

In the opinion of bond counsel, assuming compliance by the Issuer and the Borrower with certain covenants, under existing statutes, regulations and judicial decisions, the interest on the Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Bonds.

\$7,595,000

**FLORIDA MUNICIPAL LOAN COUNCIL
REVENUE BONDS, SERIES 2018A
(City of Bradenton Series)**

Dated: Date of Delivery

Due: October 1, as shown on the inside cover

The Florida Municipal Loan Council's \$7,595,000 Revenue Bonds, Series 2018A (City of Bradenton Series) (the "Bonds") are being issued by the Florida Municipal Loan Council (the "Issuer"). The Issuer is a separate legal entity created pursuant to an Interlocal Agreement entered into initially by and among the City of Stuart, the City of Deland and the City of Rockledge, each of which is a Florida municipality.

The Bonds are being issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry form only, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds will not receive certificates representing their interests in the Bonds so purchased. So long as Cede & Co. is the registered owner of the Bonds, references herein to the registered owners shall mean Cede & Co., and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "THE BONDS – Book-Entry Only System" herein for further information.

Interest on the Bonds is payable semiannually on each April 1 and October 1, commencing April 1, 2019. The principal of, premium, if any, and interest on the Bonds will be paid through The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as described herein. So long as DTC or its nominee, Cede & Co., is the registered owner, such payments will be made directly to Cede & Co. Disbursement of such payments to the DTC Participants (as defined herein) is the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants (as defined herein), as more fully described herein.

The Bonds are subject to optional redemption and may be subject to mandatory redemption prior to maturity. See "THE BONDS - Redemption Provisions" herein for further information.

The proceeds to be received by the Issuer from the sale of the Bonds will be used by the Issuer to make a loan (the "Loan") to the City of Bradenton, Florida (the "Borrower"), pursuant to a loan agreement between the Issuer and the Borrower (the "Loan Agreement") for the purposes of (i) providing funds to finance the costs of constructing a public parking garage and related improvements, and (ii) paying costs and expenses related to the issuance of the Bonds.

Payments made by the Borrower to the Issuer in repayment of the Loan (the "Loan Repayments") are included in the trust estate granted by the Issuer to the Trustee pursuant to a Trust Indenture, dated as of August 1, 2018, between the Issuer and the Trustee (the "Indenture").

THE BONDS ARE NOT A GENERAL DEBT, LIABILITY OR OBLIGATION OF THE ISSUER, BUT ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM (I) THE PAYMENTS TO BE MADE BY THE BORROWER PURSUANT TO THE LOAN AGREEMENT, (II) ALL AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS CREATED PURSUANT TO THE INDENTURE, AND (III) ALL REVENUES, ANY AND ALL OTHER PROPERTY, RIGHTS AND INTEREST OF EVERY KIND AND NATURE FROM TIME TO TIME HEREAFTER BY DELIVERY OR BY WRITING OF ANY KIND SUBJECT TO THE INDENTURE, AS AND FOR ADDITIONAL SECURITY FOR THE BONDS, BY THE ISSUER OR BY ANY OTHER PERSON ON ITS BEHALF OR WITH ITS WRITTEN CONSENT, AS MORE FULLY DESCRIBED HEREIN. The obligation of the Borrower pursuant to the Loan Agreement is not a general debt, liability or obligation of the Borrower, but is a limited obligation of the Borrower payable from the sources described herein. The Bonds are not a debt, liability or obligation of the State of Florida or any political subdivision or entity thereof other than the Issuer.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

SEE THE INSIDE COVER FOR MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES AND INITIAL CUSIP NUMBERS.

The Bonds are offered when, as, and if issued and received by the Underwriter, subject to the approval of legality and tax-exempt status by Bryant Miller Olive P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the Issuer by Kraig A. Conn, Esq., counsel to the Issuer, as general counsel to the Florida League of Cities, Inc., and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel to the Issuer. The Underwriter is represented by Holland & Knight LLP, Lakeland, Florida. Public Resources Advisory Group, St. Petersburg, Florida, has served as financial advisor to the Issuer in connection with the Bonds. Florida League of Cities, Inc. is the administrator of the Issuer's bond program. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about August 23, 2018.

WELLS FARGO SECURITIES

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS, PRICES AND INITIAL CUSIP NUMBERS**

\$7,595,000

**FLORIDA MUNICIPAL LOAN COUNCIL
REVENUE BONDS, SERIES 2018A
(City of Bradenton Series)**

\$5,385,000 Serial Bonds

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP No.*</u>
2019	\$140,000	4.000%	1.680%	102.529	34282CPK1
2020	180,000	4.000	1.910	104.291	34282CPL9
2021	190,000	4.000	2.090	105.712	34282CPM7
2022	195,000	4.000	2.250	106.824	34282CPN5
2023	205,000	5.000	2.380	112.523	34282CPP0
2024	215,000	5.000	2.530	113.889	34282CPQ8
2025	225,000	5.000	2.670	114.986	34282CPR6
2026	235,000	5.000	2.800	115.851	34282CPS4
2027	250,000	5.000	2.900	116.696	34282CPT2
2028	260,000	5.000	2.990	117.416	34282CPU9
2029	275,000	5.000	3.050†	116.845†	34282CPV7
2030	290,000	3.000	3.250	97.512	34282CPW5
2031	295,000	3.125	3.350	97.626	34282CPX3
2032	305,000	3.250	3.400	98.328	34282CPY1
2033	315,000	5.000	3.250†	114.968†	34282CPZ8
2034	335,000	4.000	3.560†	103.704†	34282CQA2
2035	345,000	3.500	3.660	97.976	34282CQB0
2036	360,000	5.000	3.390†	113.675†	34282CQC8
2037	375,000	4.000	3.730†	102.252†	34282CQD6
2038	395,000	3.625	3.780	97.827	34282CQE4

\$2,210,000 Term Bonds

\$2,210,000 4.000% Term Bonds due October 1, 2043 - Yield 3.870%† Price 101.075† Initial CUSIP No.* 34282CQF1

* Neither the Issuer, the Borrower nor the Underwriter shall be responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Official Statement.

† Price and yield calculated to first optional redemption date of October 1, 2028.

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The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materially or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Official Statement. The offering of the Bonds is made only by means of this entire Official Statement.

References to website addresses presented in this Official Statement are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan", "expect", "estimate", "project", "forecast", "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Issuer does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUER, THE BORROWER OR THE UNDERWRITER AND ANY ONE OR MORE HOLDERS OF THE BONDS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTY THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

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OFFICIAL STATEMENT
Relating to

\$7,595,000
FLORIDA MUNICIPAL LOAN COUNCIL
REVENUE BONDS, SERIES 2018A
(City of Bradenton Series)

INTRODUCTION

The purpose of this Official Statement, including the cover page and the Appendices hereto, is to furnish certain information with respect to the original issuance and sale of \$7,595,000 Revenue Bonds, Series 2018A (City of Bradenton Series) (the "Bonds") to be issued by the Florida Municipal Loan Council (the "Issuer").

This Introduction is only a brief description of the matters described in this Official Statement, and a full review of this Official Statement should be undertaken by potential investors in the Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The Issuer is a separate legal entity under the laws of the State of Florida. The Issuer was created by an Interlocal Agreement (the "Interlocal Agreement"), dated December 1, 1998, initially among the City of Stuart, the City of Deland and the City of Rockledge, each of which is a Florida municipality. Subsequent to that date, other Florida municipalities and counties have joined in the Interlocal Agreement, including Gadsden County, Florida, Jackson County, Florida and Leon County, Florida.

The Bonds are being issued pursuant to the Constitution of the State of Florida, Chapter 163, Florida Statutes, Chapter 166, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), an authorizing resolution adopted by the Issuer on June 7, 2018, and a Trust Indenture (the "Indenture"), dated as of August 1, 2018, between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Bonds are being issued to provide funds to make a loan to the City of Bradenton, Florida (the "Borrower") pursuant to a Loan Agreement, dated as of August 1, 2018, between the Issuer and the Borrower (the "Loan Agreement"). The Borrower will use proceeds of the loan made to it by the Issuer (the "Loan") to finance or reimburse itself for the cost of constructing a public parking garage and related improvements, as provided herein (the "Project"), and to pay the costs of issuance of the Bonds.

Pursuant to the Loan Agreement, the Borrower has agreed to make payments (the "Basic Payments") in such amounts and at such times as shall be sufficient to pay the principal of, premium, if any, and interest on the Loan when due. The Basic Payments correlate to the debt service on the Bonds. The aggregate scheduled Basic Payments under the Loan Agreement

equals the scheduled payments of principal and interest on the Bonds. The Basic Payments for the Borrower are set forth herein under the caption "DEBT SERVICE REQUIREMENTS."

Pursuant to the Loan Agreement, the Borrower also agrees to make certain other payments (the "Additional Payments"), including, but not limited to, the fees and expenses of the Issuer, the Administrator (as described under the heading "THE ADMINISTRATOR AND THE ADMINISTRATION AGREEMENT," below) and the Trustee, and any fees, including any rebate obligation with respect to the Bonds, related to the Loan.

The Basic Payments and the Additional Payments are jointly referred to as the "Loan Repayments."

The Borrower has agreed in the Loan Agreement to appropriate in its annual budget, by amendment, if required, and to pay when due under the Loan Agreement, as promptly as money becomes available, amounts of Non-Ad Valorem Revenues (hereinafter defined) of the Borrower sufficient to satisfy the Loan Repayment obligations of the Borrower. "Non-Ad Valorem Revenues" means all Governmental Funds Revenues of the Borrower other than revenues generated from ad valorem taxation on real or personal property, and which are legally available to make the Loan Repayment, but only after provision has been made by the Borrower (from any source of Governmental Funds Revenues) for the payment of all essential or legally mandated services. "Governmental Funds Revenues" means total revenues of the Borrower derived from any source whatsoever and that are allocated to and accounted for in all of the "governmental funds" of the Borrower as described and identified in the audited financial statements of the Borrower.

Pursuant to the Indenture, the Issuer has granted to the Trustee as part of the trust estate established thereby all of the Issuer's right, title and interest (with certain exceptions specified therein) in and to the Loan Agreement.

THE BONDS ARE NOT A GENERAL DEBT, LIABILITY OR OBLIGATION OF THE ISSUER, BUT ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM (I) THE PAYMENTS TO BE MADE BY THE BORROWER PURSUANT TO THE LOAN AGREEMENT, (II) ALL AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS CREATED PURSUANT TO THE INDENTURE, AND (III) ALL REVENUES, ANY AND ALL OTHER PROPERTY, RIGHTS AND INTEREST OF EVERY KIND AND NATURE FROM TIME TO TIME HEREAFTER BY DELIVERY OR BY WRITING OF ANY KIND SUBJECTED TO THE INDENTURE, AS AND FOR ADDITIONAL SECURITY FOR THE BONDS, BY THE ISSUER OR BY ANY OTHER PERSON ON ITS BEHALF OR WITH ITS WRITTEN CONSENT (COLLECTIVELY, THE "TRUST ESTATE"), AS MORE FULLY DESCRIBED HEREIN. The obligation of the Borrower pursuant to the Loan Agreement is not a general debt, liability or obligation of the Borrower, but is a limited obligation of the Borrower payable from the sources described herein. The Bonds are not a debt, liability or obligation of the State of Florida (the "State") or any political subdivision or entity thereof other than the Issuer.

There follows in this Official Statement descriptions of the Bonds, the Issuer, the Borrower and certain other matters. The descriptions and information contained herein do not purport to be complete, comprehensive, or definitive, and all references herein to documents or reports are qualified in their entirety by reference to the complete text of such documents or reports. Copies of documents and reports referred to herein that are not included in their entirety herein may be obtained from the Underwriter at 28059 U.S. Highway 19 N, Suite 205, Clearwater, Florida 33761 prior to delivery of the Bonds and thereafter from the Trustee upon payment of any required fee. Unless otherwise defined herein, terms used in capitalized form in this Official Statement shall have the same meanings as in the Indenture or the Loan Agreement. See Appendices C and D for definitions of certain terms used in this Official Statement.

THE BONDS

General Description

The Bonds are being issued as fully registered bonds without coupons in principal denominations of \$5,000 or any integral multiple thereof (the "Authorized Denominations"). The Bonds will be dated as of the date of their initial issuance and delivery, will bear interest from that date at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. The Bonds will be subject to the redemption provisions set forth below. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months and will be payable semiannually on each April 1 and October 1 (each, an "Interest Payment Date,"), commencing April 1, 2019.

The principal and premium, if any, of the Bonds shall be payable when due by check, upon presentation and surrender of the Bonds at the Designated Office of the Trustee, and interest will be payable by check mailed by the Trustee on each Interest Payment Date to the holders of the Bonds registered as such as of the Record Date; provided, however, that at the expense of and upon the written request of a holder of \$1,000,000 or more, interest will be paid by wire transfer to an account in the United States. The Record Date with respect to any Interest Payment Date is the fifteenth day of the calendar month preceding such Interest Payment Date. For so long as the book-entry only system of ownership of the Bonds is in effect, payments of principal, premium, if any, and interest on the Bonds will be made as described below under the caption "Book-Entry Only System" below.

All payments of principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Redemption Provisions

Optional Redemption. The Bonds maturing on or before October 1, 2028 are not subject to optional redemption prior to their maturities. The Bonds maturing after October 1, 2028 are subject to redemption at the option of the Issuer on or after October 1, 2028 as a whole or in part at any time, in any manner as determined by the Trustee in its discretion taking into consideration the maturity of the Loan prepaid by the Borrower, at the Redemption Price (as

defined in the Indenture) equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

Scheduled Mandatory Redemption. The Bonds maturing on October 1, 2043 are subject to mandatory redemption, in part, by lot, at Redemption Prices equal to 100% of the principal amount thereof plus interest accrued to the redemption date, beginning on October 1, 2039 and on each October 1 thereafter, in the following principal amounts in the following years:

<u>Year</u>	<u>Principal Amount</u>
2039	\$405,000
2040	425,000
2041	440,000
2042	460,000
2043*	480,000

*Maturity, not a redemption.

Selection of Bonds to be Redeemed. The Bonds may be redeemed only in the principal amount of an Authorized Denomination. The Bonds or portions of the Bonds to be redeemed shall, except as otherwise described above or as specified in the Indenture, be selected by the Registrar by lot or in such other manner as the Issuer in its discretion may deem appropriate.

Notice of Redemption. In the case of every redemption, notice of the call for redemption shall be given by the Trustee as Registrar (the "Registrar") by mailing a copy of the redemption notice, identifying the Bonds or portions thereof to be redeemed, (1) by first class mail at least thirty (30) days prior to the date fixed for redemption to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Bond Register, and (2) in addition to the mailing of the notice described above, the Registrar shall give additional notice of the redemption of Bonds in accordance with any regulation or release of the Municipal Securities Rulemaking Board or governmental agency or body from time to time applicable to such Bonds. No defect in any notice delivered pursuant to clause (2) above nor any failure to give all or any portion of such notice shall in any manner defeat the effectiveness of a call for redemption if notice is given as prescribed in clause (1) above. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner or any other recipient receives the notice.

Each notice of redemption given under the Indenture shall contain (i) information identifying the Bonds or portions thereof to be redeemed; (ii) the CUSIP numbers of all Bonds being redeemed; (iii) the date of issue of the Bonds as originally issued; (iv) the rate of interest borne by each Bond being redeemed; (v) the maturity date of each Bond being redeemed; (vi) a brief description, if applicable, of any conditions that must be satisfied prior to the redemption of the Bonds being redeemed; and (vii) any other descriptive information needed to identify accurately the Bonds being redeemed; provided, however, that no notice shall be deemed defective if the information required in clause (i) above is provided in such notice.

In the case of an optional redemption, any notice of redemption may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Registrar, Paying Agent or a fiduciary institution acting as escrow agent no later than the redemption date or (2) the Issuer retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this section. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the Issuer delivers a written direction to the Registrar directing the Registrar to rescind the redemption notice. The Registrar shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Issuer to make such funds available shall constitute an Event of Default under the Indenture. The Registrar shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the affected Bonds called for redemption and not so paid remain Outstanding.

Effect of Calling for Redemption. On the redemption date, the principal amount of the Bonds to be redeemed, together with the accrued interest thereon to such date, shall become due and payable; and from and after such date, notice (if required) having been given and moneys available for such redemption being on deposit with the Trustee in accordance with the provisions of the Indenture, then notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds or portions thereof to be redeemed. From and after such date of redemption (such notice having been given and moneys available solely for such redemption being on deposit with the Trustee), the Bonds or portions thereof to be redeemed shall not be deemed to be Outstanding under the Indenture and the Issuer shall be under no further liability in respect thereof.

Book-Entry Only System

The information provided immediately below concerning DTC and the Book-Entry Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter, the Issuer, the Trustee or the Borrower.

Unless the book-entry system described herein is terminated, DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered bond certificates will be issued for the Bonds, and will be deposited with the Registrar on behalf of DTC. Individual purchases of beneficial interests in the Bonds will be made in increments of \$5,000 or integral multiples thereof.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a

"clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's Rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The contents of such website do not constitute a part of this Official Statement.

Purchases. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and

Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NEITHER THE ISSUER NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE ISSUER CANNOT PROVIDE ANY ASSURANCE THAT DTC, DIRECT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR ANY NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Payments. Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Registrar on the relevant payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the Issuer subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuance of Book Entry-Only System. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificated Bonds are required to be printed and delivered to the holders of record.

The Issuer may decide to discontinue use of the system of book entry-only transfers through DTC (or a successor securities depository) with respect to the Bonds. Under current industry practices, however, DTC would notify its Direct or Indirect Participants of the Issuer's decision but will only withdraw beneficial interests from a Bond at the request of any Direct or Indirect Participant. In that event, certificates for the Bonds will be printed and delivered.

No Assurance Regarding DTC Practices

The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer, the Borrower, the Underwriter and the Registrar take no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Neither the Issuer, the Borrower, the Registrar nor the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners, (iii) the selection by DTC or by any Direct or Indirect Participant of any Beneficial Owner to receive payment in the event of a partial redemption of the Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the Bonds.

Registration, Transfer and Exchange

Subject to the provisions described above under "-- Book Entry-Only System" while the Bonds are held under a book entry system of registration, the Issuer shall cause books for the registration and transfer of the Bonds, as provided in the Indenture, to be kept by the Registrar. Upon surrender for transfer of any Bond at the Designated Office of the Registrar, accompanied by an assignment duly executed by the registered Owner or his attorney-in-fact duly authorized in writing, the Issuer shall execute and the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds for a like aggregate principal amount.

Bonds of the same type may be exchanged at the Designated Office of the Registrar for a like aggregate principal amount of Bonds of other Authorized Denominations. The Issuer shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding.

The Registrar shall not be required to (a) transfer or exchange any Bonds during the 10 days next preceding any day upon which notice of redemption of Bonds is to be mailed; or (b) transfer or exchange any Bonds selected, called, or being called for redemption in whole or in part.

The person in whose name any Bond shall be registered shall be deemed and regarded by the Trustee, the Registrar, the Paying Agent, and the Issuer as the absolute Owner thereof for all purposes, and payment of or on account of the principal of, premium, if any, or interest on any Bond shall be made only to or upon the written order of the registered Owner thereof or his legal representative, subject to the provisions of the Indenture, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

A reasonable transfer charge may be made for any exchange or transfer of the Bond and the Registrar shall require the payment by any Bondholder requesting exchange or transfer of a sum sufficient to cover any tax or other governmental charge required to be paid with respect to such exchange or transfer and a sum sufficient to pay the cost of preparing each new Bond issued upon such exchange or transfer.

