74,018,267 | 6,613,457 | 4,171,748 | 2,250,428 | 87,053,900 | 14,775,864 |
| Total liabilities and net position | \$ 92,015,955 | 9,423,388 | 10,513,367 | 2,656,088 | 114,608,798 | 16,008,066 |
| Net position, above | | | | | \$ 87,053,900 | |
| Adjustments to reflect consolidation of internal service fund activities related to enterprise funds | | | | | 472,743 | |
| Net position of business-type activities | | | | | \$ 87,526,643 | |

CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2014

| | Business-type Activities-Enterprise Funds | | | | | Governmental Activities-Internal Service Funds |
|--|---|-----------------|--------------|-----------------------------|--------------|--|
| | Water and Sewer Fund | Sanitation Fund | Parking Fund | Golf Course Fund (Nonmajor) | Totals | |
| Operating revenues | | | | | | |
| Charges for services | \$ 21,888,741 | 7,096,833 | 922,901 | 1,156,300 | 31,064,775 | 7,758,464 |
| Operating expenses | | | | | | |
| Personal services | 5,854,633 | 2,577,472 | 157,613 | 668,085 | 9,257,803 | -- |
| OPEB expenses | 240,477 | 105,082 | 6,062 | 20,209 | 371,830 | -- |
| Contractual services | 1,363,762 | 33,779 | 16,617 | 35,226 | 1,449,384 | 969,146 |
| Supplies and materials | 4,483,748 | 1,225,268 | 63,785 | 464,626 | 6,237,427 | 1,474,475 |
| Repairs and maintenance | 767,101 | 425,284 | 94,800 | 41,648 | 1,328,833 | -- |
| Utilities | 812,324 | 1,509,938 | -- | 16,357 | 2,338,619 | -- |
| Claims | -- | -- | -- | -- | -- | 5,136,985 |
| Depreciation and amortization cost | 5,303,272 | 519,435 | 190,191 | 93,686 | 6,106,584 | -- |
| Total operating expenses | 18,825,317 | 6,396,258 | 529,068 | 1,339,837 | 27,090,480 | 7,580,606 |
| Operating income (loss) | 3,063,424 | 700,575 | 393,833 | (183,537) | 3,974,295 | 177,858 |
| Non-operating revenues (expenses) | | | | | | |
| Interest and investment earnings | 373,396 | 66,885 | 46,686 | 5,188 | 492,155 | 72,847 |
| Gain (loss) on disposition of assets | 5,127 | 21,156 | -- | - | 26,283 | -- |
| Interest expenses and fiscal charges | (251,562) | (3,705) | (238,200) | -- | (493,467) | -- |
| Total non-operating revenues (expenses) | 126,961 | 84,336 | (191,514) | 5,188 | 24,971 | 72,847 |
| Operating income (loss) before capital contributions and transfers | 3,190,385 | 784,911 | 202,319 | (178,349) | 3,999,266 | 250,705 |
| Capital contributions | 1,522,923 | -- | 8,574 | -- | 1,531,497 | -- |
| Transfers from other funds | -- | 39,859 | -- | -- | 39,859 | -- |
| Transfers to other funds | (400,000) | -- | -- | -- | (400,000) | -- |
| Change in net position | 4,313,308 | 824,770 | 210,893 | (178,349) | 5,170,622 | 250,705 |
| Total net position, beginning | 69,704,959 | 5,788,687 | 3,960,855 | 2,428,777 | 81,883,278 | 14,525,159 |
| Total net position, ending | \$ 74,018,267 | 6,613,457 | 4,171,748 | 2,250,428 | 87,053,900 | 14,775,864 |
| Changes in net position, above | | | | | \$ 5,170,622 | |
| Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds | | | | | 35,572 | |
| Change in net position of business-type activities | | | | | \$ 5,206,194 | |

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, 2014

| | Business-type Activities | | | | Enterprise Funds | | Governmental Activities Internal Service Funds | |
|---|--------------------------|-------------------|-------------------|------------------|---------------------|-------------------|---|--|
| | Water and Sewer Fund | Sanitation Fund | Parking Fund | Golf Course Fund | Total | | | |
| | | | | (Nonmajor) | | | | |
| Cash flows from operating activities | | | | | | | | |
| Receipts from charges for services | \$ 20,916,441 | 7,140,182 | 927,902 | 1,159,033 | 30,143,558 | 7,694,684 | | |
| Payments to suppliers | (7,233,120) | (3,131,332) | (173,382) | (516,561) | (11,054,395) | (2,163,526) | | |
| Payments for employees | (5,777,786) | (2,565,403) | (156,226) | (665,662) | (9,165,077) | (5,621,628) | | |
| Net cash provided (used) by operating activities | <u>7,905,535</u> | <u>1,443,447</u> | <u>598,294</u> | <u>(23,190)</u> | <u>9,924,086</u> | <u>(90,470)</u> | | |
| Cash flows from non-capital financing activities | | | | | | | | |
| Advances from other funds | 5,002 | 3,705 | -- | -- | 8,707 | -- | | |
| Repayment of advances to other funds | (400,000) | -- | -- | -- | (400,000) | -- | | |
| Transfers from (to) other funds | (400,000) | 39,859 | -- | -- | (360,141) | -- | | |
| Net cash provided (used) by non-capital and related financing activities | <u>(794,998)</u> | <u>43,564</u> | <u>--</u> | <u>--</u> | <u>(751,434)</u> | <u>--</u> | | |
| Cash flows from capital and related financing activities | | | | | | | | |
| Repayment of capital leases | (73,242) | -- | -- | -- | (73,242) | -- | | |
| Principal paid on capital debt | (327,342) | -- | (420,494) | -- | (747,836) | -- | | |
| Construction loan proceeds, SRF | 1,844,604 | -- | -- | -- | 1,844,604 | -- | | |
| Interest paid on capital debt | (251,562) | (3,705) | (259,153) | -- | (514,420) | -- | | |
| Capital contributions | 1,522,923 | -- | 8,574 | -- | 1,531,497 | -- | | |
| Proceeds from sale of capital assets | 5,127 | 21,156 | -- | -- | 26,283 | -- | | |
| Acquisition and construction of capital assets | (7,607,418) | (491,556) | (71,461) | -- | (8,170,435) | -- | | |
| Net cash (used) by capital and related financing activities | <u>(4,886,910)</u> | <u>(474,105)</u> | <u>(742,534)</u> | <u>--</u> | <u>(6,103,549)</u> | <u>--</u> | | |
| Cash flows from investing activities | | | | | | | | |
| Interest and investment earnings | 373,396 | 66,885 | 46,686 | 5,188 | 492,155 | 72,847 | | |
| Net cash provided by investing activities | <u>373,396</u> | <u>66,885</u> | <u>46,686</u> | <u>5,188</u> | <u>492,155</u> | <u>72,847</u> | | |
| Net increase (decrease) in cash and equivalents | 2,597,023 | 1,079,791 | (97,554) | (18,002) | 3,561,258 | (17,623) | | |
| Cash and cash equivalents, October 1, 2013 | <u>24,685,450</u> | <u>4,520,926</u> | <u>1,577,452</u> | <u>312,436</u> | <u>31,096,264</u> | <u>15,850,222</u> | | |
| Cash and cash equivalents, September 30, 2014 | <u>\$ 27,282,473</u> | <u>5,600,717</u> | <u>1,479,898</u> | <u>294,434</u> | <u>34,657,522</u> | <u>15,832,599</u> | | |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | | | |
| Operating income (loss) | \$ 3,063,424 | 700,575 | 393,833 | (183,537) | 3,974,295 | 177,858 | | |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | | | |
| Depreciation and amortization expense | 5,303,272 | 519,435 | 190,191 | 93,686 | 6,106,584 | -- | | |
| (Increase) decrease: | | | | | | | | |
| Accounts receivable | (1,058,536) | -- | -- | -- | (1,058,536) | -- | | |
| Prepaid items | -- | -- | -- | 2,128 | 2,128 | 9,369 | | |
| Inventories | -- | -- | -- | 26,617 | 26,617 | -- | | |
| Due from other governments | -- | 44,518 | 761 | 2,733 | 48,012 | -- | | |
| Due from insurance | -- | -- | -- | -- | -- | (65,409) | | |
| Increase (decrease): | | | | | | | | |
| Accounts and retainage payable | 193,815 | 62,937 | 1,820 | 12,551 | 271,123 | (62,178) | | |
| Accrued payroll | 100,389 | 13,517 | 4,229 | 3,032 | 121,167 | -- | | |
| Compensated absences | (23,542) | (1,448) | (2,842) | (609) | (28,441) | -- | | |
| Unearned revenues | -- | -- | 4,240 | -- | 4,240 | 1,629 | | |
| Customer deposits | 86,236 | (1,169) | -- | -- | 85,067 | -- | | |
| Estimated payable for outstanding claims | -- | -- | -- | -- | -- | (151,739) | | |
| OPEB liability | 240,477 | 105,082 | 6,062 | 20,209 | 371,830 | -- | | |
| Total adjustments | <u>4,842,111</u> | <u>742,872</u> | <u>204,461</u> | <u>160,347</u> | <u>5,949,791</u> | <u>(268,328)</u> | | |
| Net cash provided by operating activities | <u>\$ 7,905,535</u> | <u>1,443,447</u> | <u>598,294</u> | <u>(23,190)</u> | <u>9,924,086</u> | <u>(90,470)</u> | | |

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

CITY OF BRADENTON, FLORIDA
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 September 30, 2014

| | Pension Trust Funds |
|------------------------------------|------------------------------------|
| Assets | |
| Cash and cash equivalents | \$ - |
| Receivables | 300,532 |
| Interest receivable | 179,735 |
| Investments, at fair value | |
| U.S. Government obligations | 5,170,991 |
| Domestic corporate bonds | 7,522,455 |
| Convertible bonds | 8,194,122 |
| Municipal obligations | 1,253,862 |
| Domestic stocks | 47,293,941 |
| Master limited partnerships | 4,474,523 |
| Mortgage backed | 4,741,422 |
| Collateralized mortgage backed | 5,968,620 |
| Preferred equity securities | 626,243 |
| Mutual funds | 15,749,510 |
| Real estate investment trust | 4,029,498 |
| Money market | <u>3,001,270</u> |
| Total investments | <u>108,026,457</u> |
| Total assets | <u>108,506,724</u> |
| Liabilities | |
| Accounts payable | 86,243 |
| Due to brokers | <u>73,788</u> |
| Total liabilities | <u>160,031</u> |
| Net Position | |
| Held in trust for pension benefits | <u>\$ 108,346,693</u> |

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

CITY OF BRADENTON, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2014

| | Pension Trust Funds |
|--|------------------------------------|
| Additions | |
| Contributions | |
| Employer | \$ 4,248,110 |
| Plan members | 819,811 |
| Repayment of pension benefits | 375 |
| State of Florida (from City's General Fund) | <u>861,350</u> |
| Total contributions | <u>5,929,646</u> |
| Investment earnings | |
| Interest | 1,554,678 |
| Dividends | 1,049,617 |
| Miscellaneous/settlement income | 4,571 |
| Net increase in the fair value of investments | <u>9,300,556</u> |
| Total investment earnings | 11,909,422 |
| Less investment expenses | <u>506,814</u> |
| Net investment earnings | <u>11,402,608</u> |
| Total additions, net | <u>17,332,254</u> |
| Deductions | |
| Benefits | 4,814,469 |
| Refunds of contributions | 82,636 |
| DROP plan payments | 757,291 |
| Administrative expenses | <u>117,856</u> |
| Total deductions | <u>5,772,252</u> |
| Change in net assets | 11,560,002 |
| Net position, beginning | <u>96,786,691</u> |
| Net position, ending | <u>\$ 108,346,693</u> |

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

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The City of Bradenton, Florida, was incorporated in 1903. It is located on the west coast of Florida, approximately midway down the state, and is comprised of 14.55 square miles with a population of 51,119. 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 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.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

- 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, 2014. 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
Affordable Housing Advisory Board
Planning Commission
Enterprise Zone Board
Tree and Land Preservation Board

Construction Board of Rules and Appeals
Code Enforcement Board
Bradenton Housing Authority
Merit Board
Police Pension Board

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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

Central Community Redevelopment Agency
Nuisance Abatement Board

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

CITY OF BRADENTON, FLORIDA
NOTES TO THE 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 *State Housing Initiatives Partnership Program Fund* is used to account for the receipt, custody and expenditures of State Housing Initiatives Partnership grant funds.

The City reports the following major proprietary funds:

- a. The *Water and Sewer Fund* is used to account for the activities of the City's water and wastewater utility. The City operates the water and sewer treatment plants, sewage pumping stations and collection system, the storm water runoff system, and the water distribution system.
- b. The *Sanitation Fund* is used to account for the activities of the City's solid waste collection.
- c. The *Parking Fund* is used to account for the activities of the City's public parking function.

Additionally, the City reports the following fund types:

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

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

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

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

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

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Assets, Liabilities and Net Position or Equity

a. **Deposits and investments**

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

The City maintains a pool of cash and investments in which each fund participates on a dollar equivalent and transaction basis. The balance of the pooled cash is reflected in the balance sheets or Statement of Net Position, and each fund's portion of the pooled investments is reflected in the balance sheets or Statement of Net Position as "cash and cash equivalents." Interest is distributed monthly based upon an average monthly balance. The investments of the police and fire pension trust funds are held by an investment banker selected by the respective individual pension board's Investment Committee.

State statutes authorize the City to invest its surplus public funds in the Local Government Surplus Funds Trust Fund, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government and interest-bearing time deposits with banks and/or savings and loans who qualify as authorized depositories under Florida law or according to the City's established investment policy statement. In addition to state statutes, the City is also authorized to invest surplus funds in accordance with the City of Bradenton Investment Policy Statement. The pension trust funds are also authorized to invest in corporate stocks, bonds and commercial paper subject to certain restrictions.

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

b. **Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Customer accounts (trade) receivables in the Water and Sewer Fund are shown net of an allowance for uncollectibles of \$125,000.

c. **Inventories and prepaid items**

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

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

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

d. Restricted assets

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

e. Capital assets

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

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

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

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

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

f. Compensated absences

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

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

g. Long-term obligations

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

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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

h. Fund equity

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

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

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

Emergency and Disaster Reserve: The City maintains in the General Fund's unassigned fund balance not less than 10% of the total budgeted operating expenditures of the current fiscal year to be used for Emergency and Disaster Reserve. This balance is needed to prepare for events including, but not limited to revenue declines (whether anticipated or unforeseen), unanticipated expenditures, and/or unfunded mandates that exceed 5% of the General Fund operating expenditures. If these revenues are utilized for the above purposes, the City should attempt to replenish this reserve as soon as economically feasible. The balance is \$3,469,355 as of September 30, 2014.

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

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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

i. **Deferred Outflows / Inflows of Resources**

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

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

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

Accounting Estimates

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

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

Each fund’s appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by fund, by department, and by character (personal services, operating expenditures, capital outlay, debt service, and grants and aid). The legal level of control is the total fund appropriation. Expenditures may not exceed appropriations at this level. All budgetary revisions at this level 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.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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 the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them, by fund.
- b. Prior to October 1, public hearings are conducted by the City to obtain taxpayer comments.
- c. Prior to October 1, a budget is legally enacted through passage of a resolution which restricts total expenditures by fund.

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, on the modified accrual basis. The budgets for proprietary fund operations are adopted on a basis consistent with accounting principles generally accepted in the United States of America except that they exclude depreciation and the results of capitalizing interest income and expense relative to construction projects on tax-exempt borrowings. Separate budgets are also adopted to control payment of revenue bond principal and interest and capital outlay for proprietary funds on a non-GAAP basis. Appropriations lapse at year end. Formal budgetary integration is employed as a management control device during the year for all funds. The presented budgetary information has been amended in a legally permissible manner.

Excess of Expenditures Over Appropriations

For the year ending September 30, 2014, expenditures exceeded appropriations in the Parks and Recreation Impact Fee West Fund by \$17,946, Community Development Program by \$569 and General Projects Fund by \$17,344. The Parks and Recreation Impact Fee West Fund, Community Development Program and the 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 \$41,661. 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, 2014, the City's cash-in-bank was fully insured by Federal Depository Insurance and the multiple financial collateral pool required by Sections 280.07 and 280.08, Florida Statutes. Hence, there is no custodial credit risk for the deposits of the City and/or its component units.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

City Pooled Investments

As of September 30, 2014, the City (excluding the police and fire pension funds) had the following investments:

| Investment Type | Fair Value | Less than 1 Year | Years 1-5 | Years 6-10 | Years More Than 10 |
|-------------------------------------|----------------------|---------------------|-------------------|------------------|-----------------------|
| U.S. Government securities | \$ 11,326,436 | 7,395,259 | 2,930,530 | 1,000,647 | -- |
| Corporate bonds | 23,287,617 | 6,772,977 | 15,718,162 | 713,611 | 82,867 |
| Mortgage backed | 5,316,781 | 784 | 417,255 | 316,443 | 4,582,299 |
| Collateralized mortgage obligations | 5,704,121 | 2,673 | 1,899,604 | 2,053,596 | 1,748,248 |
| Municipal obligations | 274,995 | 94,336 | -- | -- | 180,659 |
| State investment pool | 10,041,550 | 10,041,550 | -- | -- | -- |
| Money market | 21,942,048 | 21,942,048 | -- | -- | -- |
| Total fair value | <u>\$ 77,893,548</u> | <u>46,249,627</u> | <u>20,965,551</u> | <u>4,084,297</u> | <u>6,594,073</u> |

| | |
|--|----------------------|
| Reconciliation to Financial Statements | |
| Pooled investments, above | \$ 77,893,548 |
| Pooled cash | 13,975,081 |
| Nonpooled cash and cash on hand | <u>751,019</u> |
| | <u>\$ 92,619,648</u> |
| Statement of Net Position | |
| Cash and investments | <u>\$ 92,619,648</u> |
| | <u>\$ 92,619,648</u> |

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

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

Credit risk results from potential default of investments that are not financially sound. The City invests funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), an investment pool administered by the State Board of Administration under regulatory oversight of the State of Florida. Throughout the year and as of September 30, 2014, 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 \$10,041,550 in the SBA at September 30, 2014. Furthermore, the City's investment policy limits its domestic corporate bond issues with an investment grade rating (within top four rating classifications with the lowest rating not below Baa3/BBB- by Moody's or Standard & Poor's), obligations of the United States Government or any agency or instrument thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Of the investments that the City holds, \$11,326,436 is in U.S. Government securities with an AA+ rating with Standard & Poor's; \$22,523,428 is in corporate bonds ranging from A- to BBB; \$274,995 in municipal obligations ranging from AA+ to AA-; \$764,189 in foreign/Yankee bonds ranging from A+ to BBB-; \$5,704,121 in collateralized mortgage obligations; \$5,316,781 in mortgage backed ranging from A- to BBB-; and \$21,942,048 is in money market and is rated AAAf/S1. The Local Government Surplus Funds Trust Fund (SBA) of \$10,041,550 is rated AAAm by Standard & Poor's.

Rate of return – For the year ended September 30, 2014 the annual money-weighted rate of return on the City's investments, net of City's investment expense, was 2.6 percent. The money-weighted rate of return express investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Police Pension Fund

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

| Investment Type | Fair Value | Less than 1 Year | Years 1-5 | Years 6-10 | Years More Than 10 |
|--------------------------------|----------------------|---------------------|------------------|------------------|-----------------------|
| U.S. Government securities | \$ 3,155,713 | -- | 2,050,251 | 1,105,462 | -- |
| Corporate bonds | 4,136,629 | 197,760 | 2,255,841 | 1,479,844 | 203,184 |
| Municipal bonds | 161,643 | -- | -- | 161,643 | -- |
| Domestic stock | 19,313,057 | 19,313,057 | -- | -- | -- |
| Convertible bonds | 4,659,927 | 683,060 | 2,379,851 | 387,667 | 1,209,349 |
| Mutual funds | 15,749,510 | 15,749,510 | -- | -- | -- |
| Mortgage backed | 4,111,344 | 246 | 201,879 | 136,209 | 3,773,010 |
| Collateralized mortgage backed | 5,968,620 | -- | 1,897,577 | 1,558,800 | 2,512,243 |
| Preferred equity securities | 626,243 | 626,243 | -- | -- | -- |
| Master Limited Partnership | 4,474,523 | 4,474,523 | -- | -- | -- |
| Money market/cash | 1,706,953 | 1,706,953 | -- | -- | -- |
| Total fair value | <u>\$ 64,064,162</u> | <u>42,751,352</u> | <u>8,785,399</u> | <u>4,829,625</u> | <u>7,697,786</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.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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, \$3,155,713 is in U.S. Government securities with a rating of AA+ with Standard & Poor's; \$4,136,629 is in corporate bonds with a rating ranging from A- to BBB with Standard & Poor's; \$4,659,927 is in convertible bonds with a rating of A- to BBB and \$161,643 in municipal bonds with a rating range from AAA to BBB. The fund also consists of \$15,749,510 in mutual funds, \$626,243 in preferred equity securities, \$4,111,344 in mortgage backed and \$5,968,620 in collateralized mortgage backed which are not rated; and \$1,706,953 in money market rated AA+ and \$4,474,523 in a Master Limited Partnership (MLP) which are not rated. The fund also has \$19,313,057 in common stock which is not rated.

Rate of return – For the year ended September 30, 2014, the annual money-weighted rate of return on the plan investments, net of the plan's investment expense, was 9.9 percent. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

Other limitations. The police pension fund limits its investments as follows: Not more than 5% of the fund's assets at cost shall be invested in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. The REITs that trade on a major exchange shall not exceed 10% of the fund's assets at cost.

Firefighters' Pension Fund

The firefighters' pension fund has an established investment policy under which the primary objective is to earn a total rate of return of a target index. The target index for the Bradenton Firefighters' Pension Fund is defined as a 45% investment in the Russell 3000 Stock Index; a 15% investment in the MSCI World x-US, a 20% investment in the Merrill Lynch Intermediate Domestic Master Bond Index, a 5% investment in the Merrill Lynch Global Broad Market x U.S., a 5% in Merrill Lynch TIPS Index, and a 10% in NCREF ODCE Index. On a relative basis, it is expected that the total portfolio performance will rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods. On an absolute basis, the objective is that the return of the total portfolio will equal or exceed the actuarial earnings assumption (8%), and provide inflation protection by meeting Consumer Price Index plus 3%.

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

Equity Performance – The combined equity portion of the portfolio, defined as common stocks and convertible bonds, is expected to perform at a rate at least equal to the 75% S&P 500 Index, 25% MSCI World x-U.S. Index. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods. The Equities must adhere to the following guidelines: a) must be traded on a national exchange or electronic network, b) not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company, and c) additional criteria may be outlined in the manager's addendum.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Fixed Income Performance – The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The fixed income portion of the portfolio is expected to perform at a rate at least equal to the Bank of America Merrill Lynch Capital U.S. Intermediate Domestic Master Bond Index. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods. The fixed income must adhere to the following guidelines; a) all direct investment in fixed income investments shall have a minimum average categorical rating of “Investment Grade” or higher as reported by a major credit rating service, b) The value of bonds issued by any single corporation shall not exceed 3% of the total fund, and c) Additional criteria may be outlined in the manager’s addendum

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

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

The firefighters’ pension plan investment policy further limits risk by: (1) investing in equity securities that do not exceed 70% at market of the fund’s total market value, (2) foreign securities shall not exceed 25% of Plan’s market value, and (3) all securities must be readily marketable.

| Investment Type | Fair Value | Less than 1 Year | Years 1-5 | Years 6-10 | Years More Than 10 |
|------------------------------|----------------------|---------------------|------------------|------------------|-----------------------|
| U.S. Government securities | \$ 2,645,356 | | 263,644 | 642,794 | 1,738,918 |
| Corporate bonds | 3,385,826 | -- | 1,629,564 | 1,339,608 | 416,654 |
| Domestic stocks | 32,010,382 | 32,010,382 | -- | -- | -- |
| Real estate investment trust | 3,534,195 | 3,534,195 | -- | -- | -- |
| Money market/cash | 1,294,317 | 1,294,317 | -- | -- | -- |
| Total fair value | <u>\$ 42,870,076</u> | <u>36,838,894</u> | <u>1,893,208</u> | <u>1,982,402</u> | <u>2,155,572</u> |

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

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

Rate of return – For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 12.89 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, \$2,645,356 is in U.S. Government securities with a Standard & Poor’s rating range from AAA to BBB+; \$3,385,826 is in corporate bonds with a Standard & Poor’s rating ranging from AA+ to BBB-; \$32,010,382 is in domestic stocks; \$3,534,195 in real estate investment trust which is not rated and \$1,294,317 in money market/cash which is not rated.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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

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

Custodial credit risk–investments is the risk that, in the event of the failure of the counterparty, the firefighters' pension fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The firefighters' pension fund does not believe that it has a custodial risk exposure as all of its securities are insured, registered, and held by an outside custodian.

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

NOTE E – NOTES RECEIVABLE

Manatee Players, Inc.

In August 2013, the City refinanced the loan agreement with Manatee Players, Inc. (a Florida nonprofit corporation) in the amount of \$2,800,000 for the reconstruction of the Manatee Players, Inc.'s theater. Manatee Players, Inc. is to repay the loan, with interest on the principal advanced, at a rate of 3.09% per annum with the first payment of \$47,052.73 due on March 27, 2014 and the final payment due on December 27, 2033.

