

# City of Bradenton, Florida



Comprehensive Annual Financial Report  
For the Year Ended September 30, 2018

Sharon Beauchamp  
City Clerk & Treasurer

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CITY OF BRADENTON, FLORIDA  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2018

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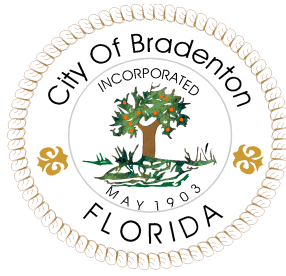
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City of Bradenton, Florida  
Office of the City Clerk & Treasurer

March 26, 2019

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

Dear Mayor, Council, and Citizens:

I am proud 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, 2018. 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 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 of assets. These controls have been integrated into the basic functions of the City's accounting system. 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 all Florida municipalities to undergo a financial audit, conducted by an independent Certified Public Accountant. This requirement has been met for the fiscal year ended September 30, 2018, and the report of the City's independent auditing firm 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, Uniform Guidance and Florida Single Audit Act. The independent auditor's report on the basic financial statements and combining and individual fund statements and schedules, and the single audit are 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 lives in and 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. As of September 30, 2018 the City's elected officials were:

Mayor: Wayne Poston	Term to Expire: 2020
Ward 1: Gene Gallo	Term to Expire: 2020
Ward 2: Gene Brown	Term to Expire: 2018
Ward 3: Patrick Roff	Term to Expire: 2018
Ward 4: Bemis Smith	Term to Expire: 2018
Ward 5: Harold Byrd, Jr.	Term to Expire: 2020

(The November, 2018 election resulted in one change to the makeup of the City Council. Representation in Wards 2 and 3 remains the same. As of January 2, 2019, Ward 4 is represented by William Sanders.)

Governmental accounting and auditing principles require that management provides a narrative introduction, overview and analysis of 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 (Gulf) coast of Florida, approximately forty miles south of Tampa. Bradenton encompasses 14.55 square miles and has a population of 56,157. The City of Bradenton provides a full range of services including public safety (police and fire), planning and community development, public works and utilities including water, sewer, stormwater, solid waste and recycling services, as well as recreational facilities. Bradenton has proudly served as the southern home to Major League Baseball’s Pittsburgh Pirates since 1968.

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 during May of each year. After various work sessions are completed at the department and legislative levels, 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 held when the final budget is adopted by Resolution during September of each year. Budget adjustments of less than \$10,000 are approved administratively by the City Clerk & Treasurer; budget adjustments greater than \$10,000 and amendments to the total budget must be approved by City Council via Resolution.

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 state. The years of 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, along with fiscal responsibility, allowed the City to rebound better than most.

The most recent economic indicators point to a robust local economy. Real estate has begun to rebound as evidenced by a 9.3% increase in total taxable assessed values, which follows an 8.2% increase from the previous year. Unemployment has dropped from 3.6% last year to a current level of 3.2% and tourism reached record levels in 2018.

**Long-term financial planning.** During fiscal year 2011, the Bradenton City Council approved and adopted a formal Fund Balance Policy. The 2018 unassigned fund balances in the General Fund have been maintained to insulate the general governmental operations from any fluctuations that may be associated with the current economy, or in the event of a natural or man-made disaster.

During September of 2017, most of Florida was impacted by Hurricane Irma. The financial impact to the City amounted to nearly \$2,600,000. The City continues to work on reimbursement requests with FEMA. These storm payments and reimbursements are, and will continue to be, accurately reflected in the City's financial reporting.

**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, and after substantial cost cutting, City Council consistently voted to raise property tax revenues 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. Now, over ten years later, the City is pleased to produce financial reports that reflect the impact of the half-cent sales tax adopted in 2016 and implemented in 2017. This additional infrastructure funding allows the City to make those improvements that were set aside during those times of fiscal restraint.

Understanding and meeting the needs of the citizens 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 ten years ago, the City's management team reviewed all operations in an effort to reduce costs while maintaining a consistent level of service; a review process that continues to this day. The City now operates with 9.8% fewer employees than it did in 2008. As noted in the City's financial statements, this very conservative approach has allowed the City to be nimble in reaction to the changes of a modern economy.

The City Clerk & Treasurer's staff monitor 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, taking advantage of a strong economic recovery that will aid all of our citizens.



The City, through its three Community Redevelopment Areas and Economic Development Department, 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. Additionally, a number of new construction projects in the downtown core including a 500-space parking garage, a 130-room hotel, and a visually pleasing "streetscape" program are well underway, further demonstrating confidence in our strong economic base.

Over the next several years, considerable efforts will be devoted to ensure that our citizens' quality of life is not only maintained, but enhanced. For example, the City has adopted strategies to ensure that a safe and adequate water supply is available for current and future residents, including ongoing commitments to the expansion of the City's existing Aquifer Storage Recovery program. Replacement and rehabilitation of the City's water, sewer, lift station and stormwater utilities are continuous projects, along with wastewater facility improvements. The reclaimed water system has been expanded, accounting for an increase in use of up to 5 million gallons per day. Also, a substantial amount of funding has been dedicated to roadway milling and repaving; 25% of City roads have been repaved since 2012.

Recreationally speaking, the City's shuffleboard facility has undergone some well-deserved enhancements, and an expansion of the downtown Riverwalk Park is under design, effectively doubling its current size. Park redevelopment at Glazier Gates and Mineral Springs will rejuvenate the surrounding area and enhance the new multi-family development nearby. Neal Park at Wares Creek now features a community garden, and recreation and playground equipment continues to be replaced throughout the City.

These projects reflect the City's commitment to its citizens during this time of economic health.

**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, 2017. This was the forty-fourth 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 2018 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, 2018.

**Acknowledgments.** This report was completed through the dedication of the City of Bradenton's fine staff of professionals in the Finance Department, namely Tom Kelley, Linda Guth, Beth Browning, Sue Tolson and Kinyata Love. I would like to express my appreciation and thanks to the audit firm of Christopher, Smith, Leonard, Bristow & Stanell, P.A., who helped us with their comments and advice. Finally, I thank Carl Callahan, City Administrator, along with Mayor Poston and the 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,



Sharon Beauchamp  
City Clerk and Treasurer



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, 2017**

*Christopher P. Morill*

Executive Director/CEO

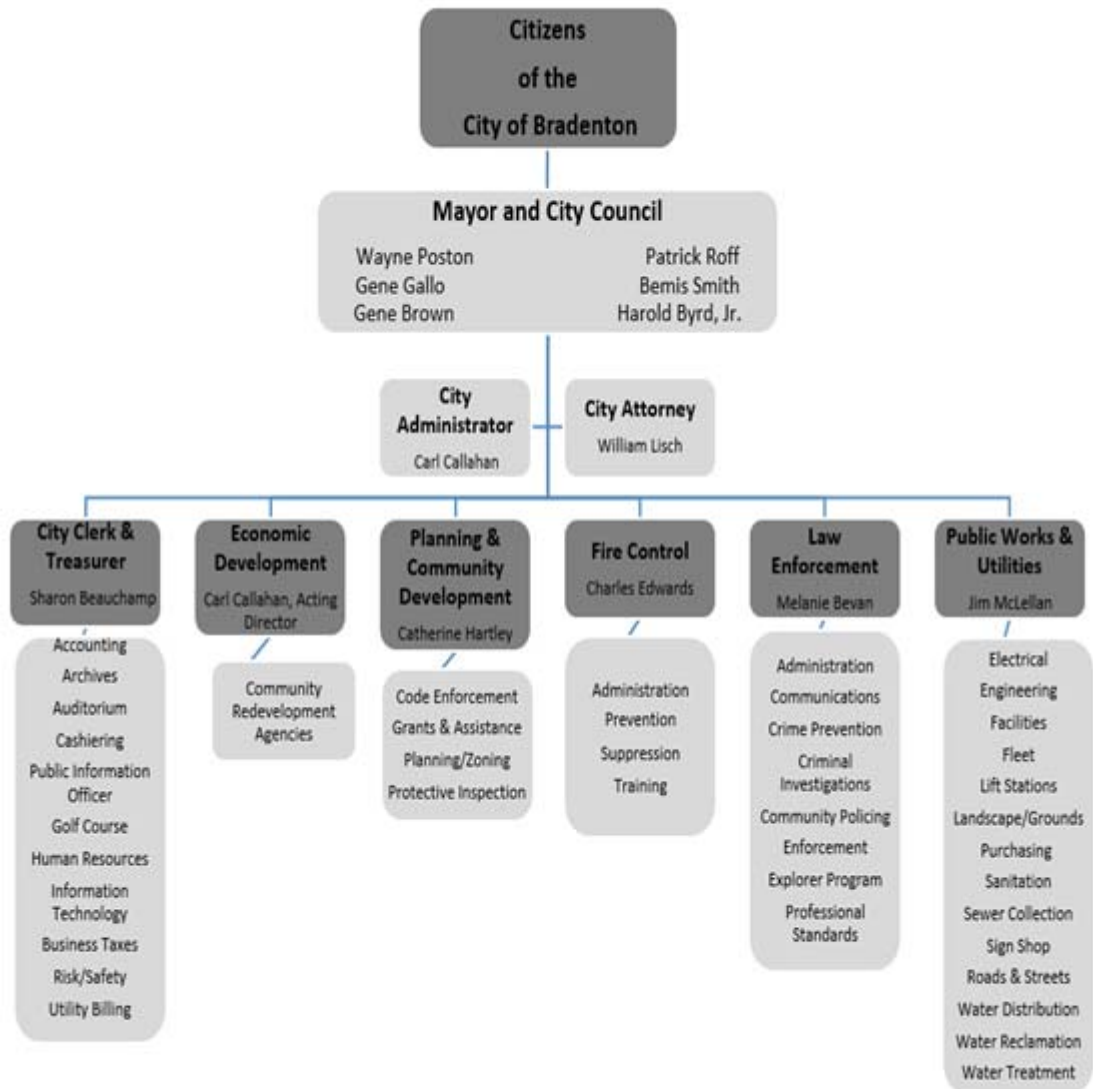
CITY OF BRADENTON, FLORIDA  
PRINCIPAL CITY OFFICIALS

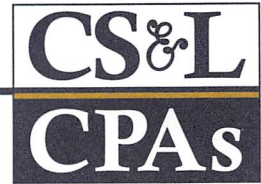
**Elected Officials**

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 Directors**

City Administrator	<i>Carl Callahan</i>
City Clerk and Treasurer	<i>Sharon Beauchamp</i>
Planning & Community Development	<i>Catherine Hartley</i>
Fire Control	<i>Charles Edwards</i>
Law Enforcement	<i>Melanie Bevan</i>
Public Works and Utilities	<i>Jim McLellan</i>





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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bradenton, Florida (City) as of and for the year ended September 30, 2018, 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%, 33%, and 19%, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Those 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.

### Changes in Accounting Principles

As described in Note N to the financial statements, in 2018, the City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Additionally, the City modified its method of application of generally accepted accounting principles in its reporting of its actuarially determined net pension liability, deferred outflows and deferred inflows for both defined benefit plans so that the reporting date of the valuation is consistent with the measurement date. Our opinion is not modified with respect to these matters.

## 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, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund and State Housing Initiatives Partnership Program Fund, and the schedules of changes in net pension liability and related ratios, schedules of employer contributions, schedule of investment returns, and schedule of changes in total OPEB liability and related ratios, as listed in the table of contents, 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 and other auditors 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 nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund statements and schedules, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2019, 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 solely 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 the effectiveness of the City's 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.

*Christopher, Smith, Leonard,  
Bristow & Stanell, P.A.*

CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.

March 26, 2019  
Bradenton, Florida

**City of Bradenton, Florida**  
Management's Discussion and Analysis  
September 30, 2018

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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 fiscal year ended September 30, 2018. 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 20.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$205,780,041 (net position), after considering a negative \$3,504,489 prior period adjustment related to the Other Post-Employment Benefits (OPEB) GASB 75 implementation and change in measurement date to match reporting period in the fire and police pension plans. Of this amount, \$82,957,718 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased \$18,492,695, or 9.87% in comparison to the prior year after considering the prior period OPEB and pension reporting adjustment that reduced the beginning net position by \$3,504,489. The government's net position increased \$21,997,184, or 11.75% in comparison to the prior year without considering the prior period adjustment. However, a sale of surplus property near the City's reservoir accounts for more than ten million dollars of the increase in net position.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$66,575,590, an increase of \$8,844,793 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$35,687,770, or 89.11% of total General Fund expenditures.
- Total governmental fund revenues increased \$3,055,707, or 5.77% in comparison to the prior year.
- Total governmental fund expenditures increased \$3,502,531, or 7.25% in comparison to the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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



**City of Bradenton, Florida**  
Management's Discussion and Analysis  
September 30, 2018

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**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, liabilities, and deferred inflows of resources* at the end of the fiscal year. The difference between assets and deferred outflows of resources and its liabilities and deferred inflows of resources is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents *revenues and expenses*, and shows how the government's net position changed during the most recent fiscal year. All *changes in net position* are reported in a manner similar to the approach used by a private-sector business in that revenues are recognized when earned or established criteria are satisfied, and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period, and expenses are recorded even though they may not have used cash during the current period.

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

The financial statements also reflect the presentation of the City's *component unit*, the City of Bradenton Community Redevelopment Agency, composed of three Community Redevelopment Areas (CRAs). The Bradenton City Council acts as the decision-making Board for all the CRAs. The Bradenton Downtown Development Authority currently serves as an Advisory Board to the City Council for the City's Downtown and 14<sup>th</sup> Street CRAs. The Central Community Redevelopment Area has its own Advisory Board. The CRAs were created with a stated purpose to revitalize a specific area within the central core of Bradenton. These component units are blended component units that, for all practical purposes, are treated as part of the primary government and are included as special revenue funds.

The City's government-wide financial statements can be found on pages 20-21 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.

**City of Bradenton, Florida**  
Management's Discussion and Analysis  
September 30, 2018

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**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 deferred outflows of resources net of total liabilities and deferred inflows of resources is labeled as the *fund balance*, and generally indicates the amount that can be used to finance the next fiscal year's activities. The Statement of Revenues, Expenditures and Changes in Fund Balances for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

For the most part, balances and activities accounted for in the governmental funds are also reported in the governmental activities columns of the government-wide financial statements. Due to the difference in the accounting basis used to prepare fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason there is an analysis after the Balance Sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the Statement of Net Position. There is also an analysis after the Statement of Revenues, Expenditures and Changes in Fund Balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the Statement of Activities.

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

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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.

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 32-94 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 96-106 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$205,780,041 at the close of the 2018 fiscal year, which included the OPEB and public safety pension adjustments.

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The following schedule is a summary of the Statement of Net Position found on page 20 of this report.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
<b>Assets</b>						
Current and other assets	\$ 94,885,927	\$ 82,764,819	\$ 63,216,597	\$ 49,069,825	\$ 158,102,524	\$ 131,834,644
Internal balances	(308,424)	167,068	308,424	(167,068)	-	-
Capital assets, net depreciation	69,695,262	69,882,627	93,538,646	79,871,636	163,233,908	149,754,263
<b>Total assets</b>	<b>164,272,765</b>	<b>152,814,514</b>	<b>157,063,667</b>	<b>128,774,393</b>	<b>321,336,432</b>	<b>281,588,907</b>
<b>Deferred Outflows of Resources</b>						
Related to pensions	10,420,812	14,860,221	3,257,514	3,026,978	13,678,326	17,887,199
Loss on debt refunding	819,997	860,571	-	-	819,997	860,571
Fair value of swap agreement	133,357	285,109	99,588	201,533	232,945	486,642
<b>Total deferred outflows of resources</b>	<b>11,374,166</b>	<b>16,005,901</b>	<b>3,357,102</b>	<b>3,228,511</b>	<b>14,731,268</b>	<b>19,234,412</b>
<b>Liabilities</b>						
Current and other liabilities	5,991,754	5,755,496	5,906,240	2,714,307	11,897,994	8,469,803
Long-term debt outstanding	66,008,057	71,372,032	42,286,772	28,568,052	108,294,829	99,940,084
<b>Total liabilities</b>	<b>71,999,811</b>	<b>77,127,528</b>	<b>48,193,012</b>	<b>31,282,359</b>	<b>120,192,823</b>	<b>108,409,887</b>
<b>Deferred Inflows of Resources</b>						
Related to pensions	6,428,732	3,986,490	952,092	614,695	7,380,824	4,601,185
Related to disaster	1,943,312	524,901	-	-	1,943,312	524,901
Related to OPEB	535,137	-	235,563	-	770,700	-
<b>Total deferred inflows of resources</b>	<b>8,907,181</b>	<b>4,511,391</b>	<b>1,187,655</b>	<b>614,695</b>	<b>10,094,836</b>	<b>5,126,086</b>
<b>Net Position</b>						
Net investment in capital assets	42,431,968	40,875,289	73,107,926	66,286,365	115,539,894	107,161,654
Restricted	7,282,429	7,684,401	-	-	7,282,429	7,684,401
Unrestricted	45,025,542	38,621,806	37,932,176	33,819,485	82,957,718	72,441,291
<b>Total net position</b>	<b>\$ 94,739,939</b>	<b>\$ 87,181,496</b>	<b>\$ 111,040,102</b>	<b>\$ 100,105,850</b>	<b>\$ 205,780,041</b>	<b>\$ 187,287,346</b>

\*2017 amounts were not restated for the effects of GASB 75 or the change in the measurement date to match the reporting period for the police and fire pensions.

The City's overall financial position reflects the vibrancy in the local economy. The increase of \$18,492,695 in net position is evidence that the City has continued to maintain a solid financial base. The City remains true to its conservative principles and, with few exceptions, maintains a conservative fiscal approach stressing a pay-as-you-go strategy. Non-recurring revenues, such as the City's \$10 million proceeds from the sale of reservoir property during 20018, are funneled back into capital assets and infrastructure. This strategy works well in all economic situations.

A significant portion of the City's total net position (56.15%) 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 (3.54%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$82,957,718, may be used to meet the government's ongoing obligations to citizens and creditors.

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A review of the comparative ratios of current unrestricted assets to current liabilities for the fiscal years 2018 and 2017 reveals that the City continues to maintain healthy ratios for both governmental and business-type activities. The City Council understands that the pressures of potential downturns in the economy along with 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 page 21 of this report.

	<b>Statement of Activities</b>					
	Governmental Activities		Business-type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 5,544,998	\$ 6,185,955	\$ 34,749,072	\$ 33,643,233	\$ 40,294,070	\$ 39,829,188
Operating grants and contributions	3,079,459	3,635,736	-	-	3,079,459	3,635,736
Capital grants and contributions	1,643,635	1,824,201	969,314	726,651	2,612,949	2,550,852
General Revenues:						
Property taxes	21,676,611	19,543,611	-	-	21,676,611	19,543,611
Other taxes	18,741,785	17,210,111	-	-	18,741,785	17,210,111
Other	15,863,212	5,140,606	886,349	351,015	16,749,561	5,491,621
<b>Total Revenues</b>	<b>66,549,700</b>	<b>53,540,220</b>	<b>36,604,735</b>	<b>34,720,899</b>	<b>103,154,435</b>	<b>88,261,119</b>
<b>Expenses</b>						
Governmental Activities						
General government	10,697,351	8,410,727	-	-	10,697,351	8,410,727
Public Safety	26,597,253	24,933,140	-	-	26,597,253	24,933,140
Transportation	5,176,720	4,962,084	-	-	5,176,720	4,962,084
Economic Environment	3,336,542	3,313,147	-	-	3,336,542	3,313,147
Culture and recreation	3,601,807	2,904,144	-	-	3,601,807	2,904,144
Interest on long-term debt	1,029,709	1,017,844	-	-	1,029,709	1,017,844
Business-type Activities						
Water-sewer	-	-	21,019,752	20,357,036	21,019,752	20,357,036
Sanitation	-	-	7,627,352	7,318,249	7,627,352	7,318,249
Other	-	-	2,070,765	2,042,514	2,070,765	2,042,514
<b>Total Expenses</b>	<b>50,439,382</b>	<b>45,541,086</b>	<b>30,717,869</b>	<b>29,717,799</b>	<b>81,157,251</b>	<b>75,258,885</b>
Change in net position before transfers	16,110,318	7,999,134	5,886,866	5,003,100	21,997,184	13,002,234
Transfers	(6,061,268)	586,382	6,061,268	(586,382)	-	-
Change in net position	10,049,050	8,585,516	11,948,134	4,416,718	21,997,184	13,002,234
Net position, beginning	87,181,496	78,595,980	100,105,850	95,689,132	187,287,346	174,285,112
Prior period adjustment	(2,490,607)	-	(1,013,882)	-	(3,504,489)	-
<b>Net position - end of year</b>	<b>\$ 94,739,939</b>	<b>\$ 87,181,496</b>	<b>\$ 111,040,102</b>	<b>\$ 100,105,850</b>	<b>\$ 205,780,041</b>	<b>\$ 187,287,346</b>

\*2017 amounts were not restated for the effects of GASB 75 or the change in the measurement date to match the reporting period for the police and fire pensions.

Governmental activities reported an increase in the City's net position of \$10,049,050, before considering a prior period adjustment of (\$2,490,607) related to OPEB GASB 75 implementation and change in fire and police pension reporting. This increase represents 10.61% of the governmental activities year-end net position which compares to the \$8,585,516 increase in the governmental activities year-end net position in the prior year. The increase in the current year includes a \$10,432,779 gain on the sale of property near the Evers Reservoir, but also includes a transfer to the Parking Fund of \$6,061,268 for the construction of the City Centre parking structure.

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- General government expenses were up by \$2,286,624, largely due to Hurricane Irma expenditures. Public safety expenses increased by \$1,664,113, which included the purchase of an extensive new radio system for police, and increased salaries due to promotions and raises. Culture and recreation expenses also increased - from \$2,904,144 to \$3,601,807 - due in part to Neal Park improvements and the purchase of new City holiday decorations. 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 expenses 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.
- Previous concerns regarding inconsistent funding of federal and state housing programs seem to have subsided somewhat, but continue to have an impact on the City's ability to deliver consistent services to its citizens most in need of help. Together, funding from the Community Development Block Grant and State Housing Initiative Program increased from \$668,926 to \$820,688 during the year, an increase of \$151,762.
- Another item of note that appears to require constant monitoring is the general trend of increasing costs associated with other post-employment benefit liabilities. The City's beginning liability was restated this year due to the implementation of GASB 75 and the change of the measurement date to match the reporting period in the fire and police pensions. This prior period adjustment was a \$3,226,003 increase in liability, while the current year activity was a \$79,184 decrease in the liability. Although not requiring the use of City resources for funding, other post-employment benefit liabilities have contributed significantly to the reduction in the City's net position.

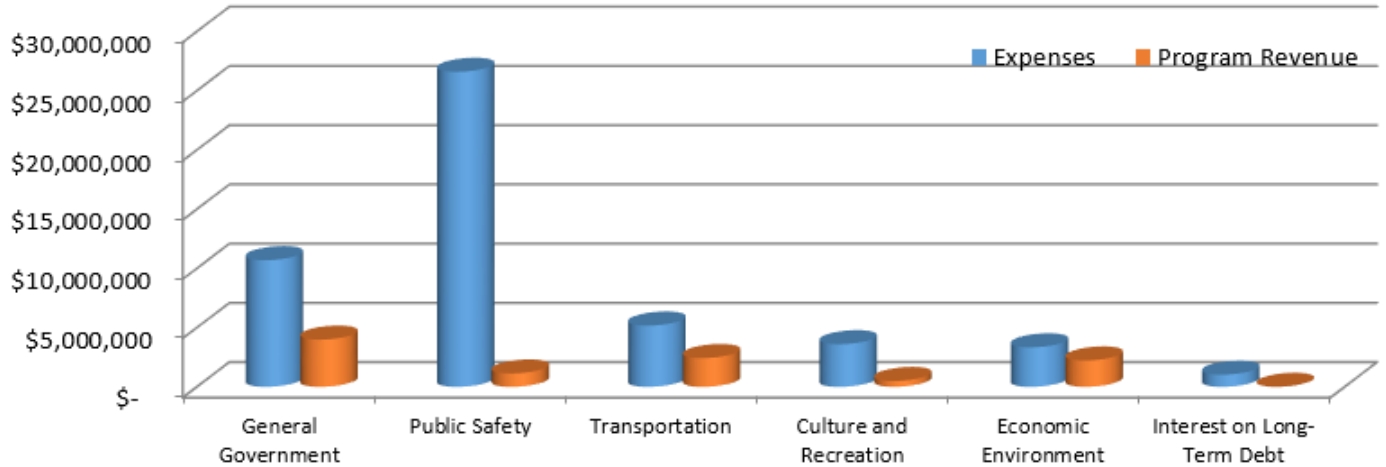
The City is working diligently to reduce the long-term negative impact associated with the above items. Over the past few years, the City has implemented widespread changes to the employee and retiree benefit packages. The City will continue to consider changes to its post-employment benefit packages while taking into account their importance to the City's overall recruitment and retention goals. The City will need 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 many of our decisions 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:

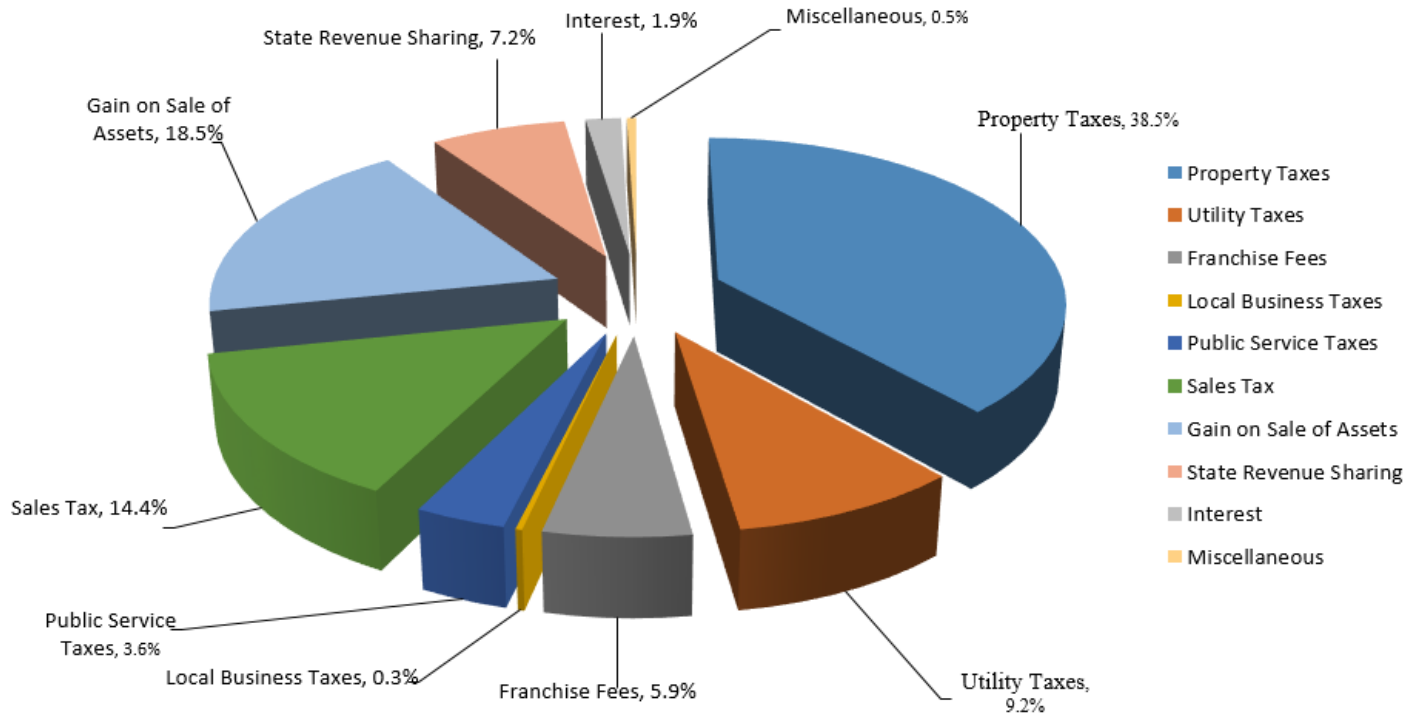
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**Expense and Program Revenue - Governmental Activities**



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

**General Revenues by Source - 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 \$10,934,252 and \$4,416,718 for the fiscal years 2018 and 2017, respectively. This net change in position represents a 10.92% increase compared to the 4.62% increase in the prior year, however \$6,061,268 was a 2018 transfer from the general fund to the parking fund for the construction of the City Centre parking structure. Not taking into account a \$1,013,882 reduction in the beginning net position due to the prior period adjustment related to the OPEB GASB 75 implementation, the change in net position is an increase of \$11,948,134, or 11.94%.

Included in the above numbers is a \$3,705,300 increase in the net position of the Water-Sewer Fund, including a negative \$681,040 prior period adjustment for OPEB GASB 75 implementation. Operating income of \$4,265,205 accounted for most of the increase, net of transfers to other funds of \$655,500.

For the past several years the solid waste operations (Sanitation Fund) have produced an increase in net position. The \$241,399 increase in 2018 would have been similar to the \$577,461 increase for 2017, had it not been for the negative \$256,032 prior period adjustment related to OPEB GASB 75. This increase continues a positive trend for a fund that for years relied on contributions from other sources to maintain operations. The citizens of Bradenton have often raved about the City's solid waste service and now, the operation is financially sound.

The public parking operations have produced an increase in net position over the past several years. Ignoring the \$6,640,000 transfer from the general fund for the building of the new parking structure, the \$234,655 increase in 2018 is less than the \$405,781 increase for 2017, as expected due to decreased operations while the new parking structure is being built. Operating income of \$490,328 and net interest expense of \$286,250, as well as a \$15,362 prior period adjustment related to OPEB GASB 75, account for the change in net position of the Parking Fund. Fiscal Year 2019 will include the completion of the new 500-space City Centre public parking facility. A re-evaluation of all City parking operations will occur when the facility goes into use.

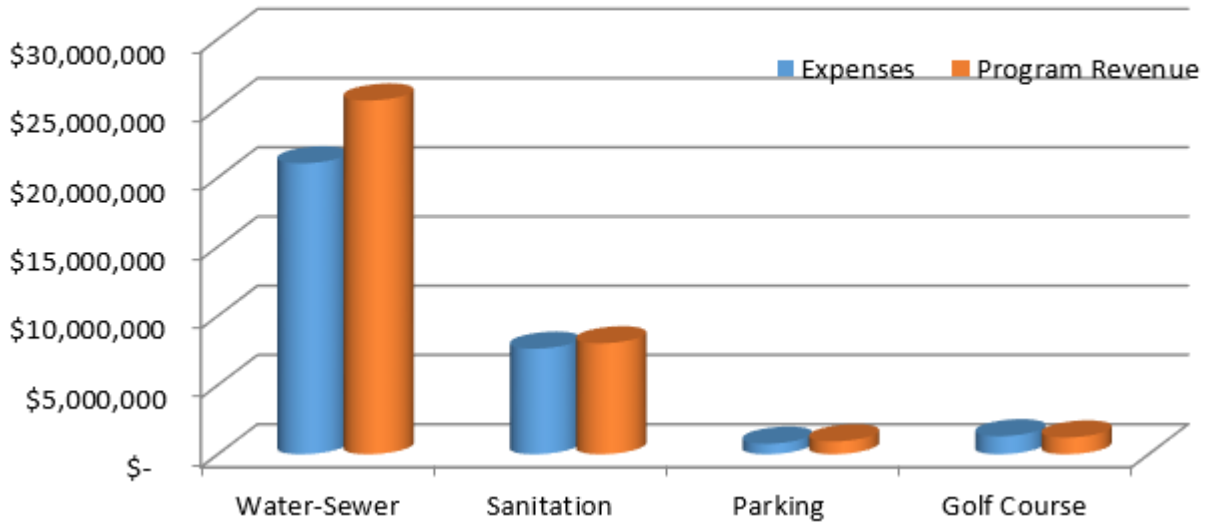
Almost since its inception in 1987 River Run Golf Links, the City's publicly owned golf course, had posted handsome financial returns that had been returned into the golf course in the form of capital improvements or financial reserves. It is these reserves that have allowed the golf course to weather a decrease in net position of \$166,526 this year (including a prior period adjustment of (\$61,448) related to OPEB GASB 75 implementation) that has been a result of both an increase in local competition as well as a protracted downturn in the golf industry as a whole. Consistent with this downturn, River Run has experienced a 23% decrease in rounds played over the last ten years. The City will continue to evaluate the short and long-term viability of River Run Golf Links as a municipal operation.

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



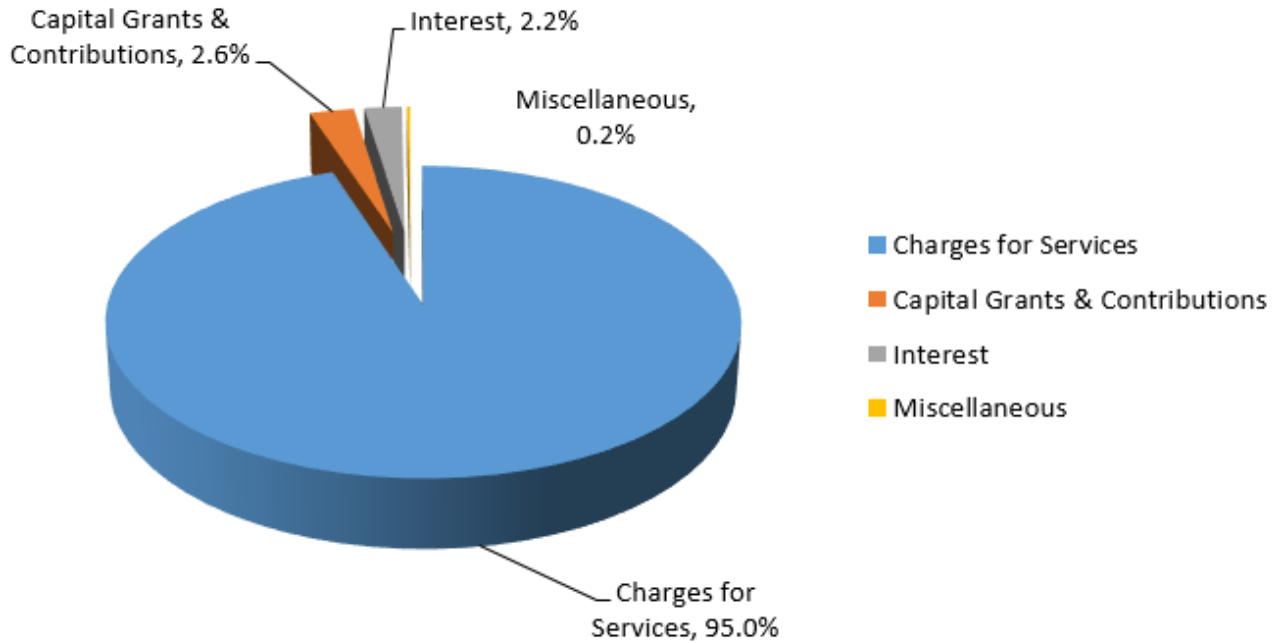
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**Expenses and Program Revenues - Business-Type Activities**



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

**Revenues by Source - Business-Type Activities**



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**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.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$66,575,590, an increase of \$8,844,793 in comparison with the prior year. The increase is primarily a result of an increase in tax receipts and interest earnings, plus the sale of the surplus reservoir property. These increases were partially offset by the transfer to the parking fund for the new parking structure. Approximately 53.60% of the ending fund balance of \$66,575,590 constitutes the unassigned fund balance of \$35,687,770, which is available for spending at the City's discretion.