THE ISSUER

The Issuer was created pursuant to the Florida Interlocal Cooperation Act of 1969, Section 163.01, Florida Statutes, as amended, through the Interlocal Agreement described above.

The Issuer is a separate legal entity created for the purpose of enabling participating municipalities and counties or other participating governmental entities to finance or refinance (including reimbursement of prior expenditures) undertakings on a cost effective basis. The Bonds are being issued in furtherance of the Issuer's program (the "Program") of making loans to participating governmental units. Pursuant to the Interlocal Agreement, the Issuer has the power to issue, from time to time, in various series, bonds, notes or other obligations to finance and refinance loans to participating governmental entities.

Membership in the Issuer consists of those governmental entities which from time to time have been admitted to membership by the affirmative vote of two-thirds of the board of directors of the Issuer and which have joined in the Interlocal Agreement. While membership in the Issuer is open to other governmental entities, membership in the Issuer is not a pre-condition to becoming a borrower under the Program.

The Issuer is governed by a board of directors which consists of not less than one or more than seven elected public officials, each of which shall be appointed by the President of the Florida League of Cities, Inc. There is no limitation upon the term of office of a director, and directors serve until the expiration of their term in elected office, their resignation or their removal. A director may be removed upon the affirmative vote of at least two-thirds of the members of the Issuer.

The duration of the Issuer shall continue so long as any obligation of the Issuer or any obligation of any participating governmental entity issued under the Program remains outstanding.

The Bonds constitute the twenty-seventh series of bonds to be issued by the Issuer, thirteen of which are currently outstanding.

The current Board of Directors of the Issuer consists of the following elected officials:

Chairman Isaac Salver, Councilman, Town of Bay Harbor Islands
Anne Gerwig, Mayor, Village of Wellington
Frank C. Ortis, Mayor, City of Pembroke Pines
Kevin Ruane, Mayor, City of Sanibel
Susan Starkey, Councilwoman, Town of Davie
Leo Longworth, Mayor, City of Bartow
Teresa Watkins Brown, Councilwoman, City of Fort Myers

THE ADMINISTRATOR AND THE ADMINISTRATION AGREEMENT

The Administrator

The Administrator of the Issuer's Program is the Florida League of Cities, Inc., a Florida non-profit corporation established in 1922. The mission of the Administrator, as outlined in its charter, is primarily to provide assistance to Florida municipalities on matters of common interest. The Administrator will provide loan origination and administration services under the Indenture pursuant to the Administration Agreement (hereinafter described).

The Administrator is organized on a non-stock membership basis. The members of the Administrator consist of over 400 Florida cities and counties. The Administrator is governed by a Board of Directors consisting of 52 members. Directors are elected by the members of the Administrator.

In addition to the Issuer's thirteen outstanding bond issues, the Administrator has also provided loan origination and administration services in connection with other prior loan pools established by entities other than the Issuer and, in that capacity, has participated in the origination of numerous loans to Florida municipalities and counties.

In addition to loan pool origination and administration services, the Administrator provides services to its members in the areas of pool insurance and advice on current and emerging constitutional, legislative, and regulatory issues. The Administrator has 191 full-time employees and an annual operating budget of approximately \$34.9million.

The Bonds are not obligations of the Administrator. The Administrator is neither obligated nor expected to advance its own funds to pay principal of or interest on the Bonds or to perform the other obligations of the Issuer under the Indenture.

The Administration Agreement

The Issuer and the Administrator have entered into an ongoing Administration Agreement (the "Administration Agreement"). Under the terms of the Administration Agreement, the Administrator agrees to receive and review applications of municipalities and counties to participate in the Program and to forward the same to any institutions as may be providing credit support for the Program. The Administrator agrees to meet with representatives of applicants and to aid applicants in determining whether to participate in the Program. The Administrator agrees to abide by the terms of the Indenture and to use its best efforts to ensure that the Loan complies with the terms of the Indenture. Under the terms of the Administration Agreement, the Administrator is to be paid a semi-annual fee based upon the principal balance of all loans outstanding. For bonds issued on or after April 1, 2016 under the Issuer's fixed rate bond program, the fee shall be computed annually for the Borrower at the rate of 10/100 of 1% (.001) of the principal balance outstanding on the Bonds, with a minimum annual fee of \$1,500 and a maximum annual fee of \$10,000.

THE BORROWER

CERTAIN OF THE INFORMATION HEREIN REGARDING THE BORROWER IS BEYOND THE KNOWLEDGE OF THE ISSUER. WHILE THE ISSUER HAS NO REASON TO BELIEVE THAT SUCH INFORMATION IS INCOMPLETE OR INACCURATE, THE ISSUER HAS NOT INDEPENDENTLY INVESTIGATED OR CONFIRMED THE ACCURACY OR COMPLETENESS THEREOF AND HAS INCLUDED SUCH INFORMATION IN THIS OFFICIAL STATEMENT IN RELIANCE UPON THE REPRESENTATIONS AND WARRANTIES OF THE BORROWER THAT SUCH INFORMATION DOES NOT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT AND DOES NOT OMIT TO STATE ANY MATERIAL FACT NECESSARY IN ORDER TO MAKE THE STATEMENTS MADE HEREIN, IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY ARE MADE, NOT MISLEADING.

The Borrower is a Florida municipality. Financial information with respect to the Borrower is contained in Appendix F hereof. See also "SECURITY AND SOURCES OF PAYMENT – Outstanding Borrower Indebtedness; Calculations of Anti-Dilution Test Compliance; Historical Pro Forma Debt Service Coverage" herein.

PURPOSE OF THE BONDS

General

The proceeds to be received by the Issuer from the sale of the Bonds will be used by the Issuer to make the Loan to the Borrower for the purpose of providing funds to (i) finance the costs of the Project, and (ii) pay costs and expenses related to the issuance of the Bonds.

Under the terms of the Indenture, an amount sufficient to pay the costs of issuance of the Bonds will be deposited into the Costs of Issuance Fund and the balance of the proceeds of the Bonds will be deposited into the Project Loan Fund, to be disbursed upon requisition therefor.

The Borrower is borrowing the proceeds of the Bonds for the purposes of financing the cost of the Project. The Loan is expected to be repaid over a period of 25 years.

ESTIMATED SOURCES AND USES

The following table sets forth the estimated sources and uses of funds in connection with the Bonds:

SOURCES OF FUNDS:

Par Amount	\$7,595,000.00
Net Bond Premium	<u>401,377.05</u>
TOTAL SOURCES:	\$7,996,377.05

USES OF FUNDS:

Deposit to Project Loan Fund	\$7,815,427.09
Costs of Issuance ⁽¹⁾	<u>180,949.96</u>
TOTAL USES:.....	\$7,996,377.05

⁽¹⁾ Includes legal fees, Underwriter's discount, costs of printing and other incidental expenses.

SECURITY AND SOURCES OF PAYMENT

Limited Obligations; Trust Estate

THE BONDS ARE NOT A GENERAL DEBT, LIABILITY OR OBLIGATION OF THE ISSUER, BUT ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM (I) THE PAYMENTS TO BE MADE BY THE BORROWER PURSUANT TO THE LOAN AGREEMENT, (II) ALL AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS CREATED PURSUANT TO THE INDENTURE, AND (III) ALL REVENUES, ANY AND ALL OTHER PROPERTY, RIGHTS AND INTEREST OF EVERY KIND AND NATURE FROM TIME TO TIME HEREAFTER BY DELIVERY OR BY WRITING OF ANY KIND SUBJECTED TO THE INDENTURE, AS AND FOR ADDITIONAL SECURITY FOR THE BONDS, BY THE ISSUER OR BY ANY OTHER PERSON ON ITS BEHALF OR WITH ITS WRITTEN CONSENT, AS MORE FULLY DESCRIBED HEREIN. THE OBLIGATION OF THE BORROWER PURSUANT TO THE LOAN AGREEMENT IS NOT A GENERAL DEBT, LIABILITY OR OBLIGATION OF THE BORROWER, BUT IS A LIMITED OBLIGATION OF THE BORROWER PAYABLE FROM THE SOURCES DESCRIBED HEREIN. The Bonds are not a debt, liability or obligation of the State of Florida or any political subdivision or entity thereof other than the Issuer.

Proceeds to be received by the Issuer from the sale of the Bonds will be loaned by the Issuer to the Borrower pursuant to the Loan Agreement. The Loan Agreement provides that the Borrower will make Basic Payments to the Trustee in such amounts and at such times so as to provide sufficient funds to pay the principal of, premium, if any, and interest on the Loan. The aggregate principal and interest payments included in the Basic Payments scheduled to be made by the Borrower equal the scheduled debt service on the Bonds.

Pursuant to the Indenture, the Issuer has granted to the Trustee as part of the trust estate all of the Issuer's right, title and interest (with certain exceptions specified therein) in and to the Loan Agreement, including the Issuer's right to receive Loan Repayments, as the source of payment of and security for the Bonds.

The Covenant to Budget and Appropriate

The Borrower covenants and agrees in the Loan Agreement to appropriate (such covenant being referred to as the "Covenant to Budget and Appropriate") in its annual budget, by amendment if required, and to pay when due under the Loan Agreement, as promptly as money becomes available, amounts of Non-Ad Valorem Revenues to satisfy its Loan Repayment obligations. Such covenant is subject in all respects to the payment of obligations secured by a pledge of Non-Ad Valorem Revenues heretofore or hereinafter entered into. The Borrower does not covenant to maintain any services or programs which generate Non-Ad Valorem Revenues or to maintain the charges it collects as of the date of this Official Statement for any such services or programs.

"Non-Ad Valorem Revenues" means all Governmental Funds Revenues of the Borrower other than revenues generated from ad valorem taxation on real or personal property, and which are legally available to make the Loan Repayment, but only after provision has been made by the Borrower (from any source of Governmental Funds Revenues) for the payment of all essential or legally mandated services. "Governmental Funds Revenues" means total revenues of the Borrower derived from any source whatsoever and that are allocated to and accounted for in all of the "governmental funds" of the Borrower as described and identified in the audited financial statements of the Borrower.

In Florida, the revenues received by municipalities may be classified based upon whether such revenues are derived from ad valorem taxation. Ad valorem taxes are taxes levied by municipalities upon taxable real and tangible personal property located within the geographic jurisdiction of the municipality. Ad valorem taxes are levied based upon the assessed value of taxable property, and are imposed at a uniform rate per thousand dollars of assessed value. This rate is referred to as the "millage rate," with one mill representing one dollar of ad valorem taxes per thousand dollars of assessed valuation. Exclusive of millage levied pursuant to the approval of the qualified electors of a municipality, municipalities may not levy ad valorem taxes at a rate in excess of ten mills annually.

Revenues received by a municipality other than from ad valorem taxation are referred to as "non-ad valorem revenues." Florida municipalities collect non-ad valorem revenues from a variety of sources. The primary sources of non-ad valorem revenues generally consist of half-

cent sales tax revenues distributed to the municipality from the State, state revenue sharing monies, utility and communication tax revenues, franchise fees, license and permit fees. Certain non-ad valorem revenues are not lawfully available to be used by the Borrower to satisfy the Loan Repayments.

Brief descriptions of certain of such non-ad valorem revenue sources are set forth below. These sources do not purport to constitute all of the non-ad valorem revenues, but are included to provide additional information regarding some non-ad valorem revenue sources.

"Communication Services Tax Revenues" constitute amounts received pursuant to a local communications services tax on the sale of communications services as defined in Section 202.11, Florida Statutes (the "CST Law"). The City currently imposes such tax at a rate of 5.72%.

"Half-Cent Sales Tax Revenues" constitute proceeds of the state sales tax that are distributed annually to a municipality pursuant to Chapter 218, Part VI, Florida Statutes. Currently, 8.9744% of the entire State sales tax (less an amount equal to 1% of such amount) is deposited into the Local Government Half-Cent Sales Tax Clearing Trust Fund and earmarked for distribution to Florida counties and cities. The Sales Tax Trust Fund also receives a portion of certain taxes imposed by the State on communications services. Half-cent sales tax revenues may be pledged by Florida local governments to secure indebtedness issued for capital projects. The Borrower's Half-Cent Sales Tax Revenues are pledged to secure its Capital Improvement Revenue Bond, Series 2012, currently outstanding in the aggregate principal amount of \$1,268,407 (the "Series 2012 Bond"), which matures in 2027.

"State Revenue Sharing" consists of amounts collected by the State from portions of two revenue sources: 1.3653% of net state sales tax collections and the one cent municipal fuel tax collections, which are paid into the Revenue Sharing Trust Fund for Municipalities and made available to Florida cities. Certain portions of state revenue sharing may by law be pledged to secure indebtedness.

"Public Service Tax Revenues" are derived from a local option tax on utilities that Florida municipalities may levy in the incorporated area. The tax may be levied at a rate of up to 10% on purchases of electricity, metered natural gas, liquefied petroleum gas, manufactured gas and water. Fuel oil may also be taxed at a rate up to four cents per gallon.

"Franchise Fees" are impositions imposed, primarily on private utility companies, for use of municipal right-of-way in providing services within the municipality. Terms and amount of the fees are subject to negotiation with the private provider. The Borrower has previously issued its Franchise Fees Promissory Note (Bank of America, N.A.), Series 2000, currently outstanding in the aggregate principal amount of \$940,513 (the "Series 2000 Franchise Fees Note"), which matures in 2020.

"Licenses, Permits and Fees" are revenues received from the State that are derived from charges imposed and collected by the State with respect to a variety of licenses and permits granted within the municipality, including but not limited to, insurance agents and insurance

solicitors, park trailers, boats and travel trailers, and alcoholic beverage manufacturers, distributors, vendors and sellers. Locally, municipalities receive revenues through the issuance of a variety of licenses and permits, including zoning permits, development permits and business licenses.

Under the terms of the Loan Agreement, the Borrower may pledge the Non-Ad Valorem Revenues to obligations that it issues in the future, and has already pledged certain of its Non-Ad Valorem Revenues to existing indebtedness. See "—Outstanding Indebtedness; Calculation of Anti-Dilution Test Compliance; Historical Pro-Forma Debt Service Coverage," below. In the event of any such pledge, such Non-Ad Valorem Revenues would be required to be applied to said obligations prior to being used to repay the Loan.

Reserve Fund

Neither the Loan Repayments nor the Bonds are secured by a reserve fund.

Anti-Dilution Covenant

The Borrower agrees and covenants under the Loan Agreement that (A) Non-Ad Valorem Revenues shall cover projected Maximum Annual Debt Service on the Loan and maximum annual debt service on all other Debt by at least 1.5x; and (B) projected Maximum Annual Debt Service on the Loan and maximum annual debt service for all other Debt will not exceed 25% of the Governmental Funds Revenues, exclusive of (i) ad valorem tax revenues restricted to payment of debt service on any Debt and (ii) any proceeds of the Loan or Debt. The calculations required by clauses (A) and (B) above shall be determined using the average of actual receipts for the prior two Fiscal Years based on the audited financial statements of the Borrower.

For the purposes of the anti-dilution covenant described above, "Debt" is defined to mean, at any date (without duplication) all of the following to the extent that they are guaranteed or secured by or payable in whole or in part from any Non-Ad Valorem Revenues (a) all obligations of the Borrower for borrowed money or evidenced by bonds, debentures, notes, or other similar instruments; (b) all obligations of the Borrower to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (c) all obligations of the Borrower as lessee under capitalized leases; and (d) all indebtedness of other Persons to the extent guaranteed by, or secured by, the Non-Ad Valorem Revenues of the Borrower; provided, however, if with respect to any obligation contemplated in (a), (b), or (c) above, the Borrower has covenanted to budget and appropriate sufficient Non-Ad Valorem Revenues to satisfy such obligation but has not secured such obligation with a lien on or pledge of any Non-Ad Valorem Revenues then, and with respect to any obligation contemplated in (d) above, such obligation shall not be considered "Debt" for purposes of the Loan Agreement unless the Borrower has actually used Non-Ad Valorem Revenues to satisfy such obligation during the immediately preceding Fiscal Year or reasonably expects to use Non-Ad Valorem Revenues to satisfy such obligation in the current or immediately succeeding Fiscal Year. After an obligation is considered "Debt" as a result of the proviso set forth in the immediately preceding sentence, it shall continue to be considered "Debt" until the Borrower has not used any Non-Ad Valorem Revenues to satisfy such obligation for

two consecutive Fiscal Years. Maximum annual debt service on the Debt means, with respect to the Debt that bears interest at a fixed interest rate, the actual maximum annual debt service, and, with respect to the Debt which bears interest at a variable interest rate, maximum annual debt service on such Debt shall be determined assuming that interest accrues on such Debt at the current "Bond Buyer Revenue Bond Index" as published in *The Bond Buyer* no more than two weeks prior to any such calculation; provided, however, if any Debt, whether bearing interest at a fixed or variable interest rate, constitutes Balloon Indebtedness, as defined in the immediately following sentence, maximum annual debt service on such Debt shall be determined assuming such Debt is amortized over 25 years on an approximately level debt service basis. For purposes of the foregoing sentence, "Balloon Indebtedness" means Debt, 25% or more of the original principal of which matures during any one Fiscal Year. In addition, with respect to debt service on any Debt which is subject to a Qualified Hedge Agreement, interest on such Debt during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time. See "APPENDIX C – Form of the Loan Agreement" for definitions related to the capitalized terms used above.

Additional Bonds: Permitted Parity Indebtedness

No additional bonds or debt of the Issuer may be issued pursuant to the Indenture. However, the Issuer may issue additional indebtedness, including future series of bonds, for any other purposes of the Issuer (including in order to make loans to borrowers), provided that such indebtedness may not be payable from the Trust Estate pledged to the repayment of the Bonds. There is no limitation on the issuance of additional debt by the Borrower except as may result from compliance with the obligations described above under the caption "Anti-Dilution Covenant."

Other Obligations Payable from Non-Ad Valorem Revenues

After issuance of the Bonds, the Borrower will, in addition to its obligations related to the Bonds, also have outstanding the indebtedness referenced in the table below, which is secured either by a pledge of specific Non-Ad Valorem Revenues or a covenant to budget and appropriate Non-Ad Valorem Revenues on the same basis as the Loan Agreement securing the Bonds:

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Non-Ad Valorem Revenue Debt	Date of Origination	Original Loan Amount	Principal Balance ⁽¹⁾	Final Maturity	Pledge of Security
Franchise Fee Promissory Note ⁽²⁾	05/25/2000	\$6,113,889	\$940,513	06/01/2020	Pledge of Franchise Fees and Non-Ad Valorem Revenues
Promissory Note (Bank of America, N.A.), Series 2004 ⁽²⁾	12/16/2004	\$6,000,000	\$2,550,301	12/16/2024	Covenant to Budget and Appropriate Non-Ad Valorem Revenues
Promissory Note (Bank of America, N.A.), Series 2005 ⁽²⁾	12/15/2005	\$1,200,000	\$578,661	12/15/2025	Covenant to Budget and Appropriate Non-Ad Valorem Revenues
Promissory Note (Bank of America, N.A.), Series 2006 ⁽²⁾	2/14/2006	\$1,800,000	\$868,347	2/14/2026	Covenant to Budget and Appropriate Non-Ad Valorem Revenues
Capital Improvement Revenue Bond, Series 2012	02/24/2012	\$7,500,000	\$5,718,703	02/01/2027	Pledge of Tourist Development Tax Revenues and Half-Cent Sales Tax Revenues
Special Obligation Revenue Refunding Bonds, Series 2016	07/14/2016	\$14,280,000	\$13,725,000	09/01/2037	Pledge of Retained Spring Training Franchise Sales Tax Revenues and Covenant to Budget Non-Ad Valorem Revenues
Government Obligation Contract (Sweepers)	10/1/2015	\$376,408	\$201,403	11/1/2019	Appropriated lease payments from Non-Ad Valorem Revenues
Lease-Purchase Agreement (Golf Carts)	11/29/2016	\$271,119	\$198,044	12/27/2021	Appropriated rent payments from Non-Ad Valorem Revenues

Source: City of Bradenton Finance Department.