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

| Year Ending September 30 | Principal | Interest |
|-----------------------------|---------------------|----------------|
| 2015 | \$ 105,278 | 82,933 |
| 2016 | 108,569 | 79,642 |
| 2017 | 111,963 | 76,248 |
| 2018 | 115,463 | 72,748 |
| 2019 | 119,072 | 69,139 |
| 2020-2024 | 653,575 | 287,479 |
| 2025-2029 | 762,318 | 178,736 |
| 2030-2034 | 746,903 | 52,994 |
| Total | \$ 2,723,141 | 899,919 |

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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

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

| Year Ending September 30 | Principal | Interest |
|-----------------------------|-------------------|---------------|
| 2015 | \$ 50,000 | 9,093 |
| 2016 | 50,000 | 7,957 |
| 2017 | 50,000 | 6,820 |
| 2018 | 50,000 | 5,683 |
| 2019 | 50,000 | 4,547 |
| 2020-2022 | 150,000 | 6,820 |
| Total | <u>\$ 400,000</u> | <u>40,920</u> |

Central Community Redevelopment Agency (CCRA)

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

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

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

| Year Ending September 30 | Principal | Interest |
|-----------------------------|-------------------|----------------|
| 2015 | \$ 66,671 | 33,749 |
| 2016 | 66,671 | 30,415 |
| 2017 | 66,671 | 27,082 |
| 2018 | 66,671 | 23,748 |
| 2019 | 66,671 | 20,415 |
| 2020-2024 | 333,353 | 52,071 |
| 2025-2026 | 33,273 | 684 |
| Total | <u>\$ 699,981</u> | <u>188,164</u> |

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Other

The City has other long-term receivables in the amount of \$2,844,732. These receivables represent amounts owed by individuals in conjunction with the rehabilitation of private property and financing for locally owned businesses.

The total amount of long term receivables discussed above is \$6,667,854 and is included within the governmental activities total accounts receivable balance in the Statement of Net Position as of September 30, 2014.

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, 2014 was \$5.8976 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 2014 is included in the accompanying financial statements since such taxes do not meet the necessary measurable and available criteria. The City of Bradenton (Manatee County) property tax calendar is as follows:

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

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

NOTE G – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014, was as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|----------------------|---------------------|----------------|------------------|--------------------|
| Governmental activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 3,805,099 | -- | 215,104 | -- | 3,589,995 |
| Construction in progress | 70,978 | -- | -- | (40,890) | 30,088 |
| Total capital assets not being depreciated | <u>3,876,077</u> | <u>--</u> | <u>215,104</u> | <u>(40,890)</u> | <u>3,620,083</u> |
| Other capital assets | | | | | |
| Buildings | 38,453,843 | 16,667 | -- | 40,890 | 38,511,400 |
| Other improvements | 8,758,952 | -- | -- | -- | 8,758,952 |
| Machinery and equipment | 15,243,498 | 1,066,838 | 869,599 | -- | 15,440,737 |
| Infrastructure | 25,351,915 | 203,199 | -- | -- | 25,555,114 |
| Total other capital assets at historical cost | <u>87,808,208</u> | <u>1,286,704</u> | <u>869,599</u> | <u>40,890</u> | <u>88,266,203</u> |
| Less accumulated depreciation for | | | | | |
| Buildings | 10,867,338 | 1,096,912 | -- | -- | 11,964,250 |
| Other improvements | 7,252,313 | 214,892 | -- | (157,961) | 7,309,244 |
| Machinery and equipment | 10,954,628 | 970,174 | 814,895 | -- | 11,109,907 |
| Infrastructure | 4,871,840 | 716,566 | -- | 157,961 | 5,746,367 |
| Total accumulated depreciation | <u>33,946,119</u> | <u>2,998,544</u> | <u>814,895</u> | <u>--</u> | <u>36,129,768</u> |
| Governmental activities capital assets | <u>\$ 57,738,166</u> | <u>(1,711,840)</u> | <u>269,808</u> | <u>--</u> | <u>55,756,518</u> |
| Business-type activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 6,310,698 | 62,290 | -- | -- | 6,372,988 |
| Construction in progress | 5,952,602 | 5,773,088 | -- | 642,636 | 11,083,054 |
| Total capital assets not being depreciated | <u>12,263,300</u> | <u>5,835,378</u> | <u>--</u> | <u>642,636</u> | <u>17,456,042</u> |
| Other capital assets | | | | | |
| Buildings | 26,822,968 | 41,087 | -- | 45,732 | 26,909,787 |
| Other improvements | 129,290,020 | -- | -- | -- | 129,290,020 |
| Machinery and equipment | 15,046,354 | 1,684,849 | 378,794 | -- | 16,352,409 |
| Infrastructure | 14,372,404 | 609,122 | -- | 596,904 | 15,578,430 |
| Total other capital assets at historical cost | <u>185,531,746</u> | <u>2,335,058</u> | <u>378,794</u> | <u>642,636</u> | <u>188,130,646</u> |
| Less accumulated depreciation for | | | | | |
| Buildings | 12,031,431 | 489,867 | -- | -- | 12,521,298 |
| Other improvements | 100,862,373 | 3,974,071 | -- | -- | 104,836,444 |
| Machinery and equipment | 9,532,109 | 1,188,387 | 378,794 | -- | 10,341,702 |
| Infrastructure | 2,505,231 | 454,260 | -- | -- | 2,959,491 |
| Total accumulated depreciation | <u>124,931,144</u> | <u>6,106,585</u> | <u>378,794</u> | <u>--</u> | <u>130,658,935</u> |
| Business-type activities capital assets | <u>\$ 72,863,902</u> | <u>2,063,851</u> | <u>--</u> | <u>--</u> | <u>74,927,753</u> |

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Depreciation expense was charged to functions as follows:

| | | | |
|--|---------------------|--|--|
| Governmental activities | | | |
| General government | \$ 424,891 | | |
| Public safety | 623,613 | | |
| Transportation | 365,289 | | |
| Community development | 3,846 | | |
| Culture and recreation | 1,580,903 | | |
| Total governmental activities, depreciation expense | <u>\$ 2,998,542</u> | | |
| Business-type activities | | | |
| Water-sewer utility | \$ 5,303,273 | | |
| Sanitation | 519,435 | | |
| Parking | 190,191 | | |
| Golf course | 93,686 | | |
| Total business-type activities, depreciation expense | <u>\$ 6,106,585</u> | | |

Commitments

Commitments under uncompleted construction projects at September 30, 2014, consist of the following:

| | Amounts Authorized | Expended to Date | Committed |
|---------------------------------|-----------------------|---------------------|------------------|
| Capital project funds | | | |
| Sidewalks to Schools | \$ 491,900 | -- | 491,900 |
| Enterprise funds | | | |
| Meter Replacement program | 2,156,527 | 1,515,827 | 640,700 |
| Water Replacement Projects | 2,484,603 | 1,143,234 | 1,341,369 |
| Phase 1 drainage improvements | 7,922,466 | 7,523,591 | 398,875 |
| Village of the Arts 10th & 10th | 316,600 | -- | 316,600 |
| Lift Station #11 Replacement | 941,104 | 40,164 | 900,940 |
| Total | <u>\$ 14,313,200</u> | <u>10,222,816</u> | <u>4,090,384</u> |

NOTE H – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund advance balances (long term in nature) at September 30, 2014, consisted of:

| Due from/ Advances to: | Due to/ Advances from: | |
|---------------------------|---------------------------|--|
| | General Fund | |
| Nonmajor governmental | \$ 49,540 | |
| Water and sewer | 605,312 | |
| Sanitation | <u>744,689</u> | |
| | <u>\$ 1,399,541</u> | |

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

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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, 2014, consisted of:

| Transfers from: | Transfers to: | | | | |
|--------------------|-------------------|---------------------|--------------------------|---------------|------------------|
| | McKechnie | | | | |
| | General Fund | Field Renovation | Nonmajor Governmental | Sanitation | Total |
| General Fund | \$ -- | 138,972 | 1,834,420 | 39,858 | 2,013,250 |
| Water and sewer | 400,000 | -- | -- | -- | 400,000 |
| Total | <u>\$ 400,000</u> | <u>138,972</u> | <u>1,834,420</u> | <u>39,858</u> | <u>2,413,250</u> |

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

NOTE I – CAPITAL LEASES

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

The assets acquired through capital leases are as follows:

| | Enterprise (Business-type) Activities |
|-------------------------------|---|
| Machinery and equipment | \$ 410,681 |
| Less accumulated depreciation | (350,790) |
| Total | <u><u>\$ 59,891</u></u> |

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, were recorded as follows within the City's Water & Sewer Fund:

| | |
|---|--------------------------|
| 2015 | \$ 123,204 |
| Less interest | (4,812) |
| Present value of minimum lease payments | <u><u>\$ 118,392</u></u> |

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

NOTE J – LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity for the year ended September 30, 2014, is shown on the following page.

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

| | Beginning Balance | Additions | (Reductions) | Ending Balance | Amounts Due Within One Year |
|---|----------------------|------------------|---------------------|-------------------|-----------------------------------|
| Governmental activities | | | | | |
| Bonds/notes payable | | | | | |
| Promissory note, franchise fees | \$ 2,812,776 | -- | (356,101) | 2,456,675 | 375,438 |
| Florida Revenue Refunding Bond | 1,805,000 | -- | (185,000) | 1,620,000 | 185,000 |
| Special Obligation Revenue Bond, Series 2007 | 16,455,000 | -- | (410,000) | 16,045,000 | 430,000 |
| Special Obligation Revenue Bond, Series 2012 | 7,239,742 | -- | (286,037) | 6,953,705 | 294,847 |
| Series 2007 Discount | (212,344) | -- | 8,848 | (203,496) | -- |
| Total bonds/notes payable | 28,100,174 | -- | (1,228,290) | 26,871,884 | 1,285,285 |
| Estimated claims payable (internal service funds) | 886,456 | -- | (151,739) | 734,717 | 73,472 |
| Swap rate agreement liability | 438,348 | -- | (122,126) | 316,222 | -- |
| OPEB liability | 10,969,922 | 1,308,077 | (555,603) | 11,722,396 | -- |
| Compensated absences | 1,287,166 | 712,979 | (694,654) | 1,305,491 | 18,325 |
| Governmental activities long-term liabilities | <u>\$ 41,682,066</u> | <u>2,021,056</u> | <u>(2,752,412)</u> | <u>40,950,710</u> | <u>1,377,082</u> |
| Business-type activities | | | | | |
| Notes payable | | | | | |
| State Revolving Loan, Wastewater | \$ 276,951 | -- | (14,272) | 262,679 | 14,703 |
| State Revolving Loan, Stormwater | 445,689 | -- | (22,967) | 422,722 | 23,662 |
| State Revolving Loan, Stormwater | -- | 877,372 | (18,192) | 859,180 | 36,416 |
| State Revolving Loan, Wastewater | -- | 6,105,302 | (260,039) | 5,845,263 | 266,922 |
| State Revolving Loan, Wastewater | -- | 376,010 | (11,869) | 364,141 | 17,176 |
| Promissory Note, Parking Garage Loan I | 3,921,063 | -- | (284,677) | 3,636,386 | 295,708 |
| Promissory Note, Parking Garage Loan II | 842,394 | -- | (54,712) | 787,682 | 56,815 |
| Promissory Note, Parking Garage Loan III | 1,283,575 | -- | (81,107) | 1,202,468 | 84,350 |
| Total notes payable | 6,769,672 | 7,358,684 | (747,835) | 13,380,521 | 795,752 |
| Capital lease, sweepers | 191,635 | -- | (73,242) | 118,393 | 118,393 |
| Other liabilities, SRF | 7,684,221 | 1,844,601 | (7,358,684) | 2,170,138 | -- |
| Swap rate agreement liability | 673,149 | -- | (95,402) | 577,747 | -- |
| OPEB liability | 5,787,662 | 371,830 | -- | 6,159,492 | -- |
| Customer deposits | 1,406,775 | 85,066 | -- | 1,491,841 | -- |
| Compensated absences | 454,320 | 2,190 | (27,010) | 429,500 | -- |
| Governmental activities long-term liabilities | <u>\$ 22,967,434</u> | <u>9,662,371</u> | <u>(8,302,173)</u> | <u>24,327,632</u> | <u>914,145</u> |

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Description of Debt

| | Governmental | Business-type |
|--|--------------|---------------|
| \$6,113,889 Franchise Fees Promissory Note, Series 2000 was issued for the purpose of financing the construction of the City Centre. The bonds are payable from and secured by a lien on certain franchise fees received by the City. The bond principal is repaid quarterly at \$319,613 with a final payment of \$123,304 due June 1, 2020. The interest rate on the note is 69% of the 30-day LIBOR rate as set at the beginning of each quarter and is payable quarterly. To lower the volatility of its borrowing cost, the original principal amount was swapped to an annual fixed rate of 5.25%. The interest is paid at a variable rate, currently .189%. | \$ 2,456,675 | - |
| \$1,970,000 Florida Refunding Revenue Bond, Series 2012 was issued for the purpose of refinancing the Florida Municipal Loan 2001A. The principal is repaid annually with a final payment on November 1, 2021 of \$215,000. The interest rate is 2.20% and is paid semi-annually on November 1 and May 1. Non-ad valorem revenues are pledged to secure this issue. | 1,620,000 | - |
| \$6,000,000 Promissory Note, Judicial Center Parking Garage Loan I was issued for the purpose of financing the cost of construction of the Judicial Center Parking Garage. The principal of the loan is being repaid quarterly with a final payment of \$106,586 due December 16, 2024. The interest rate on the note is 63.702% of the 30 day LIBOR rate plus .62% as set at the beginning of each quarter and is payable quarterly. To lower the volatility of its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.82%. Interest is paid at a variable rate, currently .79407%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners. | - 3,636,386 | - |
| \$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. | 6,953,705 | - |
| \$494,600 Clean Water State Revolving Fund, Wastewater WW68118P 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. | - 262,679 | - |

(Continued)

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Description of Debt (*continued*)

| | Governmental | Business-type |
|---|--------------|---------------|
| \$601,860 Clean Water State Revolving Fund, Stormwater SW68117P 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 \$18,083 due September 2029. Interest rate is 3.00%. The principal and interest is secured by net revenues of the water and sewer system. | - | 422,722 |
| \$6,496,068 Clean Water State Revolving Fund, Wastewater WW410300 was issued to rehab and replace lift stations, force mains, and new gravity sewer (Collection and Transmission) facilities projects. The principal of the loan is being repaid semi-annually with a final payment of \$209,455 due on February 15, 2032. Interest is paid at a rate of 2.63% | - | 5,845,263 |
| \$415,698 Clean Water State Revolving Fund, Wastewater WW410301 was issued as a companion loan to Clean Water State Revolving Fund, Wastewater WW410300. The principal of the loan is being repaid semi-annually with a final payment of \$12,655 due February 15, 2032. Interest is paid at a rate of 2.26% | - | 364,141 |
| \$877,372 Clean Water State Revolving Fund, Stormwater SW410320 was issued as a construction loan to fund Stormwater Management Facilities project, Wares Creek Drainage Improvement. The loan principal is to be repaid in semi-annual payments with a final payment of \$28,586 due February 2033. Interest rate is 2.33%. The principal and interest is secured by net revenues of the water and sewer system. | - | 859,180 |
| \$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. | 16,045,000 | - |
| \$1,200,000 Promissory Note, Judicial Center Parking Garage Loan II was issued for the purpose of financing the cost of construction of the Judicial Center Parking Garage. The principal of the loan is being repaid quarterly with a final payment of \$21,549 due December 15, 2025. The interest rate on the note is 63.7% of the 30-day LIBOR rate plus .62% as set at the beginning of each quarter and is payable quarterly. To lower the volatility of its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.27%. The interest is paid at a variable rate, currently .11725%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners. Franchise fees are pledged to secure this issue. | - | 787,682 |

(Continued)

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Description of Debt (*continued*)

| | Governmental | Business-Type |
|--|----------------------|-------------------|
| \$1,800,000 Promissory Note, Judicial Center Parking Garage Loan III was issued for the purpose of financing the cost of construction of the Judicial Center Parking Garage. The principal of the loan is being repaid quarterly with a final payment of \$32,335 due February 14, 2026. The interest rate on the note is 63.7% of the 30-day LIBOR rate plus .62% as set at the beginning of each quarter and is payable quarterly. To lower the volatility of its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.28%. The interest is paid at a variable rate, currently .12169%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners. Franchise fees are pledged to secure this issue. | - | 1,202,468 |
| Total bonds and notes | \$ 27,075,380 | 13,380,521 |

Debt Maturity

Debt service requirements at September 30, 2014, were as follows:

Governmental Activities, Revenue Bonds and Notes

| Year Ended September 30 | Revenue Bonds | | Promissory Notes | |
|-------------------------|----------------------|-------------------|------------------|----------------|
| | Principal | Interest | Principal | Interest |
| 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 | 1,007,938 | 826,280 | 439,962 | 58,826 |
| 2019 | 1,042,885 | 792,327 | 463,853 | 34,938 |
| 2020 – 2024 | 5,314,678 | 3,414,447 | 364,592 | 9,749 |
| 2025 – 2029 | 7,061,140 | 2,291,555 | -- | -- |
| 2030 – 2034 | 4,305,000 | 1,243,880 | -- | -- |
| 2035– 2037 | 3,060,000 | 271,688 | -- | -- |
| Total | \$ 24,618,705 | 11,519,939 | 2,456,675 | 411,308 |

Business-type Activities, Revenue Bonds

| Year Ended September 30 | Revenue Bonds | |
|-------------------------|----------------------|------------------|
| | Principal | Interest |
| 2015 | \$ 795,752 | 399,283 |
| 2016 | 822,023 | 373,864 |
| 2017 | 849,963 | 346,928 |
| 2018 | 878,198 | 321,925 |
| 2019 | 907,827 | 291,042 |
| 2020 – 2024 | 5,017,533 | 993,312 |
| 2025 – 2029 | 2,827,318 | 349,755 |
| 2030-2034 | 1,281,907 | 53,194 |
| Total | \$ 13,380,521 | 3,129,303 |

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Other Long-Term Debt Information

Conduit Debt

From time to time, the City issues revenue bonds to provide financial assistance to private-sector entities or other third parties for the acquisition and construction of industrial and commercial facilities. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans and agreements. The City is not obligated in any manner for repayment of the bonds as discussed above. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2014, there were seven Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$12,750,838.

Other Liabilities

As of September 30, 2014, the City had entered into two 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, Stormwater SW410330 is a construction loan to fund Stormwater Management Facilities project, Wares Creek Bridges/12th Ave W, 14th Ave W bridge replacement and 20th Street West and 14th Ave West bridge replacement. This loan is approved up to \$1,352,283 at an interest rate of 1.84%. The construction drawdown as of September 30, 2014, was \$1,295,819.

Clean Water State Revolving Fund, Stormwater SW410340 is a construction and demolition loan for the 17th Ave West Bridge. An amount of \$874,319 was drawn down as of September 30, 2014 and has \$15,100 in capitalized interest.

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 \$893,969, as of September 30, 2014. The fair value was estimated using the zero coupon method, calculating the future net settlement payments required by the swap assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement on the swap.

Credit Risk: As of September 30, 2014, 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.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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*, Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*. 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. 2910 as approved January 27, 2010, along with subsequent amendments. The plan is subject to the provisions of Chapters 112 and 175 of the Florida Statutes. The City's total payroll for fire personnel at the year ended September 30, 2014, was \$4,618,639, compared to \$23,472,657 for the City's entire payroll. At September 30, 2014, membership consisted of:

| | <u>2014</u> |
|---|-------------------|
| Retirees, disabled participants and beneficiaries | |
| Currently receiving benefits | 59 |
| Members in DROP | 4 |
| Current employees | |
| Vested | 40 |
| Terminated vested | 1 |
| Non-vested | 21 |
| Total | <u><u>125</u></u> |

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Benefits provided: 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.

Effective October 1, 1999, 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 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.

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.

Contributions: As a condition of participation, firefighters' are required to contribute to the Plan. The percentage increased effective April 15, 2013, from 8% to 9% of their earnings and is scheduled to increase to 10% in 2014. If an employee separates from service before achieving ten years of credited service, the employee may either request a refund of their accumulated contribution or they may leave it deposited with the plan. If an employee has more than ten years of credited service upon termination, the member, upon reaching normal retirement, is entitled to a monthly retirement benefit equal to 3% of their average final compensation multiplied by years of credited service, provided the member does not elect to withdraw their accumulated contributions and they survive to the normal retirement date.

Other contributions are received from the State of Florida and the City. The State of Florida contribution results from the City's share of insurance tax. The City contributes an amount to make the fund actuarially sound, but not less than 8% of payroll.

The City/State actuarially determined required contributions for the years ended September 30, 2014 and 2013 were approximately \$2,607,581 and \$2,190,069, respectively.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Deferred Retired Option Program (DROP): Satisfaction of Normal Retirement requirements (earlier of 1) age 55 and 10 years of service, or 2) 25 years of service, regardless of age). Participation up to 60 months. At the election of the Member, the account is credited with either: 1) the actual net rate of investment return (total return net of brokerage commissions and transactions costs), or 2) 6.5% per year. The income is credited each fiscal quarter and the Member may change the method of crediting income once during the DROP period.

The DROP balance as of September 30, 2014 is \$1,150,279.

Effective July 1, 2013, the Plan implemented the provision of GASB Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25, which significantly changed the disclosures required related to the Plan. The information disclosed below is presented in accordance with this new standard.

The components of the net pension liability of the City of Bradenton on September 30, 2014 are as follows:

| | |
|---|----------------------------|
| Total Pension Liability | \$ 50,095,573 |
| Plan Fiduciary Net Position | (43,513,318) |
| City's Net Pension Liability | <u><u>\$ 6,582,255</u></u> |
| Plan Fiduciary Net Positions as a percentage of | |
| Total Pension Liability | 86.86% |

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements present multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

| | |
|---------------------------|-------|
| Inflation | 3.00% |
| Salary increases | 7.50% |
| Investment rate of return | 8.00% |

The mortality table used was RP 2000 Combined Healthy Mortality Table, Sex Distinct. Disabled lives are set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

| <u>Asset Class</u> | <u>Long Term Expected Real Rate of Return</u> |
|------------------------|---|
| All Cap Value Equity | 7.5% |
| Broad Growth Equity | 7.5% |
| Core Equity | 7.5% |
| International Equity | 8.5% |
| Investment Grade Bonds | 2.5% |
| Global Bonds | 3.5% |
| TIPS | 2.5% |
| Real Estate | 4.5% |

Discount Rate: The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate on pension plan investments was applied to all periods of projected benefit payments to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 8%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate.

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

| Current Discount | | |
|------------------|--------------|--------------|
| 1% Decrease | Rate | 1% Increase |
| 7% | 8% | 9% |
| \$ 12,246,397 | \$ 6,052,917 | \$ 1,799,766 |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates that are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2014 and the current sharing pattern of cost between employer and employee.

Until the City implements the provision of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, on October 1, 2014, the provisions of GASB Statement No. 27 continue to be followed in the financial statements from the employer perspective. The information disclosed below is presented in accordance with GASB Statement No. 27 and these measures and disclosed amounts differ from those used by the Plan under GASB Statement No. 67 as previously discussed.

Annual Pension Cost and Net Pension Obligation: The annual required contribution, annual pension cost, and net pension obligation for fiscal year 2014 was determined as part of the September 30, 2014 actuarial valuation. The schedule below shows the components of the annual pension cost for the current year along with the percentage actually contributed by the City.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

| | |
|---|--------------------|
| Annual required contribution | \$ 2,786,086 |
| Interest on net pension obligation | (7,372) |
| Adjustments | <u>11,300</u> |
| | |
| Annual pension cost | 2,790,014 |
| Actual contributions made | <u>2,786,085</u> |
| | |
| Increase in net pension obligation | 3,929 |
| | |
| Net pension obligation, beginning of year | (92,144) |
| Net pension obligation, end of year | <u>\$ (88,215)</u> |

The annual pension cost, actual contributions, and the net pension obligation for the current and previous two years are presented in the table below.

Three-Year Trend Information

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Actual Contributions</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|---------------------------|--------------------------------------|-----------------------------|--|-----------------------------------|
| September 30, 2012 | \$ 2,085,875 | 2,085,875 | 100.0% | \$ (96,101) |
| September 30, 2013 | 2,481,899 | 2,477,942 | 100.0% | (92,144) |
| September 30, 2014 | 2,790,014 | 2,786,085 | 100.0% | (88,215) |

As of the most recent valuation date October 1, 2014, the funded status of the Plan was as follows:

| | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) (2) - (1) | Funded Ratio (1) / (2) | Covered Payroll | UAAL as a Percentage of Covered Payroll (3) / (5) |
|----------------|---------------------------------|---|----------------------------------|------------------------------|--------------------|--|
| Valuation Date | \$ 39,328,349 | 49,226,972 | 9,898,623 | 79.89% | 4,277,354 | 231.42% |

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations above are based on the substantive plan in effect as of September 30, 2014 and the current sharing pattern of costs between employer and employee.

The assumptions used in the September 30, 2014 actuarial valuation are as follows.

**CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

The schedule will present 10 years of information once it is accumulated.

Actuarial Assumption

Actuarially determined contribution rates are calculated as of October 1, two years prior to end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method Entry Age Normal Actuarial Cost Method
Amortization Method Level % of Pay, Closed
Remaining Amortization Period 28 Years as of 10/1/2012

Asset Smoothing Methodology

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.