Another \$23,767,079 has been set aside by City Council as either committed or assigned fund balance. The remaining \$7,120,741 of the fund balance is either restricted or non-spendable, indicating that it is not available for new spending because it has previously been restricted for (1) advances due from other funds (2) bond retirement, or (3) inventories, grants and impact fees for future expenses.

**General Fund**

During 2018, the General Fund's fund balance experienced an \$11,237,763 increase, which includes the sale of the surplus reservoir property, as well as the transfer out to the parking fund, as previously mentioned. The net increase in the General Fund's fund balance of \$11,237,763 represents 28.06% of total General Fund expenditures.

Public safety expenditures increased \$1,428,228 primarily as a result of salary increases and pension contributions, as well as an extensive new radio system. 2018 brought further increases in public safety expenditures due to the increase in total firefighters by 6 in conjunction with the award of a Federal SAFER grant.

It should be noted that, consistent with previous years, most General Fund operations experienced low to moderate increases in expenditures while delivering 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 97 and 108-112. Budget columns are provided for both the original adopted budget and the final budget for fiscal year 2018.

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

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exception is that the City has consistently waited for revenues such as forfeiture funds and unclaimed property funds to materialize before creating a budget, in keeping with the statutes that authorize such funds.

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

**General Fund Expenditures Budget Changes**

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Department	Budget Increase	Reason for Increase
Cashiering	10,000	New part-time employee
City Clerk	192,250	Purchase of Munis software license previously a contractual service expense
Planning and Community Development	24,905	Increase in tree fund expenditures
Facilities Maintenance	46,824	Air conditioner replacements
Economic Development	220,000	Budgeting of pass-through expense, funding of which is dependent on annual decision of another governmental entity
Police	110,186	Increase in expenses covered by grants
Fire Control	124,676	Increase in expenses covered by grants
Landscape and Grounds	27,300	Tree fund and capital expenditures

Overall, the expenditures for the General Fund were under the final budget by \$1,687,209 or 4.04% of the total final budget of the General Fund.

**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 and Sewer Fund, the Sanitation Fund, the Parking Fund, and the Golf Course Fund. These funds are defined as business-type activities because they most resemble a business operation. Revenues are generated primarily through charges for services and will closely follow what it costs to provide that service to the citizens.

At September 30, 2018, total net position amounted to \$109,957,270 for the enterprise funds, including a prior period adjustment of (\$1,013,882), compared to \$99,302,442 at the end of 2017. Net position changes are a result of operations, non-operating revenues and expenses, capital contributions and a \$6,640,000 transfer from the general fund for construction of the parking structure.

A review of the water-sewer fund indicates that a solid rate base allowed for a 4.31% increase in operating revenues, with a slight (0.63%) increase in operating expenses when compared to prior year. A resulting \$3,705,300 increase in net position (after a \$681,040 reduction in beginning net position due to a prior period

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adjustment for the OPEB GASB 75 implementation) for the Water and Sewer Fund is reflected for the 2018 fiscal year.

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, the City has successfully stabilized the operating costs associated with solid waste. For the current year operating revenue increased \$39,163 or 0.49%. Operating expenses increased by \$153,914 or 2.06%, as compared to 3.49% in 2017. The net result was an operating income of \$399,366 and a change in net position of \$241,399, after a \$256,032 reduction in beginning net position due to a prior period adjustment for the OPEB GASB 75 implementation. These results are compared to the operating income of \$514,117 and an increase in net position of \$577,461 in 2017.

The Parking Fund accounts for the revenue and expenses associated with the City's public parking operations. For approximately half the fiscal year, the City's metered lot directly behind City Hall was closed due to construction of the new parking garage. As a result, operating revenue decreased \$47,196 or 5.06%. Operating expenses decreased by \$34,837 or 8.11%. The net result was an operating income of \$490,328. Due to a large (\$6,640,000) transfer from the general fund for costs associated with the new City Centre Parking Structure, the change in net position was \$6,874,655 after the prior period adjustment of (\$15,362) for the OPEB GASB 75 implementation. These results are compared to the operating income of \$502,687 and an increase in net position of \$405,781 in 2017.

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.

In 2018, the medical self-insurance program showed an increase in claims of \$455,107 or 9.99% compared to prior year. This year's results reflect a \$319,336 change in net position compared to the \$475,937 change in 2017. The City closely monitors its service utilization and will adjust rates as required to cover the costs to the plan.

The workers' compensation self-insurance program had a decrease in claim costs of \$261,077 or 29.62% compared to prior year, while the estimated claims payable decreased in the current year by \$40,001. Net position for workers' compensation increased \$1,057,626 or 10.96% compared to prior year.

The property insurance program had an increase in claim costs of \$363,441 or 134.43% compared to prior year. This increase is largely due to internal reallocation of property damage expenses rather than an overall increase in claims. Net position for property insurance decreased \$192,670 or 9.44% compared to prior year.

Overall, the net position for the internal service funds increased from \$16,226,707 in 2017 to \$17,410,999 in 2018, or 7.30%.

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**CAPITAL ASSETS**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$163,233,908 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and construction in progress. In previous years, the investment in capital has focused on planning and completing only those projects for essential services or enhanced business development. The additional half-cent sales tax approved by the City's residents in November 2016 will provide an estimated \$3,500,000 in annual revenue over the next 15 years that will, by law, be used for improvements to the City's infrastructure. This revenue is greatly enhancing the City's ability to fund capital projects.

Considerable investment in capital assets continues to be devoted to ensuring that the citizens of Bradenton's quality of life is both maintained and enhanced. The City's ongoing efforts to expand both the potable water Aquifer Storage and Recovery (ASR) and reclaimed water systems continue to reap results that improve the reliability of the City's overall water supply. This ASR program is working toward achieving a viable storage volume of 350 million gallons, adding 27% to the storage volume of the Evers Reservoir.

Multiple projects have been completed to expand the City's reclaimed water system, accounting for an increase in the beneficial use of this valuable resource by up to 5 million gallons per day.

Over the past five years, approximately 6.5 miles of old cast-iron water mains have been replaced throughout the City to increase the reliability of the water distribution system.

Two master sewage lift stations have been replaced, and several other lift stations have been upgraded, providing assurance for uninterrupted wastewater collection and transmission. An annual sanitary sewer program to add a lining to old, leaking sewers has been established to preserve the treatment capacity of our wastewater treatment plant.

A major street light installation project for the Village of the Arts was completed to improve the safety for businesses, residents, and pedestrians in that area. An expansion of the Riverwalk Park is under design to essentially double the size of the park, tying it on the east end to a redevelopment of the Mineral Springs Park. A program is also being established to replace/upgrade playground equipment at all City parks, improvements at Neal Park, and a new Glazier Gates II passive park that will be completed in 2019.

Finally, our enhanced paving program has successfully repaved over 25% of city roadways since 2012.

	<b>Capital Assets</b>					
	(Net of Accumulated Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 10,656,764	\$ 10,337,703	\$ 5,573,473	\$ 6,373,488	\$ 16,230,237	\$ 16,711,191
Building	23,443,172	24,137,893	12,791,410	13,254,496	36,234,582	37,392,389
Infrastructure	17,967,814	18,730,668	26,175,464	23,301,216	44,143,278	42,031,884
Improvements	10,452,141	10,367,165	21,250,086	22,928,039	31,702,227	33,295,204
Machinery and Equipment	6,841,125	6,096,968	7,033,410	7,725,815	13,874,535	13,822,783
Construction in Progress	334,246	212,230	20,714,803	6,288,582	21,049,049	6,500,812
<b>Total</b>	<b>\$ 69,695,262</b>	<b>\$ 69,882,627</b>	<b>\$ 93,538,646</b>	<b>\$ 79,871,636</b>	<b>\$ 163,233,908</b>	<b>\$ 149,754,263</b>

**City of Bradenton, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2018**

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Additional information regarding capital assets, please see Note F on pages 51 and 52 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year the City had total bonded debt outstanding of \$54,052,754, with no general obligation debt. The \$11,090,145 increase from the prior year is due to the debt associated with the parking structure, as well as Public Works infrastructure improvement projects. All City debt represents bonds secured solely by specified revenue sources.

	<b>Bond Debt and Loans Payable</b>					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue bonds	\$ 25,525,011	\$ 26,632,831	\$ 7,993,604	\$ -	\$ 33,518,615	\$ 26,632,831
Notes	2,482,796	3,235,078	18,051,343	13,094,700	20,534,139	16,329,778
<b>Total bonds</b>	<b><u>\$ 28,007,807</u></b>	<b><u>\$ 29,867,909</u></b>	<b><u>\$ 26,044,947</u></b>	<b><u>\$ 13,094,700</u></b>	<b><u>\$ 54,052,754</u></b>	<b><u>\$ 42,962,609</u></b>

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

Additional information concerning long-term debt can be found in Note H on pages 54-63 of this report.

**ECONOMIC FACTORS AND YEAR 2019 BUDGET**

Factors considered in preparing the City of Bradenton's budget for the 2019 fiscal year included the following items:

- The City of Bradenton experienced an increase in taxable assessed values of 9.28%. This increase in property values is estimated to generate approximately \$2,000,000 in additional revenue.
- The property tax millage rate will remain the same for the sixth consecutive year at 5.8976 mills in 2019.
- Other Revenue Sources – It is anticipated the City's other large sources of revenue (sales tax, franchise fees, etc.) will remain stable; however the City must always be able to weather the effects of changes in legislation and/or the economy.
- Building Permit Fees – Building permit fees, which must be utilized to fund only building services, are projected to be stable or consistent with the prior year, but that reflects a robust economic environment.
- General Fund – Most non-public safety departments are experiencing a slight increase in their budgets. In almost all instances this can be attributed to increases in wages.
- 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, just as it did this past year.
- Unemployment rate fell from 3.6% to 3.2%

**City of Bradenton, Florida**  
Management's Discussion and Analysis  
September 30, 2018

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- City population increased by 2.75% to 56,157.
- Union contracts are in place through the following dates: AFSCME - 9/2021, Police - 9/2019, Fire - 9/2019.
- Sales Tax – A fifteen (15) year one-half cent sales tax was passed by the voters in November 2016. The tax will result in an estimated \$3,500,000 in additional revenues to be used for infrastructure related items each year.

The City continues ongoing communication with the Manatee County Property Appraiser and closely monitors national, state and local economic indicators to determine any impact on its financial forecasts. After an increase in property values for fiscal year 2018, it is expected that there will be an additional increase in property values in 2019.

The City taxes its citizens in a manner that provides a balance of essential services with the quality of life they have come to expect. City Council continuously evaluates this balance, and takes into account the annual forecast of property valuations when setting the millage rate. This approach has resulted in a millage rate that has remained consistent over the past six years.

**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](http://www.cityofbradenton.com).

CITY OF BRADENTON, FLORIDA  
STATEMENT OF NET POSITION  
September 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 82,473,867	49,453,809	131,927,676
Receivables (net of allowance for uncollectibles)	5,194,644	3,482,330	8,676,974
Prepaid items	1,238,686	-	1,238,686
Due from other governments	5,533,111	10,270,857	15,803,968
Inventory	445,619	9,601	455,220
Internal balances	(308,424)	308,424	-
Capital assets:			
Nondepreciable capital assets	10,991,010	26,288,276	37,279,286
Depreciable capital assets, net	58,704,252	67,250,370	125,954,622
Total assets	<u>164,272,765</u>	<u>157,063,667</u>	<u>321,336,432</u>
<b>Deferred Outflows of Resources</b>			
Related to pension plan	10,420,812	3,257,514	13,678,326
Loss on refunding of debt	819,997	-	819,997
Fair value of swap agreement	133,357	99,588	232,945
Total deferred outflows of resources	<u>11,374,166</u>	<u>3,357,102</u>	<u>14,731,268</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	\$ 2,125,390	4,075,764	6,201,154
Accrued payroll	599,678	133,858	733,536
Accrued interest payable	111,199	75,202	186,401
Due to other governments	12,122	2,937	15,059
Unearned revenue	537,151	-	537,151
Noncurrent liabilities			
Due within one year	2,606,214	1,618,479	4,224,693
Due in more than one year:			
Net pension liability	21,337,749	8,283,938	29,621,687
Total OPEB liability	16,126,682	7,098,828	23,225,510
Swap rate agreement liability	133,357	175,563	308,920
Revenue bonds payable	24,537,126	7,853,604	32,390,730
Notes payable	1,801,136	16,926,934	18,728,070
Capital leases	-	269,708	269,708
Estimated claims payable	1,108,127	-	1,108,127
Compensated absences	963,880	249,531	1,213,411
Customer deposits	-	1,428,666	1,428,666
Total liabilities	<u>71,999,811</u>	<u>48,193,012</u>	<u>120,192,823</u>
<b>Deferred Inflows of Resources</b>			
Related to pension plan	6,428,732	952,092	7,380,824
Related to disaster	1,943,312	-	1,943,312
Related to OPEB	535,137	235,563	770,700
Total deferred inflows of resources	<u>8,907,181</u>	<u>1,187,655</u>	<u>10,094,836</u>
<b>Net Position</b>			
Net investment in capital assets	42,431,968	73,107,926	115,539,894
Restricted for:			
Debt service	70,796	-	70,796
Grants	2,111,349	-	2,111,349
Impact fees	4,169,202	-	4,169,202
Public safety	558,996	-	558,996
Public works/transportation	372,086	-	372,086
Unrestricted	45,025,542	37,932,176	82,957,718
Total net position	<u>94,739,939</u>	<u>111,040,102</u>	<u>205,780,041</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 175,646,931</u>	<u>160,420,769</u>	<u>336,067,700</u>

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



CITY OF BRADENTON, FLORIDA  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities							
General government	\$ 10,697,351	2,915,438	1,070,362	-	(6,711,551)	-	(6,711,551)
Public safety	26,597,253	521,334	609,383	-	(25,466,536)	-	(25,466,536)
Transportation	5,176,720	1,795,765	634,935	-	(2,746,020)	-	(2,746,020)
Economic environment	3,336,542	127,464	500,004	1,598,635	(1,110,439)	-	(1,110,439)
Culture and recreation	3,601,807	184,997	264,775	45,000	(3,107,035)	-	(3,107,035)
Interest on long-term debt	1,029,709	-	-	-	(1,029,709)	-	(1,029,709)
Total governmental activities	50,439,382	5,544,998	3,079,459	1,643,635	(40,171,290)	-	(40,171,290)
Business-type activities							
Water-sewer	21,019,752	24,633,290	-	923,375	-	4,536,913	4,536,913
Sanitation	7,627,352	8,016,655	-	-	-	389,303	389,303
Parking	764,714	885,031	-	45,939	-	166,256	166,256
Golf course	1,306,051	1,214,096	-	-	-	(91,955)	(91,955)
Total business-type activities	30,717,869	34,749,072	-	969,314	-	5,000,517	5,000,517
Total primary government	\$ 81,157,251	40,294,070	3,079,459	2,612,949	(40,171,290)	5,000,517	(35,170,773)
<b>General revenues</b>							
Property taxes					21,676,611	-	21,676,611
Utility taxes					5,166,168	-	5,166,168
Public service taxes					2,034,371	-	2,034,371
Half-cent sales taxes					4,299,213	-	4,299,213
Infrastructure sales tax					3,790,493	-	3,790,493
Local business taxes					151,059	-	151,059
Franchise fees					3,300,481	-	3,300,481
State revenue sharing, unrestricted					4,077,893	-	4,077,893
Unrestricted investment earnings					1,068,688	816,539	1,885,227
Gain on sale of capital assets					10,432,779	69,810	10,502,589
Miscellaneous					283,852	-	283,852
<b>Transfers</b>					(6,061,268)	6,061,268	-
Total general revenues and transfers					50,220,340	6,947,617	57,167,957
Change in net position					10,049,050	11,948,134	21,997,184
Net position, beginning					87,181,496	100,105,850	187,287,346
Prior period adjustment					(2,490,607)	(1,013,882)	(3,504,489)
Net position, ending					\$ 94,739,939	\$ 111,040,102	\$ 205,780,041

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

CITY OF BRADENTON, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2018

	General Fund	State Housing Initiatives Partnership Program	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 51,603,510	327,661	12,892,623	64,823,794
Accounts receivable	2,637,735	1,859,998	696,911	5,194,644
Prepaid items	29,854	-	15,130	44,984
Due from other funds	2,001	-	2,500	4,501
Due from other governments	2,426,121	-	2,838,771	5,264,892
Inventory	445,619	-	-	445,619
Advances to other funds	1,207,707	-	-	1,207,707
Total assets	<u>\$ 58,352,547</u>	<u>2,187,659</u>	<u>16,445,935</u>	<u>76,986,141</u>
<b>Liabilities, deferred inflows, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,138,552	44,633	590,288	1,773,473
Accrued salaries, wages and benefits	599,654	-	24	599,678
Advances from other funds	-	-	433,299	433,299
Due to other funds	-	-	4,501	4,501
Due to other governments	12,122	-	-	12,122
Unearned revenues	270,838	146,936	-	417,774
Total liabilities	<u>2,021,166</u>	<u>191,569</u>	<u>1,028,112</u>	<u>3,240,847</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	<u>2,669,516</u>	<u>1,859,998</u>	<u>2,640,190</u>	<u>7,169,704</u>
<b>Fund balances (deficit)</b>				
Non-spendable				
Non-spendable Prepaid items	29,854	-	15,130	44,984
Non-spendable Inventory	445,619	-	-	445,619
Non-spendable Advances to other funds	1,207,707	-	-	1,207,707
Restricted for:				
Debt service	-	-	70,796	70,796
Grants	-	136,092	115,259	251,351
Impact fee programs	-	-	4,169,202	4,169,202
Public Safety	235,274	-	323,722	558,996
Public works/transportation	372,086	-	-	372,086
Committed to				
Capital projects	-	-	8,083,524	8,083,524
Emergency and disaster reserve	4,004,719	-	-	4,004,719
Assigned				
Special obligation debt services	9,660,425	-	-	9,660,425
Compensated absences	1,777,424	-	-	1,777,424
Red Light Safety Program	240,987	-	-	240,987
Unassigned	35,687,770	-	-	35,687,770
Total fund balances	<u>53,661,865</u>	<u>136,092</u>	<u>12,777,633</u>	<u>66,575,590</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 58,352,547</u>	<u>2,187,659</u>	<u>16,445,935</u>	<u>76,986,141</u>

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

Reconciliation of Fund Balance to Net Position

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Total fund balances for governmental funds		\$ 66,575,590
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		
Cost	\$ 116,977,438	
Less accumulated depreciation	<u>(47,282,176)</u>	69,695,262
<p>Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. These deferred outflows of resources consist of pension related contributions and loss on refunding of debt</p>		
		11,240,809
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:</p>		
Long-term receivables and due from other governments		7,168,153
<p>Internal service funds are used by management to charge the cost of self-insurance property insurance, medical and workers' compensation insurance funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.</p>		
		16,328,167
<p>Deferred inflows of resources are not available to pay for current expenditures and therefore are not reported in the funds. These deferred inflows of resources consist of pension, OPEB related items and the disaster fund.</p>		
		(8,907,181)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Notes payable	(2,482,796)	
Revenue bonds payable, net	(25,525,011)	
Total OPEB liability	(16,126,682)	
Net pension liability	(21,337,749)	
Compensated absences	(1,777,424)	
Accrued interest payable	<u>(111,199)</u>	<u>(67,360,861)</u>
Total net position of governmental activities		<u>\$ 94,739,939</u>

CITY OF BRADENTON, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2018

	General Fund	State Housing Initiatives Partnership Program	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 30,948,626	-	6,169,289	37,117,915
Licenses and permits	1,976,795	-	-	1,976,795
Intergovernmental grants	425,176	194,677	1,773,076	2,392,929
Impact fees	-	-	1,088,917	1,088,917
Shared revenues	4,077,893	-	-	4,077,893
Payments in lieu of taxes	72,846	-	-	72,846
Charges for services	3,375,253	-	73,014	3,448,267
Fines and forfeitures	104,003	-	6,003	110,006
Interest and investment earnings	783,765	291	232,640	1,016,696
Rents	717,283	-	205,158	922,441
Franchise fees	3,300,481	-	-	3,300,481
Miscellaneous	157,918	-	243,530	401,448
Special assessments, property owners	58,290	25,676	9,445	93,411
Total revenues	<u>45,998,329</u>	<u>220,644</u>	<u>9,801,072</u>	<u>56,020,045</u>
<b>Expenditures</b>				
Current				
General government	6,668,983	-	2,764,030	9,433,013
Public safety	25,678,253	-	192,108	25,870,361
Transportation	4,306,566	-	-	4,306,566
Economic environment	579,062	194,677	2,350,151	3,123,890
Culture and recreation	1,383,130	-	-	1,383,130
Debt service				
Principal	-	-	1,715,218	1,715,218
Interest	-	-	1,144,870	1,144,870
Fees and expenditures	-	-	1,118	1,118
Capital outlay	1,431,196	-	3,372,843	4,804,039
Total expenditures	<u>40,047,190</u>	<u>194,677</u>	<u>11,540,338</u>	<u>51,782,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,951,139</u>	<u>25,967</u>	<u>(1,739,266)</u>	<u>4,237,840</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	655,500	-	5,831,666	6,487,166
Transfers to other funds	(5,908,434)	-	(6,640,000)	(12,548,434)
Sale of capital assets	10,539,558	-	128,663	10,668,221
Total other financing sources (uses)	<u>5,286,624</u>	<u>-</u>	<u>(679,671)</u>	<u>4,606,953</u>
Net change in fund balances	11,237,763	25,967	(2,418,937)	8,844,793
Fund balances, beginning	<u>42,424,102</u>	<u>110,125</u>	<u>15,196,570</u>	<u>57,730,797</u>
Fund balances, ending	<u>\$ 53,661,865</u>	<u>136,092</u>	<u>12,777,633</u>	<u>66,575,590</u>

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

Reconciliation of the Change in Fund Balance to the Change in Net Position

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

Net change in fund balances, total governmental funds	\$	8,844,793
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expense exceeded depreciation in the current period:

Capital outlay	\$ 3,922,633	
Less depreciation expense	<u>(3,875,409)</u>	47,224

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

Net book value of capital assets transferred from proprietary fund	811,551	
Net book value of capital assets disposed	<u>(1,046,140)</u>	(234,589)

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 position. 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:		
Notes payable	752,282	
Revenue bonds payable	962,938	
Amortization of discounts/premiums	<u>104,308</u>	1,819,528

Some revenues in the statement of activities do not provide current financial resources.		100,347
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (future use).

Other Post-Employment Benefits (OPEB) and related deferrals	(776,325)	
Compensated absences	(404,854)	
Accrued interest payable	(29,721)	
Net pension liability and related deferrals	<u>(222,221)</u>	(1,433,121)

Internal service funds are used by management to charge the cost of medical, property and workers' compensation insurances.		<u>904,868</u>
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Change in net position of governmental activities		<u><u>10,049,050</u></u>
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CITY OF BRADENTON, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2018

	Business-type Activities-Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)		
<b>Assets</b>						
Current assets						
Cash and cash equivalents	\$ 35,686,601	7,342,797	6,318,418	105,993	49,453,809	17,650,073
Customer accounts receivable	2,737,260	934,805	-	265	3,672,330	-
Allowance for uncollectibles	(190,000)	-	-	-	(190,000)	-
Due from other governments	4,570,882	342	5,694,595	5,038	10,270,857	268,219
Prepaid items	-	-	-	-	-	1,193,702
Inventory	-	-	-	9,601	9,601	-
<b>Total current assets</b>	<b>42,804,743</b>	<b>8,277,944</b>	<b>12,013,013</b>	<b>120,897</b>	<b>63,216,597</b>	<b>19,111,994</b>
Noncurrent assets						
Capital assets						
Land	2,519,770	-	1,097,797	1,955,906	5,573,473	-
Buildings	17,233,957	891,429	8,962,466	216,363	27,304,215	-
Machinery and equipment	10,739,535	8,366,995	114,727	835,462	20,056,719	-
Infrastructure	167,821,178	689,697	220,000	1,309,660	170,040,535	-
Construction work in progress	15,130,231	-	5,584,572	-	20,714,803	-
Less: accumulated depreciation	(139,888,876)	(5,814,086)	(2,465,646)	(1,982,491)	(150,151,099)	-
<b>Total capital assets</b>	<b>73,555,795</b>	<b>4,134,035</b>	<b>13,513,916</b>	<b>2,334,900</b>	<b>93,538,646</b>	<b>-</b>
Deferred outflows of resources						
Related to pension plans	2,114,219	914,690	48,207	180,398	3,257,514	-
Fair value of swap agreement	-	-	99,588	-	99,588	-
<b>Total deferred outflows of resources</b>	<b>2,114,219</b>	<b>914,690</b>	<b>147,795</b>	<b>180,398</b>	<b>3,357,102</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 118,474,757</b>	<b>13,326,669</b>	<b>25,674,724</b>	<b>2,636,195</b>	<b>160,112,345</b>	<b>19,111,994</b>

CITY OF BRADENTON, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2018

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)	Total	
<b>Liabilities and Net Position</b>						
<b>Current liabilities</b>						
Accounts payable	\$ 1,873,698	153,995	1,308,839	9,786	3,346,318	351,917
Retainage payable	634,223	-	95,223	-	729,446	-
Accrued payroll	84,718	38,047	1,107	9,986	133,858	-
Accrued interest payable	33,884	-	41,318	-	75,202	-
Due to other governments	-	-	21	2,916	2,937	-
Unearned revenues	-	-	-	-	-	117,826
Current portion of long-term liabilities	<u>835,668</u>	<u>63,032</u>	<u>650,814</u>	<u>68,965</u>	<u>1,618,479</u>	<u>123,125</u>
<b>Total current liabilities</b>	<u>3,462,191</u>	<u>255,074</u>	<u>2,097,322</u>	<u>91,653</u>	<u>5,906,240</u>	<u>592,868</u>
<b>Noncurrent liabilities</b>						
Revenue bonds payable	-	-	7,853,604	-	7,853,604	-
Notes payable	13,662,522	-	3,264,412	-	16,926,934	-
Derivative instrument-interest rate swap	-	-	175,563	-	175,563	-
Estimated payable for outstanding claims	-	-	-	-	-	1,108,127
Customer deposits	1,414,485	14,181	-	-	1,428,666	-
Total OPEB liability	4,640,151	1,940,518	111,912	406,247	7,098,828	-
Capital leases payable	143,088	-	-	126,620	269,708	-
Net pension liability	5,412,977	2,279,700	123,646	467,615	8,283,938	-
Compensated absences	167,581	65,003	1,319	15,628	249,531	-
Advances from other funds	-	774,408	-	-	774,408	-
<b>Total long-term liabilities</b>	<u>25,440,804</u>	<u>5,073,810</u>	<u>11,530,456</u>	<u>1,016,110</u>	<u>43,061,180</u>	<u>1,108,127</u>
<b>Total liabilities</b>	<u>28,902,995</u>	<u>5,328,884</u>	<u>13,627,778</u>	<u>1,107,763</u>	<u>48,967,420</u>	<u>1,700,995</u>
<b>Deferred inflows of resources</b>						
Related to pension plans	619,309	270,430	11,478	50,875	952,092	-
Related to OPEB	160,030	61,451	1,280	12,802	235,563	-
<b>Total deferred inflows of resources</b>	<u>779,339</u>	<u>331,881</u>	<u>12,758</u>	<u>63,677</u>	<u>1,187,655</u>	<u>-</u>
<b>Net Position</b>						
Net investment in capital assets	60,781,780	4,134,035	6,037,644	2,154,467	73,107,926	-
Unrestricted	<u>28,010,643</u>	<u>3,531,869</u>	<u>5,996,544</u>	<u>(689,712)</u>	<u>36,849,344</u>	<u>17,410,999</u>
<b>Total net position</b>	<u>88,792,423</u>	<u>7,665,904</u>	<u>12,034,188</u>	<u>1,464,755</u>	<u>109,957,270</u>	<u>17,410,999</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 118,474,757</u>	<u>13,326,669</u>	<u>25,674,724</u>	<u>2,636,195</u>	<u>160,112,345</u>	<u>19,111,994</u>
Net position, above					\$ 109,957,270	
Adjustments to reflect consolidation of internal service fund activities related to enterprise funds					<u>1,082,832</u>	
Net position of business-type activities					<u>\$ 111,040,102</u>	

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

CITY OF BRADENTON, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2018

	Business-type Activities-Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)		
Operating revenues						
Charges for services	\$ 24,633,290	8,016,655	885,031	1,214,096	34,749,072	10,414,050
Operating expenses						
Personal services	6,957,866	3,026,205	86,230	809,354	10,879,655	-
Contractual services	2,278,628	40,591	12,756	28,361	2,360,336	1,165,497
Supplies and materials	4,639,254	1,182,206	60,749	307,021	6,189,230	1,898,646
Repairs and maintenance	1,334,518	530,693	37,662	45,557	1,948,430	-
Utilities	800,173	1,899,543	-	13,488	2,713,204	-
Claims	-	-	-	-	-	6,263,607
Depreciation and amortization cost	4,357,646	938,051	197,306	117,551	5,610,554	-
Total operating expenses	20,368,085	7,617,289	394,703	1,321,332	29,701,409	9,327,750
Operating income (loss)	4,265,205	399,366	490,328	(107,236)	5,047,663	1,086,300
Non-operating revenues (expenses)						
Interest and investment earnings	617,125	109,289	86,005	4,120	816,539	97,992
Gain (loss) on disposition of assets	(735,707)	(72,733)	-	3,783	(804,657)	-
Interest expenses and fiscal charges	(28,158)	(15,259)	(372,255)	(5,745)	(421,417)	-
Total non-operating revenues (expenses)	(146,740)	21,297	(286,250)	2,158	(409,535)	97,992
Income (loss) before capital contributions and transfers	4,118,465	420,663	204,078	(105,078)	4,638,128	1,184,292
Capital contributions	923,375	-	45,939	-	969,314	-
Transfers from other funds	-	76,768	6,640,000	-	6,716,768	-
Transfers to other funds	(655,500)	-	-	-	(655,500)	-
Change in net position	4,386,340	497,431	6,890,017	(105,078)	11,668,710	1,184,292
Total net position, beginning	85,087,123	7,424,505	5,159,533	1,631,281	99,302,442	16,226,707
Prior period adjustment	(681,040)	(256,032)	(15,362)	(61,448)	(1,013,882)	-
Total net position, ending	\$ 88,792,423	7,665,904	12,034,188	1,464,755	109,957,270	17,410,999
Change in net position, above					\$ 11,668,710	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					279,424	
Change in net position of business-type activities					\$ 11,948,134	

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, 2018

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)		
Cash flows from operating activities						
Receipts from charges for services	\$ 20,851,598	8,066,154	883,309	1,210,961	31,012,022	10,216,784
Payments to suppliers	(9,356,438)	(3,670,179)	(110,971)	(386,434)	(13,524,022)	(3,838,913)
Payments for employees	(6,660,833)	(2,903,276)	(82,692)	(787,846)	(10,434,647)	(6,278,539)
Net cash provided (used) by operating activities	<u>4,834,327</u>	<u>1,492,699</u>	<u>689,646</u>	<u>36,681</u>	<u>7,053,353</u>	<u>99,332</u>
Cash flows from non-capital financing activities						
Advances from other funds	-	15,259	-	-	15,259	-
Transfers from (to) other funds	(655,500)	76,768	6,640,000	-	6,061,268	-
Net cash provided (used) by non-capital and related financing activities	<u>(655,500)</u>	<u>92,027</u>	<u>6,640,000</u>	<u>-</u>	<u>6,076,527</u>	<u>-</u>
Cash flow from capital and related financing activities						
Repayment of capital leases	(56,380)	-	-	(52,353)	(108,733)	-
Proceeds from disposal of capital assets	(735,707)	(72,733)	-	(69,665)	(878,105)	-
Proceeds from bond issuance	-	-	2,303,985	-	2,303,985	-
Proceeds from note issuance	6,010,554	-	-	-	6,010,554	-
Principal paid on capital debt	(775,088)	-	(490,150)	-	(1,265,238)	-
Interest paid on capital debt	(29,674)	(15,259)	(340,185)	(5,745)	(390,863)	-
Capital contributions	923,375	-	45,939	-	969,314	-
Acquisition and construction of capital assets	(10,960,643)	(660,113)	(4,211,701)	(41,052)	(15,873,509)	-
Net cash (used) by capital related financing activities	<u>(5,623,563)</u>	<u>(748,105)</u>	<u>(2,692,112)</u>	<u>(168,815)</u>	<u>(9,232,595)</u>	<u>-</u>
Cash flows from investing activities						
Interest and investment earnings	617,130	109,289	21,913	4,120	752,452	97,992
Net cash provided by investing activities	<u>617,130</u>	<u>109,289</u>	<u>21,913</u>	<u>4,120</u>	<u>752,452</u>	<u>97,992</u>
Net increase (decrease) in cash and equivalents	(827,606)	945,910	4,659,447	(128,014)	4,649,737	197,324
Cash and cash equivalents, October 1, 2017	<u>36,514,207</u>	<u>6,396,887</u>	<u>1,658,971</u>	<u>234,007</u>	<u>44,804,072</u>	<u>17,452,749</u>
Cash and cash equivalents, September 30, 2018	<u>\$ 35,686,601</u>	<u>7,342,797</u>	<u>6,318,418</u>	<u>105,993</u>	<u>49,453,809</u>	<u>17,650,073</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 4,265,205	399,366	490,328	(107,236)	5,047,663	1,086,300
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization expense	4,357,646	938,051	197,306	117,551	5,610,554	-
(Increase) decrease:						
Accounts receivable	104,993	43,702	-	-	148,695	-
Prepaid items	-	-	-	-	-	(1,077,922)
Inventories	-	-	-	434	434	-
Due from other governments	(3,964,599)	12,954	1,008	(3,135)	(3,953,772)	(211,593)
Due from insurance	-	-	-	-	-	-
Deferred outflows of resources related to pension plans	(156,622)	(60,125)	(1,258)	(12,531)	(230,536)	-
Increase (decrease):						
Accounts and retainage payable	(303,865)	(17,146)	196	7,559	(313,256)	328,221
Accrued payroll	(3,890)	4,101	157	(810)	(442)	-
Compensated absences	(1,655)	2,681	952	(1,879)	99	-
Unearned revenues	-	-	(2,730)	-	(2,730)	14,327
Customer deposits	77,914	(7,157)	-	-	70,757	-
Estimated payable for outstanding claims	-	-	-	-	-	(40,001)
OPEB liability	(217,644)	(83,576)	(1,741)	(17,412)	(320,373)	-
Net pension liability	287,587	110,402	2,308	23,003	423,300	-
Deferred inflows of resources related to pension plans	389,257	149,446	3,120	31,137	572,960	-
Total adjustments	<u>569,122</u>	<u>1,093,333</u>	<u>199,318</u>	<u>143,917</u>	<u>2,005,690</u>	<u>(986,968)</u>
Net cash provided by operating activities	<u>\$ 4,834,327</u>	<u>1,492,699</u>	<u>689,646</u>	<u>36,681</u>	<u>7,053,353</u>	<u>99,332</u>
NONCASH CAPITAL ACTIVITIES						
Change in fair market value of interest rate swaps	\$ -	-	101,945	-	101,945	-

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, 2018

	<u>Pension Trust Funds</u>
<b>Assets</b>	
Due from plan members	\$ 18,099
Accounts receivable	602,725
Interest receivable	136,130
Investments, at fair value	
U.S. Government obligations	4,721,105
Domestic corporate bonds	7,863,291
Convertible preferred stock	1,452,902
Convertible bonds	4,964,239
Foreign bonds	26,685
Foreign stock	5,834,386
Municipal obligations	369,472
Domestic stocks	51,026,460
Master limited partnerships	284,666
Mortgage backed	5,480,924
Collateralized mortgage backed	272,339
Mutual funds	21,811,870
Real estate investment trust	15,454,153
Money market fund	<u>12,013,904</u>
Total investments	<u>131,576,396</u>
Total assets	<u>132,333,350</u>
<b>Liabilities</b>	
Accounts payable	<u>70,019</u>
Total liabilities	<u>70,019</u>
<b>Net assets</b>	
Restricted for pension benefits	<u><u>\$ 132,263,331</u></u>

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

CITY OF BRADENTON, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Fiscal Year Ended September 30, 2018

	<u>Pension Trust Funds</u>
<b>Additions</b>	
Contributions	
Employer	\$ 3,416,871
Plan members	1,148,042
State of Florida	941,758
Total contributions	<u>5,506,671</u>
Investment earnings	
Interest and dividends	4,522,731
Miscellaneous	33,162
Net increase in fair value	4,697,513
Total investment earnings	<u>9,253,406</u>
Less investment expenses	<u>(527,843)</u>
Net investment earnings	<u>8,725,563</u>
Total additions, net	<u>14,232,234</u>
<b>Deductions</b>	
Benefits	6,266,740
Administrative expenses	219,969
Total deductions	<u>6,486,709</u>
Change in net position	7,745,525
Net position, beginning	<u>124,517,806</u>
Net position, ending	<u><u>\$ 132,263,331</u></u>

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

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**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 56,157. 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.