⁽¹⁾ As of June 1, 2018.

⁽²⁾ Subject to a swap agreement with Bank of America, N.A., as described in more detail below.

In addition to the indebtedness described above, the Borrower has seven outstanding State Revolving Fund Loans which are primarily secured by net water, sewer and stormwater revenues, and which also contain a backup covenant to budget and appropriate Non-Ad Valorem Revenues of the Borrower. As of June 1, 2018, the outstanding aggregate principal amount of the State Revolving Fund Loans is \$8,556,205. The Borrower has also provided a backup covenant to budget and appropriate Non-Ad Valorem Revenues with respect to the City of Bradenton Community Redevelopment Agency's Increment Tax Revenue Bonds, Series 2011 (the "Series 2011 Bonds"), which are primarily secured with a pledge of the increment tax revenues that are derived within the applicable redevelopment area and deposited to a community redevelopment trust fund. As of June 1, 2018, the Series 2011 Bonds are outstanding in the principal amount of \$5,120,000. None of the revenues which are the primary payment sources for such debt constitute Governmental Funds Revenues as such term is defined in the Loan Agreement. The Borrower has neither used, nor expects to use, the backup covenant to budget and appropriate Non-Ad Valorem Revenues to pay debt service; rather, the primary pledged revenue source has been, and is expected to continue to be, sufficient.

The Borrower entered into four swap agreements with Bank of America, N.A. (the "Counterparty") (collectively, the "Swap Agreements") in connection with the Series 2000 Franchise Fees Note, the Promissory Note (Bank of America, N.A.), Series 2004 (the "Series

2004 Note"), the Promissory Note (Bank of America, N.A.), Series 2005 (the "Series 2005 Note") and the Promissory Note (Bank of America, N.A.), Series 2006 (the "Series 2006 Note"). The Borrower pays a fixed interest rate to the Counterparty, in exchange for the Counterparty paying to the Borrower a variable rate of interest (the "Bond Market Association Municipal Swap Index" released by Municipal Market Data to its subscribers) (the net of such fixed rate and variable rate interest payments, collectively, the "Swap Payments").

Under certain circumstances, the Swap Agreements are subject to early termination, in which event the Borrower may be obligated to make a payment to the Counterparty or the Borrower may be entitled to receive a payment from the Counterparty. Such circumstances include but are not limited to the credit rating of the Borrower or of the Counterparty being downgraded below certain levels or the occurrence of certain events of default under the Swap Agreements. The amount of any such potential termination payments under the Swap Agreements would be calculated based on the then current interest rate market, the schedule of notional principal amounts under the remaining term of the Swap Agreements at the time such termination payment became due, and other market-related factors that are beyond the control of the Borrower. Such termination payments could have a material adverse effect on the City's ability to make a Loan Repayment.

As of September 30, 2017, the Swap Agreements had a negative fair value of \$420,014.21.

The Borrower is subject to the risk that the Counterparty could default on its obligations under the Swap Agreements. In such event, the Borrower may be obligated to pay or may be entitled to receive a termination payment as described above.

Outstanding Indebtedness; Calculation of Anti-Dilution Test Compliance; Historical Pro Forma Debt Service Coverage

Set forth below for the Borrower is a schedule showing debt service on other covenant to budget and appropriate-secured indebtedness or indebtedness secured by Non-Ad Valorem Revenues, a calculation of the Borrower's compliance with the anti-dilution test described above as of September 30, 2017, and a breakdown of historical Non-Ad Valorem Revenues for fiscal years 2013-2017.

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City of Bradenton Combined Debt Service

Fiscal Year	Non-Ad Valorem Debt ⁽¹⁾⁽²⁾	FMLC 2018	Total
2018	\$2,797,956	-	\$2,797,956
2019	2,852,520	\$191,492	3,044,012
2020	2,581,543	453,425	3,034,968
2021	2,208,276	487,025	2,695,301
2022	2,165,463	489,625	2,655,088
2023	2,155,392	486,925	2,642,317
2024	2,154,229	487,900	2,642,129
2025	1,829,528	487,400	2,316,928
2026	1,598,479	486,400	2,084,879
2027	3,801,418	484,900	4,286,318
2028	1,006,400	487,775	1,494,175
2029	1,007,400	485,025	1,492,425
2030	1,003,800	486,650	1,490,450
2031	1,004,200	490,425	1,494,625
2032	1,008,400	486,466	1,494,866
2033	1,006,200	486,900	1,493,100
2034	1,007,800	484,069	1,491,869
2035	1,003,000	489,494	1,492,494
2036	1,007,000	486,756	1,493,756
2037	1,009,400	486,719	1,496,119
2038	-	485,219	485,219
2039	-	490,559	490,559
2040	-	485,300	485,300
2041	-	488,700	488,700
2042	-	486,400	486,400
2043	-	488,400	488,400
2044	-	489,600	489,600
TOTAL	\$34,208,405	\$12,339,548⁽³⁾	\$46,547,953⁽³⁾

⁽¹⁾ Consists of the Series 2000 Franchise Fee Note, the Series 2004 Note, the Series 2005 Note, the Series 2006 Note, the Series 2012 Bonds, and the Borrower's Government Obligation Contract, dated October 1, 2015 (the "Sweepers Lease"), Special Obligation Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds"), and its Lease-Purchase Agreement, dated November 29, 2016 (the "Golf Carts Lease").

⁽²⁾ The Series 2000 Franchise Fees Note, the Series 2004 Promissory Note, the Series 2005 Promissory Note, and the Series 2006 Promissory Note are each subject to a swap agreement with Bank of America, N.A., as described above. The debt service numbers include hedge payments where applicable as provided by the Indenture.

⁽³⁾ Numbers may not add due to rounding.

The Borrower maintains two defined benefit pension plans for its full time police officers and firefighters, which at the conclusion of fiscal year 2016 showed a fiduciary net position as a percentage of total pension liability of 81.73% and 88.42%, respectively. In addition, allowing retired employees to continue to participate in the City's group health plan creates an implicit subsidy and accrues other post-employment benefits ("OPEB") liability. See "APPENDIX F -- Financial Information Regarding the City of Bradenton, Florida."

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Set forth below is the calculation of anti-dilution test compliance with respect to the Borrower as of September 30, 2017, taking into account the issuance of the Bonds and debt service as of the date hereof:

City of Bradenton Non-Ad Valorem Revenue Anti-Dilution Test

Revenues	FY 2016	FY 2017	Prior Two-Year Average
Governmental Funds Revenues	\$46,792,892	\$52,964,338	\$49,878,615
Less: Ad Valorem Revenues	(18,082,391)	(19,543,611)	(18,813,001)
Less: Restricted Funds	(1,605,298)	(4,751,005)	(3,178,152)
Available Non-Ad Valorem Revenues	<u>\$27,105,203</u>	<u>\$28,669,722</u>	<u>\$27,887,463</u>
 Adjusted Non-Ad Valorem Revenues	 <u>\$27,105,203</u>	 <u>\$28,669,722</u>	 <u>\$27,887,463</u>
 Expenditures			
Essential or Legally Mandated Services			
General Government	\$7,264,721	\$7,333,915	\$7,299,318
Public Safety	23,348,770	24,335,092	23,841,931
Total Essential or Legally Mandated Services	<u>\$30,613,491</u>	<u>\$31,669,007</u>	<u>\$31,141,249</u>
Less: Ad-Valorem Revenues Available to pay Essential or Legally Mandated Services	(18,082,391)	(19,543,611)	(18,813,001)
Adjusted Essential or Legally Mandated Services	<u>\$12,531,100</u>	<u>\$12,125,396</u>	<u>\$12,328,248</u>
 Net Non-Ad Valorem Revenues available for Debt Service	 \$14,574,103	 \$16,544,326	 \$15,559,215
 Test 1 - Net Non-Ad Valorem Revenues covers Projected Maximum Annual Debt Service by 1.50x			
Net Non-Ad Valorem Revenues available for Debt Service			\$15,559,215
Projected Maximum Annual Debt Service ⁽¹⁾			2,970,914
Coverage			5.24x
 Test 2 - Projected MADS does not exceed 25% of Governmental Funds Revenues			
Governmental Fund Revenues			\$49,878,615
Projected Maximum Annual Debt Service ⁽¹⁾			2,970,914
Percentage			5.96%

Source: City of Bradenton, Florida Finance Department.

⁽¹⁾ Includes debt service on the Series 2000 Franchise Fees Note, the Series 2004 Note, the Series 2005 Note, the Series 2006 Note, the Series 2012 Bonds, the Sweepers Lease, the Series 2016 Bonds, the Golf Carts Lease, and the Bonds. The debt service numbers include hedge payments where applicable as provided by the Indenture. In accordance with the Indenture, the debt service numbers do not include debt service on the State Revolving Loan Funds or the Series 2011 Bonds as the Borrower has not used, nor does it expect to use, Non-Ad Valorem Revenues to pay debt service on such obligations.

Set forth below is a table showing historical Non-Ad Valorem Revenues of the Borrower:

**City of Bradenton Historical Non-Ad Valorem Revenues
FY 2013 through 2017**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Non-Ad Valorem Revenues:					
Utility Taxes	\$4,190,724	\$4,591,870	\$4,718,156	\$4,848,812	\$4,915,542
Public Service Taxes	2,439,049	2,241,335	2,066,854	2,001,095	1,981,454
Half-Cent Sales Tax ⁽¹⁾	3,332,475	3,600,966	3,770,933	3,948,602	4,099,926
Infrastructure Sales Tax ⁽²⁾	-	-	-	-	2,803,174
Local Business Tax	223,352	224,166	222,589	214,175	199,607
Other Taxes	400,000	400,000	400,000	500,000	-
Intergovernmental Revenues	1,749,474	1,784,193	-	-	-
Special Assessments, Property Owners ⁽²⁾	50,860	38,686	69,358	120,089	233,175
Impact Fees ⁽²⁾	4,354	526,272	774,548	870,393	1,055,730
Franchise Fees ⁽³⁾	2,913,539	3,134,768	3,234,235	3,170,292	3,210,408
State Revenue Sharing, Unrestricted	1,374,790	1,480,349	3,531,749	3,699,034	3,982,374
Intergovernmental Grants ⁽²⁾	1,907,636	935,057	1,239,334	2,002,592	3,507,018
Licenses and Permits	1,416,904	1,852,002	1,946,876	1,653,724	1,929,053
Interest and Investment Earnings	(112,796)	718,435	454,032	1,263,563	242,000
Charges for Services	2,304,771	2,385,279	2,268,905	2,845,782	3,286,709
Fines and Forfeitures	237,690	319,227	282,292	430,209	153,084
Payments in Lieu of Taxes	71,048	65,874	73,417	74,790	72,980
Rents	612,341	644,143	655,453	677,335	908,077
Miscellaneous	424,739	1,171,726	378,323	390,014	850,416
Total Non-Ad Valorem Revenues	\$23,540,950	\$26,114,348	\$26,087,054	\$28,710,501	\$33,420,727

Source: City of Bradenton, Florida.

⁽¹⁾ Pledged to secure the Series 2012 Bond.

⁽²⁾ Not legally available to make Loan Repayments under the Loan Agreement.

⁽³⁾ Pledged to secure the Series 2000 Franchise Fees Note.

While the tables above are not intended to represent revenues of the Borrower which would necessarily be available to pay Loan Repayments under the Loan Agreement, they are an indication of the relative amounts of legally available Non-Ad Valorem Revenues of the Borrower which may be available for the payment of amounts due under the Loan Agreement and other Debt taking into account competing general governmental expenditures or other restrictions. The ability of the Borrower to appropriate Non-Ad Valorem Revenues in sufficient amounts to pay amounts due under the Loan Agreement is subject to a variety of factors, including the responsibility to provide essential governmental services, and the obligation of the Borrower to have a balanced budget. No representation is being made by the Borrower that any particular Non-Ad Valorem Revenue sources will be available in future years, or if available, will be budgeted to pay amounts due under the Loan Agreement. For further information regarding Non-Ad Valorem Revenues of the Borrower, reference is made to APPENDIX F attached hereto.

Continued consistent receipt of Non-Ad Valorem Revenues is dependent upon a variety of factors, including formulas specified under Florida law for the distribution of certain of such funds which take into consideration the ratio of residents in the City of Bradenton to total

Manatee County residents. The amounts and availability of any of the Non-Ad Valorem Revenues to the Borrower are also subject to change, including reduction or elimination by change of State law or changes in the facts or circumstances according to which certain of the Non-Ad Valorem Revenues are allocated. In addition, the amount of certain of the Non-Ad Valorem Revenues collected by the Borrower is directly related to the general economy of the Borrower. Accordingly, adverse economic conditions could have a material adverse effect on the amount of Non-Ad Valorem Revenues collected by the Borrower. The Borrower may also pledge certain of the Non-Ad Valorem Revenues to future obligations that it issues. Such Non-Ad Valorem Revenues would be required to be applied to such obligations prior to paying amounts due under the Loan Agreement.

HURRICANE IRMA IMPACTS

On September 10-11, 2017, Hurricane Irma swept through Florida and caused a significant amount of damage within the State, with the center of the storm making landfall twice, once as a Category 4 storm with 130 mph sustained winds in the Florida Keys and once as a Category 3 storm with 115 mph sustained winds near the City of Marco Island. While the center of the storm did not pass near the Borrower, it was impacted by the storm and suffered approximately \$3 million in damage. The majority of such cost is expected to be reimbursed by FEMA, to which the Borrower has filed a claim.

INVESTMENT CONSIDERATIONS

General

The purchase of the Bonds involves a degree of risk, as is the case with all investments. Factors that could affect the Issuer's ability to perform its obligations under the Indenture, including the timely payment of principal of and interest on the Bonds, include, but are not necessarily limited to, the following:

Limited Special Obligations

The Bonds are limited, special obligations of the Issuer, the principal of, premium, if any, and interest on which are payable from and secured solely by amounts held in the funds and accounts established under the Indenture and amounts paid under the Loan Agreement, which is in turn secured by a covenant to budget and appropriate Non-Ad Valorem Revenues as described herein.

THE BONDS ARE NOT A GENERAL DEBT, LIABILITY OR OBLIGATION OF THE ISSUER, BUT ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM (I) THE PAYMENTS TO BE MADE BY THE BORROWER PURSUANT TO THE LOAN AGREEMENT, (II) ALL AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS CREATED PURSUANT TO THE INDENTURE, AND (III) ALL REVENUES, ANY AND ALL OTHER PROPERTY, RIGHTS AND INTEREST OF EVERY KIND AND NATURE FROM TIME TO TIME HEREAFTER BY DELIVERY OR BY WRITING OF ANY KIND SUBJECTED TO THE INDENTURE, AS AND FOR

ADDITIONAL SECURITY FOR THE BONDS, BY THE ISSUER OR BY ANY OTHER PERSON ON ITS BEHALF OR WITH ITS WRITTEN CONSENT, AS MORE FULLY DESCRIBED HEREIN. The obligation of the Borrower pursuant to the Loan Agreement is not a general debt, liability or obligation of the Borrower, but is a limited obligation of the Borrower payable from the sources described herein. The Bonds are not a debt, liability or obligation of the State of Florida or any political subdivision or entity thereof other than the Issuer.

Limited Remedies Under the Indenture and Loan Agreement

The remedies available to owners of the Bonds upon the occurrence and continuance of an Event of Default under the Indenture and Loan Agreement are limited to the seeking of specific performance or a writ of mandamus or other suit, action or proceeding compelling and requiring the Issuer and the Borrower and their respective officers to observe and perform any covenant, condition or obligation prescribed in the Indenture and Loan Agreement, respectively. The remedies available under the Indenture and the Loan Agreement depend in many respects upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law, such remedies may not be readily available. In addition, enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State, (iii) are subject, in part, to the provisions of the United States Bankruptcy Code and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the federal Constitution. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Bankruptcy Risks

Both the Issuer and the Borrower are authorized to file for bankruptcy under Chapter 9 of the United States Bankruptcy Code under certain circumstances. Should either the Issuer or the Borrower file for bankruptcy, there could be adverse effects on the holders of the Bonds.

Since the covenant to budget and appropriate Non-Ad Valorem Revenues contained in the Loan Agreement does not create a lien on any specific revenue source, Non-Ad Valorem Revenues collected after the commencement of a bankruptcy case by the Borrower would likely not be available to pay amounts due under the Loan Agreement.

If the Issuer or the Borrower is in bankruptcy, the parties (including the Trustee and the holders of the Bonds) may be prohibited from taking any action to collect any amount from the Issuer or the Borrower or to enforce any obligation of the Issuer or the Borrower, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Bonds from funds in the Trustee's possession.

Additional Homestead Exemption

The 2017 Florida Legislature placed a constitutional amendment on the November 2018 general ballot that would provide an additional homestead exemption of up to \$25,000 on the assessed valuation of homes between \$100,000 and \$125,000. If the amendment passes, the Borrower expects to address the loss of ad valorem revenues through a reduction of expenses or other measures.

Pledging of Non-Ad Valorem Revenue Sources

As described herein under the heading "SECURITY AND SOURCES OF PAYMENT – The Covenant to Budget and Appropriate," and "SECURITY AND SOURCES OF PAYMENT – Outstanding Indebtedness; Calculation of Anti-Dilution Test Compliance; Historical Pro Forma Debt Service Coverage," specific Non-Ad Valorem Revenue sources from which the Borrower has covenanted to budget and appropriate amounts sufficient to make Loan Repayments may be pledged (and in some case already have been pledged) by it to secure other indebtedness of the Borrower. In such situation, such Non-Ad Valorem Revenue sources would be applied to such other indebtedness prior to being applied to pay said Loan.

No Feasibility Consultant

This Official Statement provides historical information in connection with the Non-Ad Valorem Revenues of the Borrower available to make Loan Repayments and thus pay debt service on the Bonds. In connection with the issuance of the Bonds, the Borrower determined not to engage an independent feasibility consultant to provide an analysis of projected Non-Ad Valorem Revenues. As a result, while the Borrower reasonably believes its Non-Ad Valorem Revenues will be sufficient to make Loan Repayments, no forecasts or projections of Non-Ad Valorem Revenues to make Loan Repayments are included in this Official Statement.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the total annual scheduled debt service requirements for the Bonds.