Inflation 3% per year

| Employer Fiscal Year Ending September 30: | 2014 | 2013 | 2012 |
|---|--------------|-----------|------------|
| A. Annual Required Contribution (ARC) | \$ 2,786,086 | 2,477,942 | 2,081,849 |
| B. Interest on Net Pension Obligation (NPO) | (7,372) | (7,688) | (8,010) |
| C. Adjustment to ARC | 11,300 | 11,645 | 12,036 |
| D. Annual pension cost (A + B + C) | 2,790,014 | 2,481,899 | 2,085,875 |
| E. Actual contributions | 2,786,085 | 2,477,942 | 2,081,849 |
| F. NPO at beginning of year | 3,929 | (96,101) | (100,127) |
| G. Increase (decrease) in NPO (D - E) | (92,144) | 3,957 | 4,026 |
| H. NPO at end of year (F + G) | (88,215) | (92,144) | (96,101) |

Investments: The 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 plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

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, 2014, was \$7,568,123, compared to \$23,472,657 for the entire City's payroll.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

At October 1, 2014, membership consisted of:

| | <u>2014</u> |
|---|-------------------|
| Retirees, disabled participants and beneficiaries | |
| Currently receiving benefits | 74 |
| Terminated (not receiving benefits) | 1 |
| Members in DROP | 4 |
| Current employees | |
| Vested | 49 |
| Non-vested | 67 |
| Total | <u><u>195</u></u> |

Benefits provided: The plan covers each person employed by the City of Bradenton Police Department as a full-time Police Officer as a condition of his/her employment. All Police Officers are eligible for all plan benefits as provided for in the plan document and by applicable law. Notwithstanding, the Police Chief may, within the first three months of employment as Police Chief, elect in writing to not be a member of the System.

Effective June 1, 2013 the plan had two tiers of retirement benefits. Anyone hired prior to June 1, 2013 would be in Tier 1 with eligibility for retirement upon the earlier of the attainment of age 45 and the completion of 20 years of credited service, or the attainment of age 55 and the completion of 10 years of credited service. Such retiree would receive a normal retirement based on credited service and average final compensation. "Average Final Compensation" (AFC) is 1/12 of the average salary of the two best years if 20 or more years of credit service (the period used to determine the average final compensation is changed to three years for the employees who are not vested as of January 31, 2014), three best years if less than 20 years of credited service, but at least 10 years of credited service or five best years if 5 or more years of credited service, but less than 10 years. The normal retirement is calculated by multiplying 3% time years of service of credited service times average final compensation plus \$10.00 for each year of credited service if the retiree retires with 20 or more years of credited service. Effective after June 30, 2013, pensionable earnings excludes payments for overtime in excess of 300 hours per calendar year. Also, effective February 1, 2014, the definition of pensionable earnings is changed to exclude pay from "contracted special details." The maximum payout amount of unused sick and vacation leave that is included in pensionable earnings is the member's balance as of June 30, 2013. The balance as of June 30, 2013 is calculated as the member's current hourly rate times the current unused vacation leave hours plus half of the current unused sick leave hours.

Members who are hired on or after June 1, 2013 will be a participant in Tier 2. These members are eligible for normal retirement with the earlier of the attainment of age 50 and the completion of 25 years of credited service, or the attainment of age 55 with 10 years of service. The averaging period used to determine average final compensation is five years. The benefit multiplier is reduced from 3% to 2.5% per year of service and the annual cost of living adjustment is delayed until age 55 and ends at age 65. For eligible members who retire on or after February 1, 2014, the annual cost of living adjustment stops at the age of 65.

The plan provides for pre-retirement death benefits for both vested and non-vested members. If a member loses their life directly in the performance of duties as a Police Officer, his/her spouse, if any, shall receive and be paid as a monthly benefit a sum equal to 3% of average final compensation, multiplied by total years of credit service, but in any event, the minimum amount paid shall be 60% of average final compensation, with such pension to be paid for the remainder of the spouse's natural life, and the Fund shall pay in addition thereto the sum of \$20.00 per month for each eligible child. The pension benefit offered by this subsection shall be in lieu of any other benefits provided by the system.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Contributions: As stated, each person employed by the City of Bradenton Police Department as a full-time Police Officer must contribute into the pension plan, except for the Police Chief if he/she chose to opt out of the plan. The member contribution rates increased from 6% of pay to 7.5% beginning the first full pay period after the effective date of Ordinance No. 2963 and to 9% effective the first full pay period in October 2014. A start/restart is implemented based on the following; 1) the pension benefits are reduced to the Chapter 185 minimums and then immediately restored to the level in place prior to the reduction, such that there is not reductions in the benefits for any members, 2) the difference in cost between the current plan and the Chapter 185 plan is added to the base State contribution from 1998 resulting in a new adjusted base amount, and 3) as agreed in the collective bargaining agreement, the accumulated excess premium tax monies on October 1, 2013 will be used in its entirety to reduce the City's annual required pension contribution as a one-time offset. If an employee separates from service before achieving ten years of credited service, the employee may either request a refund of the accumulated contribution or they may leave it deposited with the plan for up to five years.

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.

The City/State actuarially determined required contributions for the years ended September 30, 2014 and 2013 were approximately \$1,692,501 and \$1,026,168, respectively.

Deferred Retired Option Program(DROP): When an employee becomes eligible for normal retirement, and is still employed by the City as a Police Officer, has the option of "retiring" from the pension plan but continuing his/her employment as a Police Officer for up to an additional five years. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the City not later than 5 years from the commencement of DROP participation. The employee must request, in writing, to enter the DROP within 12 months following the date on which the employee first becomes eligible for normal retirement. Upon entering the DROP, the employee's retirement benefit is immediately calculated and each monthly benefit payment is deposited into a DROP account. The account is credited with interest at the rate of 6.5% per annum.

The DROP balance as of September 30, 2014 is \$386,239.

Effective July 1, 2013, the Plan implemented the provision of GASB Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25, which significantly changed the disclosures required related to the Plan. The information disclosed below is presented in accordance with this new standard.

The components of the net pension liability of the City of Bradenton on September 30, 2014 are as follows:

| | |
|---|----------------------------|
| Total Pension Liability | \$ 72,009,291 |
| Plan Fiduciary Net Position | (64,304,037) |
| City's Net Pension Liability | <u><u>\$ 7,705,254</u></u> |
| Plan Fiduciary Net Positions as a percentage of | |
| Total Pension Liabiltiy | 89.30% |

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements present multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

| | |
|---------------------------|-------|
| Inflation | 3.00% |
| Salary increases | 4.00% |
| Investment rate of return | 8.00% |

The mortality table used was the 1983 Group Annuity Mortality (GAM) table for males and females. For disabled retirees, the regular mortality tables are set forward 5 years in ages to reflect impaired longevity.

The assumed real rate of return over wage inflation is defined to be portion of total investment return that is more than the assumed wage inflation rate. Considering other economic assumptions, the 8% investment return rate translates to an assumed real rate of return over wage inflation of 5%.

| <u>Asset Class</u> | <u>Long Term Expected Real Rate of Return</u> |
|----------------------|---|
| Domestic Equity | 11.1% |
| International Equity | 6.4% |
| Bonds | 7.6% |
| High Yield Bonds | 9.5% |
| TIPS | 6.2% |
| Convertibles | 9.5% |
| REITS | 9.7% |
| Real Estate | 7.1% |
| MLPs | 16.9% |

Discount Rate: The discount rate of 8% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 8%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 8%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

| Current Discount | | |
|------------------|--------------|--------------|
| 1% Decrease | Rate | 1% Increase |
| 7% | 8% | 9% |
| \$ 19,827,396 | \$ 7,705,254 | \$ 1,265,622 |

Until the City implements the provision of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, effective July 1, 2014, the provision of GASB

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Statement No. 27 continues to be following in the financial statements from the employer perspective. The information disclosed below is presented in accordance with GASB Statement No. 27 and these measures and disclosed amounts differ from those used by the Plan under GASB Statement No. 67 as previously discussed.

Annual Pension Cost and Net Pension Obligation: The annual required contribution, annual pension cost, and net pension obligation for fiscal year 2014 was determined as part of the September 30, 2014 actuarial valuation. The schedule below shows the components of the annual pension cost for the current year along with the percentage actually contributed by the City.

The annual pension cost, actual contributions, and the net pension obligation for the current and two previous years are presented in the table below.

Three-Year Trend Information

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Actual Contributions</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|---------------------------|--------------------------------------|-----------------------------|--------------------------------------|-------------------------------|
| September 30, 2012 | \$ 2,138,733 | 2,179,214 | 101.9% | \$ (1,242,802) |
| September 30, 2013 | 2,413,395 | 2,359,691 | 97.8% | (1,189,098) |
| September 30, 2014 | 2,513,323 | 2,492,778 | 99.2% | (1,168,553) |

As of the most recent valuation date September 30, 2014, the funded status of the Plan was as follows:

| Actuarial Valuation Date | Actuarial Value of Assets | UAAL as a Percentage of Covered Payroll | | |
|--------------------------|---------------------------|--|----------------------------------|--------------------------------|
| | | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) (2) - (1) | Funded Ratio (1) / (2) |
| 10/1/2014 | \$ 59,712,743 | 69,371,949 | 9,659,206 | 86.10% 6,946,336 139.10% |

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations above are based on the substantive plan in effect as of September 30, 2014 and current sharing pattern of costs between employer and employee.

The assumptions used in the September 30, 2014 actuarial valuation presented on the following page:

**CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

Actuarial Assumption

Actuarially determined contribution rates are calculated as of October 1, which is two years (2) prior to the end of the fiscal year in which contributions were reported.

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|---------------------------------------|--|
| Funding Method | Entry Age Normal Actuarial Cost Method |
| Actuarial Asset Valuation Method | 5 year smoothing |
| Amortization Method | Level % of Pay, Closed |
| Remaining Amortization Period | 30 years |
| Asset Valuation Method | 5-year smoothing |
| Inflation | 3.00% |
| Projected Salary Increases | 6.7% to 9.1% depending on service, including inflation |
| Assumed Rate of Return on Investments | 8.00% |
| Retirement Age | Experienced-base tables of rates that specific to the type of eligibility condition |
| Mortality | 1983 Group Annuity Mortality Tables for males and females |
| Cost-of-living Adjustments | 1/2 CPI up to 4% for members who retired on or after Dec 27, 1989, Hired after Jun 1, 2013 COLA are delayed to age 55 and cease at age 65 Members who retire on or after Feb 1, 2014 COLA ceases at age 65 |

| Employer Fiscal Year Ending September 30: | 2014 | 2013 | 2012 |
|---|--------------|--------------|--------------|
| A. Annual Required Contribution (ARC) | \$ 2,454,885 | 2,359,691 | 2,092,091 |
| B. Interest on Net Pension Obligation (NPO) | (95,128) | (99,424) | (96,186) |
| C. Adjustment to ARC | (153,566) | (153,128) | (142,828) |
| D. Annual pension cost (A + B - C) | 2,513,323 | 2,413,395 | 2,138,733 |
| E. Actual contributions | 2,492,778 | 2,359,691 | 2,179,214 |
| F. NPO at beginning of year | (1,189,098) | (1,242,802) | (1,202,321) |
| G. Increase (decrease) in NPO (D - E) | 20,545 | 53,704 | (40,481) |
| H. NPO at end of year (F + G) | (1,168,553) | (1,189,098) | (1,242,802) |

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

CITY OF BRADENTON
STATEMENT OF NET ASSETS
POLICE PENSION FUND

September 30, 2014

Assets

| | |
|--------------------------------|------------------|
| Interest receivable | \$ 112,149 |
| Due from City | 102,240 |
| Due from plan members | 18,012 |
| Due from brokers | 148,211 |
| Investments, at fair value | |
| U.S. Government obligations | 3,155,713 |
| Domestic corporate bonds | 4,136,629 |
| Convertible bonds | 4,659,927 |
| Municipal obligations | 161,643 |
| Mortgage backed | 4,111,344 |
| Collateralized mortgage backed | 5,968,620 |
| Domestic stock | 19,313,057 |
| Master limited partnership | 4,474,523 |
| Mutual funds | 15,749,510 |
| Preferred equity securities | 626,243 |
| Money market/cash | 1,706,953 |
| Total investments | <hr/> 64,064,162 |
| Total assets | <hr/> 64,444,774 |

Liabilities

| | |
|---|---------------------------|
| Accounts payable | 66,949 |
| Due to brokers | <hr/> 73,788 |
| Total liabilities | <hr/> 140,737 |
| Net assets held in trust for pension benefits and other purposes | <hr/> <hr/> \$ 64,304,037 |

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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

September 30, 2014

Additions

| | |
|---|------------------|
| Contributions | |
| Employer | \$ 2,083,762 |
| Plan members | 445,907 |
| Repayment of pension benefits | 375 |
| State of Florida (from City's General Fund) | 409,016 |
| Total contributions | <u>2,939,060</u> |
| Investment earnings | |
| Interest | 741,135 |
| Dividends | 994,833 |
| Miscellaneous/settlement income | 1,454 |
| Net increase in fair value of investments | 5,016,371 |
| Total investment earnings | <u>6,753,793</u> |
| Less investment expenses | (337,975) |
| Net investment earnings | <u>6,415,818</u> |
| Total additions | <u>6,415,818</u> |

Deductions

| | |
|--------------------------|----------------------|
| Benefits | 2,814,711 |
| Refunds of contributions | 82,636 |
| DROP payments | 461,489 |
| Administrative expenses | 63,541 |
| Total deductions | <u>3,422,377</u> |
| Change in net assets | 5,932,501 |
| Net assets, beginning | 58,371,536 |
| Net assets, ending | <u>\$ 64,304,037</u> |

Investments: The 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.

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 660,000 full-time employees of various governmental units within the state of Florida.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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

Retirement benefits are based upon age, average compensation and years-of-service credit where average final compensation is computed as the average of an individual's five highest years of earnings. For employees enrolled in the plan on or after July 1, 2011, AFC is the average of the eight highest years of earnings. Effective July 1, 2011, employees are required to contribute 3% of their salary as a retirement contribution on a pre-tax basis. The City automatically deducts this contribution from the employees' wages and remits this along with its monthly contributions. Members participating in the DROP were not required to make a 3% contribution.

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

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

| Effective Contribution Rates—Employer | | |
|---------------------------------------|------------------------|------------------------|
| | July 2013 to June 2014 | July 2014 to June 2015 |
| Regular employees | 6.95% | 7.37% |
| Special risk employees | 19.06% | 19.82% |
| DROP employees | 12.84% | 12.28% |
| Elected officials | 33.03% | 43.24% |
| Senior management | 18.31% | 21.14% |

The City's contributions made during the years ended September 30, 2014, 2013, and 2012, were \$1,387,758, \$746,215, and \$662,613, respectively; equal to the actuarially determined contribution requirements for each year. This is the third year that the employees contributed into the pension plan and the contributions for years ending September 30, 2014, 2013 and 2012, were \$331,820, \$ 334,146, and \$345,564, 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 (OPEB)

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.

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

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 2014, 2013 and 2012, the City provided required contributions of \$871,085, \$951,862, and \$942,736, respectively, toward the annual OPEB cost comprised of benefit payments made on behalf of retirees, exclusive of retiree contributions totaling \$372,156, \$407,989 and \$293,661, respectively.

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) | \$ 523,506 |
| Amortization of Unfunded Actuarial Accrued Liability | 1,966,212 |
| Interest on normal cost and amortization | -- |
| Annual Required Contribution (ARC) | 2,489,718 |
| Interest on Net OPEB Obligation (NOO) | 728,955 |
| Adjustment to (ARC) | (1,223,285) |
| Annual OPEB cost (expense) | 1,995,388 |
| Estimated employer contributions | (871,085) |
| Estimated increase (decrease) in NOO | 1,124,303 |
| NOO at beginning of year | 16,757,584 |
| Estimated NOO at end of year | <u><u>\$ 17,881,887</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, 2014 were as follows:

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

Schedule of Employer Contributions

| Fiscal Year Ending | Annual OPEB Cost | Amount Contributed | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|--------------------|------------------|--------------------|--|---------------------|
| 9/30/2012 | \$ 1,513,882 | 942,736 | 62.27% | 15,805,721 |
| 9/30/2013 | 1,919,076 | 967,213 | 50.40% | 16,757,584 |
| 9/30/2014 | 1,995,388 | 871,085 | 43.65% | 17,881,887 |

The funded status and funding progress as of September 30, 2014, was as follows:

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

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

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

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information.

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

In the October 1, 2012, OPEB actuarial valuation, the individual entry age normal cost method with increasing normal cost pattern consistent with the salary increase assumptions used in the FRS pension plan was used. The unfunded actuarial accrued liability is amortized on a closed basis, calculated as a level percent of payroll over a 14-year period. The assumed rate of payroll growth is 4.00%. GASB Statement No. 45 requires that any such payroll growth assumption be based upon no increase in the number of active employees covered by the plan. Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the investment return discount rate is the long-term expectation of investment return on assets held in City funds pursuant to its investment policy. The City has selected 4.35% compounded annually.

The City makes the following assumptions in regard to healthcare cost trend and inflation rates: (1) inflation is projected at 3%, (2) initial per capita cost trend rate is projected at 8.5%, and (3) the ultimate per capita cost

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

trend rate is 5.0454%. The initial per capita trend rate is fully offset by carrier changes, estimated to result in 9% savings.

NOTE M – DEFERRED COMPENSATION PLAN

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

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

NOTE N – RISK MANAGEMENT AND SELF-INSURANCE PROGRAMS

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

Medical Self-Insurance Program: The City maintains a self-insurance program with regard to medical benefits for employees and dependents. The City contributes \$5,200 to \$13,520 for each budgeted staff position. Dependent and retiree coverage is optional and the cost is paid by employee contributions. Risks in excess of fixed individual limits of \$200,000 annually are co-insured with an outside insurance carrier.

Workers' Compensation Self-Insurance Program: The City maintains a self-insurance program with regard to workers' compensation benefits for employees. The City pays the entire cost of the program. Risks in excess of \$350,000 annually are co-insured with an outside insurance carrier.

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

The plans are reviewed annually by an actuarial firm. These studies are used to determine the basis for premiums charged to various City departments for their workers' compensation insurance, and to City employees' dependents (medical insurance).

Estimated liabilities for claims incurred but not reported are accrued based on projections from historical data. There have been no significant reductions in insurance coverage for the current fiscal year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The self-insurance funds establish a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents the changes in approximate aggregate liabilities for the City from October 1, 2011 to September 30, 2014:

CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

| | Medical Self-Insurance | Workers' Compensation Self-Insurance |
|--|----------------------------|--|
| Liability balance, September 30, 2012 | \$ 470,000 | 543,568 |
| Claims and changes in estimates | 3,853,292 | 970,455 |
| Claims payments | (3,807,292) | (1,143,567) |
| Liability balance, September 30, 2013 | 516,000 | 370,456 |
| Claims and changes in estimates | 4,149,250 | 624,966 |
| Claims payments | (4,149,250) | (776,705) |
| Liability balance, September 30, 2014 | \$ 516,000 | 218,717 |
| Cash available to pay claims at September 30, 2014 | <u><u>\$ 4,653,327</u></u> | <u><u>8,998,662</u></u> |

NOTE O – CONTINGENT LIABILITIES

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

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



In January 2015, the City of Bradenton completed the last of four bridge replacements on Wares Creek that were a companion project to the Army Corps of Engineers' \$50M+ dredging project of the same creek.

Combined, the Army Corps of Engineers and City projects were completed to help alleviate flooding within the Wares Creek drainage basin. The four bridge replacements, at 9th, 12th, 14th, and 17th Avenues West, were completed over a period of 31 months at a total cost of \$6.87M.

These four bridges were ultimately completed one full year ahead of schedule and \$1.33M under the original project budget.



Photo credits: Jones Edmunds & Associates, Inc.

Required Supplementary Information

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

CITY OF BRADENTON, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2014

| | Budgeted Amount | | Variance with Final Budget |
|---------------------------------------|------------------------|---------------------|---------------------------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | \$ 24,247,362 | 25,108,962 | 25,211,755 102,793 |
| Franchise Fees | 3,140,564 | 3,050,564 | 3,134,768 84,204 |
| Licenses and permits | 999,900 | 1,921,945 | 1,852,002 (69,943) |
| Intergovernmental grants | 89,677 | 103,277 | 102,884 (393) |
| Intergovernmental revenues | 1,729,008 | 1,729,008 | 1,784,193 55,185 |
| Shared revenues | 1,411,546 | 1,411,546 | 1,480,349 68,803 |
| Charges for services | 2,201,775 | 2,263,075 | 2,385,279 122,204 |
| Fines and forfeitures | 232,595 | 232,595 | 319,227 86,632 |
| Interest and investment earnings | 1,124,078 | 706,078 | 705,509 (569) |
| Payment in lieu of taxes | 63,657 | 63,657 | 65,874 2,217 |
| Rents | 595,180 | 595,180 | 644,143 48,963 |
| Special assessment-property owners | 4,000 | 4,000 | 19,946 15,946 |
| Miscellaneous | 738,122 | 707,918 | 1,171,726 463,808 |
| Total revenues | <u>36,577,464</u> | <u>37,897,805</u> | <u>38,877,655</u> 979,850 |
| Expenditures | | | |
| General government services | 7,866,932 | 8,499,570 | 8,293,353 206,217 |
| Public safety | 22,311,589 | 22,662,916 | 22,490,782 172,134 |
| Transportation | 3,044,925 | 3,197,853 | 3,176,830 21,023 |
| Culture and recreation | 1,588,497 | 1,629,397 | 1,575,414 53,983 |
| Total expenditures | <u>34,811,943</u> | <u>35,989,736</u> | <u>35,536,379</u> 453,357 |
| Excess of revenues over expenditures | 1,765,521 | 1,908,069 | 3,341,276 1,433,207 |
| Other financing sources (uses) | | | |
| Transfers from other funds | 400,000 | 400,000 | 400,000 -- |
| Transfers to other funds | (1,973,392) | (2,013,250) | (2,013,250) -- |
| Proceeds from sale of capital assets | 17,500 | 57,500 | 137,261 79,761 |
| Total other financing sources (uses) | <u>(1,555,892)</u> | <u>(1,555,750)</u> | <u>(1,475,989)</u> 79,761 |
| Net change in fund balance | 209,629 | 352,319 | 1,865,287 1,512,968 |
| Fund balance, October 1, 2013 | <u>40,090,240</u> | <u>40,090,240</u> | <u>40,090,240</u> -- |
| Fund balance, September 30, 2014 | <u>\$ 40,299,869</u> | <u>40,442,559</u> | <u>41,955,527</u> 1,512,968 |

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, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|--|--------------------|-----------------|---------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Interest earnings | \$ -- | -- | 8 | 8 |
| Special assessments, property owners | <u>--</u> | <u>6,500</u> | <u>6,585</u> | <u>85</u> |
| Total revenues | <u>--</u> | <u>6,500</u> | <u>6,593</u> | <u>93</u> |
| Expenditures | | | | |
| Economic environment | | | | |
| Personnel services | -- | 239 | 239 | -- |
| Operating expenditures | <u>--</u> | <u>1,647</u> | <u>1,648</u> | <u>(1)</u> |
| Public assistance | <u>--</u> | <u>74,089</u> | <u>74,122</u> | <u>(33)</u> |
| Total expenditures | <u>--</u> | <u>75,975</u> | <u>76,009</u> | <u>(34)</u> |
| Excess (deficiency) of revenues over (under) expenditures | -- | (69,475) | (69,416) | 59 |
| Fund balance, October 1, 2013 | <u>97,876</u> | <u>97,876</u> | <u>97,876</u> | <u>--</u> |
| Fund balance, September 30, 2014 | <u>\$ 97,876</u> | <u>28,401</u> | <u>28,460</u> | <u>59</u> |

Required Supplementary Information

In accordance with the Governmental Accounting Standards Board Statements Numbered 25, 27, 50 and 67, the following historical trend information of the City's Firefighters' Pension Trust Fund and Police Pension Trust Fund is required supplementary information.

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

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

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS**

| | 2014 | 2013 |
|--|-------------------------|-------------------------|
| Total pension liability | | |
| Service cost | \$ 1,117,928 | \$ 1,035,119 |
| Interest on total pension liability | 3,795,804 | 3,612,482 |
| Differences between expected and actual experience | - | - |
| Benefit payments, including refunds of employee contributions | (2,295,560) | (2,582,213) |
| Net change in total pension liability | <u>2,618,172</u> | <u>2,065,388</u> |
| Total pension liability - beginning | <u>47,477,401</u> | <u>45,412,013</u> |
| Total pension liability - ending (a) | <u>\$ 50,095,573</u> | <u>\$ 47,477,401</u> |
| Plan fiduciary net pension | | |
| Contributions - employer | 2,164,348 | 1,823,866 |
| Contributions - employee | 373,904 | 321,130 |
| Contributions - state | 452,334 | 461,961 |
| Net investment income | 4,986,790 | 5,335,721 |
| Benefit payments, including refunds of member contributions | (2,295,560) | (2,707,213) |
| Administrative expenses | (54,315) | (85,974) |
| Net change in plan fiduciary net pension | <u>5,627,501</u> | <u>5,149,491</u> |
| Plan fiduciary net position - beginning | <u>38,415,155</u> | <u>33,265,664</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 44,042,656</u> | <u>\$ 38,415,155</u> |
| City's net pension liability - ending (a) - (b) | <u>\$ 6,052,917</u> | <u>\$ 9,062,246</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 86.86% | 79.48% |
| Covered employee payroll | 3,955,261 | 3,795,867 |
| City's net pension liability as a percentage of covered employee payroll | 166.42% | 256.68% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

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

Schedule of Employer Contributions

| | 2014 | 2013 |
|--|------------------|------------------|
| Actuarially determined contribution | \$ 2,616,682 | \$ 2,285,827 |
| Contributions in relation to the actuarially determined contribution | 2,616,682 | 2,285,827 |
| Contributions deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 3,955,261 | \$ 3,795,867 |
| Contributions as a percentage of covered-employee payroll | 66.16% | 60.22% |

Notes to the Schedule:

Actuarial Assumption

Valuation Date

October 1, 2012

Actuarially determined contribution rates are calculated as of October 1, two years prior to end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Funding Method | Entry Age Normal Actuarial Cost Method |
| Amoritization Method | Level % of Pay, Closed |
| Remaining Amortization Period | 28 Years as of 10/1/2012 |

Asset Smoothing Methodology

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.