This report includes all funds, departments, agencies, boards and commissions, and other organizational units that are administered by the mayor and/or controlled by, or dependent upon the City Council as set forth in the City Charter. The City, a primary government, has reviewed for inclusion all potential component units for which it may be financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, which amended GASB Statement No. 14*, has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

*Blended Component Units:* There is one (1) component unit which is legally separate from the City, but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and blended into the appropriate funds. Resolution 15-17, adopted in June 2015, authorizes the City Council of the City of Bradenton to declare itself the Community Redevelopment Agency (CRA) for the City of Bradenton pursuant to the provisions of Florida Statute 163.357. The purpose of this entity is to revitalize targeted areas in the City, comprising the redevelopment areas set forth in Resolution 79-55, as amended and Resolution 93-62 and Resolution 00-39. The CRA reports three different funds in these financial statements, one for each area. The areas are described as follows:

a. **Bradenton Community Redevelopment Area (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. The City provides funding on an annual basis to the CRA via ad valorem tax based on the 1980 base year.

b. **14th Street Community Redevelopment Area (CRA)**

The 14<sup>th</sup> 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 City provides funding on an annual basis to the CRA via ad valorem tax based on the 1993 base year.

Downtown Development Authority (DDA) serves as an advisory board to both the Bradenton CRA and the 14<sup>th</sup> Street CRA. The DDA is an administrative unit only, with no assets, liabilities, equity, revenue or expenses/expenditures as of the year ended September 30, 2018.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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c. Central Community Redevelopment Area (CCRA)

The Central CRA 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. Seven community members serve as an advisory board to the CCRA.

The City of Bradenton Community Redevelopment Agency is, by GAAP definition, a component unit of the City, as the City exercises financial accountability over, and has a benefit/burden relationship with it. The members of the City Council serve as the Board for all component units of the City, and therefore serve as the Board for the CRA. The financial statements of each CRA area are also included as nonmajor special revenue funds in the City's Comprehensive Annual Financial Report.

There were no component units for which the CRA was financially accountable.

There are no separately issued financial statements issued for the component unit.

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

Architectural Review Board	Construction Board of Rules and Appeals
Affordable Housing Advisory Board	Code Enforcement Board
Planning Commission	Bradenton Housing Authority
Merit Board	Police Pension Board
Tree and Land Preservation Board	Central Community Redevelopment Agency
Fire Pension Board	Nuisance Abatement Board
Grievance 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.

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.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**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 the net pension liability, compensated absences, claims and judgments, and other post-employment benefits (OPEB), are recorded only when payment is due.

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

The City 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 (SHIPP) 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.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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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.

**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 sheet 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. Amortization of premium and accretion of discount on investments purchased are not recorded over the term of the investment. The effect of this policy on the financial statements of the various funds is not significant. The reported value of the pool is the same as the fair value of the pool shares.

The Florida Municipal Investment Trust (FMIVT) is an authorized investment under section 218.415(15), Florida Statutes, for units of local government in the State of Florida. It was created to offer diversified

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and professionally managed portfolios for the investment of the assets of participating municipalities. The Trustees of the Trust are designated as having official custody of the funds, which are invested by the purchase of shares of beneficial interest in the Trust. The Trust operates as a fiduciary trust fund under governmental accounting rules that require the Trust to prepare a series of financial statements. The FMIVT is a Local Government Investment Pool (LGIP) and, therefore, considered an external investment pool for GASB reporting purposes. The City's investment is the FMIVT portfolio, not the individual securities held within each portfolio.

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 \$190,000.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

d. Restricted assets

The City had no restricted assets as of September 30, 2018.

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 acquisition 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



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f. Compensated absences

Accumulated unpaid vacation pay and the benefits associated with it are accrued when incurred in all proprietary fund types. 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 straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

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, deferred outflows of resources and liabilities, deferred inflows of resources 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, also through a resolution.
  - *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.

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Notes To The Financial Statements  
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- *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 committed fund balance not less than 10% of the total budgeted operating expenditures of the current fiscal year to be used for an Emergency and Disaster Reserve in accordance with the fund balance policy adopted by the City Council. 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 \$4,004,719 as of September 30, 2018.

*Net Position:* Net position represents the difference between the assets, deferred outflows of resources and liabilities, deferred inflows of resources. In the Statement of Net position, the net investment in capital assets consists 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 investment in capital assets 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 investment in capital assets and restricted net position, are reported as unrestricted net position.

*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

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 has the following items that qualify for reporting in this category. One element relates to the offset of the fair market value of the City's swap agreement, another one is the loss on debt refunding, and the other relates to the City's pension plans, discussed below. As certain swap agreements qualify as effective hedges, the change in the fair market value occurs each year, and 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's type of deferred inflows relates to the City's pension plans, OPEB, and other *unavailable revenue* that is reported only in the statement of net position. 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.

*Pension Plan and OPEB Adjustments:* These deferred items are recognized and measured in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting. The deferral is for changes in the net pension liability that are not included in pension expense, as well as total OPEB liability not included in OPEB expense, and must be amortized in a systematic and rational

**City of Bradenton, Florida**  
Notes To The Financial Statements  
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manner over a closed period depending on cause beginning with the current period. These causes may include changes of future economic and demographic assumptions or other inputs, differences between expected and actual experience with regard to economic or demographic factors, and differences between projected and actual earnings on pension plan investments.

Employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

**Accounting Estimates**

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

**NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

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

- a. Prior to October 1, the City Clerk and Treasurer submits a proposed operating budget for 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.

**City of Bradenton, Florida**  
**Notes To The Financial Statements**  
**For The Fiscal Year Ended September 30, 2018**

**Deficit Fund Equity**

For the year ending September 30, 2018, no funds have a deficit fund balance.

**NOTE C – DEPOSITS AND INVESTMENTS**

**Deposits**

At September 30, 2018, the City’s cash-in-bank was fully insured by Federal Depository Insurance and the multiple financial collateral pool required by Sections 280.07 and 280.08, Florida Statutes. Hence, there is no custodial credit risk for the deposits of the City and/or its component units.

**City Pooled Investments**

As of September 30, 2018, 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	Average Rating
U.S. Government securities	\$ 7,485,921	1,712,121	4,128,413	1,645,387	-	Aaa
FMIvT	7,593,964	7,593,964	-	-	-	AAA/S1-S3
FLClass	1,009,267	1,009,267	-	-	-	-
Corporate bonds	20,503,435	5,825,364	12,321,871	2,093,845	262,355	Aaa-/Baa3
Mortgage backed	9,038,232	898,935	3,009,769	5,129,528	-	NR
Collateralized mortgage obligations	130,098	44,623	-	85,475	-	Aaa-/Baa
Certificate of deposits	6,038,818	6,038,818	-	-	-	NR
Credit card backed securities	-	-	-	-	-	AAA
State investment pool	58,133,137	58,133,137	-	-	-	AAAm
Money market fund	13,794,089	13,794,089	-	-	-	NR
Total fair value	<u>\$ 123,726,961</u>	<u>95,050,318</u>	<u>19,460,053</u>	<u>8,954,235</u>	<u>262,355</u>	

Reconciliation to Financial Statements	
Pooled investments, above	\$ 123,726,961
Pooled cash	2,928,050
Nonpooled cash and cash on hand	5,272,665
	<u>\$ 131,927,676</u>
Statement of Net Position	
Cash and investments	\$ 131,927,676
	<u>\$ 131,927,676</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. The City uses the weighted average maturity method (WAM) for its FMIvT 0-2 Year High Quality Bond (Modified Duration of 0.67 and WAM of 0.70), the 1-3 Year High Quality Bond (Modified Duration of 1.44 and WAM of 1.50), and the Intermediate HQ Bond Fund (Modified Duration of 3.75 and WAM of 4.30).

*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

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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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, 2018, 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 \$58,133,137 in the SBA at September 30, 2018. 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. Funds held with the SBA are recognized at amortized cost.

The City invests funds through the Florida Surplus Asset Fund Trust (FL SAFE) which is a local government investment pool (LGIP) trust fund, organized under Florida Statutes 163-01, et seq, to be a Stable Net Asset Value investment pool. As such a LGIP trust, FL SAFE pools and invests the funds of its Florida local government participants within the Investment Policy, established by the FL SAFE Board, and limitation set forth in the Indenture of Trust. FL SAFE is overseen by a Board of Trustees comprised of Florida local government officials, who are themselves participants in FL SAFE as the investment officer or designee for their own local government. The primary objectives of FL SAFE are to provide safety, liquidity, transparency and yield for Florida government entities. The fund includes a liquid money market like investment, called the "FL SAFE Fund" and one or more Term Series portfolios, as may be established from time to time, each of which has a fixed duration. The Fund has received and maintained an AAAM rating since 2007 from Standard and Poor's ("S&P"). According to S&P's rating criteria, the AAAM rating signifies excellent safety of invested principal and a superior capacity to maintain a \$1.00 per share net asset value. Funds held with the FL SAFE are recognized at net asset value.

FMIvT investment guidelines state that each fund will seek to maintain a bond fund credit rating from a nationally recognized statistical rating organization of AAA. Funds having an AAA bond fund credit rating are composed of a preponderance of assets that carry the highest credit ratings from a NRSRO. Funds having an AA bond fund credit rating are composed of a large percentage of assets that carry the highest credit rating from a NRSRO. The funds may invest in corporate bonds issued by any corporation in the United States of America with at least an A rating and collateralized mortgage obligations having a rating of AAA. The City invested in the FMIvT 0-2 Year High Quality Bond, the 1-3 Year High Quality Bond, and the Intermediate HQ Bond Fund. At September 30, 2018, Fitch rated the portfolio investments as AAAs/S1, AAAs/S2, and AAAs/S3, respectively. Funds held with FMIvT are recognized at fair value based on the FMIvT portfolio, not the individual securities held within each FMIvT portfolio.

The City also invests funds through the Florida Cooperative Liquid Assets Securities System (FLCLASS). FLCLASS follows Financial Accounting Standards Board (FASB) Accounting Standards Topic (ASC) 820 Fair Value Measurement and Disclosure for financial reporting purposes. FLCLASS does not meet all of the specific criteria outlined in GASB 79 Paragraph 4, therefore the City measures its investments at fair value as provided in Paragraph 11 of GASB Statement 31, as amended. FLCLASS is rated by S&P Global Ratings and the current rating is AAAM.

The dollar weighted average days to maturity (WAM) of FLCLASS at September 30, 2018 is 50 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of FLCLASS at September 30, 2018 is 72 days.

*Rate of return* – For the year ended September 30, 2018 the annual money-weighted rate of return on the City's investments, net of City's investment expense, was 1.28 percent. The money-weighted rate of return express investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**City of Bradenton, Florida**  
**Notes To The Financial Statements**  
**For The Fiscal Year Ended September 30, 2018**

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*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.

*Fair Value Measurements* - The City categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs for similar assets; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2018:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Government securities	\$ 7,485,921	-	7,485,921	-
FMIvT	7,593,964	-	7,593,964	-
FLClass	1,009,267	-	1,009,267	-
Corporate bonds	20,503,435	-	20,503,435	-
Mortgage backed	9,038,232	-	9,038,232	-
Collateralized mortgage obligation	130,098	-	130,098	-
Money market funds	2,384,309	2,384,309	-	-
Credit card backed securities	-	-	-	-
Total investments by fair value level	48,145,226	<u>2,384,309</u>	<u>45,760,917</u>	<u>-</u>
Investments not subject to level disclosure:				
Certificate of deposits	6,038,818			
Money market	11,409,780			
State investment pool	58,133,137			
	<u>\$ 123,726,961</u>			
Investment derivative instruments:				
Interest rate swaps for loans	\$ 308,920	-	308,920	-
	<u>\$ 308,920</u>	<u>-</u>	<u>308,920</u>	<u>-</u>

**City of Bradenton, Florida**  
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**For The Fiscal Year Ended September 30, 2018**

**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	Average Rating
U.S. Government Securities	\$ 1,335,247	-	303,050	1,032,197	-	Aaa
Corporate bonds	3,398,346	223,173	2,021,095	1,104,448	49,630	Aaa-/Baa3
Domestic stock	18,327,964	18,327,964	-	-	-	NR
Convertible preferred stock	1,452,902	1,452,902	-	-	-	NR
Convertible corporate bonds	4,964,239	634,967	2,731,238	1,117,621	480,413	A3/Baa1
Foreign bonds	26,685	-	26,685	-	-	B3
Foreign stock	943,024	943,024	-	-	-	NR
Mutual funds	21,811,870	21,811,870	-	-	-	NR
Mortgage backed	3,644,242	499,662	1,035,451	2,109,129	-	NR
Collateralized mortgage backed	272,339	46,469	53,130	172,740	-	Aaa-/Baa3
Real estate	7,202,406	7,202,406	-	-	-	NR
Master Limited Partnership	284,666	284,666	-	-	-	NR
Money market/cash	10,867,573	10,867,573	-	-	-	NR
Total fair value	<u>\$ 74,531,503</u>	<u>62,294,676</u>	<u>6,170,649</u>	<u>5,536,135</u>	<u>530,043</u>	

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

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

*Credit risk.* The fixed income securities are limited to those traded on a recognized national exchange or over-the-counter, and rated within the top four ratings (Standard & Poor's AAA, AA, A, BBB or Moody's Aaa, Aa, A, Baa). However, at least 80% of the fixed income must be rated within the top three ratings.

*Rate of return* – For the year ended September 30, 2018, the annual money-weighted rate of return on the plan investments, net of the plan's investment expense, was 6.50 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.

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*Foreign currency risk* is the risk that foreign currencies will fluctuate relative to the U.S. dollar, but it is believed the diversification benefits outweigh the potential risks. The City has nominal exposure to foreign currencies due to investments in non-U.S. markets implemented through our money managers' portfolios.

*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.

*Fair Value Measurements* - The City categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs for similar assets; and Level 3 inputs are significant unobservable inputs.

The Police Pension Fund has the following recurring fair value measurements as of September 30, 2018:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S Government securities	\$ 1,335,247	-	1,335,247	-
Corporate bonds	3,398,346	-	3,398,346	-
Domestic stock	18,327,964	18,327,964	-	-
Convertible preferred stock	1,452,902	-	1,452,902	-
Convertible corporate bonds	4,964,239	-	4,964,239	-
Foreign bonds	26,685	-	26,685	-
Foreign stock	943,024	943,024	-	-
Mutual funds	21,811,870	12,607,488	9,204,382	-
Mortgage backed	3,644,242	-	3,644,242	-
Collateralized mortgage backed	272,339	-	272,339	-
Master Limited Partnership	284,666	-	284,666	-
Total investments by fair value level	56,461,524	31,878,476	24,583,048	-
Investments measured at net asset value (NAV):				
Real estate	7,202,406			
Total investments measured at NAV	7,202,406			
Total investments measured at fair value	63,663,930			
Investments not subject to level disclosure:				
Money market/cash	10,867,573			
	\$ 74,531,503			

*Real estate funds.* This type includes two real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the net asset value (NAV) per share (or its equivalent) of the Plan's ownership interest in partners' capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The investee fund's management is required to approve of the buyer before the sale of the investments can be completed. There were no known unfunded commitments for the City's funds.



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**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 18% investment in the S&P 500, 27% investment in the Russell 3000 Stock Index; a 15% investment in the MSCI ACWI ex-US, a 20% investment in the Bank of America Merrill Lynch Intermediate Domestic Master Bond Index, a 5% investment in the Bank of America Merrill Lynch Global Broad Market Index, a 5% in Bank of America Merrill Lynch Treasuries Inflation Linked Index, and 10% in NCREIF ODCE Index. On a relative basis, it is expected that the total portfolio performance will rank in the top 40<sup>th</sup> 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 (7.75%) and provide inflation protection by meeting Consumer Price Index plus 2.5%.

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 40<sup>th</sup> percentile of the appropriate peer universe over three and five-year time periods. The Equities must adhere to the following guidelines: a) must be traded on a national exchange or electronic network, b) not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company, and c) additional criteria may be outlined in the manager's addendum.

*Fixed Income Performance* – The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The fixed income portion of the portfolio is expected to perform at a rate at least equal to the Bank of America Merrill Lynch Capital U.S. Intermediate Domestic Master Bond Index. All portfolios are expected to rank in the top 40<sup>th</sup> 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 expected to approximate the structure and performance of the Bank of America Merrill Lynch TIPS Bond Index.

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

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

**City of Bradenton, Florida**  
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Investment Type	Fair Value	Less than 1 Year	Years 1-5	Years 6-10	Years More Than 10	Average Rating
Government securities	\$ 3,385,858	35,838	1,144,041	1,784,227	421,752	AA+
Mortgage backed securities	1,836,682	-	407,077	-	1,429,605	AA+
Corporate bonds	4,464,945	585,206	1,856,650	841,475	1,181,614	AAA/BBB-
Municipal securities	369,472	-	167,202	202,270	-	AA+/BBB
Domestic stocks	32,698,496	32,698,496	-	-	-	NR
Real estate investment trust	8,251,747	8,251,747	-	-	-	NR
Foreign stocks	4,891,362	4,891,362	-	-	-	NR
Money market	1,146,331	1,146,331	-	-	-	NR
Total fair value	<u>57,044,893</u>	<u>47,608,980</u>	<u>3,574,970</u>	<u>2,827,972</u>	<u>3,032,971</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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 7.83 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).

Asset Class	Target Allocation	Range Allocation	Target Benchmark
Total Domestic Equity			
Domestic Core	18%	10% 25%	S & P 500
Domestic Value	13.5%	5.0% 20%	Russell 3000 Growth
Domestic Growth	13.5%	5.0% 20%	Russell 3000 Growth
Total International Equity			
International Equity	15%	10% 20%	MSCI ACWI ex U.S.
Total Fixed Income			
Domestic Fixed Income	20%	15% 25%	BoA ML US Dmst. Mstr. 1-10yr
Global Fixed Income	5%	-% 10%	BoA ML Global Brd. Mkt. Ind.
TIPS	5%	-% 7%	BoA ML TPS
Real Estate	10%	-% 15%	NCREIF ODCE

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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*Custodial credit risk* 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.

*Foreign currency risk* is the risk that foreign currencies will fluctuate relative to the U.S. dollar, but it is believed the diversification benefits outweigh the potential risks. The City has nominal exposure to foreign currencies due to investments in non-U.S. markets implemented through our money managers' portfolios.

*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.

*Fair Value Measurements* - The City categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs for similar assets; and Level 3 inputs are significant unobservable inputs.

The Fund holds units in investments in which the fair value is measured on a recurring basis using net asset value per share (or its equivalent) as a practical expedient.

The Fund does not anticipate restrictions, other than those outlined in the table below, on the ability to sell individual investments at the measurement date. Additionally, the Fund does not anticipate that NAV-driven investments will become redeemable at valuations materially different from the corresponding NAV listed below. The Fund has no prescribed time frame to liquidate the investments.

**City of Bradenton, Florida**  
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The Firefighters' Pension Fund has the following recurring fair value measurements as of September 30, 2018:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Mortgage backed securities	\$ 1,836,682	-	1,836,682	-
Government securities	3,385,858	-	3,385,858	-
Corporate bonds	4,464,945	-	4,464,945	-
Municipal securities	369,472	-	369,472	-
Real estate funds	324,884	324,884		
Domestic stocks	26,164,606	26,164,606	-	-
Total investments by fair value level	36,546,447	26,489,490	10,056,957	-
		Redemption Frequency (If Currently Eligible)	Redemption Notice Period	
Investments measured at net asset value (NAV):				
Collective Funds:				
U.S. Enhanced Plus Fund, LLC	6,533,890	Anytime	4 Days	
International Funds:				
International Equity Fund	4,891,362	Monthly	5 Days	
Real Estate Investment Trust:				
U.S. Real Investment Fund, LLC	6,529,786	Quarterly	90-179 Days	
ASB Allegiance Fund	1,397,077	Quarterly	30 Days	
Total investments measured at NAV	19,352,115			
Total investments measured at fair value	55,898,562			
Investments not subject to level disclosure:				
Short term investments and money market	1,146,331			
	\$ 57,044,893			

**ASB Allegiance Fund**

ASB Allegiance Real Estate Fund, LP is an open-ended, commingled real estate private equity investment vehicle, which was converted from ASB Allegiance Holdings, LLC, a Delaware limited liability company, on September 20, 2012 to a Delaware limited partnership. The conversion was executed to enable ASB Allegiance Real Estate Fund (the "Fund") to increase its transaction and operational flexibility, capture additional property income and attract new sources of capital.

The Fund is an open-ended commingled collective investment fund established in 1984 as a means for collective investment in real estate assets by qualified employee benefit plans. The Fund is managed by Chevy Chase Trust Company (the "Trustee"), in accordance with the Amended and Restated Declaration of Trust dated January 1, 2010. ASB Capital Management, LLC (the "Investment Advisor"), an investment advisor registered with the United States Securities and Exchange Commission, is the investment advisor for both the Partnership and the Fund. The Trustee and the Investment Advisor are affiliated through common ownership, directors and officers.

**U.S. Real Estate Investment Fund, LLC**

U.S. Real Estate Investment Fund, LLC is a limited liability company organized under the laws of the State of Delaware on July 31, 2006 pursuant to the Delaware Limited Liability Company Act. The Fund commenced operations on January 1, 2007. The Fund's investment objectives are to invest in a pool of real estate assets that are diversified by geography and property type, with a focus on yield-driven investments and, to a lesser extent, on value-added investments. The Manager of the Fund is Intercontinental Real Estate Corporation. The Fund is an open-end, commingled real estate investment fund and is intended to have an indefinite term. The Fund may be terminated by the Manager or by the written consent of the members collectively owning not less than two-thirds of the outstanding interest.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
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**U.S. Enhanced Plus Fund, LLC**

INTECH U.S. Enhanced Plus Fund, LLC (the "Fund") is a limited liability company organized under the laws of the State of Delaware. The investment objective of the Fund is to outperform the S&P 500 Index (the "Index") when evaluated over rolling three and five-year periods. The Index is a commonly recognized, market-capitalization weighted index of 500 widely held equity securities designed to measure broad U.S. equity performance. The Fund will try to accomplish this by investing primarily in certain common stocks of companies selected from the universe of the Index, using proprietary mathematical investment processes and optimization technology. State Street Bank and Trust Company ("State Street Bank") is custodian of the Fund. Janus Capital Management, LLC ("Janus Capital") is the Fund's Investment Manager ("Investment Manager"). INTECH Investment Management, LLC ("INTECH") has been appointed by Janus Capital to serve as subadvisor, with day-to-day responsibilities for managing the Fund's investment portfolio.

**International Equity Fund**

The International Equity Fund was formed under an agreement of a trust. Effective May 31, 2015, the fund changed its name from RBC GAM International Fund to International Equity Fund. State Street Bank and Trust Company is the trustee, custodian and recordkeeper of the fund. RBC Global Asset Management, Inc. is the fund's investment manager. Polaris Capital Management, Inc. is the fund's subadvisor. The investment objective of the fund is to seek long-term growth of capital, primarily through a diversified portfolio of non-U.S. equity securities that the subadvisor believes to be undervalued.

**NOTE D – NOTES RECEIVABLE**

**Manatee Players, Inc.**

In May 2016, the City loaned the Manatee Players, Inc. (a Florida nonprofit corporation) \$2,300,000. Manatee Players, Inc. is to repay the loan, with interest on the principal advanced, at a rate of 2.00% per annum. Manatee Players, Inc. shall pay to the City interest only payments on the daily outstanding principal balance of this note, annually, beginning May 3, 2017 and continuing on the same day each year through May 3, 2019, the maturity date. Upon the maturity date, all principal and outstanding accrued interest shall be due and payable. Notwithstanding the foregoing, provided no uncured default exists under the loan documents, Manatee Players, Inc. has the option to elect two (2) additional extensions of the maturity date of one (1) year each, individually.

**Other**

The City has other long-term receivables in the amount of \$2,624,113. 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 \$4,924,113 and is included within the governmental activities total accounts receivable balance in the statement of net position as of September 30, 2018.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**NOTE E – 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 for the fiscal year ended September 30, 2018 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 2018 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**  
**For The Fiscal Year Ended September 30, 2018**

**NOTE F – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets not being depreciated					
Land	\$ 10,337,703	89,043	572,927	802,945	10,656,764
Construction in progress	212,230	334,245	212,229	-	334,246
Total capital assets not being depreciated	<u>10,549,933</u>	<u>423,288</u>	<u>785,156</u>	<u>802,945</u>	<u>10,991,010</u>
Other capital assets					
Buildings	39,513,819	72,175	228,071	1,069,709	40,427,632
Other improvements	20,471,533	1,199,520	887,006	(994,884)	19,789,163
Machinery and equipment	18,692,507	2,227,650	1,351,157	(20,884)	19,548,116
Infrastructure	26,299,275	-	-	(77,758)	26,221,517
Total other capital assets at historical cost	<u>104,977,134</u>	<u>3,499,345</u>	<u>2,466,234</u>	<u>(23,817)</u>	<u>105,986,428</u>
Less accumulated depreciation for					
Buildings	15,375,926	1,155,411	-	453,123	16,984,460
Other improvements	10,104,368	527,564	887,006	(407,904)	9,337,022
Machinery and equipment	12,595,539	1,462,785	1,318,244	(33,089)	12,706,991
Infrastructure	7,568,607	729,649	-	(44,553)	8,253,703
Total accumulated depreciation	<u>45,644,440</u>	<u>3,875,409</u>	<u>2,205,250</u>	<u>(32,423)</u>	<u>47,282,176</u>
Governmental activities capital assets	<u>\$ 69,882,627</u>	<u>47,224</u>	<u>1,046,140</u>	<u>811,551</u>	<u>69,695,262</u>
<b>Business-type activities</b>					
Capital assets not being depreciated					
Land	\$ 6,373,488	-	-	(800,015)	5,573,473
Construction in progress	6,288,582	16,593,253	2,167,032	-	20,714,803
Total capital assets not being depreciated	<u>12,662,070</u>	<u>16,593,253</u>	<u>2,167,032</u>	<u>(800,015)</u>	<u>26,288,276</u>
Other capital assets					
Buildings	27,257,491	46,724	-	-	27,304,215
Other improvements	139,504,380	773,185	-	-	140,277,565
Machinery and equipment	20,391,649	1,479,707	1,660,555	(154,082)	20,056,719
Infrastructure	26,167,373	3,595,597	-	-	29,762,970
Total other capital assets at historical cost	<u>213,320,893</u>	<u>5,895,213</u>	<u>1,660,555</u>	<u>(154,082)</u>	<u>217,401,469</u>
Less accumulated depreciation for					
Buildings	14,002,995	486,449	-	23,361	14,512,805
Other improvements	116,576,341	2,451,138	-	-	119,027,479
Machinery and equipment	12,665,834	1,951,618	1,428,236	(165,907)	13,023,309
Infrastructure	2,866,157	721,349	-	-	3,587,506
Total accumulated depreciation	<u>146,111,327</u>	<u>5,610,554</u>	<u>1,428,236</u>	<u>(142,546)</u>	<u>150,151,099</u>
Business-type activities capital assets	<u>\$ 79,871,636</u>	<u>16,877,912</u>	<u>2,399,351</u>	<u>(811,551)</u>	<u>93,538,646</u>

**City of Bradenton, Florida**  
Notes To The Financial Statements  
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Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 448,238
Public safety	932,707
Transportation	420,755
Community development	8,169
Culture and recreation	1,672,371
CRAs	393,169
Total governmental activities, depreciation expense	\$ 3,875,409
Business-type activities	
Water-sewer utility	\$ 3,676,970
Stormwater	680,677
Sanitation	938,050
Parking	197,306
Golf course	117,551
Total business-type activities, depreciation expense	\$ 5,610,554

**Commitments**

Commitments under uncompleted construction projects at September 30, 2018, consist of the following:

	Amounts Authorized	Expended to Date	Committed
Capital project funds			
Glazier Gates	\$ 500,182	103,182	397,000
Riverwalk - Master Plan	199,378	145,378	54,000
Parks-Equipment	285,684	85,684	200,000
Enterprise funds			
Reservoir Expansion	6,234,029	5,413,903	820,126
Wastewater Facilities Plan	12,269,253	7,862,394	4,406,859
8th Ave W - Water Main Replace 9th-14th St	800,013	485	799,528
Water Treatment Plant Projects	445,645	65,518	380,127
Parking Garage	12,500,000	5,584,572	6,915,428
Injection Well at Wastewater Treatment Plant	5,527,277	127,277	5,400,000
Aerator #1	65,000	-	65,000
Degraded Bicarb Vlves	35,000	-	35,000
Chloramination Booster	130,000	-	130,000
Water Replace Projects	1,949,054	1,459,998	489,056
Meter Replacements	527,917	203,263	324,654
Total	\$ 41,468,432	21,051,654	20,416,778



**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**NOTE G – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund due to/due from balances at September 30, 2018, consisted of:

		Due to:
		Nonmajor Governmental
Due from:	General	\$ 2,001
	Nonmajor Governmental	2,500
		\$ 4,501

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

		Advances from:
		General
Advances to:	Nonmajor Governmental	\$ 433,299
	Sanitation	774,408
		\$ 1,207,707

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, 2018, consisted of:

		Transfers to:				
		General Fund	Parking	Sanitation	Nonmajor Governmental	Total
Transfers from:	General Fund	\$ -	-	76,768	5,831,666	5,908,434
	Water and Sewer	655,500	-	-	-	655,500
	Nonmajor Governmental	-	6,640,000	-	-	6,640,000
		\$ 655,500	6,640,000	76,768	5,831,666	13,203,934

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.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
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**NOTE H – LONG-TERM LIABILITIES**

**Long-Term Liability Activity**

Long-term liability activity for the year ended September 30, 2018, is shown below and 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. Payments on notes payable for the Central Community Redevelopment Area and the 14th Street Redevelopment Area are paid out of their respective individual funds. Payments on notes and bonds payable that pertain to the City's governmental activities are made by the debt service funds. The compensated absences liability, net pension liabilities and net OPEB liability, attributed to governmental activities, will be liquidated by the general fund, as they have in the past.