Year Ending October 1 (Inclusive)	Principal	Interest	Total Annual Debt Service
2019	\$140,000.00	\$349,604.31	\$489,604.31
2020	180,000.00	310,625.00	490,625.00
2021	190,000.00	303,425.00	493,425.00
2022	195,000.00	295,825.00	490,825.00
2023	205,000.00	288,025.00	493,025.00
2024	215,000.00	277,775.00	492,775.00
2025	225,000.00	267,025.00	492,025.00
2026	235,000.00	255,775.00	490,775.00
2027	250,000.00	244,025.00	494,025.00
2028	260,000.00	231,525.00	491,525.00
2029	275,000.00	218,525.00	493,525.00
2030	290,000.00	204,775.00	494,775.00
2031	295,000.00	196,075.00	491,075.00
2032	305,000.00	186,856.26	491,856.26
2033	315,000.00	176,943.76	491,943.76
2034	335,000.00	161,193.76	496,193.76
2035	345,000.00	147,793.76	492,793.76
2036	360,000.00	135,718.76	495,718.76
2037	375,000.00	117,718.76	492,718.76
2038	395,000.00	102,718.76	497,718.76
2039	405,000.00	88,400.00	493,400.00
2040	425,000.00	72,200.00	497,200.00
2041	440,000.00	55,200.00	495,200.00
2042	460,000.00	37,600.00	497,600.00
2043	480,000.00	19,200.00	499,200.00
TOTALS	\$7,595,000.00	\$4,744,548.13	\$12,339,548.13

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Bonds to be included in federal gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Bonds and the

other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Issuer has covenanted in the Indenture and the Borrower has covenanted in the Loan Agreement to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on the Bonds; (iii) the inclusion of interest on the Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on the Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on the Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer and the Borrower, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Bonds and of the property financed thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of owning the Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Bonds maturing on October 1 in the years 2030 through and including 2032, 2035 and 2038 (the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the

public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Bonds maturing on October 1 in the years 2019 through and including 2029, 2033, 2034, 2036, 2037 and 2043 (the "Premium Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on the Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Premium Bonds. Premium Bondholders are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

LITIGATION

The Borrower experiences claims, litigation, and various legal proceedings which individually are not expected to have a material adverse effect on its operations or financial condition, but may, in the aggregate, have a material impact thereon. On the date of delivery of the Bonds, the Borrower will certify that there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending, or to the best of the Borrower's knowledge, threatened, against or affecting the Borrower wherein an unfavorable decision, ruling or finding would materially and adversely affect the Borrower, its financial condition or its ability to comply with its obligations under the Loan Agreement or the validity or enforceability of the Loan Agreement.

On the date of delivery of the Bonds, the Issuer will certify that there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending, or to the best knowledge of the Issuer, threatened, against or affecting the Issuer, wherein an unfavorable decision, ruling or finding would materially and adversely affect the validity of the Bonds, the Indenture or the Loan Agreement.

SEC ORDER; VOLUNTARY CLOSING AGREEMENT

On July 19, 2010, the Issuer and the City of South Miami ("South Miami") initiated with the Internal Revenue Service the process for requesting a voluntary closing agreement to resolve several issues which came to the attention of the Issuer and could have affected the tax-exempt status of certain prior bonds issued by the Issuer. Specifically, South Miami was a borrower of a portion of the proceeds of the Issuer's Series 2002A and Series 2006 Bonds. South Miami made the Issuer aware of an issue with regard to the use of the proceeds of such bonds and a long-term lease of a parking facility. On July 19, 2010, the United States Securities and Exchange Commission ("SEC") issued an Order Directing Private Investigation and Designating Officers to Take Testimony, alleging that in the underwriting, offering, sale and purchase of such bonds that there may have been made false statements of a material fact or a failure to disclose material facts concerning, among other things, the tax-exempt status of such bonds. On August 7, 2011, the Commissioner of Internal Revenue entered into a Closing Agreement with South Miami and the Issuer to resolve the matter, with a payment by South Miami but without penalty to the Issuer. On May 30, 2013, the SEC provided notice to the Issuer that its investigation had been completed without recommendation of any enforcement action.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale by the Issuer of the Bonds are subject to the approving opinion of Bryant Miller Olive P.A., Miami, Florida, Bond Counsel. Bond Counsel has not been engaged to, nor has it undertaken to, review the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Bonds; provided, however, that Bond Counsel shall render an opinion to the Underwriter of the Bonds (upon which only it may rely) relating to the accuracy of certain statements contained herein under the heading "TAX MATTERS" and certain statements which summarize provisions of certain documents described herein. Certain legal matters will be passed upon for the Issuer by Craig A. Conn, Esquire, counsel to the Issuer, as general counsel to the Florida League of Cities, Inc. and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Disclosure Counsel. Holland & Knight LLP, Lakeland, Florida, has served as counsel to the Underwriter. Certain legal matters will be passed upon for the Borrower by its counsel.

The proposed text of the approving opinion of Bond Counsel to be delivered concurrently with the delivery of the Bonds is set forth as APPENDIX E to this Official Statement. The actual legal opinion to be delivered may vary from the text of APPENDIX E, if necessary, to reflect facts and law on the date of delivery of the Bonds. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

The legal opinions to be delivered by Bond Counsel, Disclosure Counsel and Counsel to the Issuer concurrently with the delivery of the Bonds are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made as of the date thereof. The attorneys rendering legal opinions concurrently with the delivery of the Bonds assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective. In addition, such legal opinions express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed in such opinions. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The fees of Bond Counsel and Disclosure Counsel and payment of the Underwriter's discount, which includes the fees of counsel to the Underwriter, are contingent upon the issuance of the Bonds.

FINANCIAL STATEMENTS

Included in APPENDIX F are the audited financial statements of the Borrower as of September 30, 2017, for the year then ended. Such financial statements, including the auditor's report, have been included in this Official Statement as a public document, and consent from the auditor was not requested. The auditor has not performed any services relating to, and is therefore not associated with, the issuance of the Bonds.

RATINGS

Moody's Investors Service ("Moody's") has assigned a rating to the Bonds of "Aa3". The rating reflects only the view of Moody's and an explanation of the significance of the rating may be obtained only from Moody's. The rating is not a recommendation to buy, sell or hold the Bonds, and there is no assurance that such rating will remain in effect for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of Moody's, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. The Underwriter has not undertaken responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the rating of the Bonds, or to oppose any proposed revision or withdrawal.

UNDERWRITING

Wells Fargo Bank, National Association (the "Underwriter"), has agreed, subject to certain customary conditions precedent, to purchase the Bonds at a price of \$7,940,677.09 (which includes net bond premium of \$401,377.05 and underwriter's discount of \$55,699.96), and to reoffer the Bonds at the prices shown on the inside cover hereof. If obligated to purchase any of the Bonds, the Underwriter will be obligated to purchase all of the Bonds. The initial public offering prices may be changed from time to time by the Underwriter.

There can be no assurance that there will be a secondary market for purchase or sale of the Bonds. Depending upon prevailing market conditions, including the financial condition or market positions of firms which may make the secondary market, evaluation of the Borrower's capabilities and the financial condition and results of their operations, there may not be a secondary market for the Bonds from time to time, and investors in the Bonds may be unable to divest themselves of their interests therein.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing, and brokerage services. The Underwriter and its respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Issuer or the Borrower, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and the Borrower.

The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Bond Counsel and Disclosure Counsel may, from time-to-time, serve as counsel to the Underwriter on matters unrelated to the issuance of the Bonds.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), the sole underwriter of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC

Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

FINANCIAL ADVISOR TO THE ISSUER

The Issuer has retained Public Resources Advisory Group, St. Petersburg, Florida, as Financial Advisor in connection with the Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

CONTINUING DISCLOSURE

In compliance with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, 240.15c2-12) (the "Rule"), the Issuer and the Borrower have entered into a covenant (a "Continuing Disclosure Agreement") that constitutes the written undertaking for the benefit of the holders of the Bonds required by Section (b)(5)(i) of the Rule. The forms of the Continuing Disclosure Agreements for the Borrower and the Issuer are contained in Appendices A and B hereof.

As noted elsewhere in this Official Statement, the Bonds constitute the twenty-seventh series of bonds issued by the Issuer. The Issuer's prior bond issues funded loans to various borrowers (the "Prior Borrowers") in a fashion similar to that described herein with respect to the Bonds. In connection with its prior bond issues, the Issuer and each of the Prior Borrowers entered into continuing disclosure agreements (the "Prior Undertakings") pursuant to the Rule. Pursuant to the Prior Undertakings, the Issuer and each Prior Borrower agreed to provide certain annual financial information on or before certain specified dates after the end of each fiscal year of the Issuer and the respective Prior Borrowers. The Issuer has reviewed its filings on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access "EMMA" website with respect to its Prior Undertakings during the past five years, and determined that the Issuer failed to make required timely filings of certain rating changes in 2013, 2014, 2016 and 2017. Certain undertakings of Prior Borrowers during such period were also delayed or not met. The Issuer has taken certain steps to ensure timely notice of bond insurer ratings changes are made, and has instituted a tickler system to ensure reminders and cross-checks are in place with respect to compliance by the Borrower with its Continuing Disclosure Agreement.

With respect to the Borrower and the continuing disclosure obligation relating to its Special Obligation Bonds, Series 2007 (refunded by the Borrower's Special Obligation Revenue Refunding Bonds, Series 2016) and the Series 2011 Bonds referenced below, for the fiscal year ending September 30, 2013, the Borrower filed its financial and operating data on April 2, 2014, which is two (2) days later than the filing due date of March 31, 2014; and for the fiscal year ending September 30, 2014, the Borrower filed its financial and operating data on March 31, 2015, which is one (1) day later than the filing due date of March 30, 2015. The Borrower also

failed to timely file certain notices of municipal bond insurer rating changes and failed to file a timely notice of its failure to file. For the fiscal year ended September 30, 2015, for all outstanding bonds, due to the implementation of the Governmental Accounting Standards Board Statement No. 68 – Accounting and Financial Reporting for Pensions ("GASB 68"), the Borrower was unable to timely file its audited or unaudited financial statements and certain financial and operating data and failed to file a timely notice of its failure to file because it did not receive certain information from the Florida Division of Retirement and the State of Florida Auditor General necessary to complete its financial statements. Such financial statements were filed on June 1, 2016. Beginning on October 1, 2015, the Borrower's component unit Bradenton Community Redevelopment Agency (the "Agency") is presented as a blended component unit of the Borrower. For its fiscal year ended September 30, 2017, the Borrower filed its operating data on June 14, 2018, which is seventy seven (77) days after its due date of March 29, 2018, and failed to file a notice of its failure to file for the Agency's Series 2011 Bonds. It also failed to link its filings for fiscal years 2013 and 2014 to the CUSIP numbers for the Series 2011 Bonds. The Borrower has cured all such deficiencies. The Borrower has executed a Disclosure Dissemination Agent Agreement with Digital Assurance Certification, LLC ("DAC"), and has implemented procedures to ensure the timely filing of all future disclosure obligations required by the Rule.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Rule 69W-400.003, Rules of Government Securities under Section 517.051(1), Florida Statutes, promulgated by the Florida Department of Financial Services, Office of Financial Regulation, Division of Securities and Finance ("Rule 69W-400.003"), requires the Issuer to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the Issuer after December 31, 1975. Rule 69W-400.003 further provides, however, that if the Issuer, in good faith, believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

Except as described below, the Issuer is not, and since December 31, 1975, has not been, in default as to principal of and interest on bonds or other debt obligations. The Borrower has certified that it is not, and since December 31, 1975, has not been, in default as to principal of and interest on bonds or other debt obligations for which either ad valorem or non-ad valorem revenues of the Borrower were pledged.

On January 15, 2016, the City of Valparaiso ("Valparaiso"), one of the Prior Borrowers with respect to the Issuer's Revenue Bonds, Series 2005A Bonds (the "Series 2005A Bonds"), deposited sufficient debt service funds with The Bank of New York Mellon Trust Company, N.A. ("BNY Mellon") as trustee for the Series 2005A Bonds, to make the required February 1, 2016 interest and mandatory redemption payments thereon. Valparaiso was the only remaining borrower under the Series 2005A program, so there were no debt service fund deposits required beyond that of Valparaiso. The Series 2005A Bonds have since been retired. BNY Mellon, due to an internal processing error, inadvertently failed to make the full February 1, 2016 mandatory redemption principal payment in a timely manner, resulting in a shortfall of \$115,000 from what should have been redeemed. BNY Mellon, upon becoming aware of its internal processing error, submitted the payment to Depository Trust Company ("DTC") for processing. The

mandatory redemption payment of \$115,000 was sent to DTC on March 3, 2016. No legal proceedings, civil, criminal, or administrative, were commenced as a result of or related to the failure to make the mandatory redemption principal payment in a timely manner, and there are no legal proceedings which may materially affect the Issuer's or Valparaiso's ability to perform its obligations to the present and future holders of the securities being offered. See "LITIGATION", herein. In addition, no trustee or receiver has ever been appointed over the assets of the Issuer or Valparaiso. The Issuer, in good faith, believes that the default described above would not be considered material by a reasonable investor in the Bonds since (i) the Issuer acted solely as a conduit issuer and is in no way obligated to make payments on any of its bonds in default except to the extent it receives payments from the borrowers related to such bonds, and (ii) the cause of the default was not a result of nonpayment of the bonds, but due to an internal processing error of BNY Mellon.

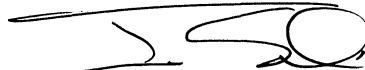
The Borrower has not undertaken an independent review or investigation of bonds or other debt obligations as to which it has served only as a conduit issuer. To the extent any of bonds or other debt obligations are in default as to principal and/or interest, the obligation of the Borrower thereunder is limited solely to payment from funds received by the party on whose behalf such bonds or other debt obligations were issued, and the Borrower is not obligated to pay the principal of or interest on such bonds or other debt obligations from any funds of the Borrower.

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MISCELLANEOUS

The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument. So far as any statements made in this Official Statement involve matters of opinion or are estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

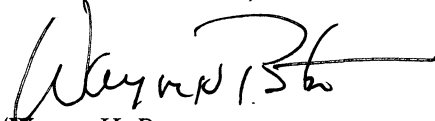
FLORIDA MUNICIPAL LOAN COUNCIL



By: /s/Isaac Salver

Its: Chairman

CITY OF BRADENTON, FLORIDA



By: /s/Wayne H. Poston

Its: Mayor

APPENDIX A

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of August 1, 2018 (the "Continuing Disclosure Agreement") is executed and delivered by the City of Bradenton, Florida, a Florida municipality ("Obligated Entity"), and by Florida League of Cities, Inc., a Florida corporation not-for-profit, as Dissemination Agent (the "Dissemination Agent") hereunder. Additional capitalized terms used herein shall have the meanings ascribed thereto in Section 2 hereof.

SECTION 1. Nature of Undertaking. This Continuing Disclosure Agreement constitutes an undertaking by the Obligated Entity under paragraph (b)(5) of the Rule to provide Financial Information and notice of the occurrence of certain events with respect to the Bonds, as provided in paragraph (b)(5)(i)(C) of the Rule, and otherwise to assist the Participating Underwriter in complying with paragraph (b)(5) of the Rule with respect to the Offering of the Bonds. Among other things, the Obligated Entity is hereby undertaking (i) to disseminate an Annual Report not later than the June 30 following the end of each Fiscal Year of the Obligated Entity in accordance with Section 4 hereof, which contains Financial Information with respect to the Obligated Entity, (ii) if an Annual Report does not contain the Audited Financial Statements, to disseminate the Audited Financial Statements in accordance with Section 4 hereof as soon as practicable after they shall have been approved by the Governing Body, (iii) to provide notice in a timely manner, in accordance with Section 6 hereof, of the occurrence of any of the Listed Events related to the Obligated Entity and (iv) to provide notice in a timely manner, in accordance with Section 4(e) hereof, of any failure to disseminate an Annual Report in accordance with the preceding clause (i) of this sentence.

SECTION 2. Definitions. In addition to the definitions set forth above and in the herein-defined Indenture, which shall apply to any capitalized terms used herein, the following capitalized terms shall have the following meanings, unless otherwise defined therein:

"Annual Report" means a document or set of documents which (a) identifies the Obligated Entity; (b) contains (or includes by reference to documents which were filed with the SEC or EMMA prior to the date that the Annual Report containing such reference is provided to the Dissemination Agent in accordance with Section 4 hereof): (i) Financial Information and Operating Data for the Obligated Entity; (ii) Audited Financial Statements if such Audited Financial Statements shall have been approved by the Governing Body at the time the Annual Report is required to be provided to the Dissemination Agent in accordance with Section 4 hereof; and (iii) Unaudited Financial Statements if the Audited Financial Statements shall not have been approved by the Governing Body at the time the Annual Report is required to be provided to the Dissemination Agent in accordance with Section 4 hereof; (c) in the event that the Obligated Entity delivers a Continuing Disclosure Certificate to the Dissemination Agent pursuant to Section 5(b) hereof, contains (in the case of the Annual Report disseminated on or immediately after the date such Continuing Disclosure Certificate is so delivered) a narrative explanation of the reasons for the changes in Financial Information and/or Operating Data set

forth in such Continuing Disclosure Certificate and the effect of the changes on the types of Financial Information and/or Operating Data being provided in such Annual Report; and (d) in the event that the Obligated Entity authorizes a change in the accounting principles by which its Audited Financial Statements are prepared, contains (in the case of the Annual Report disseminated on or immediately after the date of such change) (1) a comparison between the Financial Information prepared on the basis of the new accounting principles which is contained in such Annual Report and the Financial Information prepared on the basis of the former accounting principles which was contained in the previous Annual Report disseminated immediately prior to such Annual Report and (2) a discussion of the differences between such accounting principles and the effect of such change on the presentation of the Financial Information being provided in such Annual Report.

"Annual Report Certificate" means an Annual Report Certificate in the form attached hereto as Exhibit A.

"Annual Report Date" means the June 30 following the end of a Fiscal Year.

"Audited Financial Statements" means the financial statements of the Obligated Entity which have been examined by independent certified public accountants in accordance with generally accepted auditing standards.

"Bondholder" means (i) the registered owner of a Bond and (ii) the beneficial owner of a Bond, as the term "beneficial owner" is used in any agreement with a securities depository for the Bonds and as the term may be modified by an interpretation by the SEC of paragraph (b)(5) of the Rule.

"Bonds" means the \$7,595,000 Florida Municipal Loan Council Revenue Bonds, Series 2018A (City of Bradenton Series).

"Continuing Disclosure Agreement" means this Continuing Disclosure Agreement, as the same may be supplemented and amended pursuant to Section 8 hereof.

"Continuing Disclosure Certificate" means a Continuing Disclosure Certificate in the form attached hereto as Exhibit B delivered by the Obligated Entity to the Dissemination Agent pursuant to Section 5 hereof.

"Dissemination Agent" means Florida League of Cities, Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent which is appointed pursuant to Section 3 hereof or to which the responsibilities of Dissemination Agent under this Continuing Disclosure Agreement shall have been assigned in accordance with Section 9 hereof.

"EMMA" means the Electronic Municipal Market Access System as described in Securities and Exchange Commission Release No. 34-59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule as further described in Sections 4 and 6 hereof.

"Event Notice" means notice of the occurrence of a Listed Event.

"Final Official Statement" means the Final Official Statement prepared in connection with the Offering of the Bonds.

"Financial Information" means financial information related to the Obligated Entity of the types identified in the Continuing Disclosure Certificate most recently delivered by the Obligated Entity to the Dissemination Agent in accordance with Section 5 hereof. The Financial Information (i) shall be prepared for the Fiscal Year immediately preceding the date of the Annual Report containing such Financial Information, and (ii) shall be prepared on the basis of the Audited Financial Statements to be provided to the Dissemination Agent concurrently with the Annual Report, provided that, if the Audited Financial Statements are to be provided to the Dissemination Agent subsequent to the date that the Annual Report is provided to the Dissemination Agent, such Financial Information may be prepared on the basis of the Unaudited Financial Statements.

"Governing Body" shall mean the governing body of the Obligated Entity which shall approve the Audited Financial Statements.