Inflation

3% per year

Projected Salary Increases

7.50%

Assumed Rate of Return on Investments

8.00%

Cost-of-living Adjustments

3% Post Retirement (age 55 to 64)

Schedule of Investment Returns

| | 9/30/2014 | 9/30/2013 |
|--------------------------------------|------------------|------------------|
| Annual Money-Weighted Rate of Return | | |
| Net of Investment Expense | 12.89% | 15.44% |

Note to the Schedules:

The schedules will present 10 years of information once it is accumulated.

CITY OF BRADENTON, FLORIDA
FIREFIGHTERS' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress
(in thousands of dollars)

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) (2) - (1) | Funded Ratio (1) / (2) | Covered Payroll | UAAL as a Percentage of Covered Payroll (3) / (5) |
|--------------------------|---------------------------|--|----------------------------------|---------------------------|-----------------|--|
| 10/1/2008 | 29,533,913 | 37,712,988 | 8,179,075 | 78.31% | 4,065,747 | 201.17% |
| 10/1/2009 | 29,759,576 | 40,029,289 | 10,269,713 | 74.34% | 4,014,231 | 255.80% |
| 10/1/2010 | 30,070,970 | 42,939,991 | 12,869,021 | 70.03% | 3,575,486 | 359.90% |
| 10/1/2011 | 28,968,552 | 44,421,789 | 15,453,237 | 65.21% | 3,801,293 | 406.50% |
| 10/1/2012 | 31,366,168 | 46,534,418 | 15,168,250 | 67.40% | 3,861,209 | 392.84% |
| 10/1/2013 | 34,615,120 | 47,471,556 | 12,856,436 | 72.92% | 4,175,030 | 307.94% |
| 10/1/2014 | 39,328,349 | 49,226,972 | 9,898,623 | 79.89% | 4,277,354 | 231.42% |

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.

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

Schedule of Employer Contributions

| Year Ended | Annual Required Contribution | Annual Contribution | Percentage Contributed |
|------------|------------------------------|---------------------|------------------------|
| 2008 | 1,070,966 | 1,070,966 | 100.00% |
| 2009 | 1,091,800 | 1,091,800 | 100.00% |
| 2010 | 1,312,075 | 1,312,075 | 100.00% |
| 2011 | 1,440,036 | 1,440,036 | 100.00% |
| 2012 | 2,081,849 | 2,081,849 | 100.00% |
| 2013 | 2,477,942 | 2,477,942 | 100.00% |
| 2014 | 2,786,086 | 2,786,085 | 100.00% |

Note to the Schedule:

The above schedule was prepared in accordance with GASB Statement No. 27.

The actuarial assumptions used for the schedule are detailed in Note K of the financial statements – employer disclosure section.

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

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS**

| | <u>2014</u> |
|--|-----------------------|
| Total pension liability | |
| Service cost | \$ 1,743,824 |
| Interest on total pension liability | 5,401,904 |
| Differences between expected and actual experience | (14,634) |
| Benefit payments, including refunds of employee contributions | (3,358,461) |
| Net change in total pension liability | <u>3,772,633</u> |
| Total pension liability - beginning | <u>68,236,658</u> |
| Total pension liability - ending (a) | <u>\$ 72,009,291</u> |
| Plan fiduciary net pension | |
| Contributions - employer | 2,083,762 |
| Contributions - employee | 409,016 |
| Contributions - state | 445,907 |
| Net investment income | 6,415,818 |
| Benefit payments, including refunds of member contributions | (3,358,461) |
| Administrative expenses | (63,541) |
| Net change in plan fiduciary net pension | <u>5,932,501</u> |
| Plan fiduciary net position - beginning | <u>58,371,536</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 64,304,037</u> |
| City's net pension liability - ending (a) - (b) | \$ 7,705,254 |
| Plan fiduciary net position as a percentage of the total pension liability | 89.30% |
| Covered employee payroll | \$ 6,649,201 |
| City's net pension liability as a percentage of covered-employee payroll | 115.88% |

*Actual total covered payroll for the fiscal year ending September 30, 2014

Note to the Schedule:

The schedule will present 10 years of information once it is accumulated.

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

Schedule of Employer Contributions

| | 2014 |
|--|--------------|
| Actuarially determined contribution | \$ 2,454,885 |
| Contributions in relation to the actuarially determined contribution | 2,492,778 |
| Contributions deficiency (excess) | \$ (37,893) |
| Covered-employee payroll | \$ 6,649,201 |
| Contributions as a percentage of covered-employee payroll | 37.49% |

Notes to the Schedule:

Actuarial Assumption

| | |
|--|-----------------|
| Valuation Date | October 1, 2013 |
| Actuarially determined contribution rates are calculated as of October 1, which is two years (2) prior to the end of the fiscal year in which contributions were reported. | |

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|---------------------------------------|--|
| Funding Method | Entry Age Normal Actuarial Cost Method |
| Actuarial Asset Valuation Method | 5 year smoothing |
| Amoritization Method | Level % of Pay, Closed |
| Remaining Amortization Period | 30 years |
| Asset Valuation Method | 5-year smoothing |
| Inflation | 3.00% |
| Projected Salary Increases | 6.7% to 9.1% depending on service, including inflation |
| Assumed Rate of Return on Investments | 8.00% |
| Retirement Age | Experienced-base tables of rates that specific to the type of eligibility condition |
| Mortality | 1983 Group Annuity Mortality Tables for males and females |
| Cost-of-living Adjustments | 1/2 CPI up to 4% for members who retired on or after Dec 27, 1989, Hired after Jun 1, 2013 COLA are delayed to age 55 and cease at age 65 Members who retire on or after Feb 1, 2014 COLA ceases at age 65 |

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

Schedule of Investment Returns

9/30/2014

| | |
|--------------------------------------|-------|
| Annual Money-Weighted Rate of Return | 9.00% |
| Net of Investment Expense | 9.00% |

Note to the Schedules:

The schedules will present 10 years of information once it is accumulated.

Schedule of Funding Progress
(in thousands of dollars)

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) (2) - (1) | Funded Ratio (1) / (2) | Covered Payroll | UAAL as a Percentage of Covered Payroll (3) / (5) |
|-----------------------------|---------------------------------|---|-------------------------------------|------------------------------|--------------------|--|
| October 1 | | | | | | |
| 2008 | 45,205,970 | 52,792,349 | 7,586,379 | 85.6% | 6,618,369 | 114.6% |
| 2009 | 46,688,948 | 57,318,819 | 10,629,871 | 81.5% | 6,661,333 | 159.6% |
| 2010 | 47,812,346 | 57,777,539 | 9,965,193 | 82.8% | 6,518,785 | 152.9% |
| 2011 | 48,975,195 | 61,931,747 | 12,956,552 | 79.1% | 6,490,692 | 199.6% |
| 2012 | 50,520,702 | 66,124,218 | 15,603,516 | 76.4% | 6,776,210 | 230.3% |
| 2013 | 54,430,973 | 66,817,557 | 12,386,584 | 81.5% | 6,980,110 | 177.5% |
| 2014 | 59,712,743 | 69,371,949 | 9,659,206 | 86.1% | 6,946,336 | 139.1% |

Analysis of the dollar amounts of the actuarial value of assets or actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the police officers' pension plan's funding status on an ongoing-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally the greater this percentage, the stronger the plan.

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

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

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

Schedule of Employer Contributions

| Year Ended <u>September 30</u> | Annual Required Contribution | Annual Contribution | Percentage Contributed |
|-----------------------------------|------------------------------------|------------------------|---------------------------|
| 2008 | 1,650,279 | 1,816,375 | 110.1% |
| 2009 | 1,920,426 | 1,976,119 | 102.9% |
| 2010 | 1,979,482 | 1,979,482 | 100.0% |
| 2011 | 2,086,980 | 2,234,659 | 107.1% |
| 2012 | 2,092,091 | 2,179,219 | 104.2% |
| 2013 | 2,359,691 | 2,359,691 | 100.0% |
| 2014 | 2,492,778 | 2,492,778 | 100.0% |

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

Schedule of Funding Progress

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

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

Schedule of Employer Contributions

| Fiscal Year Ending | Annual OPEB Cost | Amount Contributed | Percentage of OPEB Cost Contributed | Estimated Net OPEB Obligation |
|--------------------|------------------|--------------------|-------------------------------------|-------------------------------|
| 9/30/2011 | \$ 4,062,969 | 872,485 | 21.47% | \$15,234,575 |
| 9/30/2012 | 1,513,882 | 942,736 | 62.27% | 15,805,721 |
| 9/30/2013 | 1,919,075 | 967,213 | 50.40% | 16,757,583 |
| 9/30/2014 | 1,995,388 | 871,085 | 43.65% | 17,881,887 |

Combining and Individual Fund Statements and Schedules

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

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

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

CITY OF BRADENTON, FLORIDA
SCHEDULE OF REVENUES BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|-------------------------------------|----------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | Actual | |
| Taxes | | | | |
| General property taxes | \$ 13,780,971 | 14,140,971 | 14,153,418 | 12,447 |
| Communication service tax | 2,532,804 | 2,241,404 | 2,241,335 | (69) |
| Half-cent sales tax | 3,342,241 | 3,600,241 | 3,600,966 | 725 |
| Utility tax | 3,970,346 | 4,505,346 | 4,591,870 | 86,524 |
| Local business tax | 221,000 | 221,000 | 224,166 | 3,166 |
| Other taxes | 400,000 | 400,000 | 400,000 | -- |
| Total taxes | <u>24,247,362</u> | <u>25,108,962</u> | <u>25,211,755</u> | <u>102,793</u> |
| Franchise fees | 3,140,564 | 3,050,564 | 3,134,768 | 84,204 |
| Licenses and permits | | | | |
| Building permits | 790,000 | 1,840,045 | 1,775,114 | (64,931) |
| Electrical permits | 162,500 | 62,500 | 59,193 | (3,307) |
| Plumbing permits | 40,500 | 12,500 | 15,520 | 3,020 |
| Other licenses and permits | 6,900 | 6,900 | 2,175 | (4,725) |
| Total licenses and permits | <u>999,900</u> | <u>1,921,945</u> | <u>1,852,002</u> | <u>(69,943)</u> |
| Intergovernmental grants | 89,677 | 103,277 | 102,884 | (393) |
| Intergovernmental revenues | | | | |
| State revenue sharing | 1,191,890 | 1,191,890 | 1,268,235 | 76,345 |
| State mobile home licenses | 32,975 | 32,975 | 33,789 | 814 |
| State alcohol beverage licenses | 24,750 | 24,750 | 30,736 | 5,986 |
| Other grants | <u>479,393</u> | <u>479,393</u> | <u>451,433</u> | <u>(27,960)</u> |
| Total intergovernmental revenues | <u>1,729,008</u> | <u>1,729,008</u> | <u>1,784,193</u> | <u>55,185</u> |
| Shared revenues | | | | |
| Ninth-cent gas tax | 237,767 | 237,767 | 244,685 | 6,918 |
| Five-cent gas tax | 540,544 | 540,544 | 550,621 | 10,077 |
| Four-cent gas tax | 388,301 | 388,301 | 447,324 | 59,023 |
| Two-cent gas tax | <u>244,934</u> | <u>244,934</u> | <u>237,719</u> | <u>(7,215)</u> |
| Total shared revenues | <u>1,411,546</u> | <u>1,411,546</u> | <u>1,480,349</u> | <u>68,803</u> |
| Charges for services | | | | |
| General government fees | 2,171,775 | 2,233,075 | 2,353,925 | 120,850 |
| Culture and recreation | <u>30,000</u> | <u>30,000</u> | <u>31,354</u> | <u>1,354</u> |
| Total charges for services | <u>2,201,775</u> | <u>2,263,075</u> | <u>2,385,279</u> | <u>122,204</u> |
| Fines and forfeitures | 232,595 | 232,595 | 319,227 | 86,632 |
| Interest and investment earnings | 1,124,078 | 706,078 | 705,509 | (569) |
| Payment in lieu of taxes | 63,657 | 63,657 | 65,874 | 2,217 |
| Rents | 595,180 | 595,180 | 644,143 | 48,963 |
| Special assessments-property owners | 4,000 | 4,000 | 19,946 | 15,946 |
| Miscellaneous | <u>738,122</u> | <u>707,918</u> | <u>1,171,726</u> | <u>463,808</u> |
| Total revenues | <u>\$ 36,577,464</u> | <u>37,897,805</u> | <u>38,877,655</u> | <u>979,850</u> |

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2014

| | Budgeted Amount | | Actual | Variance with Final Budget |
|----------------------------|------------------------|------------------|------------------|---------------------------------------|
| | Original | Final | | |
| General Government | | | | |
| Legislative | | | | |
| Personnel services | \$ 477,550 | 477,550 | 491,788 | (14,238) |
| Operating expenditures | 41,870 | 41,870 | 34,189 | 7,681 |
| Total Legislative | <u>519,420</u> | <u>519,420</u> | <u>525,977</u> | (6,557) |
| Executive-City Clerk | | | | |
| Personnel services | 370,636 | 341,085 | 352,309 | (11,224) |
| Operating expenditures | 2,511,560 | 2,541,910 | 2,517,320 | 24,590 |
| Capital outlay | -- | 11,800 | 11,800 | -- |
| Total Executive-City Clerk | <u>2,882,196</u> | <u>2,894,795</u> | <u>2,881,429</u> | 13,366 |
| Financial | | | | |
| Personnel services | 304,024 | 362,302 | 329,550 | 32,752 |
| Operating expenditures | 12,501 | 12,501 | 9,314 | 3,187 |
| Total Financial | <u>316,525</u> | <u>374,803</u> | <u>338,864</u> | 35,939 |
| Human Resources | | | | |
| Personnel services | 396,482 | 374,037 | 369,011 | 5,026 |
| Operating expenditures | 72,150 | 123,350 | 106,455 | 16,895 |
| Capital outlay | 19,500 | 19,500 | 18,673 | 827 |
| Total Human Resources | <u>488,132</u> | <u>516,887</u> | <u>494,139</u> | 22,748 |
| Administration | | | | |
| Personnel services | 46,520 | 46,520 | 47,818 | (1,298) |
| Operating expenditures | 1,195 | 1,545 | 1,046 | 499 |
| Total Administration | <u>47,715</u> | <u>48,065</u> | <u>48,864</u> | (799) |
| Legal Counsel | | | | |
| Operating expenditures | 101,500 | 240,200 | 239,526 | 674 |
| Florida Hardest Hit | | | | |
| Personnel services | 22,169 | 22,169 | 9,742 | 12,427 |
| Operating expenditures | 600 | 600 | -- | 600 |
| Total Florida Hardest Hit | <u>22,769</u> | <u>22,769</u> | <u>9,742</u> | 13,027 |
| Purchasing | | | | |
| Personnel services | 184,499 | 180,999 | 194,610 | (13,611) |
| Operating expenditures | 21,324 | 24,824 | 53,723 | (28,899) |
| Capital outlay | 3,400 | 3,400 | -- | 3,400 |
| Total Purchasing | <u>209,223</u> | <u>209,223</u> | <u>248,333</u> | (39,110) |

(Continued)

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL(Continued)
GENERAL FUND
For the Fiscal Year Ended September 30, 2014

| | Budgeted Amount | | Variance with Final Budget | |
|------------------------------|------------------------|------------------|---------------------------------------|-----------------|
| | Original | Final | Actual | |
| Fleet Division | | | | |
| Personnel services | \$ 646,073 | 639,373 | 642,482 | (3,109) |
| Operating expenditures | 89,588 | 96,288 | 95,096 | 1,192 |
| Total Fleet Division | <u>735,661</u> | <u>735,661</u> | <u>737,578</u> | <u>(1,917)</u> |
| Facilities Maintenance | | | | |
| Personnel services | 194,093 | 194,093 | 130,369 | 63,724 |
| Operating expenditures | 292,188 | 320,588 | 283,697 | 36,891 |
| Capital outlay | -- | 32,863 | 32,863 | -- |
| Total Facilities Maintenance | <u>486,281</u> | <u>547,544</u> | <u>446,929</u> | <u>100,615</u> |
| Information Technology | | | | |
| Personnel services | 391,730 | 391,730 | 418,697 | (26,967) |
| Operating expenditures | 703,845 | 747,762 | 706,958 | 40,804 |
| Capital outlay | 32,500 | 278,500 | 277,180 | 1,320 |
| Total Information Technology | <u>1,128,075</u> | <u>1,417,992</u> | <u>1,402,835</u> | <u>15,157</u> |
| Electrical Division | | | | |
| Personnel services | 424,358 | 424,358 | 423,528 | 830 |
| Operating expenditures | 49,148 | 76,148 | 90,229 | (14,081) |
| Capital outlay | 47,500 | 62,500 | 18,542 | 43,958 |
| Total Electrical Division | <u>521,006</u> | <u>563,006</u> | <u>532,299</u> | <u>30,707</u> |
| Code Enforcement | | | | |
| Personnel services | 194,429 | 194,429 | 192,950 | 1,479 |
| Operating expenditures | 19,300 | 19,300 | 17,259 | 2,041 |
| Capital outlay | 20,500 | 20,500 | 19,393 | 1,107 |
| Total Code Enforcement | <u>234,229</u> | <u>234,229</u> | <u>229,602</u> | <u>4,627</u> |
| Grants and Assistance | | | | |
| Personnel services | 103,785 | 103,785 | 85,087 | 18,698 |
| Operating expenditures | 3,200 | 3,200 | 2,126 | 1,074 |
| Total Grants and Assistance | <u>106,985</u> | <u>106,985</u> | <u>87,213</u> | <u>19,772</u> |
| Local Business Tax | | | | |
| Personnel services | 61,883 | 61,883 | 64,605 | (2,722) |
| Operating expenditures | 5,332 | 6,108 | 5,418 | 690 |
| Total Local Business Tax | <u>67,215</u> | <u>67,991</u> | <u>70,023</u> | <u>(2,032)</u> |
| Total General Government | <u>7,866,932</u> | <u>8,499,570</u> | <u>8,293,353</u> | <u>206,217</u> |

(Continued)

CITY OF BRADENTON, FLORIDA
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL(Continued)
GENERAL FUND
For the Fiscal Year Ended September 30, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|---|------------------------|-------------------|-------------------|---------------------------------------|
| | Original | Final | Actual | |
| Public Safety | | | | |
| Law Enforcement | | | | |
| Personnel services | \$ 11,378,324 | 11,722,524 | 11,691,948 | 30,576 |
| Operating expenditures | 1,384,840 | 1,461,980 | 1,385,583 | 76,397 |
| Capital outlay | 256,000 | 273,487 | 273,487 | -- |
| Total Law Enforcement | <u>13,019,164</u> | <u>13,457,991</u> | <u>13,351,018</u> | <u>106,973</u> |
| Dispatching | | | | |
| Personnel services | 692,692 | 692,692 | 644,910 | 47,782 |
| Operating expenditures | 12,600 | 12,600 | 12,406 | 194 |
| Total Dispatching | <u>705,292</u> | <u>705,292</u> | <u>657,316</u> | <u>47,976</u> |
| Fire Control | | | | |
| Personnel services | 8,090,893 | 8,004,393 | 7,999,036 | 5,357 |
| Operating expenditures | 452,667 | 471,667 | 459,800 | 11,867 |
| Capital outlay | 43,573 | 23,573 | 23,612 | (39) |
| Total Fire Control | <u>8,587,133</u> | <u>8,499,633</u> | <u>8,482,448</u> | <u>17,185</u> |
| Total Public Safety | <u>22,311,589</u> | <u>22,662,916</u> | <u>22,490,782</u> | <u>172,134</u> |
| Transportation | | | | |
| Street Division | | | | |
| Personnel services | 637,939 | 639,939 | 632,623 | 7,316 |
| Operating expenditures | 1,306,993 | 1,331,193 | 1,335,390 | (4,197) |
| Capital outlay | 8,500 | 8,500 | 6,555 | 1,945 |
| Total Street Division | <u>1,953,432</u> | <u>1,979,632</u> | <u>1,974,568</u> | <u>5,064</u> |
| Planning and Community Development | | | | |
| Personnel services | 375,102 | 375,102 | 373,130 | 1,972 |
| Operating expenditures | 61,244 | 61,244 | 47,170 | 14,074 |
| Capital outlay | 29,617 | 20,000 | 19,363 | 637 |
| Total Planning and Community Development | <u>465,963</u> | <u>456,346</u> | <u>439,663</u> | <u>16,683</u> |
| Building | | | | |
| Personnel services | 499,686 | 571,786 | 571,842 | (56) |
| Operating expenditures | 75,644 | 144,737 | 145,405 | (668) |
| Capital outlay | 50,200 | 45,352 | 45,352 | -- |
| Total Building | <u>625,530</u> | <u>761,875</u> | <u>762,599</u> | <u>(724)</u> |
| Total Transportation | <u>3,044,925</u> | <u>3,197,853</u> | <u>3,176,830</u> | <u>21,023</u> |

(Continued)

CITY OF BRADENTON, FLORIDA
 SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL(*Continued*)
 GENERAL FUND
 For the Fiscal Year Ended September 30, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|---|----------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | Actual | |
| Culture and Recreation | | | | |
| Landscape and Grounds Division | | | | |
| Personnel services | \$ 861,973 | 781,373 | 761,877 | 19,496 |
| Operating expenditures | 547,222 | 677,522 | 647,849 | 29,673 |
| Capital outlay | 111,554 | 102,754 | 102,560 | 194 |
| Total Landscape and Grounds Division | <u>1,520,749</u> | <u>1,561,649</u> | <u>1,512,286</u> | <u>49,363</u> |
| Special Recreation Facilities | | | | |
| Personnel services | 60,573 | 60,573 | 53,241 | 7,332 |
| Operating expenditures | 7,175 | 7,175 | 9,887 | (2,712) |
| Total Special Recreation Facilities | <u>67,748</u> | <u>67,748</u> | <u>63,128</u> | <u>4,620</u> |
| Total Culture and Recreation | <u>1,588,497</u> | <u>1,629,397</u> | <u>1,575,414</u> | <u>53,983</u> |
| Total expenditures | <u>\$ 34,811,943</u> | <u>35,989,736</u> | <u>35,536,379</u> | <u>453,357</u> |



Ward Lake, a/k/a Bill Evers Reservoir
(the City of Bradenton's water supply source)

The City's reservoir, located in the Braden River watershed, was built in the late 1930's and enlarged in 1985. Now covering 350 acres, the reservoir holds approximately 1.5 billion gallons of water and, even though it is located in eastern Manatee County (outside the city limits), it serves as the city's water supply source.

The city's water plant is a surface/groundwater facility that treats and monitors water 24 hours a day, 7 days a week. Ever wonder how water comes out of a lake and makes it into your kitchen sink? According to the city's annual water report, here's the process:

- Reservoir water is drawn into the water plant by one of three pumps. A rotating screen removes large debris, and the water is treated with activated carbon to remove taste and odor-causing elements.
- The pH of the water is lowered and a coagulant aid is added. This bonds with particles in the water, creating clumps of material that settle out in one of four settling tanks.
- From these tanks the water moves to a stabilization basin for pH adjustment.
- The water then flows through a set of twelve filters which remove very fine particles, and is then sent to disinfection clearwells where it's treated with a chlorine/ammonia combination and fluoridated (residents voted to include fluoride in the water supply in 1997).
- Finally, the water is sent to the pumping clearwell and pumped to ground storage tanks located within the city. High service pumps send the water to the city's six water towers located throughout the city and then, finally, to city residents (your kitchen sink!).

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.

Community Development Program Fund

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

Shelter Plus Care Grant Fund

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

Debt Service Funds

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

Franchise Fees Promissory Note 2000 Fund

Variable interest rate currently at .189%, due in quarterly installments of principal and interest, maturing in 2020. These funds are restricted for the repayment of the debt's principal and interest.

Florida Municipal Loan 2012 Fund

2.2% interest rate, payable in installments from \$165,000 to \$215,000, maturing in 2021. These funds are restricted for the repayment of the debt's principal and interest.

Special Obligation Series 2007 Fund

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

Special Obligation Series 2012 Fund

3.08% interest rate, payable in installments from approximately \$260,000 to \$2,750,000, maturing in 2027. These funds are restricted for the repayment of the debt's principal and interest.