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year	Amounts Due In More Than One Year
<b>Governmental activities</b>						
Notes payable						
Promissory note, franchise fees	\$ 1,268,407	-	(439,962)	828,445	463,853	364,592
CCRA, Series 2005A	505,342	-	(58,470)	446,872	60,963	385,909
CCRA, Series 2005A	1,355,489	-	(148,010)	1,207,479	156,844	1,050,635
14th CRA, Manatee Inn	105,840	-	(105,840)	-	-	-
Total notes payable	<u>3,235,078</u>	<u>-</u>	<u>(752,282)</u>	<u>2,482,796</u>	<u>681,660</u>	<u>1,801,136</u>
Bonds payable						
Special Obligation Revenue						
Bond, Series 2012	6,041,641	-	(322,938)	5,718,703	332,885	5,385,818
Special Obligation Revenue						
Bond, Series 2016	13,725,000	-	(470,000)	13,255,000	480,000	12,775,000
Series 2016 Premium	1,681,326	-	(141,278)	1,540,048	-	1,540,048
BCRA, Tax Increment Revenue						
Bond, Series 2011	5,120,000	-	(170,000)	4,950,000	175,000	4,775,000
Series 2011 Premium	64,864	-	(3,604)	61,260	-	61,260
Total bonds payable	<u>26,632,831</u>	<u>-</u>	<u>(1,107,820)</u>	<u>25,525,011</u>	<u>987,885</u>	<u>24,537,126</u>
Estimated claims payable (internal service funds)	1,271,253	5,589,805	(5,629,806)	1,231,252	123,125	1,108,127
Swap rate agreement liability	285,109	-	(151,752)	133,357	-	133,357
Net pension liability	27,718,688	6,360,889	(12,741,828)	21,337,749	-	21,337,749
OPEB liability	13,673,378	3,462,568	(1,009,264)	16,126,682	-	16,126,682
Compensated absences	1,372,570	1,905,055	(1,500,201)	1,777,424	813,544	963,880
Governmental activities long-term liabilities	<u>\$ 74,188,907</u>	<u>17,318,317</u>	<u>(22,892,953)</u>	<u>68,614,271</u>	<u>2,606,214</u>	<u>66,008,057</u>

**City of Bradenton, Florida**  
**Notes To The Financial Statements**  
**For The Fiscal Year Ended September 30, 2018**

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year	Amounts Due In More Than One Year
<b>Business-type activities</b>						
Notes payable						
State Revolving Loan, Wastewater	\$ 217,856	-	(16,077)	201,779	16,563	185,216
State Revolving Loan, Stormwater	349,570	-	(25,873)	323,697	26,655	297,042
State Revolving Loan, Stormwater	746,923	-	(39,037)	707,886	39,952	667,934
State Revolving Loan, Stormwater	1,184,146	-	(57,928)	1,126,218	58,999	1,067,219
State Revolving Loan, Stormwater	997,173	-	(46,504)	950,669	47,623	903,046
State Revolving Loan, Wastewater	5,023,111	-	(288,687)	4,734,424	296,329	4,438,095
State Revolving Loan, Wastewater	311,823	-	(18,374)	293,449	18,792	274,657
State Revolving Loan, Wastewater	-	416,911	-	416,911	9,741	407,170
State Revolving Loan, Wastewater	-	3,583,240	-	3,583,240	-	3,583,240
State Revolving Loan, Wastewater	-	2,010,403	(71,281)	1,939,122	100,219	1,838,903
Promissory Note, Parking Garage Loan I	2,714,443	-	(331,434)	2,383,009	344,277	2,038,732
Promissory Note, Parking Garage Loan II	610,398	-	(63,792)	546,606	66,526	480,080
Promissory Note, Parking Garage Loan III	939,257	-	(94,924)	844,333	98,733	745,600
Total notes payable	13,094,700	6,010,554	(1,053,911)	18,051,343	1,124,409	16,926,934
Revenue Bonds, Series 2018A	-	7,595,000	-	7,595,000	140,000	7,455,000
Series 2018A Premium	-	401,377	(2,773)	398,604	-	398,604
Capital lease, sweepers	257,784	-	(56,381)	201,403	58,315	143,088
Capital lease, golf carts	232,786	-	(52,354)	180,432	53,812	126,620
Swap rate agreement liability	341,600	-	(166,037)	175,563	-	175,563
OPEB liability	6,405,314	1,433,854	(740,340)	7,098,828	-	7,098,828
Net pension liability	7,860,638	3,275,012	(2,851,712)	8,283,938	-	8,283,938
Customer deposits	1,357,909	593,972	(523,215)	1,428,666	-	1,428,666
Compensated absences	491,375	476,630	(476,531)	491,474	241,943	249,531
<b>Business-type activities long-term liabilities</b>	<b>\$ 30,042,106</b>	<b>19,786,399</b>	<b>(5,923,254)</b>	<b>43,905,251</b>	<b>1,618,479</b>	<b>42,286,772</b>

**City of Bradenton, Florida**  
**Notes To The Financial Statements**  
**For The Fiscal Year Ended September 30, 2018**

Description of Debt	Governmental Activities
<u>Notes Payable</u>	
<p>\$6,113,889 Franchise Fees Promissory Note, Series 2000 was issued for the purpose of financing the construction of the City Centre. The bonds are payable from and secured by a lien on certain franchise fees received by the City. The bond principal is repaid quarterly with a final payment of \$123,304 due May 1, 2020. The interest rate on the note is 69% of the 30-day LIBOR rate as set at the beginning of each quarter and is payable quarterly. To lower 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 1.96008315%.</p>	\$ 828,445
<p>\$1,000,000 Central Community Redevelopment Agency Promissory Note, Series 2005A: The purpose of this note was to refinance the CCRA Promissory Note, Series 2003 and to finance certain project costs. Interest and principal shall be due and payable in arrears on the first day of each and every February, May, August, and November. The interest rate on the note is 63.7% of the 30 day LIBOR rate plus 91 basis points as set at the beginning of each quarter and is payable quarterly. As a means of lowering its borrowing costs, the original principal amount was swapped to an annual fixed rate of 4.14%, payable in quarterly installments through February 1, 2025. Under terms of the Interest Rate Swap Agreement with Bank of America, the CCRA receives 63.7% of the 30 day LIBOR rate plus 91 basis points on the unamortized principal of the swap amount. Final maturity is February 1, 2025. This note has certain loan covenants which the CCRA is in compliance with as of September 30, 2018.</p>	446,872
<p>\$2,500,000 Central Community Redevelopment Agency Promissory Note, Series 2005A: The purpose of this note was to finance certain costs of various projects. Interest and principal shall be due and payable in arrears on the first day of each and every February, May, August, and November. The interest rate on the note is the LIBOR rate plus 85 basis points as set at the beginning of each quarter and is payable quarterly. As a means of lowering its borrowing costs, the original principal amount was swapped to an annual fixed rate of 5.76%, payable in quarterly installments through February 1, 2025. Under terms of the Interest Rate Swap Agreement with Bank of America, the CCRA receives 100% of the 30 day LIBOR rate plus 85 basis points on the unamortized principal of the swap amount. Final maturity is February 1, 2025. This note has certain loan covenants which the CCRA is in compliance with as of September 30, 2018.</p>	1,207,479
<p>\$717,854 Promissory Note, Manatee Inn Loan was renewed during fiscal year 2017. Interest is based on the one month ICE LIBOR rate plus 185 basis points, but at no time shall be less than 3.25%. The note is secured by real property owned by the 14th Street CRA and a lien upon the tax increment revenues derived from taxing authorities from taxable property within the redevelopment area. The \$105,840 balance of this loan was paid off in fiscal year 2018.</p>	-
	\$ 2,482,796

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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Description of Debt	Governmental Activities
<b>Bonds Payable</b>	
<p>\$7,500,000 Special Obligation Revenue Refunding Bond, Series 2012 was issued for the purpose of financing the cost of capital improvements to the City’s sport complex known originally as McKechnie Field, now called LECOM Park. The principal is paid annually with the final payment of \$2,750,165 due February 1, 2027. The interest rate is 3.080% with semi-annual payments being paid on February 1 and August 1. Tourist development tax revenues and half-cent state sales tax revenues are pledged to secure this issue.</p>	5,718,703
<p>\$14,280,000 Special Obligation Revenue Bond, Series 2016 was issued to refinance the \$18,645,000 Special Obligation Revenue Bond, Series 2007. The principal is being repaid annually with a final payment of \$980,000 due September 1, 2037. Interest rates range from 4.00% to 5.00%. Retained Spring Training Franchise sales tax revenues are pledged to secure this issue.</p>	13,255,000
<p>\$5,285,000 Series 2011 Tax Increment Revenue Bonds were issued for the purpose of financing the cost of construction of the Riverwalk Project. This project is intended to be donated to the City at a future date. The bonds are due in annual installments of \$165,000 to \$390,000 beginning September 1, 2017 through September 1, 2037. Increment tax revenues and non-ad valorem revenues are pledged to secure this issue. Interest rates range from 2.75% to 5.125%.</p>	4,950,000
<b>Total Bonds Payable – Governmental Activities</b>	<b>\$ 23,923,703</b>

**City of Bradenton, Florida**  
**Notes To The Financial Statements**  
**For The Fiscal Year Ended September 30, 2018**

Description of Debt	Business- type Activities
<b>Notes Payable</b>	
<p>\$6,000,000 Promissory Note, Judicial Center Parking Garage Loan I was issued for the purpose of financing the cost of construction of the Judicial Center Parking Garage. The principal of the loan is being repaid quarterly with a final payment of \$106,586 due December 16, 2024. The interest rate on the note is 63.702% of the 30 day LIBOR rate plus .62% as set at the beginning of each quarter and is payable quarterly. To lower the volatility of its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.82%. Interest is paid at a variable rate, currently 2.11%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners.</p>	2,383,009
<p>\$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.</p>	201,779
<p>\$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.</p>	323,697
<p>\$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%.</p>	4,734,424
<p>\$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%.</p>	293,449
<p>\$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.</p>	707,886
<p>\$2,868,713 Clean Water State Revolving Fund, Wastewater WW410370 was issued as a construction loan to fund a Screw Press Dewatering System Upgrade. The loan principal is to be repaid in semi-annual payments, with a final payment of \$50,025 January 2038. There is no interest on \$2,606,141 of the loan. The rate is .7% on the remaining \$262,572. The principal and interest is secured by net revenues of the water and sewer system.</p>	1,939,122

**City of Bradenton, Florida**  
**Notes To The Financial Statements**  
**For The Fiscal Year Ended September 30, 2018**

Description of Debt	Business- type Activities
<u>Notes Payable (continued)</u>	
<p>\$1,298,809 Clean Water State Revolving Fund, Stormwater SW410330 was issued for construction and demolition of bridges on Wares Creek: 12th Ave West, 14th Ave West, 20th Street West between 12th Ave West and 14th Ave West. The loan principal is to be repaid in semi-annual payments with a final payment of \$39,364 due November 2034. Interest rate is 1.84%. The principal and interest is secured by net revenues of the water and sewer system.</p>	1,126,218
<p>\$1,087,780 Clean Water State Revolving Fund, Stormwater SW410340 was issued for construction and demolition of 17th Ave West Bridge. The loan principal is to be repaid in semi-annual payments with a final payment of \$35,030 due December 2034. Interest rate is 2.39%. The principal and interest is secured by net revenues of the water and sewer system.</p>	950,669
<p>\$1,200,000 Promissory Note, Judicial Center Parking Garage Loan II was issued for the purpose of financing the cost of construction of the Judicial Center Parking Garage. The principal of the loan is being repaid quarterly with a final payment of \$21,549 due December 15, 2025. The interest rate on the note is 63.7% of the 30-day LIBOR rate plus .62% as set at the beginning of each quarter and is payable quarterly. To lower the volatility of its borrowing cost, the original principal amount was swapped to an annual fixed rate of 3.27%. The interest is paid at a variable rate, currently 1.99%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners. Non-ad valorem revenues are pledged to secure this issue.</p>	546,606
<p>\$1,800,000 Promissory Note, Judicial Center Parking Garage Loan III was issued for the purpose of financing the cost of construction of the Judicial Center Parking Garage. The principal of the loan is being repaid quarterly with a final payment of \$32,335 due February 15, 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 1.98%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners. Franchise fees are pledged to secure this issue.</p>	844,333
<p>\$456,710 Clean Water State Revolving Fund Wastewater WW410360 was issued for design of the City's Treatment and Transmission project. The principal is to be repaid in semi-annual payments, with a final payment of \$8,103 due July 2039. Interest rate is .49% for \$410,200 of the loan amount and .30% for \$46,510. Revenues of the water and sewer systems are pledged to provide the loan payments.</p>	416,911
<p>\$4,590,416 Clean Water State Revolving Fund Wastewater WW410361 was issued for Wastewater Treatment Facility Improvements, LS 31 Improvements, and Perico FM Improvements. The principal is to be repaid in semi-annual payments, with a final payment of \$182,380 due September 2039. Interest rate is .14%. Revenues of the water and sewer systems are pledged to provide the loan payments.</p>	3,583,240
<p><b>Total Notes Payable - Business-type Activities</b></p>	<u><u><b>\$ 18,051,343</b></u></u>

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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Description of Debt	Business-Type Activities
Bonds Payable	
\$7,595,000 Florida Municipal Loan Council Revenue Bonds, Series 2018A (City of Bradenton Series) were issued for the purpose of financing the construction of the City Centre Parking Garage. Principal is repaid annually beginning October 2019, with the final payment of \$480,000 due October 1, 2043. Interest on the bonds ranges from 3% to 5% and is payable semiannually on each April 1 and October 1, commencing April 1, 2019. Non-ad valorem revenues are pledged to secure this issue.	7,595,000
<b>Total Bonds Payable Business-Type Activities</b>	<b>\$ 7,595,000</b>

**Capital Leases**

The City has entered into a lease agreement as a lessee for financing the acquisition of street sweepers and a lease agreement for financing the acquisition of golf carts. 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 - sweepers	\$ 499,608
Machinery and equipment - golf carts	271,119
Less accumulated depreciation	(463,704)
Total	\$ 307,023
2019	\$ 123,327
2020	206,099
2021	58,099
2022	14,526
	402,051
Less interest	(20,216)
Present value of minimum lease payments	\$ 381,835



**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

**Debt Maturity**

Debt service requirements at September 30, 2018, were as follows:

Governmental Activities, Revenue Bonds and Notes Payable

Year Ended September 30	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2019	\$ 987,885	929,710	681,660	119,539
2020	1,018,137	898,993	594,163	82,586
2021	1,048,706	866,886	242,389	60,019
2022	1,089,600	828,487	255,728	46,681
2023	1,130,830	788,084	269,814	32,594
2024-2028	8,208,545	3,161,916	439,042	20,799
2029-2033	5,305,000	1,761,500	-	-
2034-2037	5,135,000	527,082	-	-
Total	\$ 23,923,703	9,762,658	2,482,796	362,218

Enterprise (Business-type Activities), Revenue Bonds and Notes Payable

Year Ended September 30	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2019	\$ 140,000	349,604	1,124,409	336,162
2020	180,000	310,625	1,337,751	315,258
2021	190,000	303,425	1,376,704	277,391
2022	195,000	295,825	1,412,272	242,994
2023	205,000	288,025	1,448,823	207,627
2024-2028	1,185,000	1,276,125	5,517,272	600,014
2029-2033	1,480,000	983,175	3,954,685	176,336
2034-2038	1,810,000	665,145	1,680,172	11,663
2039-2043	2,210,000	272,600	199,255	255
Total	\$ 7,595,000	4,744,549	18,051,343	2,167,700

**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, 2018, there were four Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$8,521,476.

**Interest Rate Swaps**

The City has entered into six 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.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

	Changes in Fair Value	Fair Value at September 30, 2018	Notional Value at September 30, 2018
Governmental activities, fair value hedges			
Pay fixed-receive variable interest rate swap contract			
Franchise Fee Note	\$ (51,098)	(27,317)	828,445
CCRA Series 2005A	(19,576)	(21,260)	446,872
CCRA Series 2005A	(81,077)	(84,780)	1,207,479
Total Governmental activities	(151,751)	(133,357)	2,482,796
Business-type activities, fair value hedges			
Pay fixed-receive variable interest rate swap contract			
Parking Garage Note I	(101,945)	(99,588)	2,383,009
Parking Garage Note II	(24,989)	(28,922)	546,606
Parking Garage Note III	(39,103)	(47,053)	844,333
Total Business-type activities	(166,037)	(175,563)	3,773,948
	\$ (317,788)	(308,920)	6,256,744

The following table represents debt service payments on the variable rate notes, net of swap payments associated with the notes at year end. The variable interest at September 30, 2018 is assumed to be constant over the life of the note.

Year	Principal	Variable Interest	Swap Interest	Net Cash Flows
2019	1,191,195	56,965	192,823	1,440,983
2020	1,123,529	47,806	146,232	1,317,567
2021	792,440	38,233	113,639	944,312
2022	827,529	28,171	89,783	945,483
2023	864,006	17,593	65,068	946,667
2024	902,016	6,473	39,394	947,883
2025	470,119	545	10,370	481,034
2026	85,910	1,327	18	87,255
	\$ 6,256,744	197,113	657,327	7,111,184

*Fair Value:* Because interest rates declined since execution of the swaps, the swaps had a negative fair value of \$308,920, as of September 30, 2018. 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, 2018, 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.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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*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.

There are additional disclosures for the swaps that are not included in this disclosure.

**NOTE 1 – EMPLOYEE RETIREMENT SYSTEMS**

**Aggregate Information for City Retirement Plans**

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
City Retirement Plan				
Florida Retirement System				
Pension Plan	\$ 5,317,573	10,998,247	1,259,784	1,975,220
HIS Plan	840,779	4,592,273	656,285	354,193
Firefighters' Pension Plan	1,745,012	512,761	3,138,207	319,674
Police Officers' Pension Plan	5,774,962	13,518,406	2,326,548	3,794,421
	<u>\$ 13,678,326</u>	<u>29,621,687</u>	<u>7,380,824</u>	<u>6,443,508</u>

**City Retirement Plans**

The City has two pension funds – Firefighters' Pension Fund and Police Officers' Pension Fund. The Firefighters' Pension Fund and Police Officers' Pension Fund are single-employer, defined benefit pension plans for the fire and police departments. Each plan's financial statements are prepared using the accrual basis of accounting. The preparations of the financial statements of all plans conform to the provisions of GASB Statements No. 67 and 68. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's pension funds - Firefighters and Police Officers' Pension Trust Funds and additions to/deductions from the fiduciary net position of each plan have been determined on the same basis as they are reported by the City. Benefits and refunds of both plans are recognized using the completed transaction method. The City's plans are treated as fiduciary funds in the financial section of the financial statements. Employer and plan member contributions are recognized in the period that contributions are due. Investments are reported at fair value.

Separate audited financial statements are issued for the Firefighters' Pension Fund. This report may be obtained from the City of Bradenton City Clerk & Treasurer's Office. No separate audited financial statements are issued for the Police Officers' Pension Fund.

All other employees participate in the Florida State Retirement System, a multiple-employer, cost-sharing public employee pension plan discussed further in this note.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**Firefighters' Pension Plan**

**Plan Description**

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. Each person employed by the City's Fire Department as a full-time Firefighter becomes a member of the Plan as a condition of their employment. All Firefighters are therefore eligible for all plan benefits as provided for in the plan document and by applicable law.

**Plan Administration**

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of: Two City residents appointed by the City Council, two Firefighters elected by majority of covered Members, and a fifth Member elected by the other four and appointed by City Council (as a ministerial duty).

**Plan Membership**

At September 30, 2018, membership consisted of:

Actives	64
Service retirees	43
DROP retirees	5
Beneficiaries	10
Terminated vested	1
Disability retirees	10
Total members	<u>133</u>

**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.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
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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.

For members hired prior to January 13, 2016, beginning on the first October 1 following the attainment of age 55, and on each subsequent October 1 thereafter, the monthly benefit of each retiree (or their beneficiary or joint annuitant) who is receiving a normal or early retirement benefit shall be increased by 3 percent. These increases shall cease after the increase following the date when the retiree attains (or would have attained) age 64 (for a total of up to ten annual increases). 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. For members hired on or after January 13, 2016, beginning 5 years after retirement or entry into the deferred retirement option plan, the monthly benefit of each retiree who is receiving a normal or early retirement benefit shall be increased annually by 2.3 percent with increases continuing for the life of the retiree and following the retiree's death, for the life of the retiree's beneficiary or joint annuitant. Current members, DROP participants, and current normal or early retirees retiring on or after December 1, 2011, who had not yet received a cost-of-living adjustment (COLA) increase as of January 13, 2016 were eligible to make a one-time irrevocable election to maintain the 3 percent COLA provision or elect the 2.3 percent COLA as discussed above. The election was to be made in writing no later than July 13, 2016. If no election was made, the member, DROP participant, or eligible retiree will receive the 3 percent COLA discussed above. DROP participants who have previously received a COLA increase are ineligible to make the election.

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.

In April 2016, the City approved Ordinance No. 2981 which amended the COLA, DROP, and Pre-Retirement Death Provisions and established a Share Plan. The Share Plan is an additional plan component to provide special benefits in the form of supplemental retirement, termination, death and disability benefits. These benefits are to be funded solely and entirely by premium tax monies for each plan year which are allocated to this supplemental component. The Fire Pension Board shall create individual "Member Share Accounts" for all actively employed plan members and DROP participants. Each member or DROP participant shall have a member share account for his or her share of the Florida Statute Chapter 175 tax revenues, forfeitures, income, and expense adjustments relating thereto.

During the year ended September 30, 2018, the plan received state monies totaling \$399,665. The City will use any state monies, up to \$700,000 to offset its funding requirements. 50% of the state monies received by the City in excess of \$700,000 shall be allocated to the Share Plan, with the remaining 50% to be used by the City.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
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**Deferred Retirement Option Program (DROP)**

Plan members can enter the DROP program upon 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 is allowed 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, 2018 is \$403,078.

**Contributions**

As a condition of participation, firefighters' are required to contribute to the Plan. The percentage increased effective April 15, 2013, from 8% to 10% currently of their earnings. 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 contribution for the years ended September 30, 2018 was \$2,074,526.

**Investments**

The investments are reported at fair value. 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.

For the year ended September 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 7.83 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
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The following was the Firefighters' Pension Fund's adopted asset allocation policy as of September 30, 2018.

Asset Class	Target Allocation
All Cap Value Equity	20.0%
Broad Growth Equity	20.0%
Domestic Broad Cap Equity	5.0%
International Equity	15.0%
Domestic Fixed Income	20.0%
Global Fixed Income	5.0%
TIPS	5.0%
Real Estate	10.0%
Total	100.0%

**Net Pension Liability**

The measurement date is September 30, 2018. The measurement period for the pension expense was October 1, 2017 to September 30, 2018. The reporting period is October 1, 2017 through September 30, 2018.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2018, (measurement date) using generally accepted **actuarial principles**.

**Actuarial Assumptions**

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions:

	<u>2018</u>
Inflation	2.5%
Salary increases	service based
Discount rate	7.75%
Investment rate of return	7.75%

Mortality Rate Healthy Lives: Female - RP 2000 Generational, 100% Annuitant White Collar, Scale BB; Male - RP 2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives: Female - 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale; Male - 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projection scale.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**Long-Term Expected Rate of Return**

The pension plan investments were 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 Plan's target asset allocation as of September 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
All Cap Value Equity	7.5%
Broad Growth Equity	7.5%
Domestic Broad Cap Equity	7.5%
International Equity	8.5%
Domestic Fixed Income	2.5%
Global Fixed Income	3.5%
TIPS	2.5%
Real Estate	4.5%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75 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 sponsor 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 of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

**Changes in the Net Pension Liability**

The following table shows the changes in the net pension liability based on the actuarial information provided to the Firefighters' Pension Fund.

	<b>Change In Net Pension Liability</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at September 30, 2017</b>	\$ 53,437,416	\$ 47,250,622	\$ 6,186,794
<b>Prior period adjustment</b>	805,707	6,218,288	(5,412,581)
<b>Balances at September 30, 2017 as restated</b>	54,243,123	53,468,910	774,213
<b>Changes for the year:</b>			
Service cost	1,401,539	-	1,401,539
Interest	4,198,567	-	4,198,567
Changes of benefit terms	-	-	-
Differences between expected and actual experience	761,604	-	761,604
Changes of assumptions	-	-	-
Contributions - buy back	16,692	16,692	-
Contributions - employer	-	1,674,861	(1,674,861)
Contributions - State	-	399,665	(399,665)
Contributions - employee	-	498,643	(498,643)
Net investment income	-	4,140,757	(4,140,757)
Benefit payments, including refunds of employee contributions	(2,939,218)	(2,939,218)	-
Administrative expense	-	(90,764)	90,764
<b>Net changes</b>	3,439,184	3,700,636	(261,452)
<b>Balances at September 30, 2018</b>	\$ 57,682,307	\$ 57,169,546	\$ 512,761

Notes to Schedule:

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.

**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 7.75%, 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City's Net Pension Liability	\$ 7,497,369	\$ 512,761	\$ (5,284,270)

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**Pension Expense Under GASB Statement No. 68**

For the year ended September 30, 2018, the City recognized pension expense of \$319,674.

**Deferred Outflows and Inflows of Resources**

On September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 609,284	739,163
Changes of assumptions	368,963	945,351
Net difference between projected and actual earnings on pension plan investments	766,765	1,453,693
	\$ 1,745,012	3,138,207

**Future Years' Recognition of Deferred Outflows/Inflows**

The outcome of the deferred outflows of resources related to pensions resulting from employer and State contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2019. There were no contributions for fiscal year 2018 subsequent to September 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	
2019	18,135
2020	(781,031)
2021	(779,825)
2022	149,526
Total	\$ (1,393,195)

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**Police Officers' Pension Plan**

**Plan Description**

The City's Police Officers' Pension Plan (the "plan"), a defined benefit single-employer public employee retirement plan, was established under the Code of Ordinances for the City of Bradenton, Florida, Subpart B, Article IV, and was most recently amended under Ordinance No. 2963 (adopted May 28, 2014). The Plan is also governed by certain provisions of Chapter 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

The Plan does not issue a stand-alone financial report and is included within the City's Comprehensive Annual Financial Report.

**Plan Administration**

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of: Two City residents appointed by the City Council, two Police Officers elected by majority of covered Members, and a fifth Member elected by the other four and appointed by City Council (as a ministerial duty).

**Plan Membership**

At September 30, 2018 membership consisted of:

Active	105
Retirees, beneficiaries and DROP	71
Disability retirees	17
Terminated vested members	3
Total Members	<u>196</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, upon 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, 2015), 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% times 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.

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Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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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 2.75% 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.

**Supplemental Benefit - Share Plan**

Pursuant to Florida law, a separate member "share account" has been created for each member of the plan. This supplemental benefit may or may not be funded and thus, the member may or may not receive a retirement benefit from the share plan. If the share plan is funded, at retirement, termination (vested), disability or death, there shall be an additional benefit paid to the member. The share plan is funded solely with state premium tax money and the funding that is received for this Share Plan is allocated to the member's share account based on a formula which gives the member an allocation based on an equal share for each member. The member's share account receives its proportionate share of the income or loss on the assets in the plan.

**Deferred Retirement Option Program (DROP)**

When an employee becomes eligible for normal retirement, and is still employed by the City as a Police Officer, he/she 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, 2018 is \$1,449,483.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**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, 2018 was \$2,284,103.

**Investments (Pension Plan Reporting)**

The investments are reported at fair value. 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.

**Rate of Return (Pension Plan Reporting)**

For the year ended September 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 6.50 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability (Pension Plan Reporting)**

The components of the net pension liability as of September 30, 2018, which is rolled forward from the actuarial valuation date of October 1, 2017, were as follows:

Total Pension Liability	\$ 88,612,437
Plan Fiduciary Net Position	(75,094,031)
City's Net Pension Liability	\$ 13,518,406

Plan Fiduciary Net Positions as a percentage of Total Pension Liability	84.74%
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**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**Actuarial Methods and Assumptions (Pension Plan Reporting)**

Valuation Date	October 1, 2017
Plan Year	October 1 – September 30
Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Salary Increases	6.7% to 9.1% depending on service, including inflation
Investment Rate of Return	7.65%, includes inflation, net of investment inflation
Retirement Age	Experience – based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for healthy post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2016 FRS Valuation, as mandated by Chapter 112.63, Florida Statutes.
Cost of Living Increases	1.25% per year (based on maximum possible COLA)

The Wage Inflation Rate assumed in this valuation was 2.5% per year, reduced from 3.0% in the prior year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macro-economic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

**Long-Term Expected Rate of Return (Pension Plan Reporting)**

The assumed real rate of return over wage inflation is defined to be the portion of total investment return that is more than the assumed wage inflation rate. Considering other economic assumptions, the 7.65% investment return rate translates to an assumed real rate of return over wage inflation of 5.05%.

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	10.6%
International Equity	5.9%
Bonds	6.1%
High Yield Bonds	8.1%
TIPS	5.2%
Convertibles	9.2%
REITS	9.3%
Real Estate	7.4%
Infrastructure	11.6%

**Discount Rate (Pension Plan Reporting)**

The discount rate of 7.65% 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 7.65%. 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

**City of Bradenton, Florida**  
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For The Fiscal Year Ended September 30, 2018

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.

**Changes in the Net Pension Liability (Pension Plan Reporting)**

The following table shows the changes in the Net Pension Liability based on the actuarial information provided to the Police Officers' Pension Fund. GASB Statement No. 67 Disclosures for Fiscal Year Ending September 30, 2018.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances at September 30, 2017</b>	\$ 83,312,615	\$ 71,406,053	\$ 11,906,562
<b>Changes for the year:</b>			
Service cost	1,899,922	-	1,899,922
Interest	6,669,916	-	6,669,916
Benefit changes	105,574	-	105,574
Differences between expected and actual experience	1,605,321	-	1,605,321
Assumption changes	(1,303,756)	-	(1,303,756)
Contributions—employer	-	1,742,010	(1,742,010)
Contributions—employer (from State)	-	542,093	(542,093)
Contributions—member (including buyback contributions)	-	635,816	(635,816)
Net investment income	-	4,534,735	(4,534,735)
Benefit payments, including refunds of employee contributions	(3,653,150)	(3,653,150)	-
Administrative expense	-	(89,521)	89,521
Refunds	(24,005)	(24,005)	-
Net changes	5,299,822	3,687,978	1,611,844
<b>Balances at September 30, 2018</b>	<u>\$ 88,612,437</u>	<u>\$ 75,094,031</u>	<u>\$ 13,518,406</u>

Notes to Schedule:

Benefit Changes: Under Ordinance Number 3020, adopted on February 28, 2018, the benefit multiplier for participants hired on or after June 1, 2013 was increased from 2.50% to 2.75%.

Changes in Assumptions: The Long-Term Expected Rate of Investment Return (net of investment expenses) was lowered from 8% to 7.65%. The assumed rate of inflation was lowered from 3% to 2.5%. The assumption for future annual cost of living adjustments (COLA's) for retirees and beneficiaries who are eligible for COLA's was lowered from 2% per year to 1.25% per year.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Pension Plan Reporting)**

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 7.65%, as well as what

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
City's Net Pension Liability	\$ 25,347,336	\$ 13,518,406	\$ 3,882,716

**Net Pension Liability (Employer Reporting)**

The net pension liability of the retirement system recorded in the City's Financial Statements for the Police Officers' Pension Fund as of September 30, 2018 is based on an actuarial valuation date of October 1, 2017 rolled forward to a measurement date of September 30, 2018. In fiscal year 2018, the City changed the measurement date to match the fiscal year. The following table illustrates the Net Pension Liability under GASB 68, which is effective for September 30, 2017 fiscal year and later:

	Fiscal Year Ending September 30, 2018
Total Pension Liability	88,612,437
Plan Fiduciary Net Position	(75,094,031)
City's Net Pension Liability	13,518,406

Plan Fiduciary Net Positions as a percentage of Total Pension Liability 84.74%

The actuarial assumptions, long-term expected rate of return on pension plan investments, and the discount rate used to measure the total pension liability are the same as those used for the pension plan reporting discussed earlier in this note.



**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

**Changes in the Net Pension Liability (Employer Reporting)**

Shown below are details regarding the Total Pension Liability, Plan Fiduciary Net Position, and Net Pension Liability for the measurement period for the year ended September 30, 2018:

	<b>Changes In Net Pension Liability</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at September 30, 2017</b>	\$ 83,312,615	\$ 71,406,053	\$ 11,906,562
<b>Changes for the year:</b>			
Service cost	1,899,922	-	1,899,922
Interest	6,669,916	-	6,669,916
Changes of benefit terms	105,574	-	105,574
Differences between expected and actual experience	1,605,321	-	1,605,321
Assumption Changes	(1,303,756)	-	(1,303,756)
Contributions—employer	-	1,742,010	(1,742,010)
Contributions—employer (from State)	-	542,093	(542,093)
Contributions—member (including buyback contributions)	-	635,816	(635,816)
Net investment income	-	4,534,735	(4,534,735)
Benefit payments, including refunds of employee contributions	(3,653,150)	(3,653,150)	-
Administrative expense	-	(89,521)	89,521
Refunds	(24,005)	(24,005)	-
Other (Use of State Contribution Reserve)	-	-	-
<b>Net changes</b>	<b>5,299,822</b>	<b>3,687,978</b>	<b>1,611,844</b>
<b>Balances at September 30, 2018</b>	<b>\$ 88,612,437</b>	<b>\$ 75,094,031</b>	<b>\$ 13,518,406</b>

Notes to Schedule:

**Benefit Changes:** Under Ordinance Number 3020, adopted on February 28, 2018, the benefit multiplier for participants hired on or after June 1, 2013 was increased from 2.50% to 2.75%.