"Indenture" means the Trust Indenture dated of even date herewith by and between Florida Municipal Loan Council, as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee.

"Loan Agreement" means the Loan Agreement dated of even date herewith, between the Issuer and the Obligated Entity.

"Listed Events" means any of the events which are set forth in Section 6 hereof.

"MSRB" means the Municipal Securities Rulemaking Board.

"Offering" means the primary offering of the Bonds for sale by the Participating Underwriter.

"Operating Data" means operating data of the types identified in the Continuing Disclosure Certificate most recently delivered by the Obligated Entity to the Dissemination Agent in accordance with Section 5 hereof. The Operating Data shall be prepared for the Fiscal Year immediately preceding the date of the Annual Report containing such Operating Data.

"Participating Underwriter" means Wells Fargo Bank, National Association.

"Rating Agency" means Moody's Investors Service, or any successor thereto.

"Rule" means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as amended, as the Rule may be amended from time to time, or any successor provision thereto.

"SEC" means the Securities and Exchange Commission.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture.

"Unaudited Financial Statements" means unaudited financial statements of the Obligated Entity for any Fiscal Year which have been prepared on a basis substantially consistent with the Audited Financial Statements to be subsequently prepared for such Fiscal Year.

SECTION 3. Appointment of Dissemination Agent: Obligations of Obligated Entity Respecting Undertaking. (a) The Obligated Entity hereby appoints Florida League of Cities, Inc. to act as the initial Dissemination Agent hereunder. Florida League of Cities, Inc. hereby accepts such appointment. The Obligated Entity may, from time to time, appoint a successor Dissemination Agent or discharge any then acting Dissemination Agent, with or without cause. If at any time there shall be no Dissemination Agent appointed and acting hereunder or the then appointed and acting Dissemination Agent shall fail to perform its obligations hereunder, the Obligated Entity shall discharge such obligations until such time as the Obligated Entity shall appoint a successor Dissemination Agent or the then appointed and acting Dissemination Agent shall resume the performance of such obligations.

(b) The Obligated Entity hereby acknowledges that the Obligated Entity is obligated to comply with this Continuing Disclosure Agreement and that the appointment of the Dissemination Agent as agent of the Obligated Entity for the purposes herein provided does not relieve the Obligated Entity of its obligations with respect to this Continuing Disclosure Agreement.

SECTION 4. Annual Financial Information. (a) The Financial Information shall be contained in the Annual Reports and, if provided separately in accordance with Section 5(b) hereof, the Audited Financial Statements which the Obligated Entity is required to deliver to the Dissemination Agent for dissemination in accordance with this Section 4.

(b) The Dissemination Agent shall notify the Obligated Entity of each Annual Report Date and of the Obligated Entity's obligation hereunder not more than 60 and not less than 30 days prior to each Annual Report Date. The Obligated Entity shall provide an Annual Report to the Dissemination Agent, together with an Annual Report Certificate, not later than each Annual Report Date, provided that, if the Annual Report does not include the Audited Financial Statements, the Obligated Entity shall provide the Audited Financial Statements to the Dissemination Agent as soon as practicable after they shall have been approved by the Governing Body.

(c) The Dissemination Agent shall provide the Annual Report and, if received separately in accordance with Section 4(b) hereof, the Annual Financial Statements, to EMMA, the Trustee, the Issuer, the Rating Agency and the Insurer within five (5) Business Days after receipt thereof from the Obligated Entity.

(d) The Dissemination Agent shall provide the Issuer, the Obligated Entity and the Trustee written confirmation that the Annual Report and, if received separately in accordance with Section 4(b) hereof, the Annual Financial Statements, were provided to EMMA in accordance with Section 4(c) hereof.

(e) If the Dissemination Agent shall not have filed the Annual Report by the Annual Report Date, the Dissemination Agent shall so notify the Obligated Entity, EMMA, the Trustee and the Insurer within five (5) Business Days of the Annual Report Date.

SECTION 5. Continuing Disclosure Certificates. (a) The Obligated Entity shall prepare a Continuing Disclosure Certificate in the form attached hereto as Exhibit B in connection with the Offering of the Bonds and shall deliver the same to the Dissemination Agent for dissemination to the Participating Underwriter, Issuer and Trustee.

(b) Prior to the deletion or substitution of any Financial Information and Operating Data in the Continuing Disclosure Certificate from the information listed in Exhibit B hereto, the Obligated Entity will obtain an opinion of nationally recognized disclosure counsel (which may also act as outside counsel to the Obligated Entity) addressed to the Issuer, the Participating Underwriter, the Trustee and the Dissemination Agent, to the effect that said deletion or substitution is permitted by the Rule and the Financial and Operating Data to be provided will comply with the Rule, as in effect on the date of the Offering of the Bonds and taking into account any amendment or interpretation of the Rule by the SEC or any adjudication of the Rule by a final decision of a court of competent jurisdiction which may have occurred subsequent to the execution and delivery of this Continuing Disclosure Agreement. The Dissemination Agent is entitled to rely on such opinion without further investigation.

(c) Notwithstanding Section 5(b) hereof, the Obligated Entity shall not be required to comply with Section 5(b) hereof if such Section shall no longer be deemed to be required in order for this Continuing Disclosure Agreement to comply with the Rule as a result of the adoption, rendering or delivery of (i) an amendment or interpretation of the Rule by the SEC, (ii) an adjudication of the Rule by a final decision of a court of competent jurisdiction or (iii) an opinion of nationally recognized disclosure counsel (which may also act as outside counsel to the Obligated Entity), in each case, to that effect.

(d) Any delivery of a Continuing Disclosure Certificate pursuant to Section 5(a) hereof shall not be deemed to be an amendment to this Continuing Disclosure Agreement and shall not be subject to the provisions of Section 8 hereof.

SECTION 6. Reporting of Listed Events. (a) Pursuant to the provisions of this Section 6, the Obligated Entity shall direct the Dissemination Agent to provide, in the appropriate format required by law or applicable regulation, in a timely manner such that notice to EMMA can be provided not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events, with respect to the Loan and the Bonds:

- (i) principal and interest payment delinquencies;

- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit facility providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS form 5701-TEB) or other material notices or determinations with respect to the tax status of the Loan or Bonds, or other material events affecting the tax status of the Loan or Bonds;
- (vii) modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of any property securing repayment of the Loan or Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar events of the Obligated Entity (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Obligated Entity in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Entity, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Entity).
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Obligated Entity or the sale of all or substantially all of the assets of the Obligated Entity, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination

of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (xiv) the appointment of a successor or additional trustee or the change of name of the trustee, if material; and
- (xv) in a timely manner, notice of failure to provide annual Financial Information before the date(s) specified in Section 4 hereof.

(b) If the Obligated Entity instructs the Dissemination Agent to provide an Event Notice pursuant to Section 6(a) hereof, the Dissemination Agent shall, within three (3) Business Days thereafter, file an Event of Notice with EMMA, the Trustee, the Rating Agency, the Issuer and the Insurer. The Dissemination Agent shall provide the Obligated Entity, the Issuer and the Trustee written confirmation that such Event Notice was provided to EMMA in accordance with this Section 6(b).

(c) Notwithstanding the foregoing, whenever the Obligated Entity authorizes a change in either its Fiscal Year or the accounting principles by which its Audited Financial Statements are prepared, the Obligated Entity shall provide the Dissemination Agent with written notice of such change and instruct the Dissemination Agent to file a copy of such notice with EMMA, the Issuer, the Insurer, the Rating Agency and the Trustee, and the Dissemination Agent shall, within three (3) Business Days thereafter, file a copy of such notice with EMMA, the Issuer, the Insurer, the Rating Agency and the Trustee. The Dissemination Agent shall provide the Obligated Entity written confirmation that such notice was provided to EMMA in accordance with this Section 6(c).

SECTION 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent (i) the Obligated Entity from disseminating any information or notice of the occurrence of any event using the means of dissemination specified in this Continuing Disclosure Agreement or other means or (ii) the Obligated Entity from including in an Annual Report any information which shall be in addition to the Financial Information, Operating Data and Audited or Unaudited Financial Statements required by Section 4 hereof to be included in such Annual Report, provided that this Continuing Disclosure Agreement shall not be deemed to require the Obligated Entity to include or update any such additional information in any subsequently prepared Annual Report.

SECTION 8. Amendments: Waivers. This Continuing Disclosure Agreement may be amended, and any provision hereof may be waived, by the parties hereto if prior to the effective date of any such amendment or waiver, the Obligated Entity delivers to the Dissemination Agent, the Issuer and the Trustee an opinion of nationally recognized disclosure counsel (which may also act as outside counsel to the Obligated Entity), to the effect that the amendment is permitted under the Rule and that this Continuing Disclosure Agreement (taking into account such amendment or waiver) complies with the Rule, as in effect on the date of the Offering of Bonds or after the execution and delivery of this Continuing Disclosure Agreement, taking into account any amendment or interpretation of the Rule by the SEC or any adjudication of the Rule by a final decision of a court of competent jurisdiction which may have occurred subsequent to the

execution and delivery of this Continuing Disclosure Agreement. The Dissemination Agent shall notify EMMA of any such amendment and shall provide EMMA with a copy of any such amendment.

SECTION 9. Assignment. The Obligated Entity may not assign its obligations under this Continuing Disclosure Agreement. The Dissemination Agent may assign its rights and responsibilities hereunder to a third party with the consent of the Obligated Entity, which shall not be unreasonably withheld.

SECTION 10. Compensation of the Dissemination Agent. As compensation to the Dissemination Agent for its services pursuant to this Continuing Disclosure Agreement, the Obligated Entity agrees to pay all fees and all expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs and other disbursements in the administration and performance of its duties hereunder, and shall to the extent permitted by law indemnify and save the Dissemination Agent and its officers, directors, attorneys, agents and employees harmless from and against any costs, expenses, damages or other liabilities (including attorneys' fees) which it (or they) may incur in the exercise of its (or their) powers and duties hereunder, except with respect to its (or their) willful misconduct or gross negligence. Nothing contained herein is intended to be nor shall it be construed as a waiver of any immunity from or limitation of liability that the Obligated Entity may be entitled to pursuant to the Doctrine of Sovereign Immunity or Section 768.28, Florida Statutes. Notwithstanding anything to the contrary contained herein, the obligations of the Obligated Entity hereunder shall be limited obligations payable solely from the sources provided under Section 2.02(a) of the Loan Agreement.

SECTION 11. Concerning the Dissemination Agent and the Obligated Entity. (a) The Dissemination Agent is not answerable for the exercise of any discretion or power under this Continuing Disclosure Agreement or for anything whatever in connection herewith, except only its own willful misconduct or gross negligence. The Dissemination Agent shall have no liability to the Bondholders or any other person with respect to the undertakings described in Section 1 hereof except as expressly set forth in this Continuing Disclosure Agreement regarding its own willful misconduct or gross negligence.

(b) The Dissemination Agent has no responsibility or liability hereunder for determining compliance for any information submitted hereunder with any law, rule or regulation or the terms of this agreement. The Dissemination Agent shall have no responsibility for disseminating information not delivered to it or giving notice of non-delivery except as specifically required hereunder.

(c) The parties to this Continuing Disclosure Agreement acknowledge and agree that the Obligated Entity assumes no obligations hereunder other than those specifically assumed by the Obligated Entity herein.

SECTION 12. Termination of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement shall terminate at such time as the Loan Agreement terminates.

SECTION 13. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the Obligated Entity, the Dissemination Agent, the Trustee, the Issuer, the Insurer, the Participating Underwriter and the Bondholders. This Continuing Disclosure Agreement shall not be deemed to inure to the benefit of or grant any rights to any party other than the parties specified in the preceding sentence.

SECTION 14. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

SECTION 15. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of Florida.

IN WITNESS WHEREOF, the Obligated Entity and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed and delivered as of the date first written above.

CITY OF BRADENTON, FLORIDA, as Obligated
Entity

By: _____
Its: Mayor

FLORIDA LEAGUE OF CITIES, INC.,
as Dissemination Agent

By: _____
Its: _____

EXHIBIT A

Form of Annual Report Certificate

The undersigned duly appointed and acting Mayor of the City of Bradenton, Florida a Florida municipality, as Borrower under the Continuing Disclosure Agreement (hereinafter described) (the "Borrower"), hereby certifies on behalf of the Borrower pursuant to the Continuing Disclosure Agreement dated as of August 1, 2018 (the "Continuing Disclosure Agreement") executed and delivered by the Borrower and accepted by Florida League of Cities, Inc., as Dissemination Agent (the "Dissemination Agent"), as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Continuing Disclosure Agreement.

2. Annual Report. Accompanying this Annual Report Certificate is the Annual Report for the Fiscal Year ended _____.

3. Compliance with Continuing Disclosure Agreement. The Annual Report is being delivered to the Dissemination Agent herewith not later than June 30 following the end of the Fiscal Year to which the Annual Report relates. The Annual Report contains, or includes by reference, Financial Information and Operating Data of the types identified in the Continuing Disclosure Certificate most recently delivered to the Dissemination Agent pursuant to Section 5 of the Continuing Disclosure Agreement. To the extent any such Financial Information or Operating Data is included in the Annual Report by reference, any document so referred to has been previously provided to EMMA or filed with the SEC.

Such Financial Information and Operating Data have been prepared on the basis of the [Audited/Unaudited] Financial Statements. [Such Audited Financial Statements are included as part of the Annual Report.] [Because the Audited Financial Statements have not been approved by the Governing Body as of the date hereof, the Unaudited Financial Statements have been included as part of the Annual Report. The Unaudited Financial Statements have been prepared on a basis substantially consistent with such Audited Financial Statements. The Borrower shall deliver such Audited Financial Statements to the Dissemination Agent as soon as practicable after they have been approved by the Governing Body.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Annual Report Certificate to the Dissemination Agent, which has received such certificate and the Annual Report, all as of the day of the ___ day of _____, _____.

City of Bradenton, Florida, as Borrower

By: _____
Its: Mayor

Acknowledgment of Receipt:

Florida League of Cities, Inc.
as Dissemination Agent

By: _____
Its: _____

EXHIBIT B

Form of Section 5(a) Continuing Disclosure Certificate

Florida League of Cities, Inc.
301 Bronough Street
Tallahassee, Florida 33401

The undersigned duly authorized signatory of the City of Bradenton, Florida (the "Borrower") hereby certifies on behalf of the Borrower pursuant to the Continuing Disclosure Agreement dated as of August 1, 2018 (the "Continuing Disclosure Agreement") executed and delivered by the Borrower and accepted by Florida League of Cities, Inc., as Dissemination Agent (the "Dissemination Agent"), as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Continuing Disclosure Agreement.

2. Purpose. The Borrower is delivering this Continuing Disclosure Certificate to the Dissemination Agent pursuant to Section 5(a) of the Continuing Disclosure Agreement.

3. Financial Information and Operating Data Included in Final Official Statement. The following types of Financial Information and Operating Data were included in the Final Official Statement for the Bonds and are to be included in the Annual Report:

- | | | |
|-----|------------------------|---|
| (a) | Financial Information: | City of Bradenton Non-Ad Valorem Revenue
Anti-Dilution Test
City of Bradenton Historical Non-Ad Valorem
Revenues |
| (b) | Operating Data: | None |

4. Annual Report. Until such time as the Borrower delivers a revised Continuing Disclosure Certificate and an opinion of disclosure counsel to the Dissemination Agent pursuant to Section 5 of the Continuing Disclosure Agreement, the Financial Information and Operating Data of the types identified in paragraph 3 of this certificate shall be included in the Annual Reports delivered by the Dissemination Agent pursuant to Section 4 of the Continuing Disclosure Agreement.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Continuing Disclosure Certificate to the Dissemination Agent, which has received the same, all as of the ____ day of _____, _____.

City of Bradenton, Florida, as Borrower

By: _____
Its: Mayor

Acknowledgment of Receipt:

Florida League of Cities, Inc., as
Dissemination Agent

By: _____
Its: _____

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APPENDIX B

FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE ISSUER

This **CONTINUING DISCLOSURE AGREEMENT** dated as of August 1, 2018 (the "Continuing Disclosure Agreement") is executed and delivered by the Florida Municipal Loan Council ("Issuer"), and by Florida League of Cities, Inc., a Florida corporation not-for-profit, as Dissemination Agent (the "Dissemination Agent") hereunder. Additional capitalized terms used herein shall have the meanings ascribed thereto in Section 2 hereof.

SECTION 1. Nature of Undertaking. This Continuing Disclosure Agreement constitutes an undertaking by the Issuer under paragraph (b)(5) of the Rule to provide Annual Financial Information and notice of the occurrence of certain events with respect to the Bonds, as provided in paragraph (b)(5)(i)(C) of the Rule, and otherwise to assist the Participating Underwriter in complying with paragraph (b)(5) of the Rule with respect to the Offering of the Bonds. Among other things, the Issuer is hereby undertaking (i) to disseminate an Annual Report not later than the June 30 following the end of each Fiscal Year of the Issuer in accordance with Section 4 hereof, which contains Annual Financial Information with respect to the Issuer, (ii) if an Annual Report does not contain the Audited Financial Statements, to disseminate the Audited Financial Statements in accordance with Section 4 hereof as soon as practicable after they shall have been approved by the Governing Body, (iii) to provide notice in a timely manner, in accordance with Section 6 hereof, of the occurrence of any of the Listed Events related to the Issuer and (iv) to provide notice in a timely manner, in accordance with Section 4(e) hereof, of any failure to disseminate an Annual Report in accordance with the preceding clause (i) of this sentence.

SECTION 2. Definitions. In addition to the definitions set forth above and in the herein-defined Indenture, which shall apply to any capitalized terms used herein, the following capitalized terms shall have the following meanings, unless otherwise defined therein:

"Annual Report" means a document or set of documents which (a) identifies the Issuer; (b) contains (or includes by reference to documents which were filed with the SEC or with EMMA prior to the date that the Annual Report containing such reference is provided to the Dissemination Agent in accordance with Section 4 hereof): (i) Financial Information and Operating Data for the Issuer; (ii) Audited Financial Statements if such Audited Financial Statements shall have been approved by the Governing Body at the time the Annual Report is required to be provided to the Dissemination Agent in accordance with Section 4 hereof; and (iii) Unaudited Financial Statements if the Audited Financial Statements shall not have been approved by the Governing Body at the time the Annual Report is required to be provided to the Dissemination Agent in accordance with Section 4 hereof; (c) in the event that the Issuer delivers a Continuing Disclosure Certificate to the Dissemination Agent pursuant to Section 5(b) hereof, contains (in the case of the Annual Report disseminated on or immediately after the date such Continuing Disclosure Certificate is so delivered) a narrative explanation of the reasons for the changes in Financial Information and/or Operating Data set forth in such Continuing Disclosure Certificate and the effect of the changes on the types of Financial Information and/or Operating

Data being provided in such Annual Report; and (d) in the event that the Issuer authorizes a change in the accounting principles by which its Audited Financial Statements are prepared, contains (in the case of the Annual Report disseminated on or immediately after the date of such change) (1) a comparison between the Financial Information prepared on the basis of the new accounting principles which is contained in such Annual Report and the Financial Information prepared on the basis of the former accounting principles which was contained in the previous Annual Report disseminated immediately prior to such Annual Report and (2) a discussion of the differences between such accounting principles and the effect of such change on the presentation of the Financial Information being provided in such Annual Report.

"Annual Report Date" means the June 30 following the end of a Fiscal Year.

"Audited Financial Statements" means the financial statements of the Issuer which have been examined by independent certified public accountants in accordance with generally accepted auditing standards.