Capital Projects Funds

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

Nonmajor Governmental Funds (Continued)

Road Impact Fee Fund

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

Parks and Recreational Impact Fee, West Fund

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

Parks and Recreational Impact Fee, East Fund

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

Public Safety Police Protection Fund

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

Public Safety Fire Protection Fund

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

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, 2014

| | Special Revenue Funds | | | Debt Service Funds | |
|--|-------------------------------|-------------------------|----------------|----------------------|-------------------|
| | Community Development Program | Shelter Plus Care Grant | Total | Franchise Fees | Florida Municipal |
| | | | | Promissory Note 2000 | Loan 2012 |
| Assets | | | | | |
| Cash and cash equivalents | \$ 106,428 | -- | 106,428 | 67,994 | 1,627 |
| Accounts receivable | 625,922 | -- | 625,922 | -- | -- |
| Due from other governments | -- | -- | -- | -- | -- |
| Total assets | <u>\$ 732,350</u> | <u>--</u> | <u>732,350</u> | <u>67,994</u> | <u>1,627</u> |
| Liabilities | | | | | |
| Accounts payable | \$ 15 | -- | 15 | -- | -- |
| Advances from other funds | -- | -- | -- | -- | -- |
| Unearned revenues | -- | -- | -- | -- | -- |
| Due to other funds | 2,532 | -- | 2,532 | -- | -- |
| Accrued salaries, wages and benefits | 5,007 | -- | 5,007 | -- | -- |
| Total liabilities | <u>7,554</u> | <u>--</u> | <u>7,554</u> | <u>--</u> | <u>--</u> |
| Deferred inflows of resources | | | | | |
| Unavailable revenue | <u>625,922</u> | <u>--</u> | <u>625,922</u> | <u>--</u> | <u>--</u> |
| Fund Balances (deficit) | | | | | |
| Restricted | 98,874 | -- | 98,874 | 67,994 | 1,627 |
| Committed | -- | -- | -- | -- | -- |
| Unassigned (deficit) | -- | -- | -- | -- | -- |
| Total fund balances | <u>98,874</u> | <u>--</u> | <u>98,874</u> | <u>67,994</u> | <u>1,627</u> |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 732,350</u> | <u>--</u> | <u>732,350</u> | <u>67,994</u> | <u>1,627</u> |

| Debt Service Funds | | |
|---|---|---------------|
| Special Obligation Series 2007 | Special Obligation Series 2012 | Total |
| 3,544 | 739 | 73,904 |
| -- | -- | -- |
| -- | -- | -- |
| 3,544 | 739 | 73,904 |
| -- | -- | -- |
| -- | -- | -- |
| -- | -- | -- |
| -- | -- | -- |
| -- | -- | -- |
| 3,544 | 739 | 73,904 |
| -- | -- | -- |
| -- | -- | -- |
| 3,544 | 739 | 73,904 |
| 3,544 | 739 | 73,904 |

(Continued)

CITY OF BRADENTON, FLORIDA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2014

| | Capital Projects 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 | \$ 362,475 | 263,010 | 185,326 | 88,345 | 5,347 |
| Accounts receivable | -- | -- | -- | -- | -- |
| Due from other governments | -- | -- | -- | -- | -- |
| Total assets | \$ 362,475 | 263,010 | 185,326 | 88,345 | 5,347 |
| Liabilities | | | | | |
| Accounts payable | \$ -- | -- | -- | -- | -- |
| Advances from other funds | -- | -- | -- | -- | 47,008 |
| Unearned revenues | -- | -- | -- | -- | -- |
| Due to other funds | -- | -- | -- | -- | -- |
| Accrued salaries, wages and benefits | -- | -- | -- | -- | -- |
| Total liabilities | -- | -- | -- | -- | 47,008 |
| Deferred inflows of resources | | | | | |
| Unavailable revenue | -- | -- | -- | -- | -- |
| Fund Balances | | | | | |
| Restricted | 362,475 | 263,010 | 185,326 | 88,345 | -- |
| Committed | -- | -- | -- | -- | -- |
| Unassigned | -- | -- | -- | -- | (41,661) |
| Total fund balances | 362,475 | 263,010 | 185,326 | 88,345 | (41,661) |
| Total liabilities, deferred inflows, and fund balances | \$ 362,475 | 263,010 | 185,326 | 88,345 | 5,347 |

Capital Projects Funds

| General Projects | Pirate City | | Nonmajor Governmental Funds | Total |
|---------------------|--------------------|------------------|-----------------------------------|-------|
| | Capital Reserve | Total | | |
| 1,907 | 262,910 | 1,169,320 | 1,349,652 | |
| -- | -- | -- | 625,922 | |
| -- | -- | -- | -- | -- |
| 1,907 | 262,910 | 1,169,320 | 1,975,574 | |
| | | | | |
| -- | -- | -- | 15 | |
| -- | -- | 47,008 | 47,008 | |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 2,532 | |
| -- | -- | -- | 5,007 | |
| -- | -- | 47,008 | 54,562 | |
| | | | | |
| -- | -- | -- | 625,922 | |
| | | | | |
| -- | -- | 899,156 | 1,071,934 | |
| 1,907 | 262,910 | 264,817 | 264,817 | |
| -- | -- | (41,661) | (41,661) | |
| 1,907 | 262,910 | 1,122,312 | 1,295,090 | |
| | | | | |
| 1,907 | 262,910 | 1,169,320 | 1,975,574 | |

CITY OF BRADENTON, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2014

| | Special Revenue Funds | | | Debt Service Funds | |
|---|-------------------------------|-------------------------|----------------|----------------------|-------------------|
| | Community Development Program | Shelter Plus Care Grant | Total | Franchise Fees | Florida Municipal |
| | | | | Promissory Note 2000 | Loan 2012 |
| Revenues | | | | | |
| Intergovernmental grants | \$ 220,142 | 112,027 | 332,169 | -- | -- |
| Interest and investment earnings | -- | -- | -- | 1,151 | -- |
| Impact fees | -- | -- | -- | -- | -- |
| Special assessments, property owners | 12,155 | -- | 12,155 | -- | -- |
| Total revenues | <u>232,297</u> | <u>112,027</u> | <u>344,324</u> | <u>1,151</u> | <u>--</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General government | -- | -- | -- | -- | -- |
| Culture, recreation | -- | -- | -- | -- | -- |
| Economic environment | 211,406 | 112,027 | 323,433 | -- | -- |
| Debt service | | | | | |
| Principal | -- | -- | -- | 356,101 | 185,000 |
| Interest | -- | -- | -- | 140,393 | 37,675 |
| Fees and expenditures | -- | -- | -- | -- | -- |
| Capital outlay | 21,460 | -- | 21,460 | -- | -- |
| Total expenditures | <u>232,866</u> | <u>112,027</u> | <u>344,893</u> | <u>496,494</u> | <u>222,675</u> |
| Excess (deficiency) of revenues over (under) expenditures | (569) | -- | (569) | (495,343) | (222,675) |
| Other Financing Sources (Uses) | | | | | |
| Transfers from other funds | -- | -- | -- | 497,298 | 222,675 |
| Total other financing sources (uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>497,298</u> | <u>222,675</u> |
| Net change in fund balances | (569) | -- | (569) | 1,955 | -- |
| Fund balances (deficit), beginning | 99,443 | -- | 99,443 | 66,039 | 1,627 |
| Fund balances (deficit), ending | <u>\$ 98,874</u> | <u>--</u> | <u>98,874</u> | <u>67,994</u> | <u>1,627</u> |

| Debt Service Funds | | |
|---|---|------------------|
| Special Obligation Series 2007 | Special Obligation Series 2012 | Total |
| 500,004 | -- | 500,004 |
| -- | -- | 1,151 |
| -- | -- | -- |
| -- | -- | -- |
| <u>500,004</u> | <u>--</u> | <u>501,155</u> |
| | | |
| -- | -- | -- |
| -- | -- | -- |
| -- | -- | -- |
| 410,000 | 286,037 | 1,237,138 |
| 698,831 | 218,579 | 1,095,478 |
| 840 | -- | 840 |
| -- | -- | -- |
| <u>1,109,671</u> | <u>504,616</u> | <u>2,333,456</u> |
| (| (| (|
| 609,667) | 504,616) | 1,832,301) |
| <u>609,831</u> | <u>504,616</u> | <u>1,834,420</u> |
| <u>609,831</u> | <u>504,616</u> | <u>1,834,420</u> |
| 164 | -- | 2,119 |
| 3,380 | 739 | 71,785 |
| <u>3,544</u> | <u>739</u> | <u>73,904</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, 2014

| | Capital Projects Funds | | | | |
|--|------------------------|--|--|--|--|
| | Road Impact Fee | Parks and Recreation Impact Fee— West | Parks and Recreation Impact Fee— East | Public Safety Police Protection | Public Safety Fire Protection |
| Revenues | | | | | |
| Intergovernmental grants | \$ -- | -- | -- | -- | -- |
| Interest and investment earnings | 3,259 | 3,543 | 925 | 119 | 208 |
| Impact fees | 190,576 | 57,106 | 129,993 | 85,953 | 62,644 |
| Special assessments, property owners | -- | -- | -- | -- | -- |
| Total revenues | <u>193,835</u> | <u>60,649</u> | <u>130,918</u> | <u>86,072</u> | <u>62,852</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General government | -- | -- | -- | -- | -- |
| Culture, recreation | -- | 2,756 | 8,961 | -- | -- |
| Economic environment | -- | -- | -- | -- | -- |
| Debt service | | | | | |
| Principal | -- | -- | -- | -- | -- |
| Interest | -- | -- | -- | -- | 533 |
| Fees and expenditures | -- | -- | -- | -- | -- |
| Capital outlay | -- | <u>75,839</u> | <u>19,858</u> | -- | -- |
| Total expenditures | -- | <u>78,595</u> | <u>28,819</u> | -- | <u>533</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>193,835</u> | (<u>17,946</u>) | <u>102,099</u> | <u>86,072</u> | <u>62,319</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers from other funds | -- | -- | -- | -- | -- |
| Total other financing sources (uses) | -- | -- | -- | -- | -- |
| Net change in fund balances | 193,835 | (17,946) | 102,099 | 86,072 | 62,319 |
| Fund balances (deficit), beginning | <u>168,640</u> | <u>280,956</u> | <u>83,227</u> | <u>2,273</u> | (<u>103,980</u>) |
| Fund balances (deficit), ending | <u>\$ 362,475</u> | <u>263,010</u> | <u>185,326</u> | <u>88,345</u> | (<u>41,661</u>) |

Capital Projects Funds

| General Projects | Pirate City Capital Reserve | Total | Total Nonmajor Governmental Funds |
|---------------------|-----------------------------------|----------------|--|
| -- | -- | -- | 832,173 |
| 262 | 3,451 | 11,767 | 12,918 |
| -- | -- | 526,272 | 526,272 |
| -- | -- | -- | 12,155 |
| 262 | 3,451 | 538,039 | 1,383,518 |
| 17,606 | -- | 17,606 | 17,606 |
| -- | -- | 11,717 | 11,717 |
| -- | -- | -- | 323,433 |
| -- | -- | -- | 1,237,138 |
| -- | -- | 533 | 1,096,011 |
| -- | -- | -- | 840 |
| -- | -- | 95,697 | 117,157 |
| 17,606 | -- | 125,553 | 2,803,902 |
| (17,344) | 3,451 | 412,486 | (1,420,384) |
| -- | 138,972 | 138,972 | 1,973,392 |
| -- | 138,972 | 138,972 | 1,973,392 |
| (17,344) | 142,423 | 125,079 | 553,008 |
| 19,251 | 120,487 | 570,854 | 742,082 |
| 1,907 | 262,910 | 695,933 | 1,295,090 |

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, 2014

| | <u>Budgeted Amount</u> | | | Variance with Final Budget |
|--|------------------------|-----------------|----------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| | | | | |
| Revenues | | | | |
| Intergovernmental grants | \$ 421,006 | 220,306 | 220,142 | (164) |
| Special assessments, property owners | -- | 12,000 | 12,155 | 155 |
| Total revenues | <u>421,006</u> | <u>232,306</u> | <u>232,297</u> | (9) |
| Expenditures | | | | |
| Economic environment | | | | |
| Personnel services | 156,824 | 156,824 | 139,766 | 17,058 |
| Operating expenditures | 28,407 | 28,407 | 19,561 | 8,846 |
| Public assistance | 211,805 | 52,105 | 52,079 | 26 |
| Capital outlay | -- | 21,460 | 21,460 | -- |
| Total expenditures | <u>397,036</u> | <u>258,796</u> | <u>232,866</u> | <u>25,930</u> |
| Excess (deficiency) of revenues over (under) expenditures | 23,970 | (26,490) | (569) | 25,921 |
| Fund balance, October 1, 2013 | <u>99,443</u> | <u>99,443</u> | <u>99,443</u> | -- |
| Fund balance, September 30, 2014 | <u>\$ 123,413</u> | <u>72,953</u> | <u>98,874</u> | <u>25,921</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, 2014

| | <u>Budgeted Amount</u> | | | Variance with Final Budget |
|----------------------------------|------------------------|-----------------|----------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| | | | | |
| Revenues | | | | |
| Intergovernmental grants | \$ 71,158 | 111,858 | 112,027 | 169 |
| Total revenues | <u>71,158</u> | <u>111,858</u> | <u>112,027</u> | <u>169</u> |
| Expenditures | | | | |
| Economic environment | | | | |
| Personnel services | -- | 3,700 | 3,744 | (44) |
| Public assistance | <u>71,158</u> | <u>108,158</u> | <u>108,283</u> | <u>(125)</u> |
| Total expenditures | <u>71,158</u> | <u>111,858</u> | <u>112,027</u> | <u>(169)</u> |
| Net change in fund balance | -- | -- | -- | -- |
| Fund balance, October 1, 2013 | -- | -- | -- | -- |
| Fund balance, September 30, 2014 | <u>\$ --</u> | <u>--</u> | <u>--</u> | <u>--</u> |

CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
FRANCHISE FEES PROMISSORY NOTE 2000 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|--|--------------------|-----------------|----------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Interest and investment earnings | \$ 1,482 | 1,482 | 1,151 | (331) |
| Total revenues | <u>1,482</u> | <u>1,482</u> | <u>1,151</u> | <u>(331)</u> |
| Expenditures | | | | |
| Loan principal repayments | 356,101 | 356,101 | 356,101 | -- |
| Interest on bonds | <u>142,679</u> | <u>142,679</u> | <u>140,393</u> | <u>2,286</u> |
| Total expenditures | <u>498,780</u> | <u>498,780</u> | <u>496,494</u> | <u>2,286</u> |
| Deficiency of revenues (under) expenditures | (497,298) | (497,298) | (495,343) | 1,955 |
| Other financing sources | | | | |
| Transfer from General Fund | <u>497,298</u> | <u>497,298</u> | <u>497,298</u> | <u>--</u> |
| Total other financing sources | <u>497,298</u> | <u>497,298</u> | <u>497,298</u> | <u>--</u> |
| Net change in fund balance | -- | -- | 1,955 | 1,955 |
| Fund balance, October 1, 2013 | <u>66,039</u> | <u>66,039</u> | <u>66,039</u> | <u>--</u> |
| Fund balance, September 30, 2014 | <u>\$ 66,039</u> | <u>66,039</u> | <u>67,994</u> | <u>1,955</u> |

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, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|----------------------------------|--------------------|-----------------|----------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| Expenditures | | | | |
| Loan principal repayments | \$ 185,000 | 185,000 | 185,000 | -- |
| Interest on bonds | 37,675 | 37,675 | 37,675 | -- |
| Total expenditures | <u>222,675</u> | <u>222,675</u> | <u>222,675</u> | -- |
| Other financing sources | | | | |
| Transfer from General Fund | <u>222,675</u> | <u>222,675</u> | <u>222,675</u> | -- |
| Total other financing sources | <u>222,675</u> | <u>222,675</u> | <u>222,675</u> | -- |
| Net change in fund balance | -- | -- | -- | -- |
| Fund balance, October 1, 2013 | <u>1,627</u> | <u>1,627</u> | <u>1,627</u> | -- |
| Fund balance, September 30, 2014 | <u>\$ 1,627</u> | <u>1,627</u> | <u>1,627</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, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|--|----------------------------|-------------------------|---------------|---------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Intergovernmental grants | \$ 500,000 | 500,000 | 500,004 | 4 |
| Total revenues | 500,000 | 500,000 | 500,004 | 4 |
| Expenditures | | | | |
| Loan principal repayments | 410,000 | 410,000 | 410,000 | -- |
| Interest on bonds | 698,831 | 698,831 | 698,831 | -- |
| Fees and expenditures | 1,000 | 1,000 | 840 | 160 |
| Total expenditures | 1,109,831 | 1,109,831 | 1,109,671 | 160 |
| Excess deficiency of revenues over (under) expenditures | (609,831) | (609,831) | (609,667) | 164 |
| Other financing sources | | | | |
| Transfer from General Fund | 609,831 | 609,831 | 609,831 | -- |
| Net change in fund balance | -- | -- | 164 | 164 |
| Fund balance, October 1, 2013 | 3,380 | 3,380 | 3,380 | -- |
| Fund balance, September 30, 2014 | \$ 3,380 | 3,380 | 3,544 | 164 |

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, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|--|--------------------|-----------------|----------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| Expenditures | | | | |
| Loan principal repayments | \$ 286,037 | 286,037 | 286,037 | -- |
| Interest on bonds | 218,579 | 218,579 | 218,579 | -- |
| Total expenditures | <u>504,616</u> | <u>504,616</u> | <u>504,616</u> | -- |
| Deficiency of revenues (under) expenditures | (504,616) | (504,616) | (504,616) | -- |
| Other financing sources | | | | |
| Transfer from General Fund | <u>504,616</u> | <u>504,616</u> | <u>504,616</u> | -- |
| Net change in fund balance | -- | -- | -- | -- |
| Fund balance, October 1, 2013 | <u>739</u> | <u>739</u> | <u>739</u> | -- |
| Fund balance, September 30, 2014 | <u>\$ 739</u> | <u>739</u> | <u>739</u> | -- |

CITY OF BRADENTON, FLORIDA
CAPITAL PROJECTS 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, 2014

| | Budgeted Amount | | | |
|----------------------------------|------------------------|---------------------|----------------|-----------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| Revenues | | | | |
| Interest and investment earnings | \$ 6,270 | 6,270 | 3,259 | (3,011) |
| Impact fees | -- | 183,725 | 190,576 | 6,851 |
| Total revenues | <u>6,270</u> | <u>189,995</u> | <u>193,835</u> | <u>3,840</u> |
| Net change in fund balance | 6,270 | 189,995 | 193,835 | 3,840 |
| Fund balance, October 1, 2013 | <u>168,640</u> | <u>168,640</u> | <u>168,640</u> | <u>--</u> |
| Fund balance, September 30, 2014 | <u>\$ 174,910</u> | <u>358,635</u> | <u>362,475</u> | <u>3,840</u> |

CITY OF BRADENTON, FLORIDA
CAPITAL PROJECTS 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, 2014

| | <u>Budgeted Amount</u> | | | Variance with Final Budget |
|--|------------------------|-----------------|----------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Interest and investment earnings | \$ 8,930 | 3,630 | 3,543 | (87) |
| Impact fees | -- | 57,100 | 57,106 | 6 |
| Total revenues | <u>8,930</u> | <u>60,730</u> | <u>60,649</u> | <u>(81)</u> |
| Expenses | | | | |
| Culture, recreation | | | | |
| Operating expenses | -- | -- | 2,756 | (2,756) |
| Capital Outlay | 2 | 78,746 | 75,839 | 2,907 |
| Total expenditures | <u>2</u> | <u>78,746</u> | <u>78,595</u> | <u>151</u> |
| Excess (deficiency) of revenues over (under) expenditures | 8,928 | (18,016) | (17,946) | 70 |
| Fund balance, October 1, 2013 | <u>280,956</u> | <u>280,956</u> | <u>280,956</u> | <u>--</u> |
| Fund balance, September 30, 2014 | <u>\$ 289,884</u> | <u>262,940</u> | <u>263,010</u> | <u>70</u> |

CITY OF BRADENTON, FLORIDA
CAPITAL PROJECTS 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, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|--|--------------------|-----------------|----------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Interest and investment earnings | \$ 3,990 | 990 | 925 | (65) |
| Impact fees | -- | 116,500 | 129,993 | 13,493 |
| Total revenues | <u>3,990</u> | <u>117,490</u> | <u>130,918</u> | (65) |
| Expenditures | | | | |
| Economic environment: | | | | |
| Operating expenditures | -- | -- | 8,961 | (8,961) |
| Capital outlay | <u>2</u> | <u>28,821</u> | <u>19,858</u> | <u>8,963</u> |
| Total expenditures | <u>2</u> | <u>28,821</u> | <u>28,819</u> | <u>2</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,988</u> | <u>88,669</u> | <u>102,099</u> | (63) |
| Fund balance, October 1, 2013 | <u>83,227</u> | <u>83,227</u> | <u>83,227</u> | <u>--</u> |
| Fund balance, September 30, 2014 | <u>\$ 87,215</u> | <u>171,896</u> | <u>185,326</u> | (63) |

CITY OF BRADENTON, FLORIDA
CAPITAL PROJECTS FUND
PUBLIC SAFETY POLICE PROTECTION IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|----------------------------------|----------------------------|-------------------------|---------------|---------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Interest and investment earnings | \$ -- | -- | 119 | 119 |
| Impact fees | -- | 74,700 | 85,953 | 11,253 |
| Total revenues | -- | 74,700 | 86,072 | 11,372 |
| Fund balance, October 1, 2013 | 2,273 | 2,273 | 2,273 | -- |
| Fund balance, September 30, 2014 | \$ 2,273 | 76,973 | 88,345 | 11,372 |

CITY OF BRADENTON, FLORIDA
CAPITAL PROJECTS FUND
PUBLIC SAFETY FIRE PROTECTION IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|--|----------------------------|-------------------------|------------------|---------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Interest and investment earnings | \$ -- | -- | 208 | 208 |
| Impact fees | -- | 60,400 | 62,644 | 2,244 |
| Total revenues | -- | 60,400 | 62,852 | 2,452 |
| Expenditures | | | | |
| Interest | -- | -- | 533 | (533) |
| Total expenditures | -- | -- | 533 | (533) |
| Net change in fund balance | -- | 60,400 | 62,319 | 1,919 |
| Fund balance (deficit), October 1, 2013 | (103,980) | (103,980) | (103,980) | -- |
| Fund balance (deficit), September 30, 2014 | <u>\$ (103,980)</u> | <u>(43,580)</u> | <u>(41,661)</u> | <u>1,919</u> |

CITY OF BRADENTON, FLORIDA
CAPITAL PROJECTS FUND
GENERAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2014

| | Budgeted Amount | | | Variance with Final Budget |
|----------------------------------|----------------------------|-------------------------|---------------|---------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Interest and investment earnings | \$ 8,930 | 330 | 262 | (68) |
| Intergovernmental grants | <u>491,900</u> | -- | -- | -- |
| Total revenues | <u>500,830</u> | 330 | 262 | (68) |
| Expenditures | | | | |
| General government | | | | |
| Operating expenditures | -- | -- | 17,606 | (17,606) |
| Capital outlay | <u>506,900</u> | 15,000 | -- | 15,000 |
| Total expenditures | <u>506,900</u> | 15,000 | 17,606 | (2,606) |
| Net change in fund balance | (6,070) | (14,670) | (17,344) | (2,674) |
| Fund balance, October 1, 2013 | <u>19,251</u> | <u>19,251</u> | <u>19,251</u> | -- |
| Fund balance, September 30, 2014 | <u>\$ 13,181</u> | <u>4,581</u> | <u>1,907</u> | (2,674) |

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, 2014

| | <u>Budgeted Amount</u> | | | Variance with Final Budget |
|---------------------------------------|------------------------|-----------------|----------------|-------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Interest and investment earnings | \$ 5,891 | 3,491 | 3,451 | (40) |
| Total revenues | <u>5,891</u> | <u>3,491</u> | <u>3,451</u> | <u>(40)</u> |
| Other financing sources (uses) | | | | |
| Transfer from General Fund | <u>138,972</u> | <u>138,972</u> | <u>138,972</u> | -- |
| Total other financing sources (uses) | <u>138,972</u> | <u>138,972</u> | <u>138,972</u> | -- |
| Net change in fund balance | 144,863 | 142,463 | 142,423 | (40) |
| Fund balance, October 1, 2013 | <u>120,487</u> | <u>120,487</u> | <u>120,487</u> | -- |
| Fund balance, September 30, 2014 | <u>\$ 265,350</u> | <u>262,950</u> | <u>262,910</u> | <u>(40)</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 POSITION
September 30, 2014

| | Medical Self-Insurance Program | Workers' Compensation Self-Insurance Program | Property Insurance | Total |
|--|--------------------------------------|---|-----------------------|-------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 4,653,327 | 8,998,662 | 2,180,610 | 15,832,599 |
| Due from insurance | 2,097 | 62,223 | 1,229 | 65,549 |
| Prepaid items | <u>109,918</u> | -- | -- | <u>109,918</u> |
| Total current assets | <u>\$ 4,765,342</u> | <u>9,060,885</u> | <u>2,181,839</u> | <u>16,008,066</u> |
| Liabilities | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 413,976 | 7,858 | 4,452 | 426,286 |
| Unearned revenues | 71,199 | -- | -- | 71,199 |
| Estimated payable for outstanding claims | <u>51,600</u> | <u>21,872</u> | -- | <u>73,472</u> |
| Total current liabilities | <u>536,775</u> | <u>29,730</u> | <u>4,452</u> | <u>570,957</u> |
| Noncurrent liabilities | | | | |
| Estimated payable for outstanding claims | <u>464,400</u> | <u>196,845</u> | -- | <u>661,245</u> |
| Total liabilities | <u>1,001,175</u> | <u>226,575</u> | <u>4,452</u> | <u>1,232,202</u> |
| Net position | | | | |
| Unrestricted | <u>3,764,167</u> | <u>8,834,310</u> | <u>2,177,387</u> | <u>14,775,864</u> |
| Total liabilities and net position | <u>\$ 4,765,342</u> | <u>9,060,885</u> | <u>2,181,839</u> | <u>16,008,066</u> |