**Changes in Assumptions:** The Long-Term Expected Rate of Investment Return (net of investment expenses) was lowered from 8% to 7.65%. The assumed rate of inflation was lowered from 3% to 2.5%. The assumption for future annual cost of living adjustments (COLA's) for retirees and beneficiaries who are eligible for COLA's was lowered from 2% per year to 1.25% per year.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Employer Reporting)**

The following table illustrates the net pension liability of the City, calculated using the discount rate of 7.65 percent, 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 (6.65 percent) or 1-percentage point higher (8.65 percent) than the current rate:

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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	1% Decrease 6.65%	Current Rate 7.65%	1% Increase 8.65%
City's Net Pension Liability	\$ 25,347,336	\$ 13,518,406	\$ 3,882,716

**Pension Expense and Deferred Outflows/Inflows of Resources Under GASB Statement No. 68**

For the year ended September 30, 2018, the City recognized pension expense of \$3,794,421. The following table illustrates the deferred inflows and outflows at the end of fiscal year under GASB Statement No. 68:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,213,779	987,696
Changes of assumptions	810,512	985,767
Net difference between projected and actual earnings on pension plan investments	3,750,671	353,085
	\$ 5,774,962	2,326,548

**Future Years' Recognition of Deferred Outflows/Inflows**

The outcome of the deferred outflows of resources related to pensions resulting from employer and State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. There were no contributions for fiscal year 2018 subsequent to September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30		
2019	\$	1,344,856
2020		1,606,787
2021		260,643
2022		236,128
Total	\$	3,448,414

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
September 30, 2018

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
<b>Assets</b>			
Accounts receivable	60,632	542,093	602,725
Due from plan members	18,099	-	18,099
Interest receivable	84,253	51,877	136,130
Investments, at fair value			
U.S. Government obligations	3,385,858	1,335,247	4,721,105
Domestic corporate bonds	4,464,945	3,398,346	7,863,291
Convertible preferred stock	-	1,452,902	1,452,902
Convertible bonds	-	4,964,239	4,964,239
Foreign bonds	-	26,685	26,685
Foreign stock	4,891,362	943,024	5,834,386
Municipal obligations	369,472	-	369,472
Domestic stocks	32,698,496	18,327,964	51,026,460
Master limited partnerships	-	284,666	284,666
Mortgage backed	1,836,682	3,644,242	5,480,924
Collateralized mortgage backed	-	272,339	272,339
Mutual funds	-	21,811,870	21,811,870
Real estate investment trust	8,251,747	7,202,406	15,454,153
Money market fund	1,146,331	10,867,573	12,013,904
Total investments	<u>57,044,893</u>	<u>74,531,503</u>	<u>131,576,396</u>
Total assets	<u>57,207,877</u>	<u>75,125,473</u>	<u>132,333,350</u>
<b>Liabilities</b>			
Accounts payable	38,326	31,693	70,019
Total liabilities	<u>38,326</u>	<u>31,693</u>	<u>70,019</u>
<b>Net Position</b>			
Restricted for pension benefits	<u>\$ 57,169,551</u>	<u>75,093,780</u>	<u>132,263,331</u>

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Fiscal Year Ended September 30, 2018

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
<b>Additions</b>			
Contributions			
Employer	\$ 1,674,861	1,742,010	3,416,871
Plan members	512,226	635,816	1,148,042
State of Florida (from City's General Fund)	399,665	542,093	941,758
Total contributions	<u>2,586,752</u>	<u>2,919,919</u>	<u>5,506,671</u>
Investment earnings			
Interest and dividends	2,391,057	2,131,674	4,522,731
Miscellaneous/settlement income	33,162	-	33,162
Net (decrease) increase in the fair value of investments	<u>1,928,367</u>	<u>2,769,146</u>	<u>4,697,513</u>
Total investment earnings	4,352,586	4,900,820	9,253,406
Less investment expenses	<u>161,758</u>	<u>366,085</u>	<u>527,843</u>
Net investment earnings	<u>4,190,828</u>	<u>4,534,735</u>	<u>8,725,563</u>
Total additions, net	<u>6,777,580</u>	<u>7,454,654</u>	<u>14,232,234</u>
<b>Deductions</b>			
Benefits	2,589,585	3,677,155	6,266,740
Administrative expenses	<u>130,448</u>	<u>89,521</u>	<u>219,969</u>
Total deductions	<u>2,720,033</u>	<u>3,766,676</u>	<u>6,486,709</u>
Change in net position	4,057,547	3,687,978	7,745,525
Net position, beginning	<u>53,112,004</u>	<u>71,405,802</u>	<u>124,517,806</u>
Net position, ending	<u>\$ 57,169,551</u>	<u>75,093,780</u>	<u>132,263,331</u>

**City of Bradenton, Florida**  
Notes To The Financial Statements  
For The Fiscal Year Ended September 30, 2018

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**Other Employees' Pension Plans**

**Florida Retirement System**

General Information - All of the City's non-public safety employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:  
[www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

**Pension Plan**

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices)

**City of Bradenton, Florida**  
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of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1, of each year. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular—7.92% and 8.26%; Special Risk Regular Support—23.27% and 24.50%; Senior Management Service—22.71% and 24.06%; Elected Officers'—45.50% and 48.70; and DROP participants—13.26% and 14.03%. These contribution rates include 1.66% HIS Plan subsidy contributions for the same periods.

The City's contributions, including employee contributions, to the Pension Plan totaled \$1,040,624 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2018, the City reported a liability of \$10,998,247 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. At June 30, 2018, the City's proportionate share was .036514135%, which was an increase of .001781552% from its proportionate share measured as of June 30, 2017.

**City of Bradenton, Florida**  
Notes To The Financial Statements  
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For the fiscal year ended September 30, 2018, the City recognized pension expense of \$1,975,220. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 931,717	33,817
Changes of assumptions	3,593,692	-
Net difference between projected and actual earnings on pension plan investments	-	849,749
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	496,419	376,218
City Pension Plan contributions subsequent to the measurement date	295,745	-
	<u>\$ 5,317,573</u>	<u>1,259,784</u>

The deferred outflows of resources related to the Pension Plan, totaling \$295,745 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended September 30	Amount
2019	1,457,574
2020	994,734
2021	138,695
2022	662,362
2023	442,895
Thereafter	65,784
	<u>\$ 3,762,044</u>

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. The investment rate of return was reduced from 7.10% to 7.00%.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

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**For The Fiscal Year Ended September 30, 2018**

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Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.00%	2.90%	2.90%
Fixed Income	18.00%	4.40%	4.30%
Global Equity	54.00%	7.60%	6.30%
Real Estate	11.00%	6.60%	6.00%
Private Equity	10.00%	10.70%	7.80%
Strategic Investments	6.00%	6.00%	5.70%
Total	100.00%		
Assumed Inflation - Mean		2.60%	

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 7.00%, reduced from 7.10%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of net pension liability	\$ 20,072,262	10,998,247	3,461,741

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2018, the City had no payable for outstanding contributions to the FRS Pension Plan required for the fiscal year ended September 30, 2018.



**City of Bradenton, Florida**  
Notes To The Financial Statements  
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**Health Insurance Subsidy (HIS) Plan**

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution for the period October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018 was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City’s contributions to the HIS Plan totaled \$235,936 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2018, the City reported a liability of \$4,592,273 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. At June 30, 2018, the City's proportionate share was .043388360 percent, which was a decrease of .001107342 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$354,193. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 70,306	7,802
Changes of assumptions	510,717	485,533
Net difference between projected and actual earnings on pension plan investments	2,772	-
Contributions and proportionate share of contributions	194,923	162,950
City Pension Plan contributions subsequent to the measurement date	62,061	-
	<u>\$ 840,779</u>	<u>656,285</u>

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The deferred outflows of resources related to the HIS Plan, totaling \$62,061 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended September 30	Amount
2019	\$ 85,510
2020	85,193
2021	59,684
2022	13,405
2023	(83,210)
Thereafter	(38,149)
	\$ 122,433

Actuarial Assumptions – The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87 %

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Municipal rate used to determine the net pension liability was increased from 3.58% to 3.87%.

Discount Rate - The discount rate used to measure the total pension liability was 3.87%, increased from 3.58%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
City's proportionate share of net pension liability	\$ 5,230,330	4,592,273	4,060,415

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Notes To The Financial Statements  
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Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2018, the City had no payable for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

**NOTE J – 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.

The Plan does not issue a separate financial report.

Summary of Membership Information:

The following table provides a summary of the number of participants in the plan as of October 1, 2016 (the latest valuation date):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	146
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>454</u>
Total Plan Members	600

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.

Effective October 1, 2010 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

**City of Bradenton, Florida**  
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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. See Note I for details related to this plan.

**Total OPEB Liability**

The City's total OPEB liability of \$23,225,510 was determined by an actuarial valuation as follows:

Valuation Date	October 1, 2016, rolled forward to September 30, 2018
Measurement Date	September 30, 2018
Roll Forward Procedures	The Total OPEB Liability was rolled forward 24 months from the Valuation Date to the Measurement Date using standard actuarial techniques.



**City of Bradenton, Florida**  
Notes To The Financial Statements  
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**Changes in the Total OPEB Liability**

**A. Total OPEB**

**Liability**

1. Service Cost	\$	549,175
2. Interest on the Total OPEB Liability		825,078
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the Total OPEB Liability		0
5. Changes of assumptions and other inputs		(893,037)
6. Benefit payments		<u>(560,400)</u>
7. Net change in Total OPEB Liability	\$	<u>(79,184)</u>
<b>8. Total OPEB Liability - Beginning</b>		20,078,691
<b>9. Prior period adjustment</b>		<u>3,226,003</u>
<b>10. Total OPEB Liability - Beginning as restated</b>		<u>23,304,694</u>
<b>9. Total OPEB Liability - Ending</b>	\$	<u><u>23,225,510</u></u>
<b>B. Covered Employee Payroll</b>	\$	27,459,360
<b>C. Total OPEB Liability as a Percentage of Covered Employee Payroll</b>		84.58%

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.83%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

**Sensitivity of Total OPEB  
Liability to the Discount Rate  
Assumption**

<b>1% Decrease</b> <b>2.83%</b>	<b>Current Discount Rate Assumption</b> <b>3.83%</b>	<b>1% Increase</b> <b>4.83%</b>
\$ 21,145,102	\$ 23,225,510	\$ 25,716,973

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

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**Sensitivity of Total OPEB  
Liability to the Healthcare  
Cost Trend Rate Assumption**

<b>Current Healthcare Cost</b>		
<b>1% Decrease</b>	<b>Trend Rate Assumption</b>	<b>1% Increase</b>
\$ 21,145,102	\$ 23,225,510	\$ 25,716,973

For the year ended September 30, 2018, the City recognized OPEB expense of \$1,251,920. At September 30, 2018, the City reported deferred outflows and deferred inflows related to OPEB as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Inflows of Resources</b>
1. Difference between expected and actual experiences	\$ 0	\$ 0	\$ 0
2. Assumption changes	0	770,700	(770,700)
<b>3. Total</b>	\$ 0	\$ 770,700	\$ (770,700)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

<b>Year Ending September 30,</b>	<b>Net Deferred Inflows of Resources</b>
2019	\$ (122,333)
2020	(122,333)
2021	(122,333)
2022	(122,333)
2023	(122,333)
Thereafter	(159,035)
<b>Total</b>	<b>\$ (770,700)</b>

**NOTE K – 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.

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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, or rights are solely the property and rights of the various participants of the plan.

**NOTE L – 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 \$4,200 to \$13,920 for each budgeted staff position. Dependent and retiree coverage is optional and the cost is paid by employee contributions. Risks in excess of fixed individual limits of \$200,000 annually are co-insured with an outside insurance carrier.

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

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

The medical self-insurance plan is reviewed annually by an actuarial firm. The study is used to determine the basis for premiums charged to City employees' dependents (medical insurance). The City also reviews the workers' compensation program to determine the basis for premiums charged to various City departments for their workers' compensation 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, 2016 to September 30, 2018:



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	Medical Self-Insurance	Workers' Compensation Self-Insurance
Liability balance, September 30, 2016	\$ 516,000	692,652
Claims and changes in estimates	4,554,489	943,888
Claims payments	(4,554,489)	(881,287)
Liability balance, September 30, 2017	516,000	755,253
Claims and changes in estimates	5,009,596	580,209
Claims payments	(5,009,596)	(620,210)
Liability balance, September 30, 2018	\$ 516,000	715,252
Cash available to pay claims at September 30, 2018	\$ 5,399,850	11,303,879

**NOTE M – 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.

Pursuant to City Resolution and an Interlocal Agreement, the City has covenanted with the City’s blended component unit, the City of Bradenton Community Redevelopment Agency, holder of the Series 2011 Tax Increment Revenue Bonds that the City shall appropriate in its annual budget by amendment, if necessary, solely from non-ad valorem revenues lawfully available in each fiscal year, amounts which shall be sufficient to pay the debt service payments on the Series 2011 Tax Increment Revenue Bonds to the extent increment tax revenues are sufficient for such purposes. The bonds outstanding balance is \$4,950,000 as of September 30, 2018.

**NOTE N - CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

During fiscal year 2018, a change in the method of applying an accounting principle occurred when the measurement date for pensions recognized under GASB 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB No. 27*, was changed to coincide with the reporting date. This change is in accordance with generally accepted accounting principles. It required the restatement of the September 30, 2017 net position of governmental activities, business-type activities and proprietary fund type statements.

The City also implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, on October 1, 2017. As a result, the City is required to report total Other Post Employment Benefits (OPEB) liability, rather than net OPEB obligation, and report the related deferred inflows and deferred outflows. Prior period adjustments were made to

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decrease the beginning net positions of affected Enterprise Funds, as well as Governmental Activities and Business-type Activities, for the prior period costs associated with reporting the net OPEB liability and deferred inflows as previously reported.

The effects of the above prior period adjustments are shown in the table below.

	Net Position Previously Reported at 9/30/17	Effect of Implementing GASB Statement 75	Effect of Change in Accounting Principle	Restated Net Position at 9/30/17
Governmental activities	\$ 87,181,496	\$ (2,212,116)	\$ (278,491)	\$ 84,690,889
Business-type activities	100,105,850	(1,013,882)	-	99,091,968
Enterprise Funds				
Water & Sewer Fund	85,087,123	(681,040)	-	84,406,083
Sanitation Fund	7,424,505	(256,032)	-	7,168,473
Parking Fund	5,159,533	(15,362)	-	5,144,171
Golf Course Fund	1,631,281	(61,448)	-	1,569,833
Total enterprise funds	\$ 99,302,442	\$ (1,013,882)	\$ -	\$ 98,288,560

**NOTE O – TAX ABATEMENT**

In 2011, the Community Redevelopment Agency, a blended component unit of the City, entered into a 15-year development agreement with Widewaters Bradenton, LLC (Widewaters) for the renovation and refurbishing of a 1962 historical building into a modern day hotel. The agreement reimburses Widewaters for 100% of the ad valorem property taxes of the property site for fifteen years. In years eleven through fifteen, the reimbursement is capped at the amount remitted for year ten, increased by any reduction in that amount based upon any property tax exemptions granted related to the hotel. Per the agreement, the abatement commenced in fiscal year 2018 in which the City reimbursed Widewaters 100% of its ad valorem tax in the amount of \$98,970.

## **Required Supplementary Information**

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

CITY OF BRADENTON, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 30,065,336	30,065,336	30,948,626	883,290
Licenses and permits	1,181,750	1,181,750	1,976,795	795,045
Intergovernmental grants	383,631	515,337	425,176	(90,161)
Shared revenues	4,051,499	4,051,499	4,077,893	26,394
Payments in lieu of taxes	72,980	72,980	72,846	(134)
Charges for services	2,981,082	3,201,082	3,375,253	174,171
Fines and forfeitures	102,475	102,475	104,003	1,528
Interest and investment earnings	1,042,337	1,042,337	783,765	(258,572)
Rents	628,071	628,071	717,283	89,212
Franchise fees	3,149,413	3,149,413	3,300,481	151,068
Miscellaneous	6,132,695	8,822,548	157,918	(8,664,630)
Special assessments, property owners	35,000	35,000	58,290	23,290
<b>Total revenues</b>	<u>49,826,269</u>	<u>52,867,828</u>	<u>45,998,329</u>	<u>(6,869,499)</u>
<b>Expenditures</b>				
General government	7,569,646	7,267,108	6,668,983	598,125
Public safety	25,117,609	25,941,963	25,678,253	263,710
Transportation	4,582,635	4,607,540	4,306,566	300,974
Economic environment	453,258	673,258	579,062	94,196
Culture and recreation	1,476,566	1,493,470	1,383,130	110,340
Capital outlay	2,130,683	1,751,060	1,431,196	319,864
<b>Total expenditures</b>	<u>41,330,397</u>	<u>41,734,399</u>	<u>40,047,190</u>	<u>1,687,209</u>
<b>Excess of revenues over expenditures</b>	<u>8,495,872</u>	<u>11,133,429</u>	<u>5,951,139</u>	<u>(5,182,290)</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	655,500	655,500	655,500	-
Transfers to other funds	(9,271,372)	(11,908,929)	(5,908,434)	6,000,495
Sale of capital assets	120,000	120,000	10,539,558	10,419,558
<b>Total other financing sources (uses)</b>	<u>(8,495,872)</u>	<u>(11,133,429)</u>	<u>5,286,624</u>	<u>16,420,053</u>
<b>Net change in fund balance</b>	-	-	11,237,763	11,237,763
<b>Fund balance, October 1, 2017</b>	<u>42,424,102</u>	<u>42,424,102</u>	<u>42,424,102</u>	<u>-</u>
<b>Fund balance, September 30, 2018</b>	<u>\$ 42,424,102</u>	<u>42,424,102</u>	<u>53,661,865</u>	<u>11,237,763</u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM (SHIPP) FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental grants	\$ 232,309	232,309	194,677	(37,632)
Interest and investment earnings	-	-	291	291
Special assessments, property owners	-	-	25,676	25,676
Total revenues	<u>232,309</u>	<u>232,309</u>	<u>220,644</u>	<u>(11,665)</u>
<b>Expenditures</b>				
Economic environment				
Personnel services	30,843	30,843	8,794	22,049
Operating expenditures	2,050	2,050	1,258	792
Public assistance	209,078	209,078	184,625	24,453
Total expenditures	<u>241,971</u>	<u>241,971</u>	<u>194,677</u>	<u>47,294</u>
Excessive (deficiency) of revenues over (under) expenditures	(9,662)	(9,662)	25,967	35,629
<b>Other financing sources</b>				
Transfers from other funds	9,662	9,662	-	(9,662)
Total other financing sources	<u>9,662</u>	<u>9,662</u>	<u>-</u>	<u>(9,662)</u>
Net change in fund balance	-	-	25,967	25,967
Fund balance, October 1, 2017	<u>110,125</u>	<u>110,125</u>	<u>110,125</u>	<u>-</u>
Fund balance, September 30, 2018	<u><u>\$ 110,125</u></u>	<u><u>110,125</u></u>	<u><u>136,092</u></u>	<u><u>25,967</u></u>

## **Required Supplementary Information (RSI)**

The RSI subsection contains supporting information to the Basic Financial Statements. This section contains schedules pertaining to the City's Retirement Plans and the City's Post-Employment Benefits Other than Pensions (OPEB) Plan

### City's Firefighters' Pension Trust Fund

*Schedule of Changes in the City's Net Pension Liability and Related Ratios*

*Schedule of Employer Contributions*

### Police Officers' Pension Trust Fund

*Schedule of Changes in the City's Net Pension Liability and Related Ratios*

*Schedule of Employer Contributions*

*Schedule of Investment Returns*

### City's Florida Retirement System (FRS) Pension Plan

(Administered by the Florida Department of Management Services, Division of Retirement)

*Schedule of Changes in the City's Proportionate Share of the Net Pension Liability*

*Schedule of Contributions*

### Retiree Health Insurance Subsidy (HIS) Plan

(Administered by the Florida Department of Management Services, Division of Retirement)

*Schedule of Changes in the City's Proportionate Share of the Net Pension Liability*

*Schedule of Contributions*

### City's Post-Employment Benefits Other than Pensions (OPEB)

*Schedule of Changes in the City's Total OPEB Liability and Related Ratios*

CITY OF BRADENTON, FLORIDA  
FIREFIGHTERS' PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

**Schedule Of Changes In The City's Net Pension Liability and Related Ratios**

Reporting Period Ending September 30,	2018	**	2017	2016	2015
Measurement Date, September 30,	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 1,401,539	\$ 1,310,808	\$ 1,211,934	\$ 1,178,454	\$ 1,117,928
Interest on total pension liability	4,198,567	4,277,847	4,059,174	3,985,955	3,795,804
Change of benefit terms	-	-	191,166	-	-
Differences between expected and actual experience	761,604	(671,001)	(1,346,250)	(1,535,114)	-
Changes of assumptions	-	(1,575,583)	1,475,851	-	-
Contributions - buy back	16,692	15,811	-	-	-
Benefit payments, including refunds of employee contributions	(2,939,218)	(2,552,175)	(2,439,257)	(3,440,070)	(2,295,560)
<b>Net change in total pension liability</b>	<u>3,439,184</u>	<u>805,707</u>	<u>3,152,618</u>	<u>189,225</u>	<u>2,618,172</u>
<b>Total pension liability - beginning</b>	<u>54,243,123</u>	<u>53,437,416</u>	<u>50,284,798</u>	<u>50,095,573</u>	<u>47,477,401</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 57,682,307</u>	<u>\$ 54,243,123</u>	<u>\$ 53,437,416</u>	<u>\$ 50,284,798</u>	<u>\$ 50,095,573</u>
<b>Plan fiduciary net pension</b>					
Contributions - employer	1,674,861	1,737,199	2,068,790	2,240,745	2,164,348
Contributions - state	399,665	434,857	452,530	447,927	452,334
Contributions - employee	498,643	476,467	430,777	404,002	373,904
Contributions - buy back	16,692	15,811	-	-	-
Net investment income	4,140,757	6,182,060	3,540,463	(278,021)	4,989,801
Benefit payments, including refunds of member contributions	(2,939,218)	(2,554,083)	(2,439,257)	(3,440,070)	(2,295,560)
Administrative expenses	(90,764)	(74,023)	(119,394)	(100,526)	(57,326)
<b>Net change in plan fiduciary net pension</b>	<u>3,700,636</u>	<u>6,218,288</u>	<u>3,933,909</u>	<u>(725,943)</u>	<u>5,627,501</u>
<b>Plan fiduciary net position - beginning</b>	<u>53,468,910</u>	<u>47,250,622</u>	<u>43,316,713</u>	<u>44,042,656</u>	<u>38,415,155</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 57,169,546</u>	<u>\$ 53,468,910</u>	<u>\$ 47,250,622</u>	<u>\$ 43,316,713</u>	<u>\$ 44,042,656</u>
<b>City's net pension liability - ending (a) - (b)</b>	<u>\$ 512,761</u>	<u>\$ 774,213</u>	<u>\$ 6,186,794</u>	<u>\$ 6,968,085</u>	<u>\$ 6,052,917</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	99.11%	98.57%	88.42%	86.14%	87.92%
<b>Covered payroll*</b>	4,986,422	4,764,656	4,307,734	4,327,973	3,955,261
<b>City's net pension liability as a percentage of covered payroll</b>	10.28%	16.25%	143.62%	161.00%	153.03%

**Notes to the Schedule:**

\*The covered payroll numbers shown are in compliance with GASB 82

\*\*For the year ended September 30, 2018, the City aligned the reporting period with the measurement date.

Information for the fiscal years prior to 2014 is not available.

CITY OF BRADENTON, FLORIDA  
FIREFIGHTERS' PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions

Reporting Period Ending September 30,	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,070,708	\$ 2,086,621	\$ 2,448,266	\$ 2,651,436	\$ 2,786,086
Less City prepaid contribution	<u>(725,028)</u>	<u>(635,776)</u>	<u>(562,722)</u>	<u>(525,486)</u>	<u>(694,890)</u>
Net required contribution	\$ 1,345,680	1,450,845	1,885,544	2,125,950	2,091,196
Contributions in relation to the actuarially determined contribution	<u>2,074,526</u>	<u>2,172,055</u>	<u>2,521,320</u>	<u>2,688,672</u>	<u>2,616,682</u>
Contributions deficiency (excess)	<u>\$ (728,846)</u>	<u>\$ (721,210)</u>	<u>\$ (635,776)</u>	<u>\$ (562,722)</u>	<u>\$ (525,486)</u>
Covered payroll*	\$ 4,986,422	\$ 4,764,656	\$ 4,307,734	\$ 4,327,973	\$ 3,955,261
Contributions as a percentage of covered payroll	41.60%	45.59%	58.53%	62.12%	66.16%

**Notes to the Schedule:**

\*The covered employee payroll numbers shown are in compliance with GASB 82

Information for the fiscal years prior to 2014 is not available.



CITY OF BRADENTON, FLORIDA  
FIREFIGHTERS' PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

**Notes to the Schedule of Contributions**

Valuation Date                      October 1, 2016

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. The following loads are applied for determination of the Sponsor dollar funding requirement: - Interest: 8.0% per year, compounded annually, net of investment related expenses. - Salary: 7.50% per year up to the assumed retirement age.
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	30 Years (as of 10/1/2015 valuation)
Cost-of-living adjustment	2.3% per year for lifetime, as defined by plan provisions
Mortality	Healthy Lives: Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB. Disabled Lives: Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.
Interest Rate	8.0% per year, compounded annually, net of investment related expenses.
Termination Rates	See table below.
Disability Rates	See table below. It is assumed that 75% of disablements and active Member deaths are service related.
Retirement Age	Age 55-56 50% probability, age 57+ 100% probability if less than 25 years of creditable service or 2) 25-26 years of service, 75% probability; 27+ years of service, 100% probability, regardless of age.
Early Retirement	Members eligible for Early Retirement (Earlier of 1) age 50 and the completion of 10 years of service or 2) 20 years of service, regardless of age) are assumed to retire with a subsidized benefit at the rate of 5.0% per year.
Projected Salary Increases	7.5% per year up to the assumed retirement age.
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 de minis bias that is above or below the Market Value of Assets.
Payroll Growth	1.01% per year, in compliance with Part VII of Chapter 112, Florida Statutes

Termination and Disability Rate Table

Age	% Becoming Disabled During the Year
20	0.14%
30	0.18%
40	0.30%
50	1.00%
Credited Service	Probability of Withdrawal
0-4	3%
5+	2%

CITY OF BRADENTON, FLORIDA  
POLICE OFFICERS' PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

**Schedule Of Changes In The City's Net Pension Liability and Related Ratios**

Reporting Period Ending September 30,	2018	**	2017	2016	2015
Measurement Date, September 30,	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 1,899,922	\$ 1,738,683	\$ 1,716,107	\$ 1,704,870	\$ 1,743,824
Interest on total pension liability	6,669,916	6,407,795	6,108,658	5,769,530	5,401,904
Changes of benefit terms	105,574	-	-	-	-
Differences between expected & actual experience	1,605,321	(1,164,985)	(850,661)	(1,591,541)	(14,634)
Assumption charges	(1,303,756)	(484,231)	-	2,431,535	-
Benefits payments	(3,653,150)	(3,018,382)	(3,368,040)	(3,034,634)	(3,275,825)
Refunds	(24,005)	(68,430)	(60,068)	(155,427)	(82,636)
Other (Use of State Contribution Reserve)	-	-	-	(777,455)	-
<b>Net change in total pension liability</b>	<b>\$ 5,299,822</b>	<b>\$ 3,410,450</b>	<b>\$ 3,545,996</b>	<b>\$ 4,346,878</b>	<b>\$ 3,772,633</b>
<b>Total pension liability - beginning</b>	<b>83,312,615</b>	<b>79,902,165</b>	<b>76,356,169</b>	<b>72,009,291</b>	<b>68,236,658</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 88,612,437</b>	<b>\$ 83,312,615</b>	<b>\$ 79,902,165</b>	<b>\$ 76,356,169</b>	<b>\$ 72,009,291</b>
<b>Plan fiduciary net pension</b>					
Contributions - employer	1,742,010	1,950,287	1,733,304	947,023	2,083,762
Contributions - employer (from State)*	542,093	508,684	470,750	1,216,355	409,016
Contributions - member (including buyback contributions)	635,816	654,627	656,297	613,398	445,907
Net investment income	4,534,735	6,152,170	4,779,609	(1,862,850)	6,415,819
Benefits payments	(3,653,150)	(3,018,382)	(3,368,040)	(3,034,634)	(3,275,825)
Refunds	(24,005)	(68,430)	(60,068)	(155,427)	(82,636)
Administrative expenses	(89,521)	(77,081)	(81,011)	(77,111)	(63,542)
Other (Use of State Contribution Reserve)	-	-	-	(777,454)	-
<b>Net change in plan fiduciary net pension</b>	<b>3,687,978</b>	<b>6,101,875</b>	<b>4,130,841</b>	<b>(3,130,700)</b>	<b>5,932,501</b>
<b>Plan fiduciary net position - beginning</b>	<b>71,406,053</b>	<b>65,304,178</b>	<b>61,173,337</b>	<b>64,304,037</b>	<b>58,371,536</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 75,094,031</b>	<b>\$ 71,406,053</b>	<b>\$ 65,304,178</b>	<b>\$ 61,173,337</b>	<b>\$ 64,304,037</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 13,518,406</b>	<b>\$ 11,906,562</b>	<b>\$ 14,597,987</b>	<b>\$ 15,182,832</b>	<b>\$ 7,705,254</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	84.74%	85.71%	81.73%	80.12%	89.30%
<b>Covered payroll*</b>	7,064,622	7,273,639	6,721,823	6,641,933	6,649,201
<b>City's net pension liability as a percentage of covered payroll</b>	191.35%	163.69%	217.17%	228.59%	115.88%

**Notes to the Schedule:**

\*\$777,455 in State Contribution Reserve was used to offset the City's contribution requirement for fiscal year 2015 as per the collective bargaining agreement

\*\*For the year ended September 30, 2018, the City aligned the reporting period with the measurement date.



CITY OF BRADENTON, FLORIDA  
FLORIDA RETIREMENT SYSTEM  
FRS PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

**FRS Pension Plan (FRS)**

**Schedule of Changes in the City's Proportionate Share of the Net Pension Liability**

Reporting Period Ending	9/30/18	9/30/2017	9/30/2016	9/30/2015	9/30/2014
City's Proportion of the FRS net pension liability	0.036514135%	0.034732580%	0.036352035%	0.037778521%	0.036621250%
City's Proportionate share of the FRS net pension liability	\$ 10,998,247	\$ 10,273,665	\$ 9,178,914	\$ 4,879,603	\$ 2,234,435
City's Covered payroll during the measurement period	\$ 14,181,572	\$ 13,619,219	\$ 13,587,760	\$ 13,423,099	\$ 12,390,604
City's Proportionate share of the FRS net pension liability as a percentage of covered payroll	77.55%	75.44%	67.55%	36.35%	18.03%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

**Schedule of Contributions**

Reporting Period Ending	9/30/18	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Contractually required FRS contribution	\$ 1,040,624	\$ 904,174	\$ 899,209	\$ 950,714	\$ 802,161
FRS Contributions made in relation to the contractually required FRS contribution	1,040,624	904,174	899,209	950,714	802,161
FRS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered payroll	\$ 14,308,275	\$ 13,619,219	\$ 13,587,760	\$ 13,423,099	\$ 12,390,604
FRS Contributions as a percentage of covered employee payroll	7.27%	6.64%	6.62%	7.08%	6.47%

**Notes to the Schedule:**

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

Effective October 1, 2015, the City's component units (Central Community Redevelopment Agency, Bradenton Community Redevelopment Agency, and Bradenton 14<sup>th</sup> Street Community Redevelopment Agency) that were previously presented as discretely presented component units are now presented as blended component units of the City.

CITY OF BRADENTON, FLORIDA  
FLORIDA RETIREMENT SYSTEM  
HEALTH INSURANCE SUBSIDY

REQUIRED SUPPLEMENTARY INFORMATION

**Health Insurance Subsidy (HIS)**

**Schedule of Changes in the City's Proportionate Share of the Net Pension Liability**

Reporting Period Ending	9/30/18	9/30/2017	9/30/2016	9/30/2015	9/30/2014
City's Proportion of the HIS net pension liability	0.043388360%	0.042281018%	0.043239811%	0.042018479%	0.041464856%
City's Proportionate share of the HIS net pension liability	\$ 4,592,273	\$ 4,520,875	\$ 5,039,421	\$ 4,285,224	\$ 3,877,065
City's Covered payroll during the measurement period	\$ 14,181,572	\$ 13,359,001	\$ 13,587,760	\$ 13,423,099	\$ 12,390,604
City's Proportionate share of the HIS net pension liability as a percentage of covered payroll	32.38%	33.84%	37.09%	31.92%	31.29%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

**Schedule of Contributions**

Reporting Period Ending	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Contractually required HIS contribution	\$ 235,296	\$ 223,764	\$ 220,304	\$ 182,231	\$ 142,045
HIS Contributions made in relation to the contractually required HIS contribution	\$ 235,296	\$ 223,764	\$ 220,304	\$ 182,231	\$ 142,045
HIS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered payroll	\$ 14,308,275	\$ 13,359,001	\$ 13,587,760	\$ 13,423,099	\$ 12,390,604
HIS Contributions as a percentage of covered payroll	1.64%	1.68%	1.62%	1.36%	1.15%

**Notes to the Schedule:**

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

Effective October 1, 2015, the City's component units (Central Community Redevelopment Agency, Bradenton Community Redevelopment Agency, and Bradenton 14<sup>th</sup> Street Community Redevelopment Agency) that were previously presented as discretely presented component units are now presented as blended component units of the City.

CITY OF BRADENTON, FLORIDA  
 POST EMPLOYMENT BENEFITS OTHER THAN PENSION  
 SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
 REQUIRED SUPPLEMENTARY INFORMATION

**A. Total OPEB**

**Liability**

1. Service Cost	\$	549,175
2. Interest on the Total OPEB Liability		825,078
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the Total OPEB Liability		0
5. Changes of assumptions and other inputs		(893,037)
6. Benefit payments		<u>(560,400)</u>
7. Net change in Total OPEB Liability	\$	<u>(79,184)</u>

<b>8. Total OPEB Liability - Beginning</b>		20,078,691
<b>9. Prior period adjustment</b>		<u>3,226,003</u>
<b>10. Total OPEB Liability - Beginning as restated</b>		<u>23,304,694</u>
<b>9. Total OPEB Liability - Ending</b>	\$	<u><u>23,225,510</u></u>

**B. Covered Employee Payroll** \$ 27,459,360

**C. Total OPEB Liability as a Percentage  
of Covered Employee Payroll** 84.58%

**Assumption Change - Discount Rate**

Since the City's plan does not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this actuarial roll-forward, the municipal bond rate is 3.83% (based on the daily rate of Fidelity's 20-year "Municipal GO AA" index closest to but not later than the measurement date). The discount rate was 3.50% as of the beginning of the measurement year.

**Benefit Changes**

During the year ended September 30, 2018, there were no changes in benefits.