"Bondholder" means (i) the registered owner of a Bond and (ii) the beneficial owner of a Bond, as the term "beneficial owner" is used in any agreement with a securities depository for the Bonds and as the term may be modified by an interpretation by the SEC of paragraph (b)(5) of the Rule.

"Bonds" means the \$7,595,000 Florida Municipal Loan Council Revenue Bonds, Series 2018A (City of Bradenton Series).

"Continuing Disclosure Agreement" means this Continuing Disclosure Agreement, as the same may be supplemented and amended pursuant to Section 8 hereof.

"Continuing Disclosure Certificate" means a Continuing Disclosure Certificate in the form attached hereto as Exhibit A delivered by the Issuer to the Dissemination Agent pursuant to Section 5 hereof.

"Dissemination Agent" means Florida League of Cities, Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent which is appointed pursuant to Section 3 hereof or to which the responsibilities of Dissemination Agent under this Continuing Disclosure Agreement shall have been assigned in accordance with Section 9 hereof.

"EMMA" means the Electronic Municipal Market Access System as described in Securities and Exchange Commission Release No. 34-59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule as further described in Sections 4 and 6 hereof.

"Event Notice" means notice of the occurrence of a Listed Event.

"Final Official Statement" means the Final Official Statement prepared in connection with the Offering of the Bonds.

"Financial Information" means financial information related to the Issuer of the types identified in the Continuing Disclosure Certificate most recently delivered by the Issuer to the Dissemination Agent in accordance with Section 5 hereof. The Financial Information (i) shall be prepared for the Fiscal Year immediately preceding the date of the Annual Report containing such Financial Information, and (ii) shall be prepared on the basis of the Audited Financial Statements to be provided to the Dissemination Agent concurrently with the Annual Report, provided that, if the Audited Financial Statements are to be provided to the Dissemination Agent subsequent to the date that the Annual Report is provided to the Dissemination Agent, such Financial Information may be prepared on the basis of the Unaudited Financial Statements.

"Governing Body" shall mean the governing body of the Issuer which shall approve the Audited Financial Statements.

"Indenture" means the Trust Indenture dated of even date herewith, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee.

"Issuer" means Florida Municipal Loan Council.

"Listed Events" means any of the events which are set forth in Section 6 hereof.

"MSRB" means the Municipal Securities Rulemaking Board.

"Offering" means the primary offering of the Bonds for sale by the Participating Underwriter.

"Operating Data" means operating data of the types identified in the Continuing Disclosure Certificate most recently delivered by the Issuer to the Dissemination Agent in accordance with Section 5 hereof. The Operating Data shall be prepared for the Fiscal Year immediately preceding the date of the Annual Report containing such Operating Data.

"Participating Underwriter" means Wells Fargo Bank, National Association.

"Rating Agency" means Moody's Investors Service, or any successor thereto.

"Rule" means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as amended, as the Rule may be amended from time to time, or any successor provision thereto.

"SEC" means the Securities and Exchange Commission.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture.

"Unaudited Financial Statements" means unaudited financial statements of the Issuer for any Fiscal Year which have been prepared on a basis substantially consistent with the Audited Financial Statements to be subsequently prepared for such Fiscal Year.

SECTION 3. Appointment of Dissemination Agent: Obligations of Issuer Respecting Undertaking. (a) The Issuer hereby appoints Florida League of Cities, Inc. to act as the initial Dissemination Agent hereunder. Florida League of Cities, Inc. hereby accepts such appointment. The Issuer may, from time to time, appoint a successor Dissemination Agent or discharge any then acting Dissemination Agent, with or without cause. If at any time there shall be no Dissemination Agent appointed and acting hereunder or the then appointed and acting Dissemination Agent shall fail to perform its obligations hereunder, the Issuer shall discharge such obligations until such time as the Issuer shall appoint a successor Dissemination Agent or the then appointed and acting Dissemination Agent shall resume the performance of such obligations.

(b) The Issuer hereby acknowledges that the Issuer is obligated to comply with this Continuing Disclosure Agreement and that the appointment of the Dissemination Agent as agent of the Issuer for the purposes herein provided does not relieve the Issuer of its obligations with respect to this Continuing Disclosure Agreement.

SECTION 4. Annual Financial Information. (a) The Financial Information shall be contained in the Annual Reports and, if provided separately in accordance with Section 5(b) hereof, the Audited Financial Statements which the Issuer is required to deliver to the Dissemination Agent for dissemination in accordance with this Section 4.

(b) The Dissemination Agent shall notify the Issuer of each Annual Report Date and of the Issuer's obligation hereunder not more than 60 and not less than 30 days prior to each Annual Report Date. The Issuer shall provide an Annual Report to the Dissemination Agent not later than each Annual Report Date, provided that, if the Annual Report does not include the Audited Financial Statements, the Issuer shall provide the Audited Financial Statements to the Dissemination Agent as soon as practicable after they shall have been approved by the Governing Body.

(c) The Dissemination Agent shall provide the Annual Report and, if received separately in accordance with Section 4(b) hereof, the Annual Financial Statements, to EMMA, the Trustee, the Rating Agency and the Insurer within five (5) Business Days after receipt thereof from the Issuer.

(d) The Dissemination Agent shall provide the Issuer and the Trustee written confirmation that the Annual Report and, if received separately in accordance with Section 4(b) hereof, the Annual Financial Statements, were provided to EMMA in accordance with Section 4(c) hereof.

(e) If the Dissemination Agent shall not have filed the Annual Report by the Annual Report Date, the Dissemination Agent shall so notify EMMA, the Trustee and the Insurer within five (5) Business Days of the Annual Report Date.

SECTION 5. Continuing Disclosure Certificates. (a) The Issuer shall prepare a Continuing Disclosure Certificate in the form attached hereto as Exhibit A in connection with the

Offering of the Bonds and shall deliver the same to the Dissemination Agent for dissemination to the Participating Underwriter and Trustee.

(b) Prior to the deletion or substitution of any Financial Information and Operating Data in the Continuing Disclosure Certificate from the information listed in Exhibit A hereto, the Issuer will obtain an opinion of nationally recognized disclosure counsel (which may also act as outside counsel to the Issuer) addressed to the Issuer, the Participating Underwriter, the Trustee and the Dissemination Agent, to the effect that said deletion or substitution is permitted by the Rule and the Financial Information and Operating Data to be provided will comply with the Rule, as in effect on the date of the Offering of the Bonds and taking into account any amendment or interpretation of the Rule by the SEC or any adjudication of the Rule by a final decision of a court of competent jurisdiction which may have occurred subsequent to the execution and delivery of this Continuing Disclosure Agreement. The Dissemination Agent is entitled to rely on such opinion without further investigation.

(c) Notwithstanding Section 5(b) hereof, the Issuer shall not be required to comply with Section 5(b) hereof if such Section shall no longer be deemed to be required in order for this Continuing Disclosure Agreement to comply with the Rule as a result of the adoption, rendering or delivery of (i) an amendment or interpretation of the Rule by the SEC, (ii) an adjudication of the Rule by a final decision of a court of competent jurisdiction or (iii) an opinion of nationally recognized disclosure counsel (which may also act as outside counsel to the Issuer), in each case, to that effect.

(d) Any delivery of a Continuing Disclosure Certificate pursuant to Section 5(b) hereof shall not be deemed to be an amendment to this Continuing Disclosure Agreement and shall not be subject to the provisions of Section 8 hereof.

SECTION 6. Reporting of Listed Events.(a) Pursuant to the provisions of this Section 6, the Issuer shall direct the Dissemination Agent to provide, in the appropriate format required by law or applicable regulation, in a timely manner such that notice to EMMA can be provided not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events, with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit facility providers, or their failure to perform;

- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of any property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar events of the Issuer (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer).
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) the appointment of a successor or additional trustee or the change of name of the trustee, if material; and
- (xv) in a timely manner, notice of failure to provide annual Financial Information before the date(s) specified in Section 4 hereof.

(b) If the Issuer instructs the Dissemination Agent to provide an Event Notice pursuant to Section 6(a) hereof, the Dissemination Agent shall, within three (3) Business Days thereafter, file an Event Notice with EMMA, the Trustee, the Rating Agency and the Insurer. The Dissemination Agent shall provide the Issuer and the Trustee written confirmation that such Event Notice was provided to EMMA in accordance with this Section 6(b).

(c) Notwithstanding the foregoing, whenever the Issuer authorizes a change in either its Fiscal Year or the accounting principles by which its Audited Financial Statements are prepared, the Issuer shall provide the Dissemination Agent with written notice of such change and instruct the Dissemination Agent to file a copy of such notice with EMMA, the Insurer, the Rating Agency and the Trustee, and the Dissemination Agent shall, within three (3) Business Days thereafter, file a copy of such notice with EMMA, the Insurer, the Rating Agency and the Trustee. The Dissemination Agent shall provide the Issuer written confirmation that such notice was provided to EMMA in accordance with this Section 6(c).

SECTION 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent (i) the Issuer from disseminating any information or notice of the occurrence of any event using the means of dissemination specified in this Continuing Disclosure Agreement or other means or (ii) the Issuer from including in an Annual Report any information which shall be in addition to the Financial Information, Operating Data and Audited or Unaudited Financial Statements required by Section 4 hereof to be included in such Annual Report, provided that this Continuing Disclosure Agreement shall not be deemed to require the Issuer to include or update any such additional information in any subsequently prepared Annual Report.

SECTION 8. Amendments: Waivers. This Continuing Disclosure Agreement may be amended, and any provision hereof may be waived, by the parties hereto if prior to the effective date of any such amendment or waiver, the Issuer delivers to the Dissemination Agent and the Trustee an opinion of nationally recognized disclosure counsel (which may also act as outside counsel to one or more members of the Issuer), to the effect that the amendment is permitted under the Rule and that this Continuing Disclosure Agreement (taking into account such amendment or waiver) complies with the Rule, as in effect on the date of the Offering of Bonds or after the execution and delivery of this Continuing Disclosure Agreement, taking into account any amendment or interpretation of the Rule by the SEC or any adjudication of the Rule by a final decision of a court of competent jurisdiction which may have occurred subsequent to the execution and delivery of this Continuing Disclosure Agreement. The Dissemination Agent shall notify EMMA of any such amendment and shall provide EMMA with a copy of any such amendment.

SECTION 9. Assignment. The Issuer may not assign its obligations under this Continuing Disclosure Agreement. The Dissemination Agent may assign its rights and responsibilities hereunder to a third party with the consent of the Issuer, which shall not be unreasonably withheld.

SECTION 10. Compensation of the Dissemination Agent. As compensation to the Dissemination Agent for its services pursuant to this Continuing Disclosure Agreement, the

Issuer agrees to pay all fees and all expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs and other disbursements in the administration and performance of its duties hereunder, and shall to the extent permitted by law indemnify and save the Dissemination Agent and its officers, directors, attorneys, agents and employees harmless from and against any costs, expenses, damages or other liabilities (including attorneys' fees) which it (or they) may incur in the exercise of its (or their) powers and duties hereunder, except with respect to its (or their) willful misconduct or gross negligence.

SECTION 11. Concerning the Dissemination Agent and the Issuer. (a) The Dissemination Agent is not answerable for the exercise of any discretion or power under this Continuing Disclosure Agreement or for anything whatever in connection herewith, except only its own willful misconduct or gross negligence. The Dissemination Agent shall have no liability to the Bondholders or any other person with respect to the undertakings described in Section 1 hereof except as expressly set forth in this Continuing Disclosure Agreement regarding its own willful misconduct or gross negligence.

(b) The Dissemination Agent has no responsibility or liability hereunder for determining compliance for any information submitted hereunder with any law, rule or regulation or the terms of this agreement. The Dissemination Agent shall have no responsibility for disseminating information not delivered to it or giving notice of non-delivery except as specifically required hereunder; and

(c) The parties to this Continuing Disclosure Agreement acknowledge and agree that the Issuer assumes no obligations hereunder other than those specifically assumed by the Issuer herein.

SECTION 12. Termination of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement shall terminate at such time as the Bonds are no longer outstanding.

SECTION 13. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the Dissemination Agent, the Trustee, the Issuer, the Insurer, the Participating Underwriter and the Bondholders. This Continuing Disclosure Agreement shall not be deemed to inure to the benefit of or grant any rights to any party other than the parties specified in the preceding sentence.

SECTION 14. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

SECTION 15. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of Florida.

IN WITNESS WHEREOF, the Issuer and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed and delivered as of the date first written above.

FLORIDA MUNICIPAL LOAN COUNCIL,
as Issuer

By: _____
Its: Chairman

FLORIDA LEAGUE OF CITIES, INC.,
as Dissemination Agent

By: _____
Its: Executive Director

EXHIBIT A

Form of Section 5(a) Continuing Disclosure Certificate

Florida League of Cities, Inc.
Tallahassee, Florida

The undersigned duly appointed and acting Chairman of Florida Municipal Loan Council (the "Issuer") hereby certifies on behalf of the Issuer pursuant to the Continuing Disclosure Agreement dated as of August 1, 2018 (the "Continuing Disclosure Agreement") executed and delivered by the Issuer and accepted by Florida League of Cities, Inc., as Dissemination Agent (the "Dissemination Agent"), as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Continuing Disclosure Agreement.

2. Purpose. The Issuer is delivering this Continuing Disclosure Certificate to the Dissemination Agent pursuant to Section 5(a) of the Continuing Disclosure Agreement.

3. Written Undertaking. On behalf of the Issuer, the Issuer hereby designates the Continuing Disclosure Agreement to be the written undertaking under paragraph (b)(5) of the Rule with respect to the \$7,595,000 Florida Municipal Loan Council Revenue Bonds, Series 2018A (City of Bradenton Series).

4. Financial Information and Operating Data Included in Final Official Statement. The following types of Financial Information and Operating Data were included in the Final Official Statement for the Bonds and are to be included in the Annual Report:

(a) Financial Information None

(b) Operating Data None

5. Annual Report. Until such time as the Issuer delivers a revised Continuing Disclosure Certificate and an opinion of disclosure counsel to the Dissemination Agent pursuant to Section 5 of the Continuing Disclosure Agreement, the Financial Information and Operating Data of the types identified in paragraph 4 of this certificate shall be included in the Annual Reports delivered by the Dissemination Agent pursuant to Section 4 of the Continuing Disclosure Agreement.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Continuing Disclosure Certificate to the Dissemination Agent, which has received the same, all as of the ___ day of _____, 2018.

FLORIDA MUNICIPAL LOAN COUNCIL,
as Issuer

By: _____
Its: Chairman

Acknowledgment of Receipt:

FLORIDA LEAGUE OF CITIES, INC.,
as Dissemination Agent

By: _____
Its: Executive Director

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APPENDIX C
FORM OF THE INDENTURE

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FLORIDA MUNICIPAL LOAN COUNCIL,

Issuer

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

Trustee

TRUST INDENTURE

\$7,595,000 Florida Municipal Loan Council Revenue Bonds, Series 2018A
(City of Bradenton Series)

Dated as of August 1, 2018

This Instrument Prepared By:

JoLinda Herring, Esquire
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SunTrust International Center
1 SE 3rd Avenue, Suite 2200
Miami, Florida 33131

and

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TRUST INDENTURE

THIS TRUST INDENTURE is made and entered into as of August 1, 2018, by and between the FLORIDA MUNICIPAL LOAN COUNCIL, a legal entity and public body corporate and politic duly created and existing under the Constitution and laws of the State of Florida (the "Council"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, duly organized, existing, and authorized to accept and execute trusts of the character herein set out, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, all capitalized undefined terms used herein shall have the meanings set forth in Article I hereof; and

WHEREAS, the Council is duly created and existing pursuant to the Constitution and laws of the State of Florida (the "State"), including particularly Chapter 163, Part I, Florida Statutes, as amended (the "Interlocal Act"), and initially certain resolutions of the City of Stuart, Florida, the City of Deland, Florida, and the City of Rockledge, Florida; and

WHEREAS, the Council, pursuant to the authority of the Interlocal Act and other applicable provisions of law, is authorized, among other things, to issue revenue bonds on behalf of and for the benefit of the Borrower in order to finance or reimburse the cost of qualified Projects of the Borrower, such bonds to be secured by an instrument evidencing and securing a loan to the Borrower and to be payable solely out of the payments made by the Borrower pursuant to the Loan Agreement entered into between the Borrower and the Council or from other moneys designated as available therefor and not otherwise pledged or used as security, and to enter into a trust indenture providing for the issuance of such bonds and for their payment and security; and

WHEREAS, the Council has determined that the public interest will be best served and that the purposes of the Interlocal Act can be more advantageously obtained by the Council's issuance of revenue bonds in order to provide funds to loan to the Borrower to finance or reimburse the cost of qualifying Projects pursuant to the Loan Agreement between the Borrower and the Council; and

WHEREAS, the Council has previously by a resolution adopted on October 23, 2002 (the "Resolution"), authorized the issuance of its Florida Municipal Loan Council Revenue Bonds, in various series in an additional aggregate principal amount of not exceeding \$750,000,000, pursuant to certain trust indentures, to provide funds to finance, refinance, or reimburse the cost of qualified projects of the participating borrowers; and

WHEREAS, the Council has now determined to issue its \$7,595,000 Florida Municipal Loan Council Revenue Bonds, Series 2018A (City of Bradenton Series) at this time pursuant to this Trust Indenture for the purposes more fully described herein; and

WHEREAS, in order to secure the payment when due of the principal of, premium, if any, and interest on the Bonds, the Borrower has covenanted or pledged in the Loan Agreement to budget and appropriate legally available non-ad valorem revenues sufficient for such purpose; and

NOW, THEREFORE, THIS TRUST INDENTURE

WITNESSETH:

GRANTING CLAUSES

The Council, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Council of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, mortgage, assign, pledge, and grant, without recourse, the Trust Estate to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Council hereinafter set forth:

GRANTING CLAUSE FIRST

All right, title, and interest of the Council under the Loan Agreement (excluding fees and expenses payable to the Council, rights of the Council to indemnity and notices thereunder, and excluding any payments made by the Borrower to comply with the rebate provisions of Section 148(f) of the Code) if, as and when entered into by the Borrower and any documents securing payment thereunder, including all extensions and renewals of any of the terms of the Loan Agreement and any documents securing payment thereunder, if any, and without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any income, issues, profits, and other sums of money payable to or receivable by the Council to bring actions or proceedings under the Loan Agreement, any documents securing payment thereunder or for the enforcement thereof, and to do any and all things which the Council is or may become entitled to do under or due to its ownership of the interests hereby granted in the Loan Agreement; and

GRANTING CLAUSE SECOND

All moneys and securities from time to time held in the Funds by the Trustee under the terms of this Indenture (except for moneys and securities held in the Rebate Fund); and

GRANTING CLAUSE THIRD

All Revenues and any and all other property, rights, and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, pledged, hypothecated, or otherwise subjected hereto, as and for additional security herewith, by the Council or any other person on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, to the Trustee and its respective successors in trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security, and protection of all present and future owners of the Bonds issued under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that the holders of the Bonds shall be entitled to payment only from (a) the Loan Agreement more fully described in Granting Clause First hereof pledged for the payment of such Bonds, (b) the Funds set forth in Granting Clause Second hereof established for such Bonds, and (c) the Revenues and other property, rights, and interests described in Granting Clause Third pledged for the payment of such Bonds;

AND FURTHER PROVIDED, that if the Council, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds and as provided in Article II hereof according to the true intent and meaning thereof, and shall cause the payments to be made as required under Article II hereof, or shall provide, as permitted hereby, for the payment thereof in accordance with Article VIII hereof, and shall well and truly keep, perform, and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Trustee and any Paying Agent all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as provided in Article VIII hereof, this Indenture and the rights hereby granted shall cease, terminate, and be void and the Trustee shall thereupon cancel and discharge this Indenture and execute and deliver to the Council such instruments in writing as shall be requisite to evidence the discharge hereof.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the Trust Estate is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Council has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners, from time to time, of the Bonds, or any part thereof, as follows:

ARTICLE I

DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01. Definitions. Unless the context or use indicates another meaning or intent, the following words and terms as used in this Indenture shall have the following meanings, and any other hereinafter defined words and terms, shall have the meanings as therein defined.