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2014

| | Medical Self-Insurance Program | Workers' Compensation Self-Insurance Program | Property Insurance | Total |
|---|--------------------------------------|---|-----------------------|-------------------|
| Operating revenues | | | | |
| Charges for services | \$ 5,618,664 | 1,055,763 | 1,084,037 | 7,758,464 |
| Operating expenses | | | | |
| Contractual services | 7,601 | 66,225 | 895,320 | 969,146 |
| Supplies and materials | 1,362,742 | 111,733 | -- | 1,474,475 |
| Claims | <u>4,149,250</u> | <u>776,705</u> | <u>211,030</u> | <u>5,136,985</u> |
| Total operating expenses | <u>5,519,593</u> | <u>954,663</u> | <u>1,106,350</u> | <u>7,580,606</u> |
| Operating income | 99,071 | 101,100 | (22,313) | 177,858 |
| Non-operating revenues | | | | |
| Interest income and investment earnings | <u>52,750</u> | <u>--</u> | <u>20,097</u> | <u>72,847</u> |
| Change in net position | 151,821 | 101,100 | (2,216) | 250,705 |
| Total net position, beginning | <u>3,612,346</u> | <u>8,733,210</u> | <u>2,179,603</u> | <u>14,525,159</u> |
| Total net position, ending | <u>\$ 3,764,167</u> | <u>8,834,310</u> | <u>2,177,387</u> | <u>14,775,864</u> |

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2014

| | Medical Self-Insurance Program | Compensation Self-Insurance Program | Property Insurance | Workers' Total |
|--|--------------------------------------|---|-----------------------|-------------------|
| Cash flows from operating activities | | | | |
| Receipts from charges for services | \$ 5,618,317 | 993,559 | 1,082,808 | 7,694,684 |
| Payments to suppliers | (874,161) | (187,467) | (1,101,898) | (2,163,526) |
| Payments for employees | (4,689,377) | (932,251) | -- | (5,621,628) |
| Net cash provided by (used in) operating activities | <u>54,779</u> | <u>(126,159)</u> | <u>(19,090)</u> | <u>(90,470)</u> |
| Cash flows from investing activities | | | | |
| Interest and investment earnings received | <u>52,750</u> | <u>--</u> | <u>20,097</u> | <u>72,847</u> |
| Net change in cash and equivalents | <u>107,529</u> | <u>(126,159)</u> | <u>1,007</u> | <u>(17,623)</u> |
| Cash and cash equivalents, October 1, 2013 | <u>4,545,798</u> | <u>9,124,821</u> | <u>2,179,603</u> | <u>15,850,222</u> |
| Cash and cash equivalents, September 30, 2014 | <u>\$ 4,653,327</u> | <u>8,998,662</u> | <u>2,180,610</u> | <u>15,832,599</u> |
| Reconciliation of operating income to net cash provided by operating activities | | | | |
| Operating income | \$ 99,071 | 101,100 | (22,313) | 177,858 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| (Increase) decrease: | | | | |
| Due from insurance | (1,976) | (62,204) | (1,229) | (65,409) |
| Prepaid items | 9,369 | -- | -- | 9,369 |
| Increase (decrease): | | | | |
| Unearned revenues | 1,629 | -- | -- | 1,629 |
| Accounts payable | (53,314) | (13,316) | 4,452 | (62,178) |
| Claims payable | -- | (151,739) | -- | (151,739) |
| Total adjustments | <u>(44,292)</u> | <u>(227,259)</u> | <u>3,223</u> | <u>(268,328)</u> |
| Net cash provided by operating activities | <u>\$ 54,779</u> | <u>(126,159)</u> | <u>(19,090)</u> | <u>(90,470)</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 POSITION
FIDUCIARY FUNDS
September 30, 2014

| | Pension Trust Funds | | |
|--|----------------------------------|-------------------------------------|--------------------|
| | Firefighters' Pension Fund | Police Officers' Pension Fund | Totals |
| Assets | | | |
| Due from state | \$ 18,004 | -- | 18,004 |
| Due from city | -- | 102,240 | 102,240 |
| Due from plan members | 14,065 | 18,012 | 32,077 |
| Due from brokers | -- | 148,211 | 148,211 |
| Interest receivable | 67,586 | 112,149 | 179,735 |
| Investments, at fair value | | | |
| U.S. Government obligations | 2,015,278 | 3,155,713 | 5,170,991 |
| Domestic corporate bonds | 3,385,826 | 4,136,629 | 7,522,455 |
| Convertible bonds | 3,534,195 | 4,659,927 | 8,194,122 |
| Municipal obligations | 1,092,219 | 161,643 | 1,253,862 |
| Domestic stocks | 27,980,884 | 19,313,057 | 47,293,941 |
| Master limited partnerships | -- | 4,474,523 | 4,474,523 |
| Mortgage backed | 630,078 | 4,111,344 | 4,741,422 |
| Collateralized mortgage backed | -- | 5,968,620 | 5,968,620 |
| Preferred equity securities | -- | 626,243 | 626,243 |
| Mutual funds | -- | 15,749,510 | 15,749,510 |
| Real estate investment trust | 4,029,498 | -- | 4,029,498 |
| Money market | <u>1,294,317</u> | <u>1,706,953</u> | <u>3,001,270</u> |
| Total investments | <u>43,962,295</u> | <u>64,064,162</u> | <u>108,026,457</u> |
| Total assets | <u>44,061,950</u> | <u>64,444,774</u> | <u>108,506,724</u> |
| Liabilities | | | |
| Accounts payable | 19,294 | 66,949 | 86,243 |
| Due to brokers | -- | 73,788 | 73,788 |
| Total liabilities | <u>19,294</u> | <u>140,737</u> | <u>160,031</u> |
| Net Position | | | |
| Held in trust for pension benefits and other purposes | <u>\$ 44,042,656</u> | <u>64,304,037</u> | <u>108,346,693</u> |

CITY OF BRADENTON, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2014

| | Pension Trust Funds | | |
|--|----------------------------------|-------------------------------------|--------------------|
| | Firefighters' Pension Fund | Police Officers' Pension Fund | Totals |
| Additions | | | |
| Contributions | | | |
| Employer | \$ 2,164,348 | 2,083,762 | 4,248,110 |
| Plan members | 373,904 | 445,907 | 819,811 |
| Repayment of pension benefits | -- | 375 | 375 |
| State of Florida (from City's General Fund) | 452,334 | 409,016 | 861,350 |
| Total contributions | <u>2,990,586</u> | <u>2,939,060</u> | <u>5,929,646</u> |
| Investment earnings | | | |
| Interest | 813,543 | 741,135 | 1,554,678 |
| Dividends | 54,784 | 994,833 | 1,049,617 |
| Miscellaneous/settlement income | 3,117 | 1,454 | 4,571 |
| Net increase in the fair value of investments | <u>4,284,185</u> | <u>5,016,371</u> | <u>9,300,556</u> |
| Total investment earnings | 5,155,629 | 6,753,793 | 11,909,422 |
| Less investment expenses | <u>168,839</u> | <u>337,975</u> | <u>506,814</u> |
| Net investment earnings | <u>4,986,790</u> | <u>6,415,818</u> | <u>11,402,608</u> |
| Total additions, net | <u>7,977,376</u> | <u>9,354,878</u> | <u>17,332,254</u> |
| Deductions | | | |
| Benefits | 1,999,758 | 2,814,711 | 4,814,469 |
| Refunds of contributions | -- | 82,636 | 82,636 |
| DROP plan payments | 295,802 | 461,489 | 757,291 |
| Administrative expenses | 54,315 | 63,541 | 117,856 |
| Total deductions | <u>2,349,875</u> | <u>3,422,377</u> | <u>5,772,252</u> |
| Change in net position | 5,627,501 | 5,932,501 | 11,560,002 |
| Net position, beginning | <u>38,415,155</u> | <u>58,371,536</u> | <u>96,786,691</u> |
| Net position, ending | <u>\$ 44,042,656</u> | <u>64,304,037</u> | <u>108,346,693</u> |



The City of Bradenton's Wastewater Treatment Plant

The above aerial photograph illustrates visually what our citizens could only imagine up until now: cleaning the city's 'used' water is no small feat. Many would say that the city's wastewater operations are as key in protecting our citizens' health and safety as our police and fire departments.

So ... what exactly is "wastewater"?

Simply put, wastewater is water that's been used and drained out of a home or business through sinks, bathtubs, toilets, dishwashers, washing machines, etc. "Sewage" is the term for wastewater which contains human waste contaminants.

Due to these contaminants, wastewater needs to be treated prior to it being put back into the environment. Contaminants can include human waste, oil, soaps, chemicals, and food scraps (basically, just about anything that a person puts down a drain could become a contaminant).

The environment can naturally handle some of these contaminants, but because of the extremely high amount of water that we use, wastewater must be treated for our safety.

A portion of the cost involved with wastewater services includes the removal of pollutants at the city's wastewater treatment plant. This treatment ensures that the city's rivers and gulf remain clean and safe to enjoy. Many of the byproducts that come out of treated wastewater can be recycled. The rest is disposed of at a licensed sludge disposal facility in order to have a limited impact on the environment.

Photographed above, the City of Bradenton's Wastewater Treatment Plant is an advanced wastewater treatment facility. Wastewater is treated, tested and discharged to the waters of the Manatee River, or sent to our reclaimed water customers for beneficial reuse. 'Solid waste' in the wastewater is removed to a designated facility in Hardee County. The city's plant is equipped to handle 9 million gallons of wastewater per day ... plenty of capacity to keep our citizens safe and healthy.

Discretely Presented Component Units

The ‘component units’ columns in the Statement of Net Position and the Statement of Activities, pages 17 through 19, include the financial data of the City’s discretely presented component units.

Nonmajor Discretely Presented Component Units

Bradenton Downtown Development Authority

The Bradenton Downtown Development Authority is a dependent special district created by the Laws of Florida, Chapter 74-425, Special Legislative Acts of 1974.

Bradenton Community Redevelopment Agency

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

Bradenton 14th Street Community Redevelopment Agency

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

The Bradenton City Council, through Ordinance 2468 passed in September of 1991, has appointed the Bradenton Downtown Development Authority as the Community Redevelopment Agency of the city. Therefore all three entities have the same Board of Directors.

Central Community Redevelopment Agency

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

CITY OF BRADENTON, FLORIDA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2014

| | <u>Bradenton Downtown Development Authority</u> | | | | |
|---|---|---|---|---|------------|
| | Bradenton Downtown Development Authority | Bradenton Community Redevelopment Agency | 14th Street Community Redevelopment Agency | Central Community Redevelopment Agency | Totals |
| Assets | | | | | |
| Cash and cash equivalents | \$ -- | 617,602 | 255,209 | 89,401 | 962,212 |
| Accounts receivable | -- | -- | -- | 93,935 | 93,935 |
| Due from other governments | -- | 6,700 | -- | -- | 6,700 |
| Prepaid insurance | -- | -- | -- | 35,495 | 35,495 |
| Capital assets | | | | | |
| Land | -- | -- | 2,923,829 | 2,985,292 | 5,909,121 |
| Construction in progress | -- | -- | -- | 89,044 | 89,044 |
| Buildings, net | -- | -- | 487,516 | 3,423,209 | 3,910,725 |
| Improvements, net | -- | 6,393,396 | -- | -- | 6,393,396 |
| Machinery and equipment, net | -- | 192 | -- | 8,985 | 9,177 |
| Total assets | -- | 7,017,890 | 3,666,554 | 6,725,361 | 17,409,805 |
| Deferred Outflows | | | | | |
| Accumulated decrease in fair value of hedging derivative | -- | -- | -- | 352,974 | 352,974 |
| Liabilities | | | | | |
| Accounts payable | -- | 4,893 | -- | 35,142 | 40,035 |
| Accrued interest payable | -- | 22,123 | -- | 22,440 | 44,563 |
| Long-term liabilities | | | | | |
| Due within one year | -- | -- | 760,935 | 242,653 | 1,003,588 |
| Due in more than one year | | | | | |
| Revenue bonds payable | -- | 5,179,699 | 41,467 | -- | 5,221,166 |
| Notes payable | -- | -- | -- | 2,875,791 | 2,875,791 |
| Interest rate swap contract | -- | -- | -- | 352,974 | 352,974 |
| Total liabilities | -- | 5,206,715 | 802,402 | 3,529,000 | 9,538,117 |
| Net POSITION | | | | | |
| Net investment in capital assets | -- | 1,213,889 | 2,608,943 | 3,388,086 | 7,210,918 |
| Unrestricted | -- | 597,286 | 255,209 | 161,249 | 1,013,744 |
| Total net position | \$ -- | 1,811,175 | 2,864,152 | 3,549,335 | 8,224,662 |

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2014

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 | \$ 4,567,764 | 192,760 | 203,015 | -- | \$ (4,171,989) |
| Interest on long-term debt | 214,636 | -- | -- | -- | (214,636) |
| Total component units | <u>\$ 4,782,400</u> | <u>192,760</u> | <u>203,015</u> | <u>--</u> | <u>(4,386,625)</u> |
| General revenues | | | | | |
| Tax increment funding | | | | | 3,207,594 |
| Unrestricted investment earnings | | | | | 6,595 |
| Total general revenues | | | | | <u>3,214,189</u> |
| Change in net assets | | | | | (1,172,436) |
| Net position, beginning | | | | | <u>9,397,098</u> |
| Net position, ending | | | | | <u>\$ 8,224,662</u> |

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2014

| 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 | \$ 3,380,314 | -- | 43,011 | -- | \$ (3,337,303) |
| Interest on long-term debt | 13,734 | -- | -- | -- | (13,734) |
| Total Bradenton Community Redevelopment Agency | <u>\$ 3,394,048</u> | <u>--</u> | <u>43,011</u> | <u>--</u> | <u>(3,351,037)</u> |
| General revenues | | | | | |
| Tax increment funding | | | | | 2,058,116 |
| Investment earnings | | | | | <u>5,086</u> |
| Total general revenues | | | | | <u>2,063,202</u> |
| Change in net position | | | | | (1,287,835) |
| Net position, beginning of year, as restated | | | | | <u>3,099,010</u> |
| Net position, end of year | | | | | <u>\$ 1,811,175</u> |

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2014

14th Street 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 | \$ 207,618 | -- | -- | -- | \$ (207,618) |
| Interest on long-term debt | 29,402 | -- | -- | -- | (29,402) |
| Total 14th Street Community Redevelopment Agency | <u>\$ 237,020</u> | <u>--</u> | <u>--</u> | <u>--</u> | (237,020) |
| General revenues | | | | | |
| Tax increment funding | | | | | 371,644 |
| Unrestricted investment earnings | | | | | 860 |
| Total general revenues | | | | | <u>372,504</u> |
| Change in net position | | | | | 135,484 |
| Net position, beginning | | | | | <u>2,728,668</u> |
| Net position, ending | | | | | <u>\$ 2,864,152</u> |

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2014

Central Community Redevelopment Agency

| Functions/Programs | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Net (Expense) Revenue and Change in Net Assets of the Component Unit</u> |
|--|---------------------|-----------------------------|---|---|---|
| Government activities | | | | | |
| Community Development | \$ 979,832 | 192,760 | 160,004 | -- | \$ (627,068) |
| Interest on long-term debt | 171,500 | -- | -- | -- | (171,500) |
| Total Central Community Redevelopment Agency | <u>\$ 1,151,332</u> | <u>192,760</u> | <u>160,004</u> | <u>--</u> | <u>(798,568)</u> |
| General revenues | | | | | |
| Tax increment funding | | | | | 777,834 |
| Unrestricted investment earnings | | | | | 649 |
| Total general revenues | | | | | <u>778,483</u> |
| Change in net position | | | | | (20,085) |
| Net position, beginning of year, as restated | | | | | <u>3,569,420</u> |
| Net position, end of year | | | | | <u>\$ 3,549,335</u> |

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 | 133 |
| <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 | 140 |
| <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i> | |
| Debt Capacity | 145 |
| <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 | 151 |
| <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 | 153 |
| <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).



Public Works' operations require big tools to do big jobs.

Front end loaders, vacuum trucks, patch trucks, street sweepers, garbage trucks represent a few of the many pieces of equipment it takes to keep a city running ... not to mention a Fleet Department to handle their repairs and maintenance.



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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 12,887,064 | 17,729,130 | 16,480,126 | 26,757,655 | 26,242,893 | 25,595,080 | 23,688,608 | 18,853,236 | 29,190,556 | 28,792,837 |
| Restricted | 30,138,835 | 25,729,021 | 35,307,860 | 25,355,699 | 25,066,065 | 21,889,878 | 4,324,243 | 2,324,902 | 732,415 | 1,566,075 |
| Unrestricted | <u>25,798,294</u> | <u>31,106,637</u> | <u>36,230,240</u> | <u>35,071,462</u> | <u>34,293,817</u> | <u>33,094,759</u> | <u>49,753,644</u> | <u>57,027,749</u> | <u>50,785,717</u> | <u>50,988,793</u> |
| Total governmental net position | <u>\$ 68,824,193</u> | <u>74,564,788</u> | <u>88,018,226</u> | <u>87,184,816</u> | <u>85,602,775</u> | <u>80,579,717</u> | <u>77,766,495</u> | <u>78,205,887</u> | <u>80,708,688</u> | <u>81,347,705</u> |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 51,528,628 | 52,193,816 | 50,110,225 | 57,932,879 | 57,376,349 | 56,563,358 | 58,413,500 | 59,890,864 | 65,903,360 | 61,428,839 |
| Restricted | 3,143,434 | 3,220,742 | 3,013,075 | 3,013,075 | 3,013,075 | 3,013,075 | 3,013,075 | -- | -- | -- |
| Unrestricted | <u>4,527,798</u> | <u>5,604,192</u> | <u>11,610,427</u> | <u>4,982,748</u> | <u>6,042,809</u> | <u>7,224,403</u> | <u>8,096,837</u> | <u>15,266,662</u> | <u>16,417,089</u> | <u>26,097,804</u> |
| Total business-type net position | <u>\$ 59,199,860</u> | <u>61,018,750</u> | <u>64,733,727</u> | <u>65,928,702</u> | <u>66,432,233</u> | <u>66,800,836</u> | <u>69,523,412</u> | <u>75,157,526</u> | <u>82,320,449</u> | <u>87,526,643</u> |
| Primary government | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 64,415,692 | 69,922,946 | 66,590,351 | 84,690,534 | 83,619,242 | 82,158,438 | 82,102,108 | 78,744,100 | 95,093,916 | 90,221,676 |
| Restricted | 33,282,269 | 28,949,763 | 38,320,935 | 28,368,774 | 28,079,140 | 24,902,953 | 7,337,318 | 2,324,902 | 732,415 | 1,566,075 |
| Unrestricted | <u>30,326,092</u> | <u>36,710,829</u> | <u>47,840,667</u> | <u>40,054,210</u> | <u>40,336,626</u> | <u>40,319,162</u> | <u>57,850,481</u> | <u>72,294,411</u> | <u>67,202,806</u> | <u>77,086,597</u> |
| Total primary net position | <u>\$ 128,024,053</u> | <u>135,583,538</u> | <u>152,751,953</u> | <u>153,113,518</u> | <u>152,035,008</u> | <u>147,380,553</u> | <u>147,289,907</u> | <u>153,363,413</u> | <u>163,029,137</u> | <u>168,874,348</u> |

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

| | Fiscal Year | | | | | | | | | |
|---|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General government | \$ 8,815,241 | 10,362,642 | 7,817,764 | 9,927,526 | 10,821,162 | 11,031,574 | 9,369,379 | 8,247,333 | 9,075,136 | 9,011,067 |
| Public safety | 16,856,411 | 18,631,835 | 19,288,504 | 20,933,673 | 22,608,726 | 22,864,152 | 22,531,358 | 20,574,575 | 22,096,925 | 22,989,533 ⁽¹⁾ |
| Transportation | 3,407,812 | 3,903,857 | 4,307,161 | 4,630,993 | 3,300,430 | 3,109,157 | 2,793,289 | 2,884,855 | 2,577,388 | 3,463,464 ⁽²⁾ |
| Neighborhood Stabilization Grant | -- | -- | -- | -- | -- | 1,067,769 | 460,726 | 744,812 | -- | -- |
| Community Development Program | 496,035 | 594,060 | 509,025 | 545,736 | 640,582 | 405,125 | 729,978 | 349,438 | 282,940 | 215,252 |
| Housing Assistance Program | 2,990,960 | 2,807,645 | 2,750,502 | 3,246,985 | 3,463,616 | 1,133,014 | -- | -- | -- | -- |
| Energy Efficiency Conservation Program | -- | -- | -- | -- | -- | -- | 29,418 | 150,856 | -- | -- |
| State Housing Initiatives Program | 255,586 | 1,141,220 | 1,115,123 | 61,653 | 604,871 | 451,003 | 104,315 | 81,729 | 94,718 | 76,009 |
| Shelter Plus Care Program | -- | 9,255 | 89,706 | 130,161 | 156,086 | 227,385 | 151,905 | 163,635 | 147,110 | 112,027 |
| Economic environment | 631 | 17,625 | -- | 27,463 | 10,327 | 8,297 | 8,610 | 7,047 | -- | -- |
| Culture and recreation | 2,870,695 | 3,028,399 | 2,937,357 | 4,420,779 | 3,193,560 | 3,055,759 | 2,945,045 | 2,490,494 | 2,577,032 | 3,061,659 ⁽³⁾ |
| Interest on long-term debt | 821,891 | 873,798 | 1,052,507 | 1,265,864 | 1,216,311 | 1,173,161 | 1,127,587 | 1,239,189 | 1,182,515 | 1,104,058 |
| Total governmental activities expenses | 36,515,262 | 41,370,336 | 39,867,649 | 45,190,833 | 46,015,671 | 44,526,396 | 40,251,610 | 36,933,963 | 38,033,764 | 40,033,069 |
| Business-type activities | | | | | | | | | | |
| Water and Sewer | 15,465,554 | 16,471,733 | 17,182,008 | 18,046,291 | 19,228,039 | 18,173,824 | 17,788,224 | 16,845,092 | 17,310,472 | 19,053,943 |
| Sanitation | 5,972,705 | 6,208,743 | 6,350,625 | 6,528,224 | 6,506,834 | 6,352,001 | 6,131,518 | 5,627,349 | 6,181,905 | 6,390,604 |
| Parking | -- | 236,507 | 771,224 | 774,913 | 818,755 | 783,496 | 800,768 | 697,157 | 718,824 | 766,706 |
| Golf Course | 1,459,044 | 1,294,183 | 1,325,772 | 1,390,336 | 1,446,488 | 1,413,037 | 1,371,498 | 1,265,310 | 1,336,245 | 1,337,122 |
| Total business-type activities expenses | 22,897,303 | 24,211,166 | 25,629,629 | 26,739,764 | 28,000,116 | 26,722,358 | 26,092,008 | 24,434,908 | 25,547,446 | 27,548,375 |
| Total primary government expenses | \$ 59,412,565 | 65,581,502 | 65,497,278 | 71,930,597 | 74,015,787 | 71,248,754 | 66,343,618 | 61,368,871 | 63,581,210 | 67,581,444 |
| Program Revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 5,713,910 | 5,438,417 | 4,448,160 | 5,499,999 | 3,118,650 | 3,484,499 | 3,777,718 | 5,679,319 | 6,914,348 | 8,316,511 |
| Community Development Program | 65,382 | 48,675 | 53,567 | 26,919 | -- | 2,100 | 9,556 | 8,356 | -- | 12,155 |
| Housing Assistance Program | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| State Housing Initiatives Program | 157,427 | 125,374 | 68,452 | 107,450 | 13,285 | 10,520 | 37,300 | 2,425 | 30,830 | 6,585 |
| Culture and recreation | -- | -- | -- | -- | -- | -- | -- | -- | 85,236 | 31,354 |
| Operating grants and contributions | 4,574,255 | 5,272,394 | 6,198,967 | 6,617,786 | 7,432,288 | 5,861,896 | 3,673,566 | 2,339,616 | 1,526,841 | 1,386,490 |
| Capital grants and contributions | 571,248 | 100,376 | 350,438 | 401,775 | -- | 302,042 | 307,615 | 242,668 | 4,490,054 | 164,862 |
| Total govt. activities program revenues | 11,082,222 | 10,985,236 | 11,119,584 | 12,653,929 | 10,564,223 | 9,661,057 | 7,805,755 | 8,272,384 | 13,047,309 | 9,917,957 |
| Business-type activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water and Sewer | 16,777,278 | 17,626,662 | 19,073,641 | 17,837,280 | 18,684,199 | 17,674,071 | 19,023,763 | 20,044,580 | 20,615,847 | 21,888,741 |
| Sanitation | 5,053,176 | 6,067,606 | 6,728,290 | 6,879,192 | 6,767,688 | 6,696,938 | 6,961,945 | 7,080,914 | 6,977,041 | 7,096,833 |
| Other | 1,561,112 | 1,957,094 | 2,567,511 | 2,579,530 | 2,205,050 | 2,104,764 | 2,099,318 | 2,017,366 | 2,023,648 | 2,087,775 |
| Operating grants and contributions | -- | -- | -- | -- | -- | 412,570 | 769,129 | 587,228 | 1,592,094 | 1,522,923 |
| Total business-type program revenues | 23,391,566 | 25,651,362 | 28,369,442 | 27,296,002 | 27,656,937 | 26,888,343 | 28,854,155 | 29,730,088 | 31,208,630 | 32,596,272 |
| Total primary govt. program revenues | \$ 34,473,788 | 36,636,598 | 39,489,026 | 39,949,931 | 38,221,160 | 36,549,400 | 36,659,910 | 38,002,472 | 44,255,939 | 42,514,229 |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | \$ (25,433,040) | (30,385,100) | (28,748,065) | (32,536,904) | (35,451,448) | (34,865,339) | (32,445,855) | (28,661,579) | (24,986,455) | (30,115,112) |
| Business-type activities | 494,263 | 1,440,196 | 2,739,813 | 556,238 | (343,179) | (165,985) | (2,762,147) | (5,295,180) | (5,661,184) | (5,047,897) |
| Total primary government net expense | \$ (24,938,777) | (28,944,904) | (26,008,252) | (31,980,666) | (35,794,627) | (34,699,354) | (29,683,708) | (23,366,399) | (19,325,271) | (25,067,215) |