## **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 AND EXPENDITURES-BUDGET AND ACTUAL  
GENERAL FUND  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
<b>Taxes</b>				
General property taxes	\$ 18,775,140	18,775,140	19,297,813	522,673
Public service taxes	1,993,558	1,993,558	2,034,371	40,813
Half-cent sales taxes	4,239,667	4,239,667	4,299,213	59,546
Utility taxes	4,863,721	4,863,721	5,166,168	302,447
Local business taxes	193,250	193,250	151,061	(42,189)
<b>Total taxes</b>	<u>30,065,336</u>	<u>30,065,336</u>	<u>30,948,626</u>	<u>883,290</u>
Franchise fees	<u>3,149,413</u>	<u>3,149,413</u>	<u>3,300,481</u>	<u>151,068</u>
<b>Licenses and permits</b>				
Building permits	1,057,350	1,057,350	1,769,120	711,770
Electrical permits	99,650	99,650	167,525	67,875
Plumbing permits	24,500	24,500	40,150	15,650
Other licenses and permits	250	250	-	(250)
<b>Total licenses and permits</b>	<u>1,181,750</u>	<u>1,181,750</u>	<u>1,976,795</u>	<u>795,045</u>
Intergovernmental grants	<u>383,631</u>	<u>515,337</u>	<u>425,176</u>	<u>(90,161)</u>
<b>Shared revenues</b>				
State revenue sharing	1,539,423	1,539,423	1,566,905	27,482
State motor fuel	480,817	480,817	484,366	3,549
State mobile home licenses	32,975	32,975	36,157	3,182
State alcohol beverage licenses	27,950	27,950	35,283	7,333
State firefighter	11,350	11,350	22,310	10,960
Ninth-cent gas tax	283,070	283,070	286,651	3,581
Five-cent gas tax	778,622	778,622	761,547	(17,075)
Four-cent gas tax	561,568	561,568	553,760	(7,808)
Two-cent gas tax	335,724	335,724	330,914	(4,810)
<b>Total shared revenues</b>	<u>4,051,499</u>	<u>4,051,499</u>	<u>4,077,893</u>	<u>26,394</u>
<b>Charges for services</b>				
General government fees	2,979,082	3,199,082	3,375,253	176,171
Culture and recreation	2,000	2,000	-	(2,000)
<b>Total charges for services</b>	<u>2,981,082</u>	<u>3,201,082</u>	<u>3,375,253</u>	<u>174,171</u>
Fines and forfeitures	102,475	102,475	104,003	1,528
Interest and investment earnings	1,042,337	1,042,337	783,765	(258,572)
Payment in lieu of taxes	72,980	72,980	72,846	(134)
Rents	628,071	628,071	717,283	89,212
Special assessments-property owners	35,000	35,000	58,290	23,290
Miscellaneous	6,132,695	8,822,548	157,918	(8,664,630)
<b>Total revenues</b>	<u>\$ 49,826,269</u>	<u>52,867,828</u>	<u>45,998,329</u>	<u>(6,869,499)</u>

(Continued)



CITY OF BRADENTON, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (Continued)  
GENERAL FUND  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
<b>General Government</b>				
Legislative				
Personnel services	\$ 611,772	582,224	577,364	4,860
Operating expenditures	66,323	66,161	55,438	10,723
Total Legislative	<u>678,095</u>	<u>648,385</u>	<u>632,802</u>	<u>15,583</u>
Executive-City Clerk				
Personnel services	217,621	285,312	285,313	(1)
Operating expenditures	1,009,883	999,580	961,477	38,103
Capital outlay	-	192,250	192,250	-
Total Executive-City Clerk	<u>1,227,504</u>	<u>1,477,142</u>	<u>1,439,040</u>	<u>38,102</u>
Financial				
Personnel services	441,026	413,348	390,586	22,762
Operating expenditures	73,499	73,499	70,770	2,729
Total Financial	<u>514,525</u>	<u>486,847</u>	<u>461,356</u>	<u>25,491</u>
Human Resources				
Personnel services	282,552	282,552	256,142	26,410
Operating expenditures	107,050	107,050	104,224	2,826
Total Human Resources	<u>389,602</u>	<u>389,602</u>	<u>360,366</u>	<u>29,236</u>
Administration				
Personnel services	198,684	208,684	199,269	9,415
Operating expenditures	8,910	17,868	12,314	5,554
Total Administration	<u>207,594</u>	<u>226,552</u>	<u>211,583</u>	<u>14,969</u>
Legal Counsel				
Operating expenditures	126,500	126,500	99,299	27,201
Purchasing				
Personnel services	208,456	211,616	211,617	(1)
Operating expenditures	28,318	62,104	62,096	8
Capital outlay	59,000	25,492	25,491	1
Total Purchasing	<u>295,774</u>	<u>299,212</u>	<u>299,204</u>	<u>8</u>

(Continued)

CITY OF BRADENTON, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (Continued)  
GENERAL FUND  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
<b>Fleet Division</b>				
Personnel services	\$ 798,856	798,856	756,684	42,172
Operating expenditures	101,775	101,775	80,386	21,389
Capital outlay	11,500	11,500	10,416	1,084
<b>Total Fleet Division</b>	<b>912,131</b>	<b>912,131</b>	<b>847,486</b>	<b>64,645</b>
<b>Facilities Maintenance</b>				
Personnel services	182,586	182,586	151,169	31,417
Operating expenditures	289,591	289,591	239,936	49,655
Capital outlay	25,500	72,324	72,324	-
<b>Total Facilities Maintenance</b>	<b>497,677</b>	<b>544,501</b>	<b>463,429</b>	<b>81,072</b>
<b>Information Technology</b>				
Personnel services	589,687	596,869	596,868	1
Operating expenditures	603,743	602,654	598,823	3,831
Capital outlay	365,000	358,907	338,166	20,741
<b>Total Information Technology</b>	<b>1,558,430</b>	<b>1,558,430</b>	<b>1,533,857</b>	<b>24,573</b>
<b>Electrical Division</b>				
Personnel services	476,831	476,831	446,105	30,726
Operating expenditures	82,787	82,787	63,195	19,592
<b>Total Electrical Division</b>	<b>559,618</b>	<b>559,618</b>	<b>509,300</b>	<b>50,318</b>
<b>Code Enforcement</b>				
Personnel services	257,992	257,992	256,134	1,858
Operating expenditures	45,050	45,050	19,747	25,303
Capital outlay	22,000	22,000	-	22,000
<b>Total Code Enforcement</b>	<b>325,042</b>	<b>325,042</b>	<b>275,881</b>	<b>49,161</b>
<b>Grants and Assistance</b>				
Operating expenditures	31,500	31,500	-	31,500
<b>Total Grants and Assistance</b>	<b>31,500</b>	<b>31,500</b>	<b>-</b>	<b>31,500</b>
<b>Local Business Tax</b>				
Personnel services	73,955	74,222	74,226	(4)
Operating expenditures	7,322	7,055	6,400	655
<b>Total Local Business Tax</b>	<b>81,277</b>	<b>81,277</b>	<b>80,626</b>	<b>651</b>
<b>Risk Safety</b>				
Personnel services	75,394	75,394	75,414	(20)
Operating expenditures	23,655	23,655	17,987	5,668
<b>Total Risk Safety</b>	<b>99,049</b>	<b>99,049</b>	<b>93,401</b>	<b>5,648</b>
<b>Total General Government</b>	<b>7,504,318</b>	<b>7,765,788</b>	<b>7,307,630</b>	<b>458,158</b>

(Continued)

CITY OF BRADENTON, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (Continued)  
GENERAL FUND  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
<b>Public Safety</b>				
Law Enforcement				
Personnel services	\$ 14,223,689	14,223,689	14,094,241	129,448
Operating expenditures	1,489,188	2,106,326	2,021,163	85,163
Capital outlay	1,061,525	554,573	471,567	83,006
Total Law Enforcement	<u>16,774,402</u>	<u>16,884,588</u>	<u>16,586,971</u>	<u>297,617</u>
Fire Control				
Personnel services	8,690,887	8,774,954	8,774,951	3
Operating expenditures	713,845	836,994	787,898	49,096
Capital outlay	252,958	170,418	129,143	41,275
Total Fire Control	<u>9,657,690</u>	<u>9,782,366</u>	<u>9,691,992</u>	<u>90,374</u>
Total Public Safety	<u>26,432,092</u>	<u>26,666,954</u>	<u>26,278,963</u>	<u>387,991</u>
<b>Transportation</b>				
Street Division				
Personnel services	656,637	656,637	594,571	62,066
Operating expenditures	2,183,213	2,183,213	2,123,985	59,228
Capital outlay	136,200	136,200	125,867	10,333
Total Street Division	<u>2,976,050</u>	<u>2,976,050</u>	<u>2,844,423</u>	<u>131,627</u>
Planning and Community Development				
Personnel services	416,659	425,064	425,063	1
Operating expenditures	225,701	217,296	104,788	112,508
Capital outlay	10,395	35,300	24,905	10,395
Total Planning and Community Development	<u>652,755</u>	<u>677,660</u>	<u>554,756</u>	<u>122,904</u>
Building				
Personnel services	886,378	886,378	868,422	17,956
Operating expenditures	203,752	203,752	164,866	38,886
Total Building	<u>1,090,130</u>	<u>1,090,130</u>	<u>1,033,288</u>	<u>56,842</u>
Total Transportation	<u>4,718,935</u>	<u>4,743,840</u>	<u>4,432,467</u>	<u>311,373</u>

(Continued)

CITY OF BRADENTON, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (Continued)  
GENERAL FUND  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
<b>Economic Environment</b>				
Personnel services	266,918	267,075	267,075	-
Operating expenditures	\$ 186,340	406,183	311,987	94,196
Total Economic Environment	<u>453,258</u>	<u>673,258</u>	<u>579,062</u>	<u>94,196</u>
<b>Culture and Recreation</b>				
Landscape and Grounds Division				
Personnel services	855,301	855,301	781,720	73,581
Operating expenditures	565,893	562,797	547,309	15,488
Capital outlay	197,000	227,396	68,397	158,999
Total Landscape and Grounds Division	<u>1,618,194</u>	<u>1,645,494</u>	<u>1,397,426</u>	<u>248,068</u>
Special Recreation Facilities				
Personnel services	47,202	47,623	47,623	-
Operating expenditures	8,070	7,649	4,019	3,630
Total Special Recreation Facilities	<u>55,272</u>	<u>55,272</u>	<u>51,642</u>	<u>3,630</u>
Operating expenditures	<u>548,328</u>	<u>183,793</u>	<u>-</u>	<u>183,793</u>
Total Culture and Recreation	<u>2,221,794</u>	<u>1,884,559</u>	<u>1,449,068</u>	<u>435,491</u>
Total expenditures	<u>\$ 41,330,397</u>	<u>41,734,399</u>	<u>40,047,190</u>	<u>1,687,209</u>

## **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**

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.

#### **Central Community Redevelopment Area**

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

#### **Bradenton Community Redevelopment Area**

The Bradenton Community Redevelopment Area 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 Area**

The Bradenton 14<sup>th</sup> Street Community Redevelopment Area 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.

#### **Criminal Justice Education**

To account for the revenues and expenditures associated with the Criminal Justice Education Program for the Police Department. The revenues may be used for criminal justice education and training for the local government unit's officers and support personnel.

#### **Police Explorers**

To account for the revenues and expenses associated with the Police Explorers program which allows young adults to develop an awareness of the purpose, mission and objectives of law enforcement agencies.

## **Nonmajor Governmental Funds (Continued)**

### **Police Federal Forfeiture**

To account for federal forfeiture proceeds, which can be expended for any activity calculated to enhance future investigations, support investigations and operations that may result in further seizures and forfeitures.

### **State Forfeiture**

To account for revenues from the sale of forfeited property and expenditures of those funds for law enforcement purposes such as crime prevention and safe neighborhoods.

### **Abandoned Property**

To account for funds and property seized and abandoned to the City to be used for law enforcement purposes.

### **Twin Dolphin Marina Grant**

To account for the revenues and expenditures associated with a grant provided by the Florida Boating Improvement Program for the Twin Dolphin Marina Dock C Replacement.

### **Miscellaneous Grants**

This fund is to account for the funding for miscellaneous grants that the City receives where the revenues are restricted by grant agreements to be used on specific, approved expenditures.

### **Disaster**

This fund is to account for the expenditures and the corresponding reimbursements from outside agencies related to the damage caused by Hurricane Irma.

## **Nonmajor Governmental Funds (Continued)**

### ***Debt Service Funds***

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

#### **Franchise Fees Promissory Note 2000**

Variable interest rate, 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**

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 2012**

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.

#### **Special Obligation Series 2016**

4.00% - 5.00% interest rate, payable in installments from approximately \$455,000 to \$980,000, maturing in 2039. 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.

#### **Half Cent Infrastructure Surtax**

To account for the receipt, custody and expenditure (including transfers) of the Half Cent Infrastructure Surtax adopted by the voters in November of 2016. These funds are committed for capital improvement projects within the City.

#### **Road Impact Fee**

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.

## **Nonmajor Governmental Funds (Continued)**

### ***Capital Projects Funds(Continued)***

#### **Parks and Recreational Impact Fee, West**

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**

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**

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**

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**

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**

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, 2018

	Special Revenue			
	Community Development Program	Central Community Redevelopment Area	Bradenton Community Redevelopment Area	14th Street Community Redevelopment Area
<b>Assets</b>				
Cash and cash equivalents	\$ 81,205	735,442	3,084,886	383,706
Accounts receivable	525,946	33	-	-
Prepaid items	1,028	14,102	-	-
Due from other funds	-	-	2,500	-
Due from other governments	40,900	15,950	-	-
Total assets	<u>\$ 649,079</u>	<u>765,527</u>	<u>3,087,386</u>	<u>383,706</u>
<b>Liabilities</b>				
Accounts payable	\$ 4,845	17,993	6,912	5,069
Accrued salaries, wages and benefits	-	-	-	-
Advances from other funds	-	433,299	-	-
Due to other funds	2,001	-	-	2,500
Total liabilities	<u>6,846</u>	<u>451,292</u>	<u>6,912</u>	<u>7,569</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	525,946	-	-	-
<b>Fund balances</b>				
Non-spendable				
Non-spendable Prepaid items	1,028	14,102	-	-
Restricted for				
Debt service	-	-	-	-
Grants	115,259	-	-	-
Impact fee programs	-	-	-	-
Public Safety	-	-	-	-
Committed to				
Capital projects	-	300,133	3,080,474	376,137
Total fund balances	<u>116,287</u>	<u>314,235</u>	<u>3,080,474</u>	<u>376,137</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 649,079</u>	<u>765,527</u>	<u>3,087,386</u>	<u>383,706</u>

Special Revenue

Criminal Justice Education	Twin Dolphin Marina Grant	Police Explorers	Police Federal Forfeiture	State Forfeiture	Abandoned Property
41,229	4,239	3,231	154,604	103,005	21,653
-	-	-	-	-	-
-	-	-	-	-	-
-	474,115	-	-	-	-
<u>41,229</u>	<u>478,354</u>	<u>3,231</u>	<u>154,604</u>	<u>103,005</u>	<u>21,653</u>
-	478,354	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	478,354	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
41,229	-	3,231	154,604	103,005	21,653
-	-	-	-	-	-
<u>41,229</u>	<u>-</u>	<u>3,231</u>	<u>154,604</u>	<u>103,005</u>	<u>21,653</u>
<u>41,229</u>	<u>478,354</u>	<u>3,231</u>	<u>154,604</u>	<u>103,005</u>	<u>21,653</u>

CITY OF BRADENTON, FLORIDA  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2018

	Special Revenue			Debt Service
	Miscellaneous Grants	Disaster	Total	Franchise Fees Promissory Note 2000
<b>Assets</b>				
Cash and cash equivalents	-	-	4,613,200	68,107
Accounts receivable	170,932	-	696,911	-
Prepaid items	-	-	15,130	-
Due from other funds	-	-	2,500	-
Due from other governments	147	1,943,312	2,474,424	-
Total assets	<u>171,079</u>	<u>1,943,312</u>	<u>7,802,165</u>	<u>68,107</u>
<b>Liabilities</b>				
Accounts payable	123	-	513,296	-
Accrued salaries, wages and benefits	24	-	24	-
Advances from other funds	-	-	433,299	-
Due to other funds	-	-	4,501	-
Total liabilities	<u>147</u>	<u>-</u>	<u>951,120</u>	<u>-</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	<u>170,932</u>	<u>1,943,312</u>	<u>2,640,190</u>	<u>-</u>
<b>Fund balances</b>				
Non-spendable				
Non-spendable Prepaid items	-	-	15,130	-
Restricted for				
Debt service	-	-	-	68,107
Grants	-	-	115,259	-
Impact fee programs	-	-	-	-
Public Safety	-	-	323,722	-
Committed to				
Capital projects	-	-	3,756,744	-
Total fund balances	<u>-</u>	<u>-</u>	<u>4,210,855</u>	<u>68,107</u>
Total liabilities, deferred inflows, and fund balances	<u>171,079</u>	<u>1,943,312</u>	<u>7,802,165</u>	<u>68,107</u>

Debt Service				Capital Projects		
Florida Municipal Loan 2012	Special Obligation Series 2012	Special Obligation Series 2016	Total	Half Cent Infrastructure Surtax	Road Impact Fee	
1,950	739	-	70,796	2,871,889	2,552,806	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	364,347	-	
<u>1,950</u>	<u>739</u>	<u>-</u>	<u>70,796</u>	<u>3,236,236</u>	<u>2,552,806</u>	
-	-	-	-	76,992	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	76,992	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,950	739	-	70,796	-	-	
-	-	-	-	-	-	
-	-	-	-	-	2,552,806	
-	-	-	-	-	-	
-	-	-	-	3,159,244	-	
<u>1,950</u>	<u>739</u>	<u>-</u>	<u>70,796</u>	<u>3,159,244</u>	<u>2,552,806</u>	
<u>1,950</u>	<u>739</u>	<u>-</u>	<u>70,796</u>	<u>3,236,236</u>	<u>2,552,806</u>	

CITY OF BRADENTON, FLORIDA  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2018

	Capital Projects			
	Parks and Recreation Impact Fee- West	Parks and Recreation Impact Fee- East	Public Safety Police Protection	Public Safety Fire Protection
<b>Assets</b>				
Cash and cash equivalents	85,088	711,440	540,742	279,126
Accounts receivable	-	-	-	-
Prepaid items	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>85,088</u>	<u>711,440</u>	<u>540,742</u>	<u>279,126</u>
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Accrued salaries, wages and benefits	-	-	-	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Non-spendable				
Non-spendable Prepaid items	-	-	-	-
Restricted for				
Debt service	-	-	-	-
Grants	-	-	-	-
Impact fee programs	85,088	711,440	540,742	279,126
Public Safety	-	-	-	-
Committed to				
Capital projects	-	-	-	-
Total fund balances	<u>85,088</u>	<u>711,440</u>	<u>540,742</u>	<u>279,126</u>
Total liabilities, deferred inflows, and fund balances	<u>85,088</u>	<u>711,440</u>	<u>540,742</u>	<u>279,126</u>

Capital Projects

General Projects	Pirate City Capital Reserve	Total	Total Nonmajor Governmental Funds
468,729	698,807	8,208,627	12,892,623
-	-	-	696,911
-	-	-	15,130
-	-	-	2,500
-	-	364,347	2,838,771
<u>468,729</u>	<u>698,807</u>	<u>8,572,974</u>	<u>16,445,935</u>
-	-	76,992	590,288
-	-	-	24
-	-	-	433,299
-	-	-	4,501
-	-	76,992	1,028,112
-	-	-	2,640,190
-	-	-	15,130
-	-	-	70,796
-	-	-	115,259
-	-	4,169,202	4,169,202
-	-	-	323,722
<u>468,729</u>	<u>698,807</u>	<u>4,326,780</u>	<u>8,083,524</u>
<u>468,729</u>	<u>698,807</u>	<u>8,495,982</u>	<u>12,777,633</u>
<u>468,729</u>	<u>698,807</u>	<u>8,572,974</u>	<u>16,445,935</u>

CITY OF BRADENTON, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended September 30, 2018

	Special Revenue			
	Community Development Program	Central Community Redevelopment Area	Bradenton Community Redevelopment Area	14th Street Community Redevelopment Area
<b>Revenues</b>				
Taxes	\$ -	451,451	1,275,657	251,688
Intergovernmental grants	626,011	-	-	-
Impact Fees	-	-	-	-
Charges for services	34,053	-	-	-
Fines and forfeitures	-	-	-	-
Interest and investment earnings	-	1,050	8,622	1,148
Rents	-	205,158	-	-
Miscellaneous	-	70,000	-	-
Special assessments, property owners	9,445	-	-	-
<b>Total revenues</b>	<u>669,509</u>	<u>727,659</u>	<u>1,284,279</u>	<u>252,836</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Economic environment	613,658	491,908	1,094,666	149,919
Debt service				
Principal	-	206,479	170,000	105,839
Interest	-	119,789	240,063	4,370
Fees and expenditures	-	-	633	-
Capital outlay	20,547	-	80,891	-
<b>Total expenditures</b>	<u>634,205</u>	<u>818,176</u>	<u>1,586,253</u>	<u>260,128</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,304</u>	<u>(90,517)</u>	<u>(301,974)</u>	<u>(7,292)</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	415,872	1,170,819	231,684
Transfers to other funds	-	-	-	-
Sale of capital assets	-	128,663	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>544,535</u>	<u>1,170,819</u>	<u>231,684</u>
Net change in fund balances	35,304	454,018	868,845	224,392
Fund balances, beginning	<u>80,983</u>	<u>(139,783)</u>	<u>2,211,629</u>	<u>151,745</u>
Fund balances, ending	<u>\$ 116,287</u>	<u>314,235</u>	<u>3,080,474</u>	<u>376,137</u>

Special Revenue

Criminal Justice Education	Twin Dolphin Marina Grant	Police Explorers	Police Federal Forfeiture	State Forfeiture	Abandoned Property
-	-	-	-	-	-
-	474,115	-	-	-	-
-	-	-	-	-	-
6,003	-	-	-	-	-
-	-	-	-	-	-
-	-	4,191	55,982	56,185	12,172
-	-	-	-	-	-
<u>6,003</u>	<u>474,115</u>	<u>4,191</u>	<u>55,982</u>	<u>56,185</u>	<u>12,172</u>
-	-	-	-	-	-
24,900	-	3,070	78,746	42,523	42,869
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	474,115	-	-	-	-
<u>24,900</u>	<u>474,115</u>	<u>3,070</u>	<u>78,746</u>	<u>42,523</u>	<u>42,869</u>
<u>(18,897)</u>	<u>-</u>	<u>1,121</u>	<u>(22,764)</u>	<u>13,662</u>	<u>(30,697)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(18,897)</u>	<u>-</u>	<u>1,121</u>	<u>(22,764)</u>	<u>13,662</u>	<u>(30,697)</u>
<u>60,126</u>	<u>-</u>	<u>2,110</u>	<u>177,368</u>	<u>89,343</u>	<u>52,350</u>
<u><u>41,229</u></u>	<u><u>-</u></u>	<u><u>3,231</u></u>	<u><u>154,604</u></u>	<u><u>103,005</u></u>	<u><u>21,653</u></u>



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, 2018

	Special Revenue			Debt Service
	Miscellaneous Grants	Disaster	Total	Franchise Fees Promissory Note 2000
<b>Revenues</b>				
Taxes	-	-	1,978,796	-
Intergovernmental grants	172,946	-	1,273,072	-
Impact Fees	-	-	-	-
Charges for services	-	-	34,053	-
Fines and forfeitures	-	-	6,003	-
Interest and investment earnings	-	-	10,820	1,325
Rents	-	-	205,158	-
Miscellaneous	-	-	198,530	-
Special assessments, property owners	-	-	9,445	-
Total revenues	172,946	-	3,715,877	1,325
<b>Expenditures</b>				
Current				
General government	172,946	2,591,084	2,764,030	-
Public safety	-	-	192,108	-
Economic environment	-	-	2,350,151	-
Debt service				
Principal	-	-	482,318	439,962
Interest	-	-	364,222	60,526
Fees and expenditures	-	-	633	-
Capital outlay	-	-	575,553	-
Total expenditures	172,946	2,591,084	6,729,015	500,488
Excess (deficiency) of revenues over (under) expenditures	-	(2,591,084)	(3,013,138)	(499,163)
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	2,591,084	4,409,459	497,187
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	128,663	-
Total other financing sources (uses)	-	2,591,084	4,538,122	497,187
Net change in fund balances	-	-	1,524,984	(1,976)
Fund balances, beginning	-	-	2,685,871	70,083
Fund balances, ending	-	-	4,210,855	68,107

Debt Service			Capital Projects		
Florida Municipal Loan 2012	Special Obligation Series 2012	Special Obligation Series 2016	Total	Half Cent Infrastructure Surtax	Road Impact Fee
-	400,000	-	400,000	3,790,493	-
-	-	500,004	500,004	-	-
-	-	-	-	-	634,935
-	-	-	-	-	-
-	-	-	1,325	17,453	47,577
-	-	-	-	-	-
-	-	-	-	45,000	-
-	-	-	-	-	-
-	400,000	500,004	901,329	3,852,946	682,512
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	322,938	470,000	1,232,900	-	-
-	181,109	538,050	779,685	-	-
-	-	485	485	-	-
-	-	-	-	1,829,405	-
-	504,047	1,008,535	2,013,070	1,829,405	-
-	(104,047)	(508,531)	(1,111,741)	2,023,541	682,512
-	104,047	523,223	1,124,457	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	104,047	523,223	1,124,457	-	-
-	-	14,692	12,716	2,023,541	682,512
1,950	739	(14,692)	58,080	1,135,703	1,870,294
1,950	739	-	70,796	3,159,244	2,552,806

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, 2018

	Capital Projects			
	Parks and Recreation Impact Fee- West	Parks and Recreation Impact Fee- East	Public Safety Police Protection	Public Safety Fire Protection
<b>Revenues</b>				
Taxes	-	-	-	-
Intergovernmental grants	-	-	-	-
Impact Fees	131,649	133,126	123,594	65,613
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and investment earnings	4,701	9,455	7,153	6,244
Rents	-	-	-	-
Miscellaneous	-	-	-	-
Special assessments, property owners	-	-	-	-
<b>Total revenues</b>	<u>136,350</u>	<u>142,581</u>	<u>130,747</u>	<u>71,857</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Economic environment	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	963
Fees and expenditures	-	-	-	-
Capital outlay	289,853	-	-	-
<b>Total expenditures</b>	<u>289,853</u>	<u>-</u>	<u>-</u>	<u>963</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(153,503)</u>	<u>142,581</u>	<u>130,747</u>	<u>70,894</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(153,503)	142,581	130,747	70,894
Fund balances, beginning	<u>238,591</u>	<u>568,859</u>	<u>409,995</u>	<u>208,232</u>
Fund balances, ending	<u><u>85,088</u></u>	<u><u>711,440</u></u>	<u><u>540,742</u></u>	<u><u>279,126</u></u>

Capital Projects			Total	Total Nonmajor Governmental Funds
General Projects	Pirate City Capital Reserve	Total		
-	-	3,790,493		6,169,289
-	-	-		1,773,076
-	-	1,088,917		1,088,917
38,961	-	38,961		73,014
-	-	-		6,003
111,701	16,211	220,495		232,640
-	-	-		205,158
-	-	45,000		243,530
-	-	-		9,445
<u>150,662</u>	<u>16,211</u>	<u>5,183,866</u>		<u>9,801,072</u>
-	-	-		2,764,030
-	-	-		192,108
-	-	-		2,350,151
-	-	-		1,715,218
-	-	963		1,144,870
-	-	-		1,118
<u>475,563</u>	<u>202,469</u>	<u>2,797,290</u>		<u>3,372,843</u>
<u>475,563</u>	<u>202,469</u>	<u>2,798,253</u>		<u>11,540,338</u>
<u>(324,901)</u>	<u>(186,258)</u>	<u>2,385,613</u>		<u>(1,739,266)</u>
150,000	147,750	297,750		5,831,666
(6,640,000)	-	(6,640,000)		(6,640,000)
-	-	-		128,663
<u>(6,490,000)</u>	<u>147,750</u>	<u>(6,342,250)</u>		<u>(679,671)</u>
(6,814,901)	(38,508)	(3,956,637)		(2,418,937)
<u>7,283,630</u>	<u>737,315</u>	<u>12,452,619</u>		<u>15,196,570</u>
<u>468,729</u>	<u>698,807</u>	<u>8,495,982</u>		<u>12,777,633</u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
COMMUNITY DEVELOPMENT PROGRAM FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental grants	\$ 396,059	940,693	626,011	(314,682)
Charges for services	-	-	34,053	34,053
Special assessments, property owners	-	-	9,445	9,445
Total revenues	<u>396,059</u>	<u>940,693</u>	<u>669,509</u>	<u>(271,184)</u>
<b>Expenditures</b>				
Economic Environment				
Personnel services	146,865	154,865	150,270	4,595
Operating expenditures	46,583	46,583	36,689	9,894
Public assistance	179,036	715,569	447,246	268,323
Reserve for contingencies	23,575	23,676	-	23,676
Total expenditures	<u>396,059</u>	<u>940,693</u>	<u>634,205</u>	<u>306,488</u>
Net change in fund balance	-	-	35,304	35,304
Fund balance, October 1, 2017	<u>80,983</u>	<u>80,983</u>	<u>80,983</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ 80,983</u>	<u>80,983</u>	<u>116,287</u>	<u>35,304</u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
CENTRAL COMMUNITY REDEVELOPMENT AREA FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Taxes	\$ 449,275	449,275	451,451	2,176
Interest and investment earnings	-	500	1,050	550
Rents	-	205,000	205,158	158
Miscellaneous	419,439	242,939	70,000	(172,939)
Total revenues	<u>868,714</u>	<u>897,714</u>	<u>727,659</u>	<u>(170,055)</u>
<b>Expenditures</b>				
Economic Environment				
Operating expenditures	-	751,382	668,138	83,244
Public assistance	-	107,644	77,863	29,781
Capital outlay	-	425,000	72,175	352,825
Reserve for contingencies	1,284,026	29,000	-	29,000
Total expenditures	<u>1,284,026</u>	<u>1,313,026</u>	<u>818,176</u>	<u>494,850</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(415,312)</u>	<u>(415,312)</u>	<u>(90,517)</u>	<u>324,795</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	415,312	415,312	415,872	560
Sale of capital assets	-	-	128,663	128,663
Total other financing sources (uses)	<u>415,312</u>	<u>415,312</u>	<u>544,535</u>	<u>129,223</u>
Net change in fund balance	-	-	454,018	454,018
Fund balance, October 1, 2017	<u>(139,783)</u>	<u>(139,783)</u>	<u>(139,783)</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ (139,783)</u>	<u>(139,783)</u>	<u>314,235</u>	<u>454,018</u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
BRADENTON COMMUNITY REDEVELOPMENT AREA FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 1,307,328	1,307,328	1,275,657	(31,671)
Interest and investment earnings	-	4,600	8,622	4,022
Miscellaneous	2,204,600	2,200,000	-	(2,200,000)
Total revenues	<u>3,511,928</u>	<u>3,511,928</u>	<u>1,284,279</u>	<u>(2,227,649)</u>
<b>Expenditures</b>				
Economic Environment				
Operating expenditures	-	4,713,291	1,586,253	3,127,038
Reserve for contingencies	4,713,291	-	-	-
Total expenditures	<u>4,713,291</u>	<u>4,713,291</u>	<u>1,586,253</u>	<u>3,127,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,201,363)</u>	<u>(1,201,363)</u>	<u>(301,974)</u>	<u>899,389</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	1,201,363	1,201,363	1,170,819	(30,544)
Total other financing sources (uses)	<u>1,201,363</u>	<u>1,201,363</u>	<u>1,170,819</u>	<u>(30,544)</u>
Net change in fund balance	-	-	868,845	868,845
Fund balance, October 1, 2017	<u>2,211,629</u>	<u>2,211,629</u>	<u>2,211,629</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ 2,211,629</u>	<u>2,211,629</u>	<u>3,080,474</u>	<u>868,845</u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
14TH STREET COMMUNITY REDEVELOPMENT AREA FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 255,465	255,465	251,688	(3,777)
Interest and investment earnings	-	800	1,148	348
Miscellaneous	110,800	110,000	-	(110,000)
Total revenues	<u>366,265</u>	<u>366,265</u>	<u>252,836</u>	<u>(113,429)</u>
<b>Expenditures</b>				
Economic Environment				
Operating expenditures	-	550,816	260,128	290,688
Capital outlay	-	50,000	-	50,000
Reserve for contingencies	600,816	-	-	-
Total expenditures	<u>600,816</u>	<u>600,816</u>	<u>260,128</u>	<u>340,688</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(234,551)</u>	<u>(234,551)</u>	<u>(7,292)</u>	<u>227,259</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	234,551	234,551	231,684	(2,867)
Total other financing sources (uses)	<u>234,551</u>	<u>234,551</u>	<u>231,684</u>	<u>(2,867)</u>
Net change in fund balance	-	-	224,392	224,392
Fund balance, October 1, 2017	<u>151,745</u>	<u>151,745</u>	<u>151,745</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ 151,745</u>	<u>151,745</u>	<u>376,137</u>	<u>224,392</u>



CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
CRIMINAL JUSTICE EDUCATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 9,205	9,205	6,003	(3,202)
Miscellaneous	-	31,494	-	(31,494)
Total revenues	<u>9,205</u>	<u>40,699</u>	<u>6,003</u>	<u>(34,696)</u>
<b>Expenditures</b>				
Public Safety				
Operating expenditures	<u>9,205</u>	<u>40,699</u>	<u>24,900</u>	<u>15,799</u>
Total expenditures	<u>9,205</u>	<u>40,699</u>	<u>24,900</u>	<u>15,799</u>
Net change in fund balance	-	-	(18,897)	(18,897)
Fund balance, October 1, 2017	<u>60,126</u>	<u>60,126</u>	<u>60,126</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ 60,126</u>	<u>60,126</u>	<u>41,229</u>	<u>(18,897)</u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
TWIN DOLPHIN MARINA GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Intergovernmental grants	\$ 1,309,155	1,309,155	474,115	(835,040)
Miscellaneous	3,897,626	3,897,626	-	(3,897,626)
Total revenues	<u>5,206,781</u>	<u>5,206,781</u>	<u>474,115</u>	<u>(4,732,666)</u>
<b>Expenditures</b>				
Culture and Recreation				
Operating expenditures	<u>5,206,781</u>	<u>5,206,781</u>	<u>474,115</u>	<u>4,732,666</u>
Total expenditures	<u>5,206,781</u>	<u>5,206,781</u>	<u>474,115</u>	<u>4,732,666</u>
Net change in fund balance	-	-	-	-
Fund balance, October 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
POLICE EXPLORERS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Miscellaneous	\$ -	3,071	4,191	1,120
Total revenues	<u>-</u>	<u>3,071</u>	<u>4,191</u>	<u>1,120</u>
<b>Expenditures</b>				
Public Safety				
Operating expenditures	-	3,071	3,070	1
Total expenditures	<u>-</u>	<u>3,071</u>	<u>3,070</u>	<u>1</u>
Net change in fund balance	-	-	1,121	1,121
Fund balance, October 1, 2017	<u>2,110</u>	<u>2,110</u>	<u>2,110</u>	<u>-</u>
Fund balance, September 30, 2018	<u><u>\$ 2,110</u></u>	<u><u>2,110</u></u>	<u><u>3,231</u></u>	<u><u>1,121</u></u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
POLICE FEDERAL FORFEITURE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Miscellaneous	\$ -	78,745	55,982	(22,763)
Total revenues	<u>-</u>	<u>78,745</u>	<u>55,982</u>	<u>(22,763)</u>
<b>Expenditures</b>				
Public Safety				
Operating expenditures	-	78,745	78,746	(1)
Total expenditures	<u>-</u>	<u>78,745</u>	<u>78,746</u>	<u>(1)</u>
Net change in fund balance	-	-	(22,764)	(22,764)
Fund balance, October 1, 2017	<u>177,368</u>	<u>177,368</u>	<u>177,368</u>	<u>-</u>
Fund balance, September 30, 2018	<u><u>\$ 177,368</u></u>	<u><u>177,368</u></u>	<u><u>154,604</u></u>	<u><u>(22,764)</u></u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
STATE FORFEITURE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Miscellaneous	\$ -	42,523	56,185	13,662
Total revenues	-	42,523	56,185	13,662
<b>Expenditures</b>				
Public Safety				
Operating expenditures	-	42,523	42,523	-
Total expenditures	-	42,523	42,523	-
Net change in fund balance	-	-	13,662	13,662
Fund balance, October 1, 2017	89,343	89,343	89,343	-
Fund balance, September 30, 2018	<u>\$ 89,343</u>	<u>89,343</u>	<u>103,005</u>	<u>13,662</u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
ABANDONED PROPERTY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Miscellaneous	\$ -	42,869	12,172	(30,697)
Total revenues	<u>-</u>	<u>42,869</u>	<u>12,172</u>	<u>(30,697)</u>
<b>Expenditures</b>				
Public Safety				
Operating expenditures	-	42,869	42,869	-
Total expenditures	<u>-</u>	<u>42,869</u>	<u>42,869</u>	<u>-</u>
Net change in fund balance	-	-	(30,697)	(30,697)
Fund balance, October 1, 2017	<u>52,350</u>	<u>52,350</u>	<u>52,350</u>	<u>-</u>
Fund balance, September 30, 2018	<u><u>\$ 52,350</u></u>	<u><u>52,350</u></u>	<u><u>21,653</u></u>	<u><u>(30,697)</u></u>

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
MISCELLANEOUS GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental grants	\$ 156,950	217,950	172,946	(45,004)
Total revenues	156,950	217,950	172,946	(45,004)
<b>Expenditures</b>				
General Government				
Personnel services	17,440	17,440	2,894	14,546
Operating expenditures	2,350	63,350	170,052	(106,702)
Reserve for contingencies	137,160	137,160	-	137,160
Total expenditures	156,950	217,950	172,946	45,004
Net change in fund balance	-	-	-	-
Fund balance, October 1, 2017	-	-	-	-
Fund balance, September 30, 2018	\$ -	-	-	-

CITY OF BRADENTON, FLORIDA  
SPECIAL REVENUE FUND  
DISASTER FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Expenditures</b>				
General Government				
Operating expenditures	\$ -	2,591,084	2,591,084	-
Total expenditures	-	2,591,084	2,591,084	-
Excess (deficiency) of revenues over (under) expenditures	-	(2,591,084)	(2,591,084)	-
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	2,591,084	2,591,084	-
Total other financing sources (uses)	-	2,591,084	2,591,084	-
Net change in fund balance	-	-	-	-
Fund balance, October 1, 2017	-	-	-	-
Fund balance, September 30, 2018	<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, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Interest and investment earnings	\$ 1,601	1,601	1,325	(276)
Miscellaneous	-	1,700	-	(1,700)
Total revenues	<u>1,601</u>	<u>3,301</u>	<u>1,325</u>	<u>(1,976)</u>
<b>Expenditures</b>				
Loan principal repayments	439,962	439,962	439,962	-
Interest on bonds	<u>58,826</u>	<u>60,526</u>	<u>60,526</u>	-
Total expenditures	<u>498,788</u>	<u>500,488</u>	<u>500,488</u>	-
Excess (deficiency) of revenues over (under) expenditures	<u>(497,187)</u>	<u>(497,187)</u>	<u>(499,163)</u>	<u>(1,976)</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	<u>497,187</u>	<u>497,187</u>	<u>497,187</u>	-
Total other financing sources (uses)	<u>497,187</u>	<u>497,187</u>	<u>497,187</u>	-
Net change in fund balance	-	-	(1,976)	(1,976)
Fund balance, October 1, 2017	<u>70,083</u>	<u>70,083</u>	<u>70,083</u>	-
Fund balance, September 30, 2018	<u>\$ 70,083</u>	<u>70,083</u>	<u>68,107</u>	<u>(1,976)</u>

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, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ -	-	400,000	400,000
Intergovernmental grants	400,000	400,000	-	(400,000)
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
<b>Expenditures</b>				
Loan principal repayments	322,938	322,938	322,938	-
Interest on bonds	181,109	181,109	181,109	-
Total expenditures	<u>504,047</u>	<u>504,047</u>	<u>504,047</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(104,047)</u>	<u>(104,047)</u>	<u>(104,047)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	104,047	104,047	104,047	-
Total other financing sources (uses)	<u>104,047</u>	<u>104,047</u>	<u>104,047</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, October 1, 2017	<u>739</u>	<u>739</u>	<u>739</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ 739</u>	<u>739</u>	<u>739</u>	<u>-</u>

CITY OF BRADENTON, FLORIDA  
DEBT SERVICE FUND  
SPECIAL OBLIGATION SERIES 2016 FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental grants	\$ 500,000	500,000	500,004	4
Miscellaneous	34,300	34,300	-	(34,300)
Total revenues	<u>534,300</u>	<u>534,300</u>	<u>500,004</u>	<u>(34,296)</u>
<b>Expenditures</b>				
Loan principal repayments	470,000	470,000	470,000	-
Interest on bonds	538,050	538,050	538,050	-
Fees and expenditures	3,000	3,000	485	2,515
Reserve for contingencies	-	46,473	-	46,473
Total expenditures	<u>1,011,050</u>	<u>1,057,523</u>	<u>1,008,535</u>	<u>48,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(476,750)</u>	<u>(523,223)</u>	<u>(508,531)</u>	<u>14,692</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	<u>476,750</u>	<u>523,223</u>	<u>523,223</u>	<u>-</u>
Total other financing sources (uses)	<u>476,750</u>	<u>523,223</u>	<u>523,223</u>	<u>-</u>
Net change in fund balance	-	-	14,692	14,692
Fund balance, October 1, 2017	<u>(14,692)</u>	<u>(14,692)</u>	<u>(14,692)</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ (14,692)</u>	<u>(14,692)</u>	<u>-</u>	<u>14,692</u>

CITY OF BRADENTON, FLORIDA  
 CAPITAL PROJECTS FUND  
 HALF CENT INFRASTRUCTURE SURTAX  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 3,600,000	3,600,000	3,790,493	190,493
Interest and investment earnings	-	-	17,453	17,453
Miscellaneous	-	45,000	45,000	-
Total revenues	<u>3,600,000</u>	<u>3,645,000</u>	<u>3,852,946</u>	<u>207,946</u>
<b>Expenditures</b>				
Capital outlay	3,250,000	3,595,000	1,829,405	1,765,595
Reserve for contingencies	350,000	50,000	-	50,000
Total expenditures	<u>3,600,000</u>	<u>3,645,000</u>	<u>1,829,405</u>	<u>1,815,595</u>
Net change in fund balance	-	-	2,023,541	2,023,541
Fund balance, October 1, 2017	<u>1,135,703</u>	<u>1,135,703</u>	<u>1,135,703</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ 1,135,703</u>	<u>1,135,703</u>	<u>3,159,244</u>	<u>2,023,541</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, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Impact Fees	\$ 110,000	110,000	634,935	524,935
Interest and investment earnings	26,090	26,090	47,577	21,487
Total revenues	<u>136,090</u>	<u>136,090</u>	<u>682,512</u>	<u>546,422</u>
<b>Expenditures</b>				
Reserve for contingencies	<u>136,090</u>	<u>136,090</u>	-	<u>136,090</u>
Total expenditures	<u>136,090</u>	<u>136,090</u>	-	<u>136,090</u>
Net change in fund balance	-	-	682,512	682,512
Fund balance, October 1, 2017	<u>1,870,294</u>	<u>1,870,294</u>	<u>1,870,294</u>	-
Fund balance, September 30, 2018	<u><u>\$ 1,870,294</u></u>	<u><u>1,870,294</u></u>	<u><u>2,552,806</u></u>	<u><u>682,512</u></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, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Impact Fees	\$ 51,000	150,149	131,649	(18,500)
Interest and investment earnings	4,996	8,873	4,701	(4,172)
Miscellaneous	-	130,831	-	(130,831)
Total revenues	<u>55,996</u>	<u>289,853</u>	<u>136,350</u>	<u>(153,503)</u>
<b>Expenditures</b>				
Capital outlay	-	289,853	289,853	-
Reserve for contingencies	55,996	-	-	-
Total expenditures	<u>55,996</u>	<u>289,853</u>	<u>289,853</u>	<u>-</u>
Net change in fund balance	-	-	(153,503)	(153,503)
Fund balance, October 1, 2017	<u>238,591</u>	<u>238,591</u>	<u>238,591</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ 238,591</u>	<u>238,591</u>	<u>85,088</u>	<u>(153,503)</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, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Impact Fees	\$ 55,750	55,750	133,126	77,376
Interest and investment earnings	10,861	10,861	9,455	(1,406)
Total revenues	<u>66,611</u>	<u>66,611</u>	<u>142,581</u>	<u>75,970</u>
<b>Expenditures</b>				
Reserve for contingencies	<u>66,611</u>	<u>66,611</u>	-	<u>66,611</u>
Total expenditures	<u>66,611</u>	<u>66,611</u>	-	<u>66,611</u>
Net change in fund balance	-	-	142,581	142,581
Fund balance, October 1, 2017	<u>568,859</u>	<u>568,859</u>	<u>568,859</u>	-
Fund balance, September 30, 2018	<u>\$ 568,859</u>	<u>568,859</u>	<u>711,440</u>	<u>142,581</u>

CITY OF BRADENTON, FLORIDA  
 CAPITAL PROJECTS FUND  
 PUBLIC SAFETY POLICE PROTECTION IMPACT FEE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Impact Fees	\$ 63,400	63,400	123,594	60,194
Interest and investment earnings	7,397	7,397	7,153	(244)
Total revenues	<u>70,797</u>	<u>70,797</u>	<u>130,747</u>	<u>59,950</u>
<b>Expenditures</b>				
Reserve for contingencies	<u>70,797</u>	<u>70,797</u>	-	<u>70,797</u>
Total expenditures	<u>70,797</u>	<u>70,797</u>	-	<u>70,797</u>
Net change in fund balance	-	-	130,747	130,747
Fund balance, October 1, 2017	<u>409,995</u>	<u>409,995</u>	<u>409,995</u>	-
Fund balance, September 30, 2018	<u>\$ 409,995</u>	<u>409,995</u>	<u>540,742</u>	<u>130,747</u>



CITY OF BRADENTON, FLORIDA  
 CAPITAL PROJECTS FUND  
 PUBLIC SAFETY FIRE PROTECTION IMPACT FEE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Impact Fees	\$ 54,200	54,200	65,613	11,413
Interest and investment earnings	4,571	4,571	6,244	1,673
Total revenues	<u>58,771</u>	<u>58,771</u>	<u>71,857</u>	<u>13,086</u>
<b>Expenditures</b>				
Interest	-	-	963	(963)
Reserve for contingencies	58,771	58,771	-	58,771
Total expenditures	<u>58,771</u>	<u>58,771</u>	<u>963</u>	<u>57,808</u>
Net change in fund balance	-	-	70,894	70,894
Fund balance, October 1, 2017	<u>208,232</u>	<u>208,232</u>	<u>208,232</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ 208,232</u>	<u>208,232</u>	<u>279,126</u>	<u>70,894</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, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ -	-	38,961	38,961
Interest and investment earnings	18,312	18,312	111,701	93,389
Miscellaneous	-	6,971,602	-	(6,971,602)
Total revenues	<u>18,312</u>	<u>6,989,914</u>	<u>150,662</u>	<u>(6,839,252)</u>
<b>Expenditures</b>				
Capital outlay	150,000	481,602	475,563	6,039
Reserve for contingencies	18,312	18,312	-	18,312
Total expenditures	<u>168,312</u>	<u>499,914</u>	<u>475,563</u>	<u>24,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(150,000)</u>	<u>6,490,000</u>	<u>(324,901)</u>	<u>(6,814,901)</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	150,000	150,000	150,000	-
Transfers to other funds	-	(6,640,000)	(6,640,000)	-
Total other financing sources (uses)	<u>150,000</u>	<u>(6,490,000)</u>	<u>(6,490,000)</u>	<u>-</u>
Net change in fund balance	-	-	(6,814,901)	(6,814,901)
Fund balance, October 1, 2017	<u>7,283,630</u>	<u>7,283,630</u>	<u>7,283,630</u>	<u>-</u>
Fund balance, September 30, 2018	<u>\$ 7,283,630</u>	<u>7,283,630</u>	<u>468,729</u>	<u>(6,814,901)</u>

CITY OF BRADENTON, FLORIDA  
 CAPITAL PROJECTS FUND  
 PIRATE CITY CAPITAL RESERVE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the Fiscal Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Interest and investment earnings	\$ 12,960	12,960	16,211	3,251
Miscellaneous	-	41,759	-	(41,759)
Total revenues	<u>12,960</u>	<u>54,719</u>	<u>16,211</u>	<u>(38,508)</u>
<b>Expenditures</b>				
Capital outlay	-	202,469	202,469	-
Reserve for contingencies	<u>160,710</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>160,710</u>	<u>202,469</u>	<u>202,469</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(147,750)</u>	<u>(147,750)</u>	<u>(186,258)</u>	<u>(38,508)</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	<u>147,750</u>	<u>147,750</u>	<u>147,750</u>	<u>-</u>
Total other financing sources (uses)	<u>147,750</u>	<u>147,750</u>	<u>147,750</u>	<u>-</u>
Net change in fund balance	-	-	(38,508)	(38,508)
Fund balance, October 1, 2017	<u>737,315</u>	<u>737,315</u>	<u>737,315</u>	<u>-</u>
Fund balance, September 30, 2018	<u><u>\$ 737,315</u></u>	<u><u>737,315</u></u>	<u><u>698,807</u></u>	<u><u>(38,508)</u></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**

To account for insurance of properties for all City departments.

### **Medical Self-Insurance Program**

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

### **Workers' Compensation Self-Insurance Program**

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

CITY OF BRADENTON, FLORIDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
September 30, 2018

	Medical Self- Insurance Program	Workers' Compensation Self-Insurance Program	Property Insurance	Total
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 5,399,850	11,303,879	946,344	17,650,073
Due from other governments	816	32,670	234,733	268,219
Prepaid items	92,840	107,109	993,753	1,193,702
Total current assets	<u>\$ 5,493,506</u>	<u>11,443,658</u>	<u>2,174,830</u>	<u>19,111,994</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 3,976	20,461	327,480	351,917
Unearned revenues	117,826	-	-	117,826
Current portion of long-term liabilities	51,600	71,525	-	123,125
Total current liabilities	<u>173,402</u>	<u>91,986</u>	<u>327,480</u>	<u>592,868</u>
Noncurrent liabilities				
Estimated payable for outstanding claims	464,400	643,727	-	1,108,127
Total noncurrent liabilities	<u>464,400</u>	<u>643,727</u>	<u>-</u>	<u>1,108,127</u>
Total liabilities	<u>637,802</u>	<u>735,713</u>	<u>327,480</u>	<u>1,700,995</u>
Net Position				
Unrestricted	<u>4,855,704</u>	<u>10,707,945</u>	<u>1,847,350</u>	<u>17,410,999</u>
Total liabilities and net position	<u>\$ 5,493,506</u>	<u>11,443,658</u>	<u>2,174,830</u>	<u>19,111,994</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, 2018

	Medical Self- Insurance Program	Workers' Compensation Self-Insurance Program	Property Insurance	Total
Operating revenues				
Charges for services	\$ 7,040,036	1,875,006	1,499,008	10,414,050
Operating expenses				
Contractual services	1,129,503	35,994	-	1,165,497
Supplies and materials	657,712	161,176	1,079,758	1,898,646
Claims	5,009,596	620,210	633,801	6,263,607
Total operating expenses	6,796,811	817,380	1,713,559	9,327,750
Operating income	243,225	1,057,626	(214,551)	1,086,300
Non-operating revenues				
Interest and investment earnings	76,111	-	21,881	97,992
Total non-operating revenues	76,111	-	21,881	97,992
Change in net position	319,336	1,057,626	(192,670)	1,184,292
Total net position, beginning	4,536,368	9,650,319	2,040,020	16,226,707
Total net position, ending	\$ 4,855,704	10,707,945	1,847,350	17,410,999

CITY OF BRADENTON, FLORIDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended September 30, 2018

	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Property Insurance	Total
Cash flows from operating activities				
Receipts from charges for services	\$ 7,085,968	1,863,626	1,267,190	10,216,784
Payments to suppliers	(1,787,215)	(305,517)	(1,746,181)	(3,838,913)
Payments for employees	(4,984,527)	(660,211)	(633,801)	(6,278,539)
Net cash provided by (used in) operating activities	<u>314,226</u>	<u>897,898</u>	<u>(1,112,792)</u>	<u>99,332</u>
Cash flows from investing activities				
Interest and investment earnings received	<u>76,111</u>	<u>-</u>	<u>21,881</u>	<u>97,992</u>
Net change in cash and equivalents	390,337	897,898	(1,090,911)	197,324
Cash and cash equivalents, October 1, 2017	<u>5,009,513</u>	<u>10,405,981</u>	<u>2,037,255</u>	<u>17,452,749</u>
Cash and cash equivalents, September 30, 2018	<u>\$ 5,399,850</u>	<u>11,303,879</u>	<u>946,344</u>	<u>17,650,073</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 243,225	1,057,626	(214,551)	1,086,300
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease:				
Due from other governments	31,605	(11,380)	(231,818)	(211,593)
Prepaid items	22,940	(107,109)	(993,753)	(1,077,922)
Increase (decrease):				
Unearned revenues	14,327	-	-	14,327
Accounts payable	2,129	(1,238)	327,330	328,221
Claims payable	-	(40,001)	-	(40,001)
Total adjustments	<u>71,001</u>	<u>(159,728)</u>	<u>(898,241)</u>	<u>(986,968)</u>
Net cash provided (used) by operating activities	<u>\$ 314,226</u>	<u>897,898</u>	<u>(1,112,792)</u>	<u>99,332</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**

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

#### **Police Officers' Pension**

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, 2018

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
<b>Assets</b>			
Due from plan members	\$ 18,099	-	18,099
Accounts receivable	60,632	542,093	602,725
Interest receivable	84,253	51,877	136,130
Investments, at fair value			
U.S. Government obligations	3,385,858	1,335,247	4,721,105
Domestic corporate bonds	4,464,945	3,398,346	7,863,291
Convertible preferred stock	-	1,452,902	1,452,902
Convertible bonds	-	4,964,239	4,964,239
Foreign bonds	-	26,685	26,685
Foreign stock	4,891,362	943,024	5,834,386
Municipal obligations	369,472	-	369,472
Domestic stocks	32,698,496	18,327,964	51,026,460
Master limited partnerships	-	284,666	284,666
Mortgage backed	1,836,682	3,644,242	5,480,924
Collateralized mortgage backed	-	272,339	272,339
Mutual funds	-	21,811,870	21,811,870
Real estate investment trust	8,251,747	7,202,406	15,454,153
Money market fund	1,146,331	10,867,573	12,013,904
Total investments	<u>57,044,893</u>	<u>74,531,503</u>	<u>131,576,396</u>
Total assets	<u>57,207,877</u>	<u>75,125,473</u>	<u>132,333,350</u>
<b>Liabilities</b>			
Accounts payable	<u>38,326</u>	<u>31,693</u>	<u>70,019</u>
Total liabilities	<u>38,326</u>	<u>31,693</u>	<u>70,019</u>
<b>Net Position</b>			
Restricted for pension benefits	<u>\$ 57,169,551</u>	<u>75,093,780</u>	<u>132,263,331</u>

CITY OF BRADENTON, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 For the Fiscal Year Ended September 30, 2018

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
<b>Additions</b>			
Contributions			
Employer	\$ 1,674,861	1,742,010	3,416,871
Plan members	512,226	635,816	1,148,042
State of Florida	399,665	542,093	941,758
Total contributions	<u>2,586,752</u>	<u>2,919,919</u>	<u>5,506,671</u>
Investment earnings			
Interest and dividends	2,391,057	2,131,674	4,522,731
Miscellaneous	33,162	-	33,162
Net increase in fair value	<u>1,928,367</u>	<u>2,769,146</u>	<u>4,697,513</u>
Total investment earnings	4,352,586	4,900,820	9,253,406
Less investment expenses	<u>(161,758)</u>	<u>(366,085)</u>	<u>(527,843)</u>
Net investment earnings	<u>4,190,828</u>	<u>4,534,735</u>	<u>8,725,563</u>
Total additions, net	<u>6,777,580</u>	<u>7,454,654</u>	<u>14,232,234</u>
<b>Deductions</b>			
Benefits	2,589,585	3,677,155	6,266,740
Administrative expenses	130,448	89,521	219,969
Total deductions	<u>2,720,033</u>	<u>3,766,676</u>	<u>6,486,709</u>
Change in net position	4,057,547	3,687,978	7,745,525
Net position, beginning	<u>53,112,004</u>	<u>71,405,802</u>	<u>124,517,806</u>
Net position, ending	<u>\$ 57,169,551</u>	<u>75,093,780</u>	<u>132,263,331</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.

<b>Contents</b>	<b>Page</b>
Financial Trends .....	160
<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 .....	166
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	
Debt Capacity .....	172
<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 .....	178
<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 .....	180
<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).

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital assets	\$ 26,242,893	25,595,080	23,688,608	18,853,236	29,190,556	28,792,837	28,232,135	37,398,447	40,875,289	42,431,968
Restricted	25,066,065	21,889,878	4,324,243	2,324,902	732,415	1,566,075	1,991,844	5,396,412	7,684,401	7,282,429
Unrestricted	34,293,817	33,094,759	49,753,644	57,027,749	50,785,717	50,988,793	35,272,605	35,801,121	38,621,806	45,025,542
Total governmental net position	\$ 85,602,775	80,579,717	77,766,495	78,205,887	80,708,688	81,347,705	65,496,584	78,595,980	87,181,496	94,739,939
<b>Business-type activities</b>										
Net investment in capital assets	\$ 57,376,349	56,563,358	58,413,500	59,890,864	65,903,360	61,428,839	61,187,702	63,744,186	66,286,365	73,107,926
Restricted	3,013,075	3,013,075	3,013,075	-	-	-	-	-	-	-
Unrestricted	6,042,809	7,224,403	8,096,837	15,266,662	16,417,089	26,097,804	28,542,831	31,944,946	33,819,485	37,932,176
Total business-type net position	\$ 66,432,233	66,800,836	69,523,412	75,157,526	82,320,449	87,526,643	89,730,533	95,689,132	100,105,850	111,040,102
<b>Primary government</b>										
Net investment in capital assets	\$ 83,619,242	82,158,438	82,102,108	78,744,100	95,093,916	90,221,676	89,419,837	101,142,633	107,161,654	115,539,894
Restricted	28,079,140	24,902,953	7,337,318	2,324,902	732,415	1,566,075	1,991,844	5,396,412	7,684,401	7,282,429
Unrestricted	40,336,626	40,319,162	57,850,481	72,294,411	67,202,806	77,086,597	63,815,436	67,746,067	72,441,291	82,957,718
Total primary net position	\$ 152,035,008	147,380,553	147,289,907	153,363,413	163,029,137	168,874,348	155,227,117	174,285,112	187,287,346	205,780,041

Note: As of October 1, 2015, the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency, the 14th Street Community Redevelopment Agency and the Central Community Redevelopment Agency were reclassified from discretely presented to blended component units.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities										
General government	\$ 10,821,162	11,031,574	9,369,379	8,247,333	9,075,136	9,011,067	7,834,108	8,126,620	8,410,727	10,697,351
Public safety	22,608,726	22,864,152	22,531,358	20,574,575	22,096,925	22,989,533	21,885,995	22,506,597	24,933,140	26,597,253
Transportation	3,300,430	3,109,157	2,793,289	2,884,855	2,577,388	3,463,464	4,070,972	4,124,936	4,962,084	5,176,720
Neighborhood Stabilization Grant	-	1,067,769	460,726	744,812	-	-	-	-	-	-
Community Development Program	640,582	405,125	729,978	349,438	282,940	215,252	-	-	-	-
Housing Assistance Program	3,463,616	1,133,014	-	-	-	-	598,238	-	-	-
Energy Efficiency Conservation Program	-	-	29,418	150,856	-	-	-	-	-	-
State Housing Initiatives Program	604,871	451,003	104,315	81,729	94,718	76,009	-	-	-	-
Shelter Plus Care Program	156,086	227,385	151,905	163,635	147,110	112,027	-	-	-	-
Economic environment	10,327	8,297	8,610	7,047	-	-	-	3,108,608	3,313,147	3,336,542
Culture and recreation	3,193,560	3,055,759	2,945,045	2,490,494	2,577,032	3,061,659	3,122,412	2,987,279	2,904,144	3,601,807
Interest on long-term debt	1,216,311	1,173,161	1,127,587	1,239,189	1,182,515	1,104,058	1,040,968	1,332,726	1,017,844	1,029,709
Total governmental activities expenses	46,015,671	44,526,396	40,251,610	36,933,963	38,033,764	40,033,069	38,552,693	42,186,766	45,541,086	50,439,382
Business-type activities										
Water and Sewer	19,228,039	18,173,824	17,788,224	16,845,092	17,310,472	19,053,943	18,445,277	19,197,559	20,357,036	21,019,752
Sanitation	6,506,834	6,352,001	6,131,518	5,627,349	6,181,905	6,390,604	6,276,300	7,212,743	7,318,249	7,627,352
Parking	818,755	783,496	800,768	697,157	718,824	766,706	617,668	580,122	619,814	764,714
Golf Course	1,446,488	1,413,037	1,371,498	1,265,310	1,336,245	1,337,122	1,291,953	1,414,241	1,422,700	1,306,051
Total business-type activities expenses	28,000,116	26,722,358	26,092,008	24,434,908	25,547,446	27,548,375	26,631,198	28,404,665	29,717,799	30,717,869
Total primary government expenses	\$ 74,015,787	71,248,754	66,343,618	61,368,871	63,581,210	67,581,444	65,183,891	70,591,431	75,258,885	81,157,251
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 3,118,650	3,484,499	3,777,718	5,679,319	6,914,348	8,316,511	2,682,613	2,458,545	2,858,083	2,915,438
Public safety	-	-	-	-	-	-	595,569	822,437	691,782	521,334
Transportation	-	-	-	-	-	-	1,443,003	1,665,796	2,172,494	1,795,765
Community Development Program	-	2,100	9,556	8,356	-	12,155	-	-	-	-
Economic development	-	-	-	-	-	-	484,918	811,041	264,696	127,464
State Housing Initiatives Program	13,285	10,520	37,300	2,425	30,830	6,585	-	-	-	-
Culture and recreation	-	-	-	-	85,236	31,354	168,521	170,313	198,900	184,997
Operating grants and contributions	7,432,288	5,861,896	3,673,566	2,339,616	1,526,841	1,386,490	2,087,299	2,947,775	3,235,736	3,079,459
Capital grants and contributions	-	302,042	307,615	242,668	4,490,054	164,862	-	-	824,694	1,643,635
Total govt. activities program revenues	10,564,223	9,661,057	7,805,755	8,272,384	13,047,309	9,917,957	7,461,923	8,875,907	10,246,385	10,268,092
Business-type activities										
Charges for services										
Water and Sewer	18,684,199	17,674,071	19,023,763	20,044,580	20,615,847	21,888,741	24,190,705	23,497,447	23,493,305	24,633,290
Sanitation	6,767,688	6,696,938	6,961,945	7,080,914	6,977,041	7,096,833	7,148,400	7,626,933	7,964,554	8,016,655
Other	2,205,050	2,104,764	2,099,318	2,017,366	2,023,648	2,079,201	2,133,319	2,202,775	2,185,374	2,099,127
Operating grants and contributions	-	412,570	769,129	587,228	1,592,094	8,574	-	-	-	-
Capital grants and contributions	-	-	-	-	-	1,522,923	295,245	562,473	726,651	969,314
Total business-type program revenues	27,656,937	26,888,343	28,854,155	29,730,088	31,208,630	32,596,272	33,767,669	33,889,628	34,369,884	35,718,386
Total primary govt. program revenues	\$ 38,221,160	36,549,400	36,659,910	38,002,472	44,255,939	42,514,229	41,229,592	42,765,535	44,616,269	45,986,478
Net (expense)/revenue										
Governmental activities	\$ (35,451,448)	(34,865,339)	(32,445,855)	(28,661,579)	(24,986,455)	(30,115,112)	(31,090,770)	(33,310,859)	(35,294,701)	(40,171,290)
Business-type activities	(343,179)	165,985	2,762,147	5,295,180	5,661,184	5,047,897	7,136,471	5,484,963	4,652,085	5,000,517
Total primary government net expense	\$ (35,794,627)	(34,699,354)	(29,683,708)	(23,366,399)	(19,325,271)	(25,067,215)	(23,954,299)	(27,825,896)	(30,642,616)	(35,170,773)

(Continued)

(Continued)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Taxes										
Property taxes	\$ 14,182,819	12,722,890	12,853,772	12,970,233	12,857,121	14,153,418	15,111,509	18,082,391	19,543,611	21,276,611
Utility taxes	3,674,959	3,864,722	3,926,752	3,932,368	4,190,724	4,591,870	4,718,156	4,848,812	4,915,542	5,166,168
Franchise fees	3,458,060	3,109,552	3,098,917	2,962,576	2,913,539	3,134,768	3,234,235	3,170,292	3,210,408	3,300,481
Public service taxes	2,634,733	2,529,202	2,472,542	2,461,325	2,439,049	2,241,335	2,066,854	2,001,095	1,981,454	2,034,371
Impact fees	-	34,933	-	-	-	-	-	-	-	-
Half-cent sales taxes	3,065,377	3,034,041	3,245,371	3,126,907	3,332,475	3,600,966	3,770,933	3,948,602	4,099,926	4,299,213
Infrastructure sales tax	-	-	-	-	-	-	-	-	2,803,174	3,790,493
Local business taxes	-	-	-	-	-	-	222,589	214,175	199,607	151,059
Other taxes	655,991	497,245	519,064	366,602	400,000	400,000	400,000	500,000	-	400,000
State revenue sharing	1,609,583	1,616,479	1,619,296	1,378,224	1,374,790	1,480,349	3,531,749	3,699,034	3,982,374	4,077,893
Unrestricted investment earnings	3,540,262	2,208,876	1,018,973	1,554,589	(149,611)	791,282	496,966	1,422,606	194,585	1,068,688
Repayment of loan - CCRA	-	33,335	66,671	-	-	-	-	-	-	-
Gain on sale of capital assets	1,072,623	6,160	46,060	-	-	-	56,444	44,825	577,775	10,432,779
Miscellaneous	-	-	-	-	-	-	245,494	209,526	385,872	283,852
Transfers	(25,000)	184,846	514,675	348,147	365,493	360,141	548,709	588,431	586,382	(6,061,268)
Total governmental activities	33,869,407	29,842,281	29,382,093	29,100,971	27,723,580	30,754,129	34,403,638	38,729,789	42,480,710	50,220,340
Business-type activities										
Investment earnings	818,055	618,876	459,777	657,081	43,982	492,155	362,362	934,389	246,972	816,539
Gain (Loss ) on sale of capital assets	3,655	13,512	15,327	-	-	26,283	2,389	127,678	(32,243)	69,810
Miscellaneous	-	-	-	-	-	-	-	-	136,286	-
Transfers	25,000	(184,846)	(514,675)	(348,147)	(365,493)	(360,141)	(548,709)	(588,431)	(586,382)	6,061,268
Total business-type activities	846,710	447,542	(39,571)	308,934	(321,511)	158,297	(183,958)	473,636	(235,367)	6,947,617
Total primary government	\$ 34,716,117	30,289,823	29,342,522	29,409,905	27,402,069	30,912,426	34,219,680	39,203,425	42,245,343	57,167,957
<b>Change in Net Position</b>										
Governmental activities	\$ (1,582,041)	(5,023,058)	(3,063,222)	439,392	2,737,125	639,017	3,312,868	5,418,930	8,585,516	10,049,050
Business-type activities	503,531	613,527	2,722,576	5,634,114	5,339,673	5,206,194	6,952,513	5,958,599	4,416,718	11,948,134
Total primary government	\$ (1,078,510)	(4,409,531)	(340,646)	6,073,506	8,076,798	5,845,211	10,265,381	11,377,529	13,002,234	21,997,184

Note: As of October 1, 2015, the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency, the 14th Street Community Redevelopment Agency and the Central Community Redevelopment Agency were reclassified from discretely presented to blended component units.

CITY OF BRADENTON, FLORIDA  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TWO FISCAL YEARS (Pre-GASB #54)  
 (Modified Accrual Basis of Accounting)

	<b>Fiscal Year (1)</b>	
	<b>2009</b>	<b>2010</b>
General fund		
Reserved	\$ 569,585	546,807
Unreserved	19,753,036	17,979,801
Total General Fund	\$ 20,322,621	18,526,608
All other governmental funds		
Reserved	\$ 6,608,900	6,009,228
Unreserved, reported in		
Special revenue funds	16,350,074	16,563,777
Debt service funds	1,529,898	1,494,961
Capital projects funds	674,607	-
Total all other governmental funds	\$ 25,163,479	24,067,966

*Notes:*

<sup>(1)</sup> GASB #54 was implemented during fiscal year 2011, see subsequent years after implementation of GASB #54 on following page.