"Accountant" or "Accountants" means an independent certified public accountant or a firm of independent certified public accountants.

"Act" means, collectively, Chapter 163, Part I, Florida Statutes, Chapter 166, Part II, Florida Statutes, and Chapter 125, Part I, Florida Statutes, each as amended, and all other applicable provisions of law.

"Additional Payments" means payments required by Section 5.03 of the Loan Agreement.

"Amortization Installment" means, with respect to any Term Bonds, an amount so designated for mandatory principal installments (for mandatory call or otherwise) payable on any Terms Bonds issued under the provisions of this Indenture.

"Authorized Denominations" means \$5,000 and any integral multiples thereof.

"Authorized Representative" means, when used pertaining to the Council, the Chairman of the Council and such other designated members, agents, or representatives as may hereafter be selected by Council resolution; and, when used with reference to the Borrower, means the person performing the functions of the Mayor or Deputy, Acting, or Vice Mayor of such Borrower thereof or other officer authorized to exercise the powers and performs the duties of the Mayor; and, when used with reference to an act or document, also means any other person authorized by resolution or ordinance to perform such act or sign such document.

"Basic Payments" means the payments denominated as such in Section 5.01 of the Loan Agreement.

"Board" means the governing body of the Borrower.

"Bond Counsel" means Bryant Miller Olive P.A., Miami, Florida, or any other nationally recognized bond counsel, selected by the Council and acceptable to the Trustee.

"Bondholder" or "Holder" or "holder of Bonds" or "Owner" or "owner of Bonds," means, whenever used herein with respect to a Bond, the person in whose name such Bond is registered.

"Bonds" means \$7,595,000 Florida Municipal Loan Council Revenue Bonds, Series 2018A (City of Bradenton Series).

"Bond Year" means a 12-month period beginning on October 2 and ending on and including the following October 1, except for the first period which begins on August 23, 2018.

"Borrower" means the City of Bradenton Florida, a governmental unit which has entered into the Loan Agreement and which is borrowing and using the Loan proceeds to finance and/or be reimbursed for, all or a portion of the costs of one or more Projects.

"Business Day" means any day of the year which is not a Saturday or Sunday or a day on which banking institutions located in New York City or the State are required or authorized to remain closed or on which the New York Stock Exchange is closed.

"Certificate," "Statement," "Request," "Requisition" and "Order" of the Council mean, respectively, a written certificate, statement, request, requisition, or order signed in the name of the Council by its Chairman, Program Administrator, or such other person as may be designated and authorized to sign for the Council; or of the Borrower mean, respectively, a written certificate, statement, request, requisition, or order signed in the name of the Borrower by its Mayor or Deputy, Acting, or Vice Mayor, or its Chairman or Deputy, Acting, or Vice Chairman, or such other person as may be designated and authorized to sign for the Borrower. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion, or representation, and the two or more so combined shall be read and construed as a single instrument.

"Closing" means the closing of the Loan pursuant to this Indenture and the Loan Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also

including regulations issued pursuant to the statutory predecessor of the Code, the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court decisions).

"Commencement Date" means the date when the term of the Loan Agreement begins and the obligation of the Borrower thereunder to make Loan Repayments accrues.

"Cost" means the purchase price of any project acquired; the cost of improvements; the cost of construction, extension or enlargement; the cost of all lands, properties, rights, easements and franchises acquired; the cost of all machinery and equipment, financing charges, interest during construction; and, if deemed advisable, for one year after completion of construction, cost of investigations, audits, and engineering and legal services; and all other expenses necessary or incident to determining the feasibility or practicability of such acquisition or construction, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized and to the acquisition or construction of a project and the placing of the same in operation. Any obligation or expense incurred by the Borrower prior to the issuance of bonds for engineering studies and for estimates of cost and of revenues, and for other technical, financial, or legal services in connection with the acquisition or construction of any project, may be regarded as a part of the cost of such project.

"Cost of Issuance Fund" means the Series 2018A Cost of Issuance Fund established pursuant to Section 4.02 hereof.

"Council" means the Florida Municipal Loan Council.

"Counsel" means an attorney duly admitted to practice law before the highest court of the State and, without limitation, may include legal counsel for either the Council, the Borrower, or the Trustee.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Designated Member" means any designated person selected by the Council.

"Designated Office" means the office of the Trustee, Registrar, and Paying Agent set forth in Section 14.05 hereof.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Event of Default" means any occurrence or event specified in Section 9.01 hereof.

"Executive Director" means the Executive Director of the Program Administrator and their successor.

"Financial Newspaper" or "Journal" means The Wall Street Journal or The Bond Buyer or any other newspaper or journal containing financial news, printed in the English language, customarily published on each Business Day and circulated in New York, New York, and selected by the Trustee, whose decision shall be final and conclusive.

"Funds" means the funds created pursuant to Section 4.02 hereof.

"Governmental Obligations" means (a) non-callable direct obligations of the United States of America ("Treasuries"); (b) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated; (c) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively; (d) securities eligible for "AAA" defeasance under then existing criteria of S&P; or (e) any combination of the foregoing.

"Indenture" means this Trust Indenture dated as of August 1, 2018, between the Council and the Trustee, including any indentures amendatory or supplemental thereto, pursuant to which (a) the Bonds are authorized to be issued, and (b) the Council's interest in the Trust Estate is pledged as security for the payment of principal of, premium, if any, and interest on the Bonds.

"Interest Payment Date" means April 1 and October 1 of each year, commencing April 1, 2019.

"Interlocal Act" means Chapter 163, Part I, Florida Statutes, as amended.

"Investment Securities" means any securities lawful for investment under the laws of the State.

"Liquidation Proceeds" means amounts received by the Trustee or the Council in connection with the enforcement of any of the remedies under the Loan Agreement after the occurrence of an "event of default" under the Loan Agreement which has not been waived or cured.

"Loan" means the loan to the Borrower from proceeds of the Bonds to finance or reimburse the Projects pursuant to the Loan Agreement in the amount specified in Section 3.01 of the Loan Agreement.

"Loan Agreement" means the Loan Agreement between the Council and the Borrower participating in the Program with respect to the Bonds, and any amendments and supplements thereto, which are executed for the purpose of securing repayment of the Loan made by the Council to the Borrower from proceeds of the Bonds and establishing the terms and conditions upon which the Loan is to be made.

"Loan Repayments" means the payments of principal of and interest on the Loan and other payments payable by the Borrower pursuant to the provisions of the Loan Agreement, including, without limitation, Additional Payments.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Council by notice to the Trustee.

"Outstanding" or "Bonds Outstanding" means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

- (a) Bonds canceled after purchase in the open market or because of payment at maturity or redemption prior to maturity;
- (b) Bonds deemed paid under Article VIII hereof; and
- (c) Bonds in lieu of which other Bonds have been authenticated under Section 2.06, 2.07, or 2.09 hereof.

"Paying Agent" means the Trustee or any successor paying agent appointed pursuant to the provisions hereof.

"Person" or "person" means any individual, corporation, partnership, association, trust or any other entity or organization including a government or political subdivision or an agency or instrumentality thereof.

"Principal Fund" means the Series 2018A Principal Fund created by Section 4.02 hereof.

"Principal Payment Date" means the maturity date or mandatory redemption date of any Bond.

"Program" means the Council's program of making the Loan under the Act and pursuant to this Indenture.

"Program Administrator" means the Florida League of Cities, Inc., a non-profit Florida corporation.

"Project" or "Projects" means a governmental undertaking approved by the governing body of the Borrower for a public purpose, which shall include the Borrower's Projects detailed on Exhibit A attached to the Loan Agreement.

"Project Loan Fund" means the Series 2018A Project Loan Fund created by Section 4.02 hereof.

"Rebate Fund" means the Series 2018A Rebate Fund created by Section 4.02 hereof and all accounts therein.

"Record Date" means, with respect to any Interest Payment Date, the 15th day of the calendar month preceding such Interest Payment Date.

"Redemption Price" means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the premium, if any, payable upon redemption pursuant to the provisions of such Bond and this Indenture.

"Registrar" means the Trustee or any successor registrar appointed pursuant to the provisions hereof.

"Reserve Requirement" means \$0.00.

"Responsible Officer" means any officer of the Trustee within the corporate trust office specified in Section 14.05 (or any successor corporate trust office) having direct responsibility for the administration of this Indenture.

"Revenue Fund" means the Series 2018A Revenue Fund created by Section 4.02 hereof.

"Revenues" means all Loan Repayments paid to the Trustee for the account of the Borrower for deposit in the Revenue Fund and the Principal Fund to pay principal of, premium, if any, and interest on the Bonds when due, and all receipts of the Trustee credited to the account of the Borrower under the provisions of the Loan Agreement.

"S&P" means Standard & Poor's Global Ratings, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Council by notice to the Trustee.

"Special Record Date" means the date established pursuant to Section 9.05 hereof as a record date for the payment of defaulted interest, if any, on the Bonds.

"State" means the State of Florida.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the Council and the Trustee, supplementing, modifying, or amending this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Term Bonds" means the Bonds which are subject to Amortization Installments, and are designated as Term Bonds.

"Trust Estate" means the property, rights, Revenues, and other assets pledged and assigned to the Trustee pursuant to the Granting Clauses hereof.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as Trustee, or any successor thereto under this Indenture.

SECTION 1.02. Rules of Interpretation. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) "This Indenture" means this instrument as originally executed and as it may from time to time be supplemented, modified, or amended by any Supplemental Indenture.

(b) All references in this instrument to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument as originally executed. The words "herein," "hereof," "hereunder," and "herewith," and other words of similar import, refer to this Indenture as a whole and not to any particular Article, Section, or other subdivision.

(c) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

(e) The terms defined elsewhere in this Indenture shall have the meanings therein prescribed for them.

(f) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(g) The headings or captions used in this Indenture are for convenience of reference only and shall not define or limit or describe any of the provisions hereof or the scope or intent hereof.

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ARTICLE II

THE BONDS

SECTION 2.01. Authorization; Book-Entry System.

(a) Authorization, Issuance and Execution of Bonds. The Bonds shall be issued in a single series hereunder in order to obtain moneys to carry out the purposes of the Program for the benefit of the Council and the Borrower. The Bonds shall be designated as "Florida Municipal Loan Council Revenue Bonds, Series 2018A (City of Bradenton Series)." At any time after the execution of this Indenture, the Council may execute and the Trustee shall authenticate and, upon the written request of the Council, deliver the Bonds in the aggregate principal amount of \$7,595,000. This Indenture constitutes a continuing agreement with the Owners from time to time of the Bonds appertaining thereto to secure the full payment of the principal of, premium, if any, and interest on all such Bonds subject to the covenants, provisions, and conditions herein contained.

The Bonds shall be issuable as fully registered bonds without coupons and shall be executed in the name and on behalf of the Council with the manual or facsimile signature of its Chairman, under its seal attested by the manual or facsimile signature of its Executive Director or Designated Member. Such seal may be in the form of a facsimile of the Council's seal and may be reproduced, imprinted, or impressed on the Bonds. The Bonds shall then be delivered to the Registrar for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Council before the Bonds so signed and attested shall have been authenticated or delivered by the Registrar or issued by the Council, such Bonds may nevertheless be authenticated, delivered, and issued and, upon such authentication, delivery, and issue, shall be as binding upon the Council as though those who signed and attested the same had continued to be such officers of the Council, and also any Bond may be signed and attested on behalf of the Council by such persons as at the actual date of execution of such Bond shall be the proper officers of the Council although at the nominal date of such Bond any such person shall not have been such officer of the Council.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form hereinafter recited, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Registrar shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated, and delivered hereunder and are entitled to the benefits of this Indenture.

(b) The Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. Except as provided in this Section, all of the

outstanding Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

With respect to the Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Council, the Registrar and the Paying Agent shall have no responsibility or obligation to any such participant or to any indirect participant. Without limiting the immediately preceding sentence, the Council, the Registrar, and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any participant with respect to any ownership interest in the Bonds, (ii) the delivery to any participant or any other person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any participant or any other person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Council, the Registrar, and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Council's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the obligation of the Council to make payments of principal of, premium, if any, and interest on the Bonds pursuant to the provisions hereof. Upon delivery by DTC to the Council of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this Indenture shall refer to such new nominee of the DTC, and upon receipt of such a notice the Council shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon receipt by the Council of written notice from DTC (1) to the effect that DTC has received written notice from the Council to the effect that a continuation of the requirement that all of the outstanding Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Bonds, or (2) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, upon compliance with any procedures of DTC, the Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee

of DTC, but may be registered in whatever name or names Holders transferring or exchanging the Bonds shall designate, in accordance with the provision hereof.

SECTION 2.02. Maturity and Interest Rate Provisions. The Bonds shall be dated August 23, 2018. They shall be numbered consecutively from R-1 upward. They shall be issued in Authorized Denominations. Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated, unless authenticated on an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date, or unless authenticated prior to the first Interest Payment Date, in which case it shall bear interest from its date. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds shall bear interest and shall mature at the rates, in the amounts and on the dates set forth below:

\$5,385,000 Serial Bonds

Maturity (October 1)	Principal Amount	Interest Rate	Price
2019	\$140,000	4.000%	102.529
2020	180,000	4.000	104.291
2021	190,000	4.000	105.712
2022	195,000	4.000	106.824
2023	205,000	5.000	112.523
2024	215,000	5.000	113.889
2025	225,000	5.000	114.986
2026	235,000	5.000	115.851
2027	250,000	5.000	116.696
2028	260,000	5.000	117.416
2029	275,000	5.000	116.845*
2030	290,000	3.000	97.512
2031	295,000	3.125	97.626
2032	305,000	3.250	98.328
2033	315,000	5.000	114.968*
2034	335,000	4.000	103.704*
2035	345,000	3.500	97.976
2036	360,000	5.000	113.675*
2037	375,000	4.000	102.252*
2038	395,000	3.625	97.827

\$2,210,000 4.000% Term Bonds Due October 1, 2043 Price – 101.075*

* Priced to first optional redemption date of October 1, 2028.

SECTION 2.03. Payment Provisions. The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Principal of, and premium, if any, on the Bonds shall be payable at the Designated Office of the Trustee, or any successor paying agent and registrar appointed pursuant to the provisions of Sections 10.12 and 10.13 hereof on each Principal Payment Date, and payment of the interest on each Bond shall be made by the Paying Agent on each Interest Payment Date to the person appearing as the registered owner thereof on the bond registration books maintained by the Registrar as of the close of business on the Record Date preceding the Interest Payment Date (or, if interest on the Bonds is in default a Special Record Date established pursuant to Section 9.05 hereof), by check mailed on the Interest Payment Date to such registered owner at his or her address as it appears on such registration books or at the prior written request and expense of an owner of \$1,000,000 or more in aggregate principal amount of the Bonds, by bank wire transfer to a domestic bank account, notwithstanding the cancellation of any such Bonds upon any exchange or transfer thereof subsequent to the Record Date or Special Record Date and prior to such Interest Payment Date. Payment of the principal (or Redemption Price), of the Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

SECTION 2.04. [Reserved].

SECTION 2.05. [Reserved].

SECTION 2.06. Mutilated, Lost, Stolen, or Destroyed Bonds; Bonds Not Delivered for Redemption. If any Bond is mutilated, lost, stolen or destroyed, the Council shall execute and the Registrar shall authenticate a new Bond of the same date, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the Council and the Registrar evidence of such loss, theft, or destruction satisfactory to the Council and the Registrar, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or been called for redemption, instead of issuing a duplicate Bond, the Paying Agent may pay the same. The Council and the Registrar may charge the Owner of such Bond with their reasonable fees, costs, and expenses (including reasonable attorney's fees, costs, and expenses) in connection with replacing any Bond mutilated, lost, stolen or destroyed.

SECTION 2.07. Transfer and Exchange of Bonds; Persons Treated as Owners. The Council shall cause books for the registration and transfer of the Bonds, as provided in this Indenture, to be kept by the Registrar. Upon surrender for transfer of any Bond at the Designated Office of the Registrar, accompanied by an assignment duly executed by the registered Owner or his attorney-in-fact duly authorized in writing, the Council shall execute and the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds for a like aggregate principal amount.

Bonds of the same type may be exchanged at the Designated Office of the Registrar for a like aggregate principal amount of Bonds of other Authorized Denominations. The Council shall execute and the Registrar shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding.

The Registrar shall not be required to (a) transfer or exchange any Bonds during the 10 days next preceding any day upon which notice of redemption of Bonds is to be mailed; or (b) transfer or exchange any Bonds selected, called, or being called for redemption in whole or in part.

The person in whose name any Bond shall be registered shall be deemed and regarded by the Trustee, the Registrar, the Paying Agent, and the Council as the absolute Owner thereof for all purposes, and payment of or on account of the principal of, premium, if any, or interest on any Bond shall be made only to or upon the written order of the registered Owner thereof or his legal representative, subject to Section 2.03 hereof, and neither the Council, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

A reasonable transfer charge may be made for any exchange or transfer of any Bond and the Registrar shall require the payment by any Bondholder requesting exchange or transfer of a sum sufficient to cover any tax or other governmental charge required to be paid with respect to such exchange or transfer and a sum sufficient to pay the cost of preparing each new Bond issued upon such exchange or transfer.

SECTION 2.08. Cancellation of Bonds. Whenever any Outstanding Bond shall be delivered to the Registrar for cancellation pursuant to this Indenture, upon payment of the principal amount, or for replacement pursuant to Section 2.06 hereof or for transfer or exchange pursuant to Sections 2.07 or 2.09 hereof, such Bond shall be canceled by the Registrar.

SECTION 2.09. Temporary Bonds. Pending the preparation of definitive Bonds, the Council may execute and the Registrar shall authenticate and deliver temporary Bonds. Temporary Bonds shall be issuable as fully registered Bonds, of any Authorized Denomination, and substantially in the form of the definitive Bonds but with such omissions, insertions, and variations as may be appropriate for temporary Bonds, all as may be determined by the Council. Temporary Bonds may be issued without specific terms and may contain such reference to any provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Council and authenticated by the Registrar upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable, the Council shall execute and shall furnish definitive Bonds and thereupon temporary Bonds may be surrendered in exchange therefor without charge at the

principal corporate trust office of the Registrar, and the Registrar shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds.

SECTION 2.10. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, or if any interest check shall not be cashed, if funds sufficient to pay such Bond or interest shall have been made available by the Council to the Trustee or Paying Agent for the benefit of the Owner thereof, all liability of the Council to the Owner thereof for the payment of such Bond or interest, as the case may be, shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Trustee or Paying Agent to hold such funds, uninvested and without liability for interest thereon, for the benefit of the Owner of such Bond or interest, as the case may be, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture or on, or with respect to, said Bond or interest, as the case may be, provided that any money deposited with the Trustee or Paying Agent for the payment of the principal of (and premium, if any) or interest on any Bond and remaining unclaimed for six years after such principal (and premium, if any) or interest has become due and payable shall be paid to the Council, and the Owner of such Bond or interest, as the case may be, shall thereafter, as an unsecured general creditor, look only to the Council for payment thereof, and all liability of the Trustee or Paying Agent with respect to such trust money shall thereupon cease; provided, however, that the Trustee, before making any such payment to the Council, shall, at the expense of the Council, cause to be published once, in a Financial Newspaper or Journal, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be paid to the Council.