(continued)

| | Fiscal Year | | | | | | | | | |
|---|---------------|------------|------------|------------|--------------|--------------|--------------|------------|------------|------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 11,206,029 | 12,597,102 | 14,982,691 | 14,449,476 | 14,182,819 | 12,722,890 | 12,853,772 | 12,970,233 | 12,857,121 | 14,153,418 |
| Utility taxes | 3,679,392 | 3,923,729 | 3,730,455 | 3,614,330 | 3,674,959 | 3,864,722 | 3,926,752 | 3,932,368 | 4,190,724 | 4,591,870 |
| Franchise fees | 2,873,944 | 3,647,783 | 3,557,735 | 3,408,379 | 3,458,060 | 3,109,552 | 3,098,917 | 2,962,576 | 2,913,539 | 3,134,768 |
| Public service taxes | 2,927,551 | 2,870,757 | 2,882,546 | 2,866,892 | 2,634,733 | 2,529,202 | 2,472,542 | 2,461,325 | 2,439,049 | 2,241,335 |
| Impact fees | -- | -- | -- | -- | -- | 34,933 | -- | -- | -- | -- |
| Local-government half-cent sales taxes | 4,006,309 | 3,915,794 | 3,737,615 | 3,452,928 | 3,065,377 | 3,034,041 | 3,245,371 | 3,126,907 | 3,332,475 | 3,600,966 |
| Other taxes | 707,770 | 825,615 | 781,258 | 422,857 | 655,991 | 497,245 | 519,064 | 366,602 | 400,000 | 400,000 |
| State revenue sharing | 2,005,629 | 2,035,592 | 2,017,301 | 1,852,696 | 1,609,583 | 1,616,479 | 1,619,296 | 1,378,224 | 1,374,790 | 1,480,349 |
| Unrestricted investment earnings | 316,499 | 2,103,118 | 2,789,012 | 1,308,264 | 3,540,262 | 2,208,876 | 1,018,973 | 1,554,589 | (149,611) | 791,282 |
| Repayment of loan - CCRA | -- | -- | -- | -- | -- | 33,335 | 66,671 | -- | -- | -- |
| Gain on sale of capital assets | 653,318 | 3,935,263 | 675,319 | 343,608 | 1,072,623 | 6,160 | 46,060 | -- | -- | -- |
| Transfers | (17,600) | 270,942 | (19,700) | (15,936) | (25,000) | 184,846 | 514,675 | 348,147 | 365,493 | 360,141 |
| Total governmental activities | 28,358,841 | 36,125,695 | 35,134,232 | 31,703,494 | 33,869,407 | 29,842,281 | 29,382,093 | 29,100,971 | 27,723,580 | 30,754,129 |
| Business-type activities | | | | | | | | | | |
| Investment earnings | 130,320 | 654,731 | 862,178 | 609,869 | 818,055 | 618,876 | 459,777 | 657,081 | 43,982 | 492,155 |
| Gain on sale of capital assets | 15,400 | (5,095) | 93,286 | 12,932 | 3,655 | 13,512 | 15,327 | -- | -- | 26,283 |
| Transfers | 17,600 | (270,942) | 19,700 | 15,936 | 25,000 | (184,846) | (514,675) | (348,147) | (365,493) | (360,141) |
| Total business-type activities | 163,320 | 378,694 | 975,164 | 638,737 | 846,710 | 447,542 | (39,571) | 308,934 | (321,511) | 158,297 |
| Total primary government | \$ 28,522,161 | 36,504,389 | 36,109,396 | 32,342,231 | 34,716,117 | 30,289,823 | 29,342,522 | 29,409,905 | 27,402,069 | 30,912,426 |
| Change in Net Assets | | | | | | | | | | |
| Governmental activities | \$ 2,925,801 | 5,740,595 | 6,386,167 | (833,410) | (1,582,041) | (5,023,058) | (3,063,222) | 439,392 | 2,737,125 | 639,017 |
| Business-type activities | 657,583 | 1,818,890 | 3,714,977 | 1,194,975 | 503,531 | 613,527 | 2,722,576 | 5,634,114 | 5,339,673 | 5,206,194 |
| Total primary government | \$ 3,583,384 | 7,559,485 | 10,101,144 | 361,565 | (1,078,510) | (4,409,531) | (340,646) | 6,073,506 | 8,076,798 | 5,845,211 |

⁽¹⁾ Increase is due to salary increase and contractual agreements

⁽²⁾ Increase is due to road paving projects

⁽³⁾ Increase is due to new Riverwalk maintenance

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 |
|--------------------|---------------------|--------------------|----------------------------------|----------------------------|--------------|
| 2005 | \$ 11,206,029 | 3,679,392 | 2,927,551 | 4,006,309 | 21,819,281 |
| 2006 | 12,597,102 | 3,923,729 | 2,870,757 | 3,915,794 | 23,307,382 |
| 2007 | 14,982,691 | 3,730,455 | 2,882,546 | 3,737,615 | 25,333,307 |
| 2008 | 14,449,476 | 3,614,330 | 2,866,892 | 3,452,928 | 24,383,626 |
| 2009 | 14,182,819 | 3,674,959 | 2,634,733 | 3,065,377 | 23,557,888 |
| 2010 | 12,722,890 | 3,864,722 | 2,529,202 | 3,034,041 | 22,150,855 |
| 2011 | 12,853,772 | 3,926,752 | 2,472,542 | 3,245,371 | 22,498,437 |
| 2012 | 12,970,233 | 3,932,368 | 2,461,325 | 3,126,907 | 22,490,833 |
| 2013 | 12,857,121 | 4,190,724 | 2,439,049 | 3,332,475 | 22,819,369 |
| 2014 | 14,153,418 | 4,591,870 | 2,241,335 | 3,600,966 | 24,587,589 |

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

| | Fiscal Year | | | | | |
|------------------------------------|----------------------|-------------------------------|-------------------|--------------------------|-------------------|-------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General fund | | | | | | |
| Reserved | \$ 328,968 | 956,734 | 1,730,005 | 839,764 | 569,585 | 546,807 |
| Unreserved | 12,399,154 | 18,546,496 | 17,672,862 | 17,869,835 | 19,753,036 | 17,979,801 |
| Total General Fund | <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 | \$ 4,971,505 | 4,571,506 | 6,344,209 | 5,839,417 | 6,608,900 | 6,009,228 |
| Unreserved, reported in | | | | | | |
| Special revenue funds | 18,710,078 | 18,949,081 | 17,512,722 | 17,587,349 | 16,350,074 | 16,563,777 |
| Debt service funds | 2,047,762 | 2,062,665 | 2,062,223 | 1,989,717 ⁽¹⁾ | 1,529,898 | 1,494,961 |
| Capital projects funds | <u>4,475,280</u> | <u>189,789</u> ⁽²⁾ | <u>9,494,884</u> | <u>40,345</u> | <u>674,607</u> | <u>--</u> |
| Total all other governmental funds | <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 FOUR FISCAL YEARS

| | Fiscal Year | | | |
|------------------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|
| | 2011 | 2012 | 2013 | 2014 |
| General Fund | | | | |
| Nonspendable | \$ 3,035,344 | 2,677,563 | 2,352,321 | 1,860,417 |
| Restricted | -- | -- | -- | 475,681 |
| Committed | 6,245,670 | 3,302,443 | 3,309,121 | 3,469,355 |
| Assigned | 1,389,565 | 11,072,757 | 11,188,450 | 11,206,055 |
| Unassigned | <u>19,437,408</u> | <u>23,396,447</u> | <u>23,240,348</u> | <u>24,944,019</u> |
| Total General Fund | <u><u>\$ 30,107,987</u></u> | <u><u>40,449,210</u></u> | <u><u>40,090,240</u></u> | <u><u>41,955,527</u></u> |
| All other governmental funds | | | | |
| Restricted, reported in | | | | |
| Special revenue funds | \$ 1,513,929 | 1,248,712 | 732,415 | 1,026,490 |
| Debt service funds | 2,698,546 | 69,030 | 71,785 | 73,904 |
| Committed, reported in | | | | |
| Capital projects funds | 635,160 | 6,708,620 | 139,738 | 264,817 |
| Assigned, reported in | | | | |
| Debt service funds | 8,548,831 | -- | -- | -- |
| Unassigned, reported in | | | | |
| Special revenue funds | <u>--</u> | <u>(103,695)</u> | <u>(103,980)</u> | <u>(41,661)</u> |
| Total all other governmental funds | <u><u>\$ 13,396,466</u></u> | <u><u>7,922,667</u></u> | <u><u>839,958</u></u> | <u><u>1,323,550</u></u> |
| Total all governmental funds | <u><u>\$ 43,504,453</u></u> | <u><u>48,371,877</u></u> | <u><u>40,930,198</u></u> | <u><u>43,279,077</u></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)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|----------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|----------------------------|-----------------------|-------------------------|----------------------------|-------------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 18,520,742 | 20,217,203 | 22,376,950 | 21,353,555 | 24,213,879 | 22,648,100 | 23,018,041 | 23,080,688 | 23,442,721 | 25,211,755 |
| Fees | 2,873,944 | 3,647,783 | 3,557,735 | 3,408,379 | 3,458,060 | 3,144,485 | 3,098,917 | 2,962,576 | 2,917,893 | 3,661,040 |
| Licenses and permits | 1,242,053 | 1,209,567 | 856,491 | 698,400 | 611,915 | 408,822 | 659,196 | 1,048,446 | 1,416,904 | 1,852,002 |
| Intergovernmental grants | 4,165,673 | 4,176,287 | 4,791,310 | 5,473,651 | 5,315,180 | 3,941,244 | 2,659,818 | 2,493,234 | 1,907,636 | 935,057 |
| Intergovernmental revenues | 6,065,392 | 6,073,046 | 5,981,527 | 5,725,130 | 2,303,987 | 1,883,486 | 1,787,238 | 1,672,181 | 1,749,474 | 1,784,193 |
| Shared revenues | 1,199,883 | 1,074,823 | 1,354,366 | 1,572,848 | 1,524,007 | 1,553,687 | 1,548,422 | 1,378,224 | 1,374,790 | 1,480,349 |
| Payments in lieu of taxes | -- | 37,420 | 26,469 | -- | 23,530 | 32,135 | 32,739 | 60,599 | 71,048 | 65,874 |
| Charges for services | 1,680,424 | 1,991,797 | 1,810,531 | 1,782,019 | 1,260,384 | 1,344,936 | 1,326,562 | 1,397,788 | 2,304,771 | 2,385,279 |
| Fines and forfeitures | 344,499 | 443,675 | 532,968 | 290,816 | 211,744 | 373,336 | 186,348 | 412,666 | 237,690 | 319,227 |
| Interest / investment earnings | 310,320 | 2,014,139 | 2,789,012 | 1,308,264 | 3,232,029 | 2,017,029 | 1,020,191 | 1,385,249 | (112,796) | 718,435 |
| Rents | 772,487 | 828,301 | 669,236 | 494,488 | 470,159 | 466,346 | 512,039 | 518,508 | 612,341 | 644,143 |
| Contributions | 120,000 | 550,003 | 12,178 | 580,269 | 12,600 | 402,000 | -- | -- | -- | -- |
| Miscellaneous | 1,653,150 | 272,544 | 495,487 | 1,097,029 | 413,600 | 850,924 | 565,026 | 489,130 | 424,739 | 1,171,726 |
| Special assessments, property owners | 273,507 | 385,360 | 166,819 | 156,070 | 26,700 | 20,620 | 57,663 | 34,206 | 50,860 | 38,686 |
| Total revenues | <u>39,222,074</u> | <u>42,921,948</u> | <u>45,421,079</u> | <u>43,940,918</u> | <u>43,077,774</u> | <u>39,087,150</u> | <u>36,472,200</u> | <u>36,933,495</u> | <u>36,398,071</u> | <u>40,267,766</u> |
| Expenditure: | | | | | | | | | | |
| General government services | 8,773,246 | 9,685,207 | 9,468,737 | 8,943,084 | 8,639,038 | 8,925,980 | 7,582,145 | 7,881,561 | 7,948,040 | 8,310,959 |
| Public safety | 17,191,344 | 18,647,250 | 20,433,678 | 20,894,380 | 20,154,685 | 20,882,402 | 20,586,889 | 21,302,361 | 21,695,625 | 22,490,782 |
| Transportation | 3,239,374 | 3,796,308 | 3,961,684 | 4,224,462 | 2,823,742 | 2,573,471 | 2,239,094 | 2,466,669 | 2,257,845 | 3,176,830 |
| Economic environment | 3,883,555 | 4,597,384 | 4,457,254 | 4,007,562 | 4,866,802 | 3,284,296 | 1,493,782 | 1,490,470 | 971,280 | 399,442 |
| Culture-recreation | 2,378,850 | 2,413,482 | 2,518,351 | 3,237,798 | 1,892,760 | 1,718,338 | 1,624,229 | 1,492,401 | 1,685,033 | 1,587,131 |
| Capital outlay | 1,708,531 | 7,364,019 | 10,185,766 | 10,603,881 | 1,387,684 | 922,980 | 358,972 | 2,041,870 | 10,429,154 | 117,157 |
| Debt service principal | 984,459 | 1,123,184 | 881,989 | 1,242,267 | 929,592 | 975,837 | 1,014,089 | 3,962,638 | 1,158,019 | 1,237,138 |
| Debt service interest | 767,724 | 870,080 | 827,223 | 1,244,167 | 1,192,588 | 1,149,688 | 1,104,550 | 1,149,529 | 1,139,888 | 1,096,011 |
| Debt service fees/expenditures | 44,139 | 25,487 | 846,338 | 3,187 | 3,879 | 3,809 | 3,677 | 112,039 | -- | 840 |
| Total expenditures | <u>38,971,222</u> | <u>48,522,401</u> | <u>53,581,020</u> | <u>54,400,788</u> | <u>41,890,770</u> | <u>40,436,801</u> | <u>36,007,427</u> | <u>41,899,538</u> | <u>47,284,884</u> | <u>38,416,290</u> |
| Excess (deficiency) of revenues over (under) expenditures | 250,852 | (5,600,453) | (8,159,941) | (10,459,870) | 1,187,004 | (1,349,651) | 464,773 | (4,966,043) | (10,886,813) | 1,851,476 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers from other funds | 14,802,962 | 16,196,528 | 16,563,335 | 16,077,562 | 16,647,339 | 14,300,643 | 5,139,545 | 2,824,836 | 2,687,498 | 2,373,392 |
| Transfers to other funds | (14,820,562) | (16,875,586) | (16,583,035) | (16,093,498) | (16,672,339) | (14,715,797) | (5,024,870) | (2,476,689) | (2,322,005) | (2,013,250) |
| Repayment of loan, CCRA | -- | -- | -- | -- | -- | 33,335 | 66,671 | -- | -- | -- |
| Sales of capital assets | 708,266 | 4,853,057 | 304,366 | 597,205 | 464,669 | 31,394 | 13,760 | 15,320 | 29,397 | 137,261 |
| Issuance of debt | 6,000,000 | 3,000,000 | 18,645,000 | -- | -- | -- | -- | 9,470,000 | 3,000,000 | -- |
| Proceeds from capital lease | -- | -- | 299,031 | -- | -- | -- | -- | -- | -- | -- |
| Special item, Manatee Player: | -- | -- | (1,528,122) | (771,877) | (307,000) | (191,450) | -- | -- | -- | -- |
| Special item, CCRA | -- | -- | -- | -- | -- | (1,000,000) | -- | -- | -- | -- |
| Total other financing sources (uses) and special items | <u>6,690,666</u> | <u>7,173,999</u> | <u>17,700,575</u> | <u>(190,608)</u> | <u>132,669</u> | <u>(1,541,875)</u> | <u>195,106</u> | <u>9,833,467</u> | <u>3,394,890</u> | <u>497,403</u> |
| Net change in fund balances | <u>\$ 6,941,518</u> | <u>1,573,546</u> | <u>9,540,634</u> | <u>(10,650,478)</u> | <u>1,319,673</u> | <u>(2,891,526)</u> | <u>659,879</u> | <u>4,867,424</u> | <u>(7,491,923)</u> | <u>2,348,879</u> |
| Debt service as a percentage of noncapital expenditures | 5.06% | 6.94% | 5.90% | 3.13% | 5.37% | 5.44% | 5.96% | 13.41% | 6.33% | 8.51% |

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

| Fiscal Year | Tourist | | | | Communication | | | | | Total |
|--------------------|---------------------|------------------------|---------------------------|--------------------------|--------------------------|-------------------------|--------------------|--------------------|----------------------------|--------------|
| | Property Tax | Development Tax | Ninth Cent Gas Tax | Five-Cent Gas Tax | Four-Cent Gas Tax | Two-Cent Gas Tax | Utility Tax | Service Tax | Half-Cent Sales Tax | |
| 2005 | \$ 11,206,029 | 238,572 | 326,134 | -- | 615,845 | 257,904 | 3,679,392 | 2,927,551 | 4,006,309 | 23,257,736 |
| 2006 | 12,597,102 | 253,906 | 294,054 | -- | 550,129 | 230,640 | 3,923,729 | 2,870,757 | 3,915,794 | 24,636,111 |
| 2007 | 14,982,691 | 263,510 | 284,206 | 300,478 | 530,677 | 239,005 | 3,730,455 | 2,882,546 | 3,737,615 | 26,951,183 |
| 2008 | 14,449,476 | 263,610 | 282,212 | 522,542 | 528,430 | 239,664 | 3,614,330 | 2,866,892 | 3,452,928 | 26,220,084 |
| 2009 | 14,182,819 | 255,531 | 264,364 | 532,067 | 500,555 | 227,021 | 3,674,959 | 2,634,733 | 3,065,377 | 25,337,426 |
| 2010 | 12,722,890 | 269,361 | 268,022 | 522,278 | 525,192 | 238,195 | 3,864,722 | 2,529,202 | 3,034,041 | 23,973,903 |
| 2011 | 12,853,772 | 289,237 | 265,138 | 523,860 | 522,465 | 236,959 | 3,926,752 | 2,472,542 | 3,245,371 | 24,336,096 |
| 2012 | 12,970,233 | 366,602 | 241,460 | 524,300 | 375,499 | 236,965 | 3,932,368 | 2,461,325 | 3,126,907 | 24,235,659 |
| 2013 | 12,857,121 | 400,000 | 261,127 | 517,723 | 360,776 | 235,164 | 4,190,724 | 2,439,049 | 3,332,475 | 24,594,159 |
| 2014 | 14,153,418 | 400,000 | 244,685 | 550,621 | 447,324 | 237,719 | 4,591,870 | 2,241,335 | 3,600,966 | 26,467,938 |

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 |
|--------------------|----------------------|--------------------------|---------------------------|---------------------------------|-------------------------------------|------------------------------|-------------------------------|---|
| 2005 | \$ 2,483,653,512 | 304,917,186 | 553,522 | (573,027,459) | 2,216,096,761 | 4.75 | 3,362,151,679 | 85.13% |
| 2006 | 3,164,475,719 | 341,229,608 | 312,762 | (612,358,030) | 2,893,660,059 | 4.75 | 4,118,376,119 | 86.82% |
| 2007 | 3,925,825,566 | 348,608,525 | 368,986 | (648,676,654) | 3,626,126,423 | 4.75 | 4,923,479,731 | 87.37% |
| 2008 | 4,400,363,084 | 334,236,652 | 421,725 | (684,559,927) | 4,050,461,534 | 4.11 | 5,419,581,388 | 82.34% |
| 2009 | 4,029,617,425 | 365,563,886 | 427,546 | (942,525,097) | 3,453,083,760 | 4.28 | 5,338,133,954 | 80.89% |
| 2010 | 3,486,297,604 | 368,980,353 | 427,080 | (910,893,012) | 2,944,812,025 | 4.28 | 4,766,598,049 | 75.51% |
| 2010 | 3,210,891,376 | 356,363,905 | 396,212 | (874,956,035) | 2,692,695,458 | 4.95 | 3,567,651,493 | 75.51% |
| 2012 | 3,054,389,054 | 326,685,423 | 434,387 | (828,217,894) | 2,553,290,970 | 5.20 | 3,381,508,864 | 75.30% |
| 2013 | 2,904,553,317 | 321,276,532 | 441,707 | (765,296,847) | 2,460,974,709 | 5.44 | 3,226,271,556 | 76.28% |
| 2014 | 2,922,921,458 | 316,675,346 | 459,950 | (761,038,444) | 2,479,018,310 | 5.90 | 3,240,056,754 | 76.51% |

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 | |
| 2005 | 4.7500 | -- | 4.7500 | 7.7245 | 0.1543 | 7.8788 | 7.9990 | -- | 7.9990 | 20.6278 |
| 2006 | 4.7500 | -- | 4.7500 | 7.5719 | 0.1344 | 7.7063 | 7.9330 | -- | 7.9330 | 20.3893 |
| 2007 | 4.7500 | -- | 4.7500 | 6.2993 | 0.0876 | 6.3869 | 7.6140 | -- | 7.6140 | 18.7509 |
| 2008 | 4.1134 | -- | 4.1134 | 6.2993 | 0.0956 | 6.3949 | 7.6660 | -- | 7.6660 | 18.1743 |
| 2009 | 4.2843 | -- | 4.2843 | 6.2993 | 0.1090 | 6.4083 | 7.3720 | -- | 7.3720 | 18.0646 |
| 2010 | 4.2843 | -- | 4.2843 | 6.2993 | 0.1254 | 6.4247 | 7.5410 | -- | 7.5410 | 18.2500 |
| 2011 | 4.9452 | -- | 4.9452 | 6.2993 | 0.1303 | 6.4296 | 7.5910 | -- | 7.5910 | 18.9658 |
| 2012 | 5.2002 | -- | 5.2002 | 6.2993 | 0.1303 | 6.4296 | 7.5890 | -- | 7.5890 | 19.2188 |
| 2013 | 5.4356 | -- | 5.4356 | 6.2993 | 0.1303 | 6.4296 | 7.5720 | -- | 7.5720 | 19.4372 |
| 2014 | 5.8976 | | 5.8976 | 6.2993 | 0.1303 | 6.4296 | 7.5933 | -- | 7.5933 | 19.9205 |

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

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

| Taxpayer | 2014 | | | 2005 | | |
|-----------------------------------|------------------------------|------|--|------------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value ⁽¹⁾ | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| | | | | | | |
| Tropicana Products | \$ 138,910,244 | 1 | 5.64% | \$ 17,345,874 | 5 | 0.91% |
| Manatee Memorial Hospital LP | 83,666,658 | 2 | 3.40% | 48,369,588 | 1 | 2.53% |
| HCA Health Services of Florida | 49,215,519 | 3 | 2.00% | 44,678,866 | 2 | 2.34% |
| Freedom Village Ltd. | 37,265,802 | 4 | 1.51% | | | |
| Florida Power & Light | 30,944,363 | 5 | 1.26% | | | |
| Carlton Arms of Bradenton | 26,698,989 | 6 | 1.08% | 24,046,116 | 3 | 1.25% |
| Sawgrass Cove Vistas | 19,628,293 | 7 | 0.80% | 14,460,719 | 7 | 0.76% |
| Continental 115 Fund LLC | 18,831,806 | 8 | 0.77% | | | |
| Morguard Watermark Apartments LLC | 17,383,871 | 9 | 0.71% | | | |
| Continental 117 Fund LLC | 17,144,006 | 10 | 0.70% | | | |
| Westport Holdings | | | | 21,379,701 | 4 | 1.11% |
| CMC Bradenton LLC | | | | 15,048,182 | 6 | 0.79% |
| TC Perico Company | | | | 11,868,793 | 8 | 0.62% |
| Wal-Mart Stores | | | | 11,434,753 | 9 | 0.60% |
| Litchfield Investment Co LLC | | | | 11,350,658 | 10 | 0.59% |
| TOTALS | \$ 439,689,551 | | 17.87% | \$ 219,983,250 | | 11.50% |

⁽¹⁾ Percentage of total net assessed value is calculated using total net taxable assessed value on page 141

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 |
| 2005 | \$ 12,124,477 | 11,206,029 | 92.4% | 8,585 | 11,214,614 | 92.5% |
| 2006 | 13,260,011 | 12,565,367 | 94.8% | 31,735 | 12,597,102 | 95.0% |
| 2007 | 15,771,251 | 14,858,015 | 94.2% | 124,676 | 14,982,691 | 95.0% |
| 2008 | 15,206,445 | 14,387,727 | 94.6% | 61,749 | 14,449,476 | 95.0% |
| 2009 | 14,928,360 | 13,697,033 | 91.8% | 419,268 | 14,116,301 | 94.6% |
| 2010 | 13,392,221 | 12,683,700 | 94.7% | 38,910 | 12,722,610 | 95.0% |
| 2011 | 13,529,598 | 12,812,986 | 94.7% | 40,706 | 12,853,692 | 95.0% |
| 2012 | 13,277,624 | 12,937,796 | 97.4% | 32,438 | 12,970,233 | 97.7% |
| 2013 | 13,249,291 | 12,743,879 | 96.2% | 24,661 | 12,768,539 | 96.4% |
| 2014 | 14,467,803 | 14,015,568 | 96.9% | 48,479 | 14,064,047 | 97.2% |