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

	Fiscal Year							
	2011	2012	2013	2014	2015	2016	2017	2018
General Fund								
Nonspendable	\$ 3,035,344	2,677,563	2,352,321	1,860,417	1,433,003	1,967,877	1,950,109	1,683,180
Restricted	-	-	-	475,681	194,853	309,199	583,416	607,360
Committed	6,245,670	3,302,443	3,309,121	3,469,355	3,463,846	3,724,868	3,779,884	4,004,719
Assigned	1,389,565	11,072,757	11,188,450	11,206,055	14,170,506	14,181,107	11,273,982	11,678,836
Unassigned	19,437,408	23,396,447	23,240,348	24,944,019	27,867,207	26,259,752	24,836,711	35,687,770
<b>Total General Fund</b>	<b>\$ 30,107,987</b>	<b>40,449,210</b>	<b>40,090,240</b>	<b>41,955,527</b>	<b>47,129,415</b>	<b>46,442,803</b>	<b>42,424,102</b>	<b>53,661,865</b>
All other governmental funds								
Nonspendable								
Special revenue funds	\$ -	-	-	-	-	15,871	14,367	15,130
Restricted, reported in								
Special revenue funds	1,513,929	1,248,712	732,415	127,334	201,506	151,749	572,405	575,073
Debt service funds	2,698,546	69,030	71,785	73,904	75,844	81,842	72,772	70,796
Capital projects funds	-	-	-	899,156	1,519,641	2,308,758	3,295,971	4,169,202
Committed, reported in								
Special revenue funds	-	-	-	-	-	1,890,561	2,363,374	3,756,744
Capital projects funds	635,160	6,708,620	139,738	264,817	719,004	1,248,019	9,156,648	4,326,780
Assigned, reported in								
Debt service funds	8,548,831	-	-	-	-	-	-	-
Unassigned, reported in								
Special revenue funds	-	(103,695)	(103,980)	(41,661)	-	(325,542)	(168,842)	-
<b>Total all other governmental funds</b>	<b>\$ 13,396,466</b>	<b>7,922,667</b>	<b>839,958</b>	<b>1,323,550</b>	<b>2,515,995</b>	<b>5,371,258</b>	<b>15,306,695</b>	<b>12,913,725</b>
<b>Total all governmental funds</b>	<b>\$ 43,504,453</b>	<b>48,371,877</b>	<b>40,930,198</b>	<b>43,279,077</b>	<b>49,645,410</b>	<b>51,814,061</b>	<b>57,730,797</b>	<b>66,575,590</b>

NOTE: GASB 54 was implemented during fiscal year 2011

NOTE: As of October 1, 2015, the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency, the 14th Street Community Redevelopment Agency and the Central Community Redevelopment Agency were reclassified from discretely presented to blended component units. Those Agencies are now Areas under one City of Bradenton Community Redevelopment Agency.



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 24,213,879	22,648,100	23,018,041	23,080,688	23,442,721	25,211,755	26,290,041	29,595,075	33,543,314	37,117,915
Fees	3,458,060	3,144,485	3,098,917	2,962,576	2,917,893	3,661,040	4,008,783	4,040,685	4,266,138	4,389,398
Licenses and permits	611,915	408,822	659,196	1,048,446	1,416,904	1,852,002	1,946,876	1,653,724	1,929,053	1,976,795
Intergovernmental grants	5,315,180	3,941,244	2,659,818	2,493,234	1,907,636	935,057	1,239,334	2,002,592	3,507,018	2,392,929
Intergovernmental revenues	2,303,987	1,883,486	1,787,238	1,672,181	1,749,474	1,784,193	-	-	-	-
Shared revenues	1,524,007	1,553,687	1,548,422	1,378,224	1,374,790	1,480,349	3,531,749	3,699,034	3,982,374	4,077,893
Payments in lieu of taxes	23,530	32,135	32,739	60,599	71,048	65,874	73,417	74,790	72,980	72,846
Charges for services	1,260,384	1,344,936	1,326,562	1,397,788	2,304,771	2,385,279	2,268,905	2,646,073	3,286,709	3,448,267
Fines and forfeitures	211,744	373,336	186,348	412,666	237,690	319,227	282,292	430,209	153,084	110,006
Interest / investment earnings	3,232,029	2,017,029	1,020,191	1,385,249	(112,796)	718,435	454,032	1,263,563	242,000	1,016,696
Rents	470,159	466,346	512,039	518,508	612,341	644,143	655,453	677,335	908,077	922,441
Contributions	12,600	402,000	-	-	-	-	-	-	-	-
Miscellaneous	413,600	850,924	565,026	489,130	424,739	1,171,726	378,323	390,014	850,416	401,448
Special assessments, property owners	26,700	20,620	57,663	34,206	50,860	38,686	69,358	319,798	223,175	93,411
<b>Total revenues</b>	<b>43,077,774</b>	<b>39,087,150</b>	<b>36,472,200</b>	<b>36,933,495</b>	<b>36,398,071</b>	<b>40,267,766</b>	<b>41,198,563</b>	<b>46,792,892</b>	<b>52,964,338</b>	<b>56,020,045</b>
<b>Expenditures</b>										
General government services	8,639,038	8,925,980	7,582,145	7,881,561	7,948,040	8,310,959	8,265,081	7,264,721	7,333,915	9,433,013
Public safety	20,154,685	20,882,402	20,586,889	21,302,361	21,695,625	22,490,782	22,065,869	23,348,770	24,335,092	25,870,361
Transportation	2,823,742	2,573,471	2,239,094	2,466,669	2,257,845	3,176,830	3,772,104	3,939,833	3,994,002	4,306,566
Economic environment	4,866,802	3,284,296	1,493,782	1,490,470	971,280	399,442	657,688	5,203,569	2,992,021	3,123,890
Culture-recreation	1,892,760	1,718,338	1,624,229	1,492,401	1,685,033	1,587,131	1,569,806	1,352,431	1,281,344	1,383,130
Capital outlay	1,387,684	922,980	358,972	2,041,870	10,429,154	117,157	484	886,874	5,171,572	4,804,039
Debt service principal	929,592	975,837	1,014,089	3,962,638	1,158,019	1,237,138	1,285,285	2,551,351	1,951,374	1,715,218
Debt service interest	1,192,588	1,149,688	1,104,550	1,149,529	1,139,888	1,096,011	1,047,276	1,113,003	1,219,869	1,144,870
Debt service fees/expenditures	3,879	3,809	3,677	112,039	-	840	465	224,784	485	1,118
<b>Total expenditures</b>	<b>41,890,770</b>	<b>40,436,801</b>	<b>36,007,427</b>	<b>41,899,538</b>	<b>47,284,884</b>	<b>38,416,290</b>	<b>38,664,058</b>	<b>45,885,336</b>	<b>48,279,674</b>	<b>51,782,205</b>
Excess (deficiency) of revenues over (under) expenditures	1,187,004	(1,349,651)	464,773	(4,966,043)	(10,886,813)	1,851,476	2,534,505	907,556	4,684,664	4,237,840
<b>Other financing sources (uses)</b>										
Transfers from other funds	16,647,339	14,300,643	5,139,545	2,824,836	2,687,498	2,373,392	2,922,229	6,307,589	11,122,006	6,487,166
Transfers to other funds	(16,672,339)	(14,715,797)	(5,024,870)	(2,476,689)	(2,322,005)	(2,013,250)	(2,355,566)	(5,719,158)	(10,535,624)	(12,548,434)
Proceeds from note receivable	-	33,335	66,671	-	-	-	3,189,811	-	-	-
Sales of capital assets	464,669	31,394	13,760	15,320	29,397	137,261	75,354	135,619	645,690	10,668,221
Issuance of debt	-	-	-	9,470,000	3,000,000	-	-	14,280,000	-	-
Refunding payment to escrow	-	-	-	-	-	-	-	(16,491,600)	-	-
Bond premium	-	-	-	-	-	-	-	1,845,169	-	-
Special item, Manatee Players	(307,000)	(191,450)	-	-	-	-	-	-	-	-
Special item, CCRA	-	(1,000,000)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses) and special items</b>	<b>132,669</b>	<b>(1,541,875)</b>	<b>195,106</b>	<b>9,833,467</b>	<b>3,394,890</b>	<b>497,403</b>	<b>3,831,828</b>	<b>357,619</b>	<b>1,232,072</b>	<b>4,606,953</b>
<b>Net change in fund balances</b>	<b>\$ 1,319,673</b>	<b>(2,891,526)</b>	<b>659,879</b>	<b>4,867,424</b>	<b>(7,491,923)</b>	<b>2,348,879</b>	<b>6,366,333</b>	<b>1,265,175</b>	<b>5,916,736</b>	<b>8,844,793</b>
Debt service as a percentage of noncapital expenditures	5.37%	5.44%	5.96%	13.41%	6.33%	6.26%	6.17%	8.87%	7.48%	5.98%

Note: As of October 1, 2015, the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency, the 14th Street Community Redevelopment Agency and the Central Community Redevelopment Agency were reclassified from discretely presented to blended component units. Those Agencies are now Areas under one City of Bradenton Community Redevelopment Agency.

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Utility Tax</b>	<b>Communication Service Tax</b>	<b>Half-Cent Sales Tax</b>	<b>Infrastructure Sales Tax</b>	<b>Local Business Taxes</b>	<b>Total</b>
<b>2009</b>	\$ 14,182,819	3,674,959	2,634,733	3,065,377	-	-	23,557,888
<b>2010</b>	12,722,890	3,864,722	2,529,202	3,034,041	-	-	22,150,855
<b>2011</b>	12,853,772	3,926,752	2,472,542	3,245,371	-	-	22,498,437
<b>2012</b>	12,970,233	3,932,368	2,461,325	3,126,907	-	-	22,490,833
<b>2013</b>	12,857,121	4,190,724	2,439,049	3,332,475	-	-	22,819,369
<b>2014</b>	14,153,418	4,591,870	2,241,335	3,600,966	-	-	24,587,589
<b>2015</b>	15,111,509	4,718,156	2,066,854	3,770,933	-	-	25,667,452
<b>2016</b>	18,082,391	4,848,812	2,001,095	3,948,602	-	-	28,880,900
<b>2017</b>	19,543,611	4,915,542	1,981,454	4,099,926	2,803,174	199,607	33,543,314
<b>2018</b>	21,676,611	5,166,168	2,034,371	4,299,213	3,790,493	151,059	37,117,915

Note: As of October 1, 2015, the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency, the 14th Street Community Redevelopment Agency and the Central Community Redevelopment Agency were reclassified from discretely presented to blended component units.

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Tourist Development Tax</b>	<b>Ninth Cent Gas Tax</b>	<b>Five-Cent Gas Tax</b>	<b>Four-Cent Gas Tax</b>	<b>Two-Cent Gas Tax</b>	<b>Utility Tax</b>	<b>Communication Service Tax</b>	<b>Half-Cent Sales Tax</b>	<b>Infrastructure Sales Tax</b>	<b>Total</b>
<b>2009</b>	\$ 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
<b>2010</b>	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
<b>2011</b>	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
<b>2012</b>	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
<b>2013</b>	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
<b>2014</b>	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
<b>2015</b>	15,111,509	400,000	268,290	590,577	510,561	267,003	4,718,156	2,066,854	3,770,933	-	27,703,883
<b>2016</b>	18,082,391	400,000	279,872	620,403	537,473	321,181	4,848,812	2,001,095	3,948,602	-	31,039,829
<b>2017</b>	19,543,611	1,399,507	285,809	762,890	551,453	329,535	4,915,542	1,981,454	4,099,926	2,803,174	36,672,901
<b>2018</b>	21,276,611	400,000	286,651	761,547	553,760	330,914	5,166,168	2,034,371	4,299,213	3,790,493	38,899,728

Note: As of October 1, 2015, the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency, the 14th Street Community Redevelopment Agency and the Central Community Redevelopment Agency were reclassified from discretely presented to blended component units.

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

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Centrally Assessed</b>	<b>Less Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
<b>2009</b>	\$ 4,029,617,425	365,563,886	427,546	(942,525,097)	3,453,083,760	4.2843	5,338,133,954	80.89%
<b>2010</b>	3,486,297,604	368,980,353	427,080	(910,893,012)	2,944,812,025	4.2843	4,766,598,049	75.51%
<b>2011</b>	3,210,891,376	356,363,905	396,212	(874,956,035)	2,692,695,458	4.9452	3,567,651,493	75.51%
<b>2012</b>	3,054,389,054	326,685,423	434,387	(828,217,894)	2,553,290,970	5.2002	3,381,508,864	75.30%
<b>2013</b>	2,904,553,317	321,276,532	441,707	(765,296,847)	2,460,974,709	5.4356	3,226,271,556	76.28%
<b>2014</b>	2,922,921,458	316,675,346	459,950	(761,038,444)	2,479,018,310	5.8976	3,240,056,754	76.51%
<b>2015</b>	3,107,639,781	334,602,216	473,540	(809,076,526)	2,633,639,011	5.8976	3,442,715,537	76.50%
<b>2016</b>	3,348,946,878	326,590,073	475,623	(823,553,423)	2,852,459,151	5.8976	3,676,012,574	77.60%
<b>2017</b>	3,623,838,089	308,779,049	501,015	(847,792,759)	3,085,325,394	5.8976	3,933,118,153	78.44%
<b>2018</b>	3,937,148,119	298,979,238	493,345	(864,964,709)	3,371,655,993	5.8976	4,236,620,702	79.58%

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	
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
2015	5.8976	-	5.8976	6.3126	0.1200	6.4326	7.3760	-	7.3760	19.7062
2016	5.8976	-	5.8976	6.4046	0.0280	6.4326	7.2670	-	7.2670	19.5972
2017	5.8976		5.8976	6.4206	0.0120	6.4326	6.9200	-	6.9200	19.2502
2018	5.8976	-	5.8976	6.4303	0.0023	6.4326	6.6080	-	6.6080	18.9382

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	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Manatee Memorial Hospital LP	\$ 75,702,270	1	2.25%	\$ 80,246,616	2	2.41%
Tropicana Manufacturing Co Inc	65,074,379	2	1.93%	89,072,645	1	2.67%
HCA Health Services of Florida	52,169,698	3	1.55%	72,058,927	4	2.16%
Florida Power & Light	48,312,849	4	1.43%	28,789,415	8	0.86%
Tropicana Products Inc	44,580,151	5	1.32%	74,746,480	3	2.24%
FLF CAB Delaware LLC (Carlton Arms)	38,409,298	6	1.14%	26,942,948	10	0.81%
CCRC Propco (Freedom Village)	36,961,941	7	1.10%	27,685,120	9	0.83%
Palm Cove Apartments LLLP	33,005,755	8	0.98%			
LCP Bradenton LLC	32,220,325	9	0.96%			
Bradenton Multifamily III DST	31,398,413	10	0.93%			
Presbyterian Retirement Communities				31,177,626	6	0.93%
Verizon Florida				32,678,230	5	0.98%
WCI Communities, Inc				29,278,414	7	0.88%
<b>TOTALS</b>	<u>\$ 457,835,079</u>		<u>13.59%</u>	<u>\$ 492,676,421</u>		<u>14.77%</u>

(1) Percentage of total net assessed value is calculated using total net taxable assessed value on page 168.

Source: Manatee County Property Appraiser's Office

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

<u>Fiscal Year</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collection within the Fiscal Year of the Levy</u>		<u>Collection in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
<b>2009</b>	14,928,360	13,697,033	91.8%	419,268	14,116,301	94.6%
<b>2010</b>	13,392,221	12,683,700	94.7%	38,910	12,722,610	95.0%
<b>2011</b>	13,529,598	12,812,986	94.7%	40,706	12,853,692	95.0%
<b>2012</b>	13,277,624	12,937,796	97.4%	32,438	12,970,234	97.7%
<b>2013</b>	13,249,291	12,743,879	96.2%	24,661	12,768,540	96.4%
<b>2014</b>	14,467,802	14,015,568	96.9%	48,479	14,064,047	97.2%
<b>2015</b>	15,561,420	15,102,369	97.1%	9,140	15,111,509	97.1%
<b>2016</b>	16,760,394	16,261,180	97.0%	1,818	16,262,998	97.0%
<b>2017</b>	18,158,777	17,597,459	96.9%	36,590	17,634,049	97.1%
<b>2018</b>	19,884,485	19,271,964	96.9%	27,507	19,299,471	97.1%

Source: Manatee County Property Appraiser's Office and City of Bradenton, Florida's Finance Department

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			
2009	1,605,825	24,347,276	98,596	-	499,175	15,781,718	56,789	42,389,379	2.052%	784.25
2010	1,408,225	23,569,039	28,605	-	436,775	13,055,210	6,634	38,504,488	1.798%	714.75
2011	1,203,025	22,760,150	5,721	-	371,975	10,127,661	330,906	34,799,438	1.662%	699.85
2012	-	29,470,537	-	-	-	7,096,343	262,017	36,828,897	1.697%	730.89
2013	-	28,312,518	-	-	-	6,769,672	191,635	35,273,825	1.586%	699.11
2014	-	27,075,380	-	-	-	13,380,524	118,393	40,574,297	1.777%	793.72
2015	-	25,595,447	-	-	-	14,972,976	-	40,568,423	1.611%	772.23
2016	-	31,977,880	-	-	-	14,067,530	312,292	46,357,702	1.719%	862.13
2017	-	29,867,909	-	-	-	13,094,700	490,570	43,453,179	1.531%	795.09
2018	-	28,007,807	-	-	-	26,044,947	381,835	54,434,589	1.794%	969.33

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

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

*Note:* As of October 1, 2015, the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency, the 14th Street Community Redevelopment Agency and the Central Community Redevelopment Agency were reclassified from discretely presented to blended component units.



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

<b>Fiscal Year</b>	<b>General Bonds/Notes</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value (1) of Property</b>	<b>Per Capita (2)</b>
<b>2009</b>	25,953,101	1,809,119	24,143,982	0.4523%	446.69
<b>2010</b>	24,977,264	1,774,182	23,203,082	0.4868%	430.72
<b>2011</b>	23,963,175	1,586,952	22,376,223	0.6272%	450.01
<b>2012</b>	29,470,537	69,030	29,401,507	0.8695%	583.49
<b>2013</b>	28,312,518	71,785	28,240,733	0.8753%	559.72
<b>2014</b>	27,075,380	73,904	27,001,476	0.8334%	528.21
<b>2015</b>	25,595,447	75,844	25,519,603	0.7413%	485.77
<b>2016</b>	31,977,880	81,842	31,896,038	0.8677%	593.18
<b>2017</b>	29,867,909	58,080	29,809,829	0.7579%	545.45
<b>2018</b>	28,007,807	70,796	27,937,011	0.6594%	497.48

<sup>(1)</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data

<sup>(2)</sup> Population data can be found in the Schedule of Demographic and Economic Statistics

Note: As of October 1, 2015, the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency, the 14th Street Community Redevelopment Agency and the Central Community Redevelopment Agency were reclassified from discretely presented to blended component units.

CITY OF BRADENTON, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
September 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Manatee County	\$ 122,544,000	15.12%	18,528,653
Manatee County School Board	306,276,573	15.12%	46,309,018
Subtotal, overlapping debt			<u>64,837,671</u>
City of Bradenton direct debt	28,007,807	100.00%	<u>28,007,807</u>
Total direct and overlapping debt			<u>\$ 92,845,478</u>

Source: Manatee County Government

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

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

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Total governmental funds	\$ 43,078	39,087	36,472	36,933	36,398	40,268	41,199	46,793	52,964	56,020
Less ad valorem revenues	14,182	12,723	12,854	12,970	12,857	14,153	15,112	18,082	19,544	21,677
Total non-ad valorem revenues	28,896	26,364	23,618	23,963	23,541	26,115	26,087	28,711	33,420	34,343
Less restricted funds:										
Special revenues (2)	2,763	2,763	2,763	-	-	-	-	-	-	-
Adjusted non-ad valorem revenues	\$ 26,133	23,601	20,855	23,963	23,541	26,115	26,087	28,711	33,420	34,343
<b>Expenditures</b>										
General expenditures										
Public safety	\$ 20,155	20,822	20,587	21,302	21,696	22,491	22,066	23,349	24,335	25,870
General government	8,639	8,088	7,582	7,881	7,948	8,311	8,265	7,265	7,334	9,433
Total general expenditures	28,794	28,910	28,169	29,183	29,644	30,802	30,331	30,614	31,669	35,303
Less ad valorem revenues available to pay general expenditures	14,182	12,723	12,854	12,970	12,857	14,153	15,112	18,082	19,544	21,677
Adjusted general expenditures	14,612	16,187	15,315	16,213	16,787	16,649	15,219	12,532	12,125	13,626
<b>Legally available non-ad valorem revenues</b>	\$ 11,521	7,414	5,540	7,750	6,754	9,466	10,868	16,179	21,295	20,717
Average of current and prior year	\$ 11,725	9,468	6,477	6,562	7,169	8,110	10,167	13,524	18,737	21,006
<b>Annual debt service requirement (1)</b>	2,121	2,105	2,119	2,136	2,297	2,333	2,333	3,664	3,171	2,860
Coverage	5.43	3.52	2.61	3.63	2.94	4.06	4.66	4.42	6.72	7.24
<b>Percentage of governmental funds</b>	4.92%	5.39%	5.81%	5.78%	6.31%	5.79%	5.66%	7.83%	5.99%	5.11%

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

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

Source: City of Bradenton, Florida Finance Department

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

**Computation of Legal Debt Margin**

There is no debt limit mandated by law.

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

Fiscal Year	Utility System Refunding Revenue Bond					
	Water-Sewer Charges and Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage
				Principal	Interest	
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	-	-	(4)
2013	20,615,847	12,443,693	8,172,154	-	-	(4)
2014	21,888,741	13,522,046	8,366,695	-	-	(4)
2015	24,190,705	13,171,598	11,019,107	-	-	(4)
2016	23,497,447	14,114,259	9,383,188	-	-	(4)
2017	23,616,276	15,356,966	8,259,310	-	-	(4)
2018	24,633,290	16,010,439	8,622,851	-	-	(4)

**Notes:**

- (1) "Water-Sewer Charges and Other" does not include tap fees.
- (2) "Operating Expenses" do not include depreciation or interest expense.
- (3) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (4) The Utility System Refunding Revenue bond matured in 2012.

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2) (in thousands)</b>	<b>Per Capita Personal Income (3)</b>	<b>Unemployment Rate (4)</b>
<b>2009</b>	54,051	2,065,937	38,222	12.5
<b>2010</b>	53,871	2,141,749	39,757	12.6
<b>2011</b>	49,724	2,093,629	42,105	10.9
<b>2012</b>	50,389	2,170,607	43,077	9.0
<b>2013</b>	50,455	2,223,400	44,067	8.1
<b>2014</b>	51,119	2,283,128	44,663	6.1
<b>2015</b>	52,534	2,517,482	47,921	4.8
<b>2016</b>	53,771	2,696,024	50,139	4.7
<b>2017</b>	54,652	2,838,133	51,931	3.6
<b>2018</b>	56,157	3,034,050	54,028	3.2

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 and 2014 @ 2.3%
- (4) Florida Department of Labor and Employment Security

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

<b>Employer</b>	<b>2018</b>			<b>2009</b>		
	<b>Employees (1)</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees (1)</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Manatee County School District	7,000	1	4.03%	5,398	1	3.67%
Beall's, Inc	1,786	2	1.03%	1,500	3	1.02%
Manatee County Government	1,625	3	0.94%	1,860	2	1.26%
Manatee Memorial Hospital	1,280	4	0.74%	1,500	5	1.02%
Manatee Co. Sheriff's Office	1,142	5	0.66%	1,046	7	0.71%
IMG Academies	1,000	6	0.58%			
Publix	989	7	0.57%	860	8	0.58%
Blake Medical Center	934	8	0.54%	1,156	6	0.79%
Tropicana Products, Inc	910	9	0.52%	1,500	4	1.02%
Sun Hydraulics, LLC	700	10	0.40%	-	-	-
Hoveround	-		-	670	9	0.46%
City of Bradenton	-		-	583	10	0.40%
<b>Total</b>	<b>17,366</b>		<b>10.01%</b>	<b>16,073</b>		<b>10.93%</b>
Total number of individuals employed within Manatee County(2)	173,486			147,084		

Source:

Note: Data was unavailable specifically for the City of Bradenton. The above information is based on Manatee County in which the City resides.

(1) Manatee Chamber of Commerce: Economic Development Council, Manatee County Schools, and Manatee County Sheriff's Department

(2) US Department of Labor, Bureau of Labor Statistics

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

<b>Function</b>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General government</b>										
Full-time	102	87	90	94	92	92	98	99	97	101
Part-time	7	8	4	5	2	1	8	3	3	6
<b>Public safety</b>										
<b>Police</b>										
Full-time officers	122	120	119	118	120	120	120	120	120	120
Part-time officers	-	-	-	-	-	-	-	-	-	2
Civilians	30	25	29	30	30	30	30	33	28	27
Part-time civilians	12	26	26	26	26	26	18	15	21	23
<b>Fire</b>										
Firefighters and officers	70	65	64	65	65	65	65	65	63	69
Civilians	5	3	3	3	3	3	3	5	4	4
<b>Highway and streets</b>										
Engineering	7	8	8	8	8	8	10	12	12	11
Part-time engineering	0	0	1	1	1	1	0	0	1	1
Maintenance	16	13	13	13	13	13	13	12	11	10
<b>Sanitation</b>										
	55	55	52	52	52	52	52	44	44	44
<b>Culture and recreation</b>										
Full-time	39	36	35	31	31	31	30	28	29	24
Part-time	32	32	32	32	32	32	28	17	13	19
<b>Water</b>										
	41	41	41	40	40	40	36	33	43	47
<b>Sewer</b>										
	50	47	47	50	50	50	49	45	34	32
<b>Total</b>										
Full-time	537	500	501	504	504	504	506	496	485	489
Part-time	51	66	63	64	61	60	54	35	38	51

Source: City of Bradenton personnel records



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

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Function</b>										
Police										
Total arrests	2,834	2,576	2,424	2,137	2,229	2,351	2,895	3,104	3,157	3,574
Parking violations	9,073	7,294	7,988	4,320	4,615	4,316	4,294	5,502	4,946	3,683
Traffic citations	10,247	7,050	7,586	4,881	5,009	6,401	11,193	12,448	4,116	3,684
Fire										
Number of calls answered	4,543	4,360	4,133	4,423	4,225	4,500	4,949	5,282	5,841	5,616
Inspections	1,243	1,876	1,995	1,670	1,444	1,433	2,677	3,531	3,134	3,278
Highways and streets										
Street resurfacing (miles)	2.500	10.450	3.160	3.778	1.356	2.760	9.000	9.000	11.400	10.800
Potholes repaired	3,181	2,351	2,192	1,743	1,419	1,612	1,750	1,574	945	1,109
Sanitation										
Refuse collected (tons/day)	168.09	165.70	208.28	244.12	236.66	240.95	246.10	227.23	233.09	209.68
Recyclables collected (tons/day)	6.70	37.67	6.90	7.69	8.11	7.83	7.68	7.04	7.78	8.10
Water										
New connections	191	149	101	132	133	156	165	170	169	179
Water mains breaks	152	239	177	142	178	212	216	192	370	489
Average daily consumption (millions of gallons)	4.91	5.01	5.12	5.49	5.89	5.74	5.80	5.56	5.72	6.04
Wastewater										
Average daily sewage treatment (millions of gallons)	4.96	5.07	5.00	5.39	5.52	5.70	6.28	6.42	6.58	6.00

Source: Various City of Bradenton Departments

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

<b>Function</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	120	115	119	125	123	119	122	122	129	129
Fire stations	3	3	3	3	3	3	3	3	3	3
Sanitation										
Collection trucks	19	19	15	16	16	16	16	16	16	18
Highways and streets										
Streets (miles)	149.00	149.00	154.69	154.58	155.16	155.16	193.00	193.00	194.37	195.00
Streetlights	3,882	3,882	4,247	4,247	4,317	4,338	4,338	4,341	4,394	4,391
Traffic signals	352	352	352	352	364	412	412	412	412	412
Culture and recreation										
Parks acreage	167.70	167.70	193.29	193.29	193.29	193.29	193.29	193.29	187.09	187.09
Parks	10	10	10	11	11	10	10	11	11	11
Tennis courts	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	254.00	254.00	254.00	254.00	254.70	255.74	255.74	257.50	259.30	259.3
Fire hydrants	1,835	1,858	1,860	1,876	1,880	1,905	1,900	1,952	1,973	1,975
Maximum daily capacity (millions of gallons)	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Sewer										
Sanitary sewers (miles)	200.00	200.00	175.50	175.50	176.10	177.05	201.90	203.58	205.00	205.00
Storm sewers (miles)	108.00	108.00	106.40	106.40	107.10	107.08	149.60	150.61	151.00	151.50
Maximum daily capacity (millions of gallons)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0

Source: Various City of Bradenton Departments



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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 and Treasurer  
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, each major fund, and the aggregate remaining fund information of the City of Bradenton, Florida (City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 26, 2019.

#### 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 from 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Christopher, Smith, Leonard,  
Bristow & Stanell, P.A.*

CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.

March 26, 2019  
Bradenton, Florida



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

### Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Bradenton, Florida's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major Federal programs and State projects for the year ended September 30, 2018. The City's major Federal programs and State 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 Federal and State statutes, regulations, and the terms and conditions of its Federal awards and State projects applicable to its Federal programs and State projects.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on Each Major Federal Program and 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 Federal programs and State projects for the year ended September 30, 2018.

## 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 or State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

*Christopher, Smith, Leonard,  
Bristow & Stanell, P.A.*  
CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.

March 26, 2019  
Bradenton, Florida

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CITY OF BRADENTON, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND STATE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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Section I – Summary of Auditors’ Results

Financial Statements

Type of Auditor’s report issued: Unmodified

Internal Control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

Federal Awards and State Projects

Internal Control over major programs or projects:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Type of auditor’s report issued on compliance for major programs or projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557  yes  no

Identification of Major Federal Programs:

CFDA Number

Community Development Block Grants/Entitlement Grants 14.218

Dollar threshold used to distinguish between Type A and Type B programs – Federal Programs: \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?  yes  no

Identification of Major State Projects:

CSFA Number

Wastewater Treatment Facility Construction 37.077

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

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CITY OF BRADENTON, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL PROGRAMS AND STATE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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Section II - Financial Statement Findings

No matters were reported.

PRIOR YEAR FINDINGS

There were no prior audit findings.

Section III - Federal Program and State Project Findings and Questioned Costs

No matters were reported.

PRIOR YEAR FINDINGS

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal programs or State projects.



CITY OF BRADENTON, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
For the Fiscal Year Ended September 30, 2018

<b><u>Federal Awards</u></b>	<b><u>CFDA Number</u></b>	<b><u>Pass Through Entity Identifying Number/Grant ID Number</u></b>	<b><u>Passed Through to Subrecipients</u></b>	<b><u>Expenditure</u></b>
Department of Housing and Urban Development Community Development Block Grant Program/Entitlement Grants	14.218	B14MC120024 B15MC120024 B16MC120024 B17MC120024	N/A	\$ 71,268 107,679 8,012 447,246
<b>Total Department of Housing and Urban Development</b>				<u>634,205</u>
Department of Justice Bullet Proof Vest Partnership Program Passed Through the Florida Department of Law Enforcement of Office of Attorney General Edward Byrne Formula Grant Program	16.607 16.738	N/A 2016-DJ-BX-0516	N/A N/A	10,458 <u>15,656</u>
<b>Total Department of Justice</b>				<u>26,114</u>
Department of Homeland Security Federal Emergency Management Agency Federal Emergency Management Agency - Safer Grant	97.044 97.083	EMW-2016-FO-06613 2017-F6-C211-P4310000-4101- D	N/A N/A	33,280 <u>288,393</u>
<b>Total Federal Emergency Management Agency</b>				<u>321,673</u>
Department of Transportation Highway Planning and Construction - High Visibility Enforcement Grant Speed & Aggressive Driving Operation Sober Streets: Impaired Driving Program	20.205 20.600 20.616	N/A N/A N/A	N/A N/A N/A	13,360 25,000 <u>34,028</u>
<b>Total Department of Transportation</b>				<u>72,388</u>
<b>Total Expenditures of Federal Awards</b>				<u><u>\$ 1,054,380</u></u>

State Grantor/Pass-Through Grantor/Project	CSFA Number	Pass Through Entity Identifying Number/Grant ID Number	Passed Through to Subrecipients	Total Expenditure
<b><u>State Financial Assistance</u></b>				
Florida Housing Finance Agency State Housing Initiatives Partnership Program	40.901	N/A	N/A	\$ 194,677
Florida Department of Transportation Hurricane Loss Mitigation Program	31.066	N/A	N/A	172,946
Florida Department of Revenue Facilities for Retained Spring Training Franchise	73.016	N/A	N/A	500,004
Florida Department of Environmental Protection Statewide Surface Water Restoration and Wastewater Projects	37.077	WW410360	N/A	419,400
Construction of Wastewater Pollution Control Facilities	37.077	WW410361	N/A	3,583,240
Wastewater Treatment Facility Construction	37.077	WW410370	N/A	2,160,389
<b>Total Florida Department of Environmental Protection</b>				<u>6,163,029</u>
<b>Total Expenditures of State Financial Assistance</b>				<u>\$ 7,030,656</u>

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Bradenton, Florida (City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits, and of the Florida State Single Audit Act and Rules of the Auditor General of the State of Florida, Chapter 10.550. Some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Note B - Contingencies

Grant monies received and distributed by the City are for specific purposes and are subject to review by the grantor agencies. Such agencies may result in requests for reimbursement due to disallowed expenditures. Based on prior experience, the City does not believe that such allowances, if any, would have a material effect on the financial statements of the City. As of March 26, 2018 there were no material questioned or disallowed costs as a result of grant audits in process or completed.

## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the City of Bradenton, Florida (City) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 26, 2019.

### 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

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; Schedule of Findings and Questioned Costs - Federal Programs and State Projects; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 26, 2019, 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. There were no findings and recommendations made in the preceding annual financial audit 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. This information is disclosed in the notes to the financial statements.

## Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate 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 to identify the specific conditions 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 for the City. 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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 note 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, the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Christopher, Smith, Leonard,  
Bristow & Stanell, P.A.*  
CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.

March 26, 2019  
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT  
ON INVESTMENT COMPLIANCE

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

We have examined the City of Bradenton, Florida's (City's) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2018. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2018.

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

*Christopher, Smith, Leonard,  
Bristow & Stanell, P.A.*

CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.

March 26, 2019  
Bradenton, Florida