SECTION 2.11. Form of Bonds. The Bonds to be issued hereunder, and the certificate of authentication by the Registrar to be endorsed on all such Bonds, shall be substantially in the form set forth as Exhibit A hereto, with such changes, amendments, modifications, deletions, and additions as are permitted by this Indenture or are required to conform the form of Bond to the other provisions of this Indenture (any portion of such form of Bond may be printed on the back of the Bonds).

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ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01. Optional Redemption of the Bonds. The Bonds maturing on or before October 1, 2028 are not subject to optional redemption prior to their maturities. The Bonds maturing after October 1, 2028 are subject to redemption at the option of the Council on or after October 1, 2028, as a whole or in part at any time, in any manner determined by the Trustee in its discretion taking into consideration the maturity of the Loan being prepaid by the Borrower, at the Redemption Price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

SECTION 3.02. Mandatory Redemption of Bonds. The Bonds maturing on October 1, 2043 are subject to mandatory redemption, in part, by lot, at Redemption Prices equal to 100% of the principal amount thereof plus interest accrued to the redemption date, beginning on October 1, 2039 and on each October 1 thereafter, in the following principal amounts in the following years:

<u>Year</u>	<u>Principal Amount</u>
2039	\$405,000
2040	425,000
2041	440,000
2042	460,000
2043*	480,000

* Maturity, not a redemption.

SECTION 3.03. Notice of Redemption. In the case of every redemption, notice of the call for redemption shall be given by the Registrar by mailing a copy of the redemption notice, identifying the Bonds or portions thereof to be redeemed, (a) by first class mail at least 30 days prior to the date fixed for redemption to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Bond Register, and (b) in addition to the mailing of the notice described above, the Registrar shall give additional notice of the redemption of Bonds in accordance with any regulation or release of the Municipal Securities Rulemaking Board or governmental agency or body from time to time applicable to such Bonds. No defect in any notice delivered pursuant to clause (b) above nor any failure to give all or any portion of such notice shall in any manner defeat the effectiveness of a call for redemption if notice is given as prescribed in clause (a) above. Any notice mailed as provided in this Section 3.03 shall be conclusively presumed to have been duly given, whether or not the Owner or any other recipient receives the notice.

Each notice of redemption given hereunder shall contain (i) information identifying the Bonds or portions thereof to be redeemed; (ii) the CUSIP numbers of all Bonds being redeemed;

(iii) the date of issue of the Bonds as originally issued; (iv) the rate of interest borne by each Bond being redeemed; (v) the maturity date of each Bond being redeemed; (vi) a brief description, if applicable, of any conditions that must be satisfied prior to the redemption of the Bonds being redeemed; and (vii) any other descriptive information needed to identify accurately the Bonds being redeemed; provided, however, that no notice shall be deemed defective if the information required in clause (i) above is provided in such notice. Notwithstanding anything to the contrary, in no event shall the Trustee be deemed to be disclosure/dissemination agent for purposes of Rule 15c2-12 of the Securities and Exchange Commission promulgated pursuant to the Securities Exchange Act of 1934, as supplemented and amended.

Notwithstanding anything in this Section 3.03 to the contrary, in the case of an optional redemption, any notice of redemption may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Registrar, Paying Agent, or a fiduciary institution acting as escrow agent no later than the redemption date, or (2) the Council retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this section. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the Council delivers a written direction to the Registrar directing the Registrar to rescind the redemption notice. The Registrar shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Council to make such funds available shall constitute an Event of Default under this Indenture. The Registrar shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the affected Bonds called for redemption and not so paid remain Outstanding.

SECTION 3.04. Bonds Due and Payable on Redemption Date; Interest Ceases To Accrue. On the redemption date, the principal amount of each Bond to be redeemed, together with the accrued interest thereon to such date, shall become due and payable; and from and after such date, notice (if required) having been given and moneys available solely for such redemption being on deposit with the Trustee in accordance with the provisions of this Article III, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds or portions thereof to be redeemed. From and after such date of redemption (such notice having been given and moneys available solely for such redemption being on deposit with the Trustee), the Bonds or portions thereof to be redeemed shall not be deemed to be Outstanding hereunder, and the Council shall be under no further liability in respect thereof.

SECTION 3.05. Cancellation. All Bonds which have been redeemed shall be canceled by the Registrar as provided in Section 2.08 hereof.

SECTION 3.06. Partial Redemption of Bonds. Upon surrender of any Bond in a denomination greater than \$5,000 called for redemption in part only, the Council shall execute and the Registrar shall authenticate and deliver to the registered Owner thereof a new Bond or Bonds of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

SECTION 3.07. Selection of Bonds to be Redeemed. The Bonds shall be redeemed pursuant to Sections 3.01 and 3.02 only in the principal amount of an Authorized Denomination. The Bonds or portions of the Bonds to be redeemed shall, except as otherwise provided in Section 3.02 hereof, be selected by the Registrar by lot or in such other manner as the Council in its discretion may deem appropriate.

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ARTICLE IV

REVENUES AND FUNDS

SECTION 4.01. Source of Payment of Bonds. The Bonds and all payments by the Council hereunder are limited and special obligations of the Council and are payable solely out of Revenues and certain proceeds of the Bonds as authorized by the Constitution and laws of the State, including particularly the Act, as and to the extent provided herein. The Bonds and the Council's other obligations hereunder are solely and exclusively obligations of the Council to the extent set forth herein and do not constitute or create an obligation, general or special, or debt, liability, or moral obligation of the State or any political subdivision or any municipal corporation of the State. The Bonds shall not be or constitute a general obligation of the Council, the State, or any political subdivision or any municipal corporation thereof or a lien upon any property owned or situated within the territorial limits of the Council, the State, or any political subdivision or any municipal corporation thereof except the Trust Estate, in the manner provided herein and in the Loan Agreement. The Loan Agreement does not represent joint liabilities of the Borrower with the Council, and shall be payable solely as provided in such Loan Agreement.

SECTION 4.02. Creation of Funds. There are hereby established by the Council the following Funds to be held by the Trustee related to the Bonds: (i) the Series 2018A Project Loan Fund; (ii) the Series 2018A Principal Fund; (iii) the Series 2018A Revenue Fund; (iv) the Series 2018A Cost of Issuance Fund; and (v) the Series 2018A Rebate Fund.

SECTION 4.03. Project Loan Fund. Interest earnings on investments in the Project Loan Fund shall be held in and credited to the Project Loan Fund. Proceeds of the Bonds remaining in the Project Loan Fund after completion of the Projects shall be retained for a new Project in accordance with the procedures in the Loan Agreement, or if not, then transferred to the Revenue Fund and used to pay the Borrower's next scheduled interest payment for the Bonds, all at the written direction of the Borrower.

SECTION 4.04. Principal Fund. Upon the receipt of the Loan Repayments or the Liquidation Proceeds, the Trustee shall deposit in the Principal Fund all payments or recoveries of the principal of the Loan or payments to be applied to the payment of any premium due upon optional redemption of the Bonds. Amounts in the Principal Fund shall be used as follows: (a) on each Principal Payment Date, to pay scheduled principal payments of the Bonds; and (b) to pay the principal of and premium, if any, on the Bonds redeemed pursuant to Section 3.01 or Section 3.02 when required by such Sections.

SECTION 4.05. Revenue Fund. Upon the receipt of the Loan Repayments, the Liquidation Proceeds, or proceeds earmarked for capitalized interest, the Trustee shall deposit in the Revenue Fund all moneys remaining after the deposits required by Section 4.04 hereof. All investment earnings on amounts in the Funds (except the Rebate Fund and the Project Loan

Fund) shall be deposited in the Revenue Fund as received. Any amounts received by the Trustee hereunder in connection with the Bonds, and which are not required to be deposited elsewhere, shall also be deposited in the Revenue Fund related to the Bonds.

Amounts in the Revenue Fund shall be used to make the following payments or transfers in the following order of priority:

- (a) on each Interest Payment Date, to pay interest due on the Bonds;
- (b) at such times as are necessary, to pay accrued interest due on the Bonds redeemed pursuant to Sections 3.01 or 3.02 hereof;
- (c) at such times as are necessary, to pay the fees and expenses of the Trustee, DTC, the Program Administrator, the Registrar, and the Paying Agent (including the cost of printing additional Bonds) and the fees and expenses of the Council (including costs of issuing the Bonds if insufficient amounts are on hand in the Cost of Issuance Fund), any counsel consulted by the Council with respect to the Loan, or of Accountants employed pursuant to Section 4.13 hereof;
- (d) on each Interest Payment Date, all amounts remaining within the Revenue Fund, other than fees being collected in installments pursuant to the Loan Agreement and amounts which will be credited against the Borrower's next Loan Repayment, shall be deposited in the Principal Fund related to Bonds, as provided in Section 5.04 of the Loan Agreement;

SECTION 4.06. Cost of Issuance Fund. Moneys in the Cost of Issuance Fund shall be used to pay costs of issuing the Bonds to the extent not paid from other sources, which costs may include, all printing expenses in connection with this Indenture, the Loan Agreement, the preliminary and final Official Statements for the Bonds, and the Bonds; the underwriter's discount for the initial purchase of the Bonds; administrative expenses of the Council; and legal fees and expenses of counsel to the Council, Bond Counsel, disclosure counsel, and fees of the financial advisor to the Council; fees of the Program Administrator, any accounting expenses incurred in connection with determining that the Bonds are not arbitrage bonds, the Trustee's, the Paying Agent's, and the Registrar's initial fees, costs, and expenses (including attorney's fees, costs, and expenses), upon the submission of requisitions by the Council signed by an officer of the Council stating the amount to be paid, to whom it is to be paid and the reason for such payment, and that the amount of such requisition is justly due and owing and has not been the subject of another requisition which was paid and is a proper expense of issuing the Bonds. Any monies remaining in the Cost of Issuance Fund on August 1, 2019, shall be transferred to the Revenue Fund and be credited toward the Borrower's obligation to pay interest on the Loan, taking into consideration the discount at which such Loan was made as specified in Section 3.01 of the Loan Agreement.

SECTION 4.07. Application of Bond Proceeds. The proceeds of the Bonds in the sum of \$7,940,677.09 (which amount is the par amount of the Bonds plus net premium of \$401,377.05, and less the Underwriter's discount of \$55,699.96) shall be deposited with the Trustee as follows:

- (a) in the Cost of Issuance Fund, the total sum of \$125,250.00; and
- (b) in the Project Loan Fund, the total sum of \$7,815,427.09.

SECTION 4.08. No Reserve Fund. The Reserve Requirement for the Bonds is equal to \$0.00. No Series 2018A Reserve Fund will be established for the Bonds.

SECTION 4.09. [Reserved].

SECTION 4.10. Rebate Fund. In order to insure compliance with the rebate provisions of Section 148(f) of the Code, the Council has created the Rebate Fund pursuant to Section 4.02 hereof. Such Rebate Fund shall be held by the Trustee. The Rebate Fund need not be maintained if the Council and the Trustee shall have received an opinion of Bond Counsel to the effect that failure to maintain the Rebate Fund shall not adversely affect the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation. Moneys in the Rebate Fund shall not be considered moneys held under the Indenture and shall not constitute a part of the Trust Estate held for the benefit of the Bondholders or the Council. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held for future payment to the United States Government as required by the regulations and as set forth in instructions delivered to the Council upon issuance of the Bonds.

SECTION 4.11. Moneys to be Held in Trust. With the exception of moneys deposited in the Rebate Fund, all moneys required to be deposited with or paid to the Trustee for the account of any Fund established under any provision of this Indenture shall be held by the Trustee, in trust, and except for moneys deposited with or paid to the Trustee for the redemption of the Bonds, notice of the redemption of which has been duly given, and except as otherwise provided in Section 2.10 hereof, shall, while held by the Trustee, constitute part of the Trust Estate.

SECTION 4.12. Reports from Trustee. Unless otherwise advised in writing, the Trustee shall furnish or make available monthly to the Council and to any Borrower, upon written request, on the 20th day of the month following the month in which the Bonds are delivered, and on the 20th day of each month thereafter, a report on the status of each of the Funds established under this Article IV which are held by the Trustee, showing at least the balance in each such Fund as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such Fund, the dates of such deposits and disbursements, and the balance in each such Fund on the last day of the preceding month.

SECTION 4.13. Certain Verifications. The Council, the Trustee from time to time may, but shall have no obligation to, cause a firm of Accountants to supply the Council and the Trustee with such information as the Council or the Trustee may request in order to determine in a manner reasonably satisfactory to the Council and the Trustee all matters relating to (a) the sufficiency of projected cash flow receipts and disbursements on the Loans and Funds described herein to pay the principal of and interest on the Bonds; (b) the actuarial yields on the Loans and on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Code; and (c) calculations related to rebate liability. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid from moneys in the Revenue Fund pursuant to Section 4.05(c) hereof.

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ARTICLE V

PROJECT LOANS

SECTION 5.01. Terms and Conditions of Loan. The Council will make the Loan to the Borrower in order to finance the acquisition, installation, construction, and/or equipping of the Projects or reimburse funds previously expended by Borrower to acquire, install, construct, and/or equip the Projects, all in accordance with provisions more fully set forth in the Loan Agreement.

SECTION 5.02. Loan Closing Submission. The Loan shall not be made by the Council unless and until the documents required by Section 4.03 of the Loan Agreement are submitted to the Council.

SECTION 5.03. Disbursement to Borrower from Project Loan Fund. The moneys in the Project Loan Fund shall be applied in accordance with written requisitions provided to the Trustee by the Borrower in the form attached to the Loan Agreement. After initial disbursements for payment of eligible Costs (whether from the Project Loan Fund or other Bond proceeds), disbursement to or at the direction of the Borrower will be made only if such Borrower is not then in default under this Indenture, the Loan Agreement, or the other Bond documents, and (b) only in accordance with such requisitions.

Except for an initial draw on the date the Bonds are issued and the final draw under the terms of this Indenture, the Borrower shall not make more than two requests for a construction or project draw per calendar month. Each draw request must be in writing and received by the Trustee at least four days prior to the date the requested draw is to be made. The draw dates upon which funds may be released pursuant to the written request shall be on the first Business Day of the month and the second Business Day of the month following the 15th day of the month.

Each draw request by the Borrower shall constitute an affirmation that the material warranties and representations contained in this Indenture and the Loan Agreement remain true and correct and that no breach of the covenants contained in this Indenture or the Loan Agreement has occurred as of the date of the draw, and the Trustee shall be entitled to exclusively rely on such representations and shall be fully indemnified by such Borrower from any liability resulting from such reliance, and shall have no liability to any other party, unless the Trustee is notified in writing to the contrary prior to the disbursement of the requested draw from the Project Loan Fund. All requisitions received by the Trustee shall be substantially in the form attached to the Loan Agreement as Exhibit E, as required in this Article V as conditions of payment from the Project Loan Fund, shall be conclusively relied upon by the Trustee as to the matters set forth therein, and shall be retained in the possession of the Trustee, subject at all times to the inspection by the Council, the Borrower, and the agents and representatives thereof.

ARTICLE VI

SERVICING OF LOAN

SECTION 6.01. **Loan Servicing.** The Trustee shall be responsible for calculating payments due in respect of the Loan, holding collateral pledged in respect of the Loan, if any, and enforcing the Loan; provided, however, that the Trustee shall have no duty to take notice of any default in respect of the Loan (other than a payment default) unless a Responsible Officer of the Trustee shall be notified of such default in a written instrument.

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ARTICLE VII

INVESTMENT OF MONEYS

Moneys in any of the Funds shall be invested by the Trustee, at the written direction of the Council through its Program Administrator. The Trustee shall conclusively rely upon such written investment instructions as to both the suitability and legality of all investments directed under this Indenture. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. In the absence of written investment instructions as provided herein, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested. The Trustee shall not be liable for any loss from any directed investments. Broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered or made available by the Trustee.

Moneys in the Funds shall be invested at the written direction of the Council through its Program Administrator in Investment Securities with respect to which payments of principal thereof and interest thereon are scheduled or otherwise payable not later than the dates on which it is estimated that such moneys will be required by the Trustee for the purposes specified in this Indenture. Investment Securities acquired pursuant to this Article VII under a repurchase agreement with the seller thereof may be deemed to mature on the dates on and in the amounts (that is, for the repurchase price) which the Trustee may deliver such Investment Securities to such seller for repurchase under such agreement.

Investment Securities acquired as an investment of moneys in any Fund shall be credited to such Fund. For the purpose of determining the amount in any Fund, all Investment Securities credited to any such Fund shall be valued at market value on the date of determination; provided, however, that repurchase agreements shall be valued at the aggregate repurchase price of the securities remaining to be repurchased pursuant to such agreements and investment agreements shall be valued at the aggregate amount remaining invested therein (in each case exclusive of accrued interest after the first payment of interest following purchase). With respect to all Funds, valuation by the Program Administrator shall occur annually.

All interest, profits, and other income earned from investment (other than in Loans) of all moneys in any Fund (except the Rebate Fund and the Project Loan Fund) shall be deposited when received in the Revenue Fund, except that an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the Fund from which such accrued interest was paid. Interest earned on the Project Loan Fund shall be credited to the Project Loan Fund.

Subject to Section 13.08 hereof and except as provided herein, investments in any and all Funds may be commingled for purposes of making, holding, and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular Funds of amounts received or held by the Trustee hereunder, provided that, notwithstanding any such commingling, the Trustee shall at all times account for such investments strictly in accordance with the Funds to which they are credited and otherwise as provided in this Indenture. The Trustee may act as principal or agent in the acquisition or disposition of Investment Securities. The Trustee may sell, or present for redemption, any Investment Securities so purchased whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal, or disbursement from the Fund or Account to which such Investment Security is credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made pursuant to this Article VII.

All amounts representing accrued and capitalized interest, if any, shall be invested at the written direction of the Council through its Program Administrator only in Governmental Obligations maturing at such times, and in such amounts as are necessary to match the interest payments on the Bonds.

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ARTICLE VIII

DISCHARGE OF INDENTURE

If the Council shall pay or cause to be paid to the Owner of any Bond secured hereby the principal of and interest due and payable, and thereafter to become due and payable, upon such Bond, or any portion of such Bond in the principal amount of \$5,000 or any integral multiple thereof, such Bond or portion thereof shall cease to be entitled to any lien, benefit, or security under this Indenture. If the Council shall pay or cause to be paid to the Owners of all the Bonds secured hereby the principal of and interest due and payable, and thereafter to become due and payable thereon, and shall pay or cause to be paid all other sums payable hereunder and under the Loan Agreement, then, and in that case, the right, title, and interest of the Trustee in the related Trust Estate shall thereupon cease, terminate, and become void. In such event, the Trustee shall assign, transfer, and turn over to the Council the Trust Estate and, at the written direction of the Council, cancel any outstanding Loans related to the Bonds; provided that if the Bonds are paid from the proceeds of refunding bonds, the Loans shall at the written direction of the Council not be canceled but shall be transferred and pledged as security and a source of payment for the refunding bonds.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Indenture when