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 | | | |
| 2005 | \$ 2,301,225 | 14,770,580 | 405,422 | 8,622,605 | 718,775 | 7,872,056 | 12,155 | 34,702,818 | 6.908% | 639.06 |
| 2006 | 2,141,625 | 8,229,618 | 327,588 | 6,642,371 | 668,375 | 16,687,334 | 7,998 | 34,704,909 | 7.515% | 632.02 |
| 2007 | 1,970,625 | 26,163,629 | 489,674 | 4,551,038 | 614,375 | 16,608,614 | 151,481 | 50,549,436 | 5.251% | 929.06 |
| 2008 | 1,792,025 | 25,090,668 | 166,592 | 2,340,000 | 557,975 | 16,217,211 | 105,044 | 46,269,515 | 5.766% | 855.42 |
| 2009 | 1,605,825 | 24,347,276 | 98,596 | -- | 499,175 | 15,781,718 | 56,789 | 42,389,379 | 6.100% | 784.25 |
| 2010 | 1,408,225 | 23,569,039 | 28,605 | -- | 436,775 | 13,055,210 | 6,634 | 38,504,488 | 6.696% | 714.75 |
| 2011 | 1,203,025 | 22,760,150 | 5,721 | -- | 371,975 | 10,127,661 | 330,906 | 34,799,438 | 6.842% | 699.85 |
| 2012 | -- | 29,470,537 | -- | -- | -- | 7,096,343 | 262,017 | 36,828,896 | 6.468% | 730.89 |
| 2013 | -- | 28,312,518 | -- | -- | -- | 6,769,672 | 191,635 | 35,273,825 | 6.303% | 699.11 |
| 2014 | -- | 27,075,380 | -- | -- | -- | 13,380,524 | 118,393 | 40,574,297 | 5.627% | 793.72 |

⁽¹⁾ See the Schedule of Demographic and Economic Statistics(*page 151*) 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 | Less: Amounts Available in Debt | | Total | Estimated Actual Taxable Value⁽¹⁾ of Property | Per Capita⁽²⁾ |
|--------------------|----------------------------|--|--------------|--------------|---|---------------------------------|
| | | Service Fund | Total | | | |
| 2005 | \$ 17,071,805 | 2,326,983 | 14,744,822 | 0.3580% | 271.53 | |
| 2006 | 10,371,243 | 2,341,886 | 8,029,357 | 1.6310% | 167.15 | |
| 2007 | 28,134,254 | 2,341,444 | 25,792,810 | 0.4697% | 474.05 | |
| 2008 | 26,882,693 | 2,268,938 | 24,613,755 | 0.4611% | 455.06 | |
| 2009 | 25,953,101 | 1,809,119 | 24,143,982 | 0.6655% | 446.69 | |
| 2010 | 24,977,264 | 1,774,182 | 23,203,082 | 0.6552% | 430.72 | |
| 2011 | 23,963,175 | 1,586,952 | 22,376,223 | 0.6617% | 450.01 | |
| 2012 | 29,470,537 | 69,030 | 29,401,507 | 0.8318% | 583.49 | |
| 2013 | 28,312,518 | 71,785 | 28,240,733 | 0.8753% | 559.72 | |
| 2014 | 27,075,380 | 73,904 | 27,001,476 | 0.8333% | 528.21 | |

⁽¹⁾ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property (page 141) for property value data

⁽²⁾ Population data can be found in the Schedule of Demographic and Economic Statistics (page 151)

CITY OF BRADENTON, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2014

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable⁽¹⁾ | Estimated Share of Overlapping Debt |
|-----------------------------------|-------------------------|--|--|
| Debt repaid with property taxes | | | |
| Manatee County | \$ 108,216,000 | 15.12% | 16,362,259 |
| Manatee County School Board | 416,510,667 | 15.12% | <u>69,135,640</u> |
| Subtotal, overlapping debt | | | 85,497,899 |
| City of Bradenton direct debt | 27,075,380 | 100.00% | <u>28,312,518</u> |
| Total direct and overlapping debt | | | <u>\$ 113,810,417</u> |

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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 | | | | | | | | | |
|---|--------------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Revenues | | | | | | | | | | |
| Total governmental funds | \$ 39,930 | 47,775 | 45,725 | 44,528 | 43,078 | 39,087 | 36,472 | 36,933 | 36,398 | 40,268 |
| Less ad valorem revenues | 11,444 | 12,851 | 14,983 | 14,449 | 14,182 | 12,723 | 12,854 | 12,970 | 12,857 | 14,153 |
| Total non-ad valorem revenues | 28,486 | 34,924 | 30,742 | 30,079 | 28,896 | 26,364 | 23,618 | 23,963 | 23,541 | 26,115 |
| Less restricted funds: | | | | | | | | | | |
| Special revenues ⁽²⁾ | 2,763 | 2,763 | 2,763 | 2,763 | 2,763 | 2,763 | 2,763 | -- | -- | -- |
| Capital projects | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Adjusted non-ad valorem revenues | \$ 25,723 | 32,161 | 27,979 | 27,316 | 26,133 | 23,601 | 20,855 | 23,963 | 23,541 | 26,115 |
| Expenditures | | | | | | | | | | |
| General expenditures | | | | | | | | | | |
| Public safety | \$ 17,191 | 18,647 | 20,434 | 20,894 | 20,155 | 20,822 | 20,587 | 21,302 | 21,696 | 22,491 |
| General government | 8,773 | 9,685 | 9,469 | 8,943 | 8,639 | 8,088 | 7,582 | 7,881 | 7,948 | 8,311 |
| Total general expenditures | 25,964 | 28,332 | 29,903 | 29,837 | 28,794 | 28,910 | 28,169 | 29,183 | 29,644 | 30,802 |
| Less ad valorem revenues available to pay general expenditures | 11,444 | 12,851 | 14,983 | 14,449 | 14,182 | 12,723 | 12,854 | 12,970 | 12,857 | 14,153 |
| Adjusted general expenditures | 14,520 | 15,481 | 14,920 | 15,388 | 14,612 | 16,187 | 15,315 | 16,213 | 16,787 | 16,649 |
| Legally available non-ad valorem revenues | \$ 11,203 | 16,680 | 13,059 | 11,928 | 11,521 | 7,414 | 5,540 | 7,584 | 6,754 | 9,466 |
| Average of current and prior year | \$ 9,532 | 13,942 | 14,870 | 12,494 | 11,725 | 9,468 | 6,477 | 6,562 | 7,169 | 8,110 |
| Annual debt service requirement⁽¹⁾ | 1,752 | 1,993 | 1,709 | 2,486 | 2,121 | 2,105 | 2,119 | 2,136 | 2,297 | 2,333 |
| Coverage | 6.39x | 8.37x | 7.64x | 4.80x | 5.43x | 3.52x | 2.61x | 3.55x | 2.94x | 4.06x |
| Percentage of governmental funds | 4.39% | 4.17% | 4.74% | 5.58% | 4.92% | 5.39% | 5.81% | 5.78% | 6.31% | 5.79% |

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

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

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

| Fiscal Year | Utility System Refunding Revenue Bond | | | | | |
|--------------------|--|---------------------------------|------------------------------|---------------------|---------|-----------------|
| | Water-Sewer Charges and Other | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
| | | | Principal | Interest | | |
| 2005 | \$ 14,482,551 | 9,494,616 | 4,987,935 | 2,340,000 | 423,075 | 1.81 |
| 2006 | 17,626,662 | 11,136,105 | 6,490,557 | 2,340,000 | 356,213 | 2.41 |
| 2007 | 18,966,413 | 12,413,962 | 6,552,451 | 2,398,628 | 233,166 | 2.49 |
| 2008 | 17,818,864 | 12,673,305 | 5,145,559 | 2,271,883 | 272,834 | 2.02 |
| 2009 | 18,684,199 | 14,349,381 | 4,334,818 | 2,402,364 | 284,804 | 1.61 |
| 2010 | 17,674,071 | 13,000,165 | 4,673,906 | 2,405,505 | 192,166 | 1.80 |
| 2011 | 19,023,763 | 12,772,791 | 6,250,972 | 2,494,266 | 97,882 | 2.41 |
| 2012 | 20,044,581 | 12,314,930 | 7,729,651 | -- | -- | (1) |
| 2013 | 20,615,847 | 12,443,693 | 8,172,154 | -- | -- | (1) |
| 2014 | 21,888,741 | 13,522,046 | 8,366,695 | -- | -- | (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 | Personal Income ⁽²⁾ | | Per Capita Personal Income ⁽³⁾ | Unemployment Rate ⁽⁴⁾ |
|--------------------|---------------------------------------|-----------------------|--|---|
| | Population ⁽¹⁾ | (in thousands) | | |
| 2005 | 54,303 | \$ 2,109,400 | 38,845 | 3.2 |
| 2006 | 54,911 | 2,252,943 | 41,029 | 3.2 |
| 2007 | 54,409 | 2,289,476 | 42,079 | 4.3 |
| 2008 | 54,090 | 2,219,096 | 41,026 | 7.6 |
| 2009 | 54,051 | 2,065,937 | 38,222 | 12.5 |
| 2010 | 53,871 | 2,141,749 | 39,757 | 12.6 |
| 2011 | 49,724 | 2,093,629 | 42,105 | 10.9 |
| 2012 | 50,389 | 2,170,607 | 43,077 | 9.0 |
| 2013 | 50,455 | 2,223,400 | 44,067 | 8.1 |
| 2014 | 51,119 | 2,283,128 | 44,663 | 6.1 |

Sources:

⁽¹⁾ Bureau of Economic and Business Research

⁽²⁾ Personal income is a calculated amount based on population and per capita personal income

⁽³⁾ U.S. Bureau of Economic Analysis from 2005 to 2012, estimated for 2013 @ 2.3% and 2014 @ 1.4%

⁽⁴⁾ Florida Department of Labor and Employment Security

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

| <u>Employer</u> | <u>2014</u> | | | <u>2005</u> | | | <u>Percentage of Total City Employment⁽²⁾</u> |
|-----------------------------|--------------------------------|-------------|--|--------------------------------|-------------|--|--|
| | <u>Employees⁽¹⁾</u> | <u>Rank</u> | <u>Percentage of Total City Employment⁽²⁾</u> | <u>Employees⁽¹⁾</u> | <u>Rank</u> | | |
| Manatee County School Board | 5,500 | 1 | 34.52% | 4,528 | 1 | | 28.91% |
| Beall's, Inc. | 1,924 | 2 | 12.08% | 1,600 | 4 | | 10.22% |
| Manatee County Government | 1,727 | 3 | 10.84% | 1,839 | 2 | | 11.74% |
| Manatee Memorial Hospital | 1,445 | 4 | 9.07% | 1,300 | 5 | | 8.30% |
| Tropicana Products, Inc. | 1,200 | 5 | 7.53% | 1,800 | 3 | | 11.49% |
| Blake Medical Center | 1,100 | 6 | 6.90% | 1,200 | 7 | | 7.66% |
| Manatee Co. Sheriff's Dept. | 1,092 | 7 | 6.85% | 1,138 | 6 | | 7.27% |
| Publix | 875 | 8 | 5.49% | -- | -- | | -- |
| IMG Academies | 564 | 9 | 3.54% | -- | -- | | -- |
| City of Bradenton | 504 | 10 | 3.16% | 552 | 10 | | -- |
| Wellcraft | -- | | -- | 572 | 9 | | 3.65% |
| Hoverround | -- | | -- | 1,133 | 8 | | 7.23% |
| Total | <u>15,931</u> | | <u>100.00%</u> | <u>15,662</u> | | | <u>100.00%</u> |

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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

| Function | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | | | | | | | | | | |
| Full-time | 109 | 109 | 109 | 107 | 102 | 87 | 90 | 94 | 92 | 92 |
| Part-time | 24 | 24 | 26 | 5 | 7 | 8 | 4 | 5 | 2 | 1 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 121 | 121 | 121 | 122 | 122 | 120 | 119 | 118 | 120 | 120 |
| Civilians | 29 | 29 | 29 | 28 | 30 | 25 | 29 | 30 | 30 | 30 |
| Part-time civilians | 20 | 20 | 20 | 28 | 12 | 26 | 26 | 26 | 26 | 26 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 71 | 71 | 70 | 70 | 70 | 65 | 64 | 65 | 65 | 65 |
| Civilians | 5 | 5 | 6 | 5 | 5 | 3 | 3 | 3 | 3 | 3 |
| Part-time civilians | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Highway and streets | | | | | | | | | | |
| Engineering | 5 | 5 | 5 | 7 | 7 | 8 | 8 | 8 | 8 | 8 |
| Part-time engineering | 2 | 2 | 1 | -- | -- | -- | 1 | 1 | 1 | 1 |
| Maintenance | 18 | 18 | 19 | 17 | 16 | 13 | 13 | 13 | 13 | 13 |
| Sanitation | 65 | 65 | 66 | 55 | 55 | 55 | 52 | 52 | 52 | 52 |
| Culture and recreation | | | | | | | | | | |
| Full-time | 49 | 49 | 44 | 42 | 39 | 36 | 35 | 31 | 31 | 31 |
| Part-time | 37 | 37 | 36 | 35 | 32 | 32 | 32 | 32 | 32 | 32 |
| Water | | | | | | | | | | |
| Full-time | 50 | 50 | 50 | 39 | 41 | 41 | 41 | 40 | 40 | 40 |
| Part-time | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Sewer | 58 | 58 | 58 | 50 | 50 | 47 | 47 | 50 | 50 | 50 |
| Total | | | | | | | | | | |
| Full-time | 580 | 580 | 577 | 542 | 537 | 500 | 501 | 504 | 504 | 504 |
| Part-time | 83 | 83 | 83 | 68 | 51 | 66 | 63 | 64 | 61 | 60 |

Source: City of Bradenton annual budgets

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

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| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function | | | | | | | | | | |
| Police | | | | | | | | | | |
| Physical arrests | 3,004 | 2,244 | 2,641 | 2,720 | 2,834 | 2,576 | 2,424 | 2,137 | 2,229 | 2,351 |
| Parking violations | 8,037 | 6,942 | 9,995 | 11,229 | 9,073 | 7,294 | 7,988 | 4,320 | 4,615 | 4,316 |
| Traffic violations | 12,660 | 12,182 | 17,186 | 11,535 | 10,247 | 7,050 | 7,586 | 4,881 | 5,009 | 6,401 |
| Fire | | | | | | | | | | |
| Number of calls answered | 4,899 | 4,927 | 4,790 | 4,594 | 4,534 | 4,360 | 4,132 | 4,423 | 4,225 | 4,500 |
| Inspections | 1,092 | 2,215 | 1,408 | 721 | 1,398 | 1,914 | 1,968 | 2,272 | 1,689 | 1,433 |
| Highways and streets | | | | | | | | | | |
| Street resurfacing (miles) | 0.147 | 2.370 | 2.307 | 2.400 | 2.500 | 10.450 | 3.160 | 3.778 | 1.356 | 3.00 |
| Potholes repaired | NA | 2,276 | 3,081 | 3,065 | 3,181 | 2,351 | 2,192 | 1,743 | 1,419 | 1,612 |
| Sanitation | | | | | | | | | | |
| Refuse collected (tons/day) | 181.93 | 118.68 | 207.02 | 183.20 | 168.09 | 165.70 | 208.28 | 244.12 | 236.66 | 240.95 |
| Recyclables collected (tons/day) | 22.06 | 139.55 | 6.82 | 6.80 | 6.70 | 37.67 | 6.90 | 7.69 | 8.11 | 7.83 |
| Water | | | | | | | | | | |
| New connections | 390 | 352 | 391 | 133 | 191 | 149 | 101 | 132 | 133 | 156 |
| Water mains breaks | 168 | 160 | 210 | 184 | 152 | 239 | 177 | 142 | 178 | 212 |
| Average daily consumption (million of gallons) | 5.02 | 5.43 | 5.86 | 4.84 | 4.91 | 5.01 | 5.12 | 5.49 | 5.89 | 5.74 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (million of gallons) | 5.74 | 5.73 | 5.41 | 5.26 | 4.96 | 5.07 | 5.00 | 5.39 | 5.52 | 5.70 |

Source: Various City of Bradenton Departments

* NA = (Not Available)

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

| Function | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | NA | 125 | 122 | 126 | 120 | 115 | 119 | 125 | 123 | 119 |
| Fire stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Sanitation | | | | | | | | | | |
| Collection trucks | 18 | 18 | 21 | 19 | 19 | 19 | 15 | 16 | 16 | 16 |
| Highways and streets | | | | | | | | | | |
| Streets (miles) | 142.00 | 142.00 | 145.00 | 149.00 | 149.00 | 149.00 | 155.00 | 155.00 | 155.00 | 155.00 |
| Streetlights | NA | 3,800 | 3,825 | 3,867 | 3,882 | 3,882 | 4,247 | 4,247 | 4,317 | 4,340 |
| Traffic signals | NA | 352 | 352 | 352 | 352 | 352 | 352 | 352 | 364 | 412 |
| 155 Culture and recreation | | | | | | | | | | |
| | Parks acreage | 167.70 | 167.70 | 167.70 | 167.70 | 167.70 | 167.70 | 193.29 | 193.29 | 193.29 |
| | Parks | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 11 |
| | Tennis courts | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Water | | | | | | | | | | |
| Water mains (miles) | 183.80 | 184.00 | 254.00 | 254.00 | 254.00 | 254.00 | 254.00 | 254.00 | 254.70 | 255.74 |
| Fire hydrants | NA | 1,728 | 1,788 | 1,788 | 1,835 | 1,858 | 1,860 | 1,876 | 1,880 | 1,905 |
| Maximum daily capacity (millions of gallons) | 6.95 | 6.95 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 146.0 | 146.0 | 200.0 | 200.0 | 200.0 | 200.0 | 176.0 | 176.0 | 176.0 | 177 |
| Storm sewers (miles) | 75.0 | 75.0 | 106.0 | 108.0 | 108.0 | 108.0 | 106.4 | 106.4 | 107.1 | 107.8 |
| 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



The City of Bradenton has been on the forefront of water sustainability, particularly within its ASR program.

What is “ASR”? Aquifer Storage and Recovery.

The short explanation? Think of it as a ‘water bank’.

Treated (or treatable) water is injected and stored beneath the earth’s surface in aquifers during wet periods of the year, when there is an excess of water.

Then, during the dry periods of the year, the stored water can be recovered to meet water demands. This serves to preserve current water resources for future uses, plan for future droughts, or to retain (instead of releasing) surplus water during times of plenty.

Basically ... increasing the reliability of the city’s long-term water supply.

ASR Benefits?

- Ability to store larger volumes of water over longer periods of time than a typical reservoir
- Requires limited land acquisition, and a small footprint
- Eliminates water loss due to evaporation
- Increases efficiency of water plants - during low demand, unused water treatment plant capacity can be used to treat water and store it in the aquifer for later retrieval and usage.
- Less than half the cost of constructing surface reservoirs. The Bradenton ASR facility cost roughly \$1.6 million and the pilot degasification system an additional \$700,000.



ASR Safety?

ASR wells are covered under the U.S. Environmental Protection Agency’s Underground Injection Control program (part of the Safe Drinking Water Act).

The City of Bradenton participated in a pilot program to remove oxygen from water prior to storing it underground so as not to mobilize arsenic from the Floridian aquifer. This ‘degasification’ technology has shown great success in abating the concerns about arsenic potentially appearing in the ASR water supply.

Pictured above is part of the degasification infrastructure and, to the left, the degasification pump.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bradenton, Florida (the "City"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 24, 2014. Our report includes a reference to other auditors who audited the financial statements of the City of Bradenton Firefighters' Retirement System as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Also, as referenced in our report, the City's pension trust funds adopted new accounting guidance and implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment to GASB No. 25* as of October 1, 2013.

Internal Control Over Financial Reporting

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

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

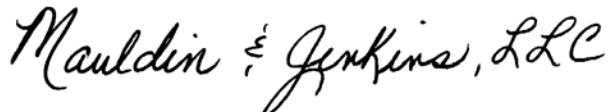
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

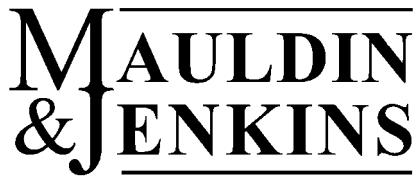
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is cursive and fluid, with "Mauldin" and "& Jenkins" connected by a horizontal stroke, and "LLC" written below them.

Bradenton, Florida
March 19, 2015



CERTIFIED PUBLIC ACCOUNTANTS, LLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE**

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

Report on Compliance for Each Major State Project

We have audited the City of Bradenton, Florida's (the "City") compliance with the types of compliance 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 state projects for the year ended September 30, 2014. The City's major state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*. Those standards 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 state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2014.

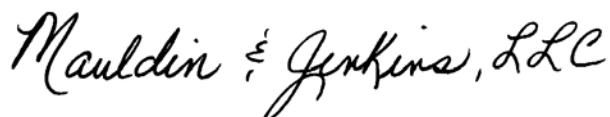
Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is cursive and fluid, with "Mauldin" and "& Jenkins" connected by a horizontal stroke, and "LLC" written in a smaller size at the end.

Bradenton, Florida

March 19, 2015

CITY OF BRADENTON, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

| | |
|---|--|
| Type of auditor's report issued | Unmodified |
| Internal control over financial reporting: | <input type="checkbox"/> yes <input checked="" type="checkbox"/> no |
| Material weaknesses identified? | <input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported |
| Significant deficiencies identified not considered to be material weaknesses? | <input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported |
| Noncompliance material to financial statements noted? | <input type="checkbox"/> yes <input checked="" type="checkbox"/> no |

State Financial Assistance Projects

| | |
|--|--|
| Internal Control over major state programs: | <input type="checkbox"/> yes <input checked="" type="checkbox"/> no |
| Material weaknesses identified? | <input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported |
| Significant deficiencies identified not considered to be material weaknesses? | <input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported |
| Type of auditor's report issued on compliance for major state financial assistance projects: | Unmodified |

Identification of major state financial assistance projects:

| CSFA Number | Name of State Project or Cluster |
|-------------|--|
| 37.077 | State Revolving Loan Program |
| 37.066 | SWFWMD – ASR Wells K114 |
| 73.016 | Facilities for Retained Spring Training Franchises |

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported

SECTION III
STATE FINANCIAL ASSISTANCE PROJECT
FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit finding number 2013-001 was corrected by the City and is not repeated in the current year.

CITY OF BRADENTON, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2014

| | 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 | B12MC120024 | <u>\$ 232,867</u> <u>232,867</u> |
| Shelter Plus Care | 14.238 | FL 0349C4H001001 | <u>112,027</u> <u>112,027</u> |
| Total Department of Housing and Urban Development | | | <u>344,894</u> |
| Department of Justice | | | |
| Bullet Proof Vest Partnership Program | 16.607 | N/A | 2,835 |
| Passed through the Florida Department of Law Enforcement of Office of Attorney General | | | |
| Edward Byrne Formula Grant Program | 16.579 | 2013-DJ-BX-0681 | 26,435 |
| Public Safety Partnership and Community Policing Grants, Recovery Act | 16.710 | 2009-RX-WX-0230 | <u>73,614</u> |
| Total Department of Justice | | | <u>102,884</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 447,778</u> |

CITY OF BRADENTON, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2014

| | CFDA/CSFA Number | Grant ID Number | Actual Expenditures |
|---|---------------------|--------------------|----------------------------|
| State Financial Assistance | | | |
| Florida Housing Finance Agency | | | |
| State Housing Initiatives Partnership Program | 52.901 | N/A | \$ 76,009 |
| Florida Department of Environmental Protection | | | |
| 12th Ave & 14th Ave Bridges , State Revolving Loan | 37.077 | SW410330 | 1,074,598 |
| 17th Ave Bridge | 37.077 | SW410340 | 1,545,208 |
| ASR Wells K114, Southwest Florida Water Management District | 37.066 | 06CS0000038 | 23,706 |
| Florida Department of Revenue | | | |
| Facilities for Retained Spring Training Franchises | 73.016 | N/A | <u>500,004</u> |
| Total expenditures of State financial assistance | | | <u>\$ 3,219,525</u> |

This Schedule includes the Federal and State grant activity of the City of Bradenton, Florida, for the fiscal year ended September 30, 2014, and is presented using the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and Chapter 10.550 Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Bradenton, Florida (the "City"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated March 19, 2015. We did not audit the financial statements of the City of Bradenton Firefighters' Retirement System which represents 34%, 35% and 29%, respectively, of the assets, net position and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Bradenton Firefighters' Retirement System, is based solely on the report of the other auditors.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 19, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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 as recommendation 2013-01 was corrected during the current year and is not repeated in this year's report.

Official Title and Legal Authority

Section 10.554(1)(i)4., 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 this management letter, unless disclosed in the notes to the financial statements. The City of Bradenton, Florida was incorporated in 1903. Additional information on the City's creation and the City's component units is disclosed within the City's footnotes.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), 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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

Section 10.554(1)(i)2., 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 recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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



Bradenton, Florida
March 19, 2015



INDEPENDENT AUDITOR'S REPORT

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

We have examined the City of Bradenton, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

Bradenton, Florida
March 19, 2015

A handwritten signature in black ink that reads 'Mauldin & Jenkins, LLC'. The signature is fluid and cursive, with 'Mauldin' and 'Jenkins' being more distinct and 'LLC' being smaller at the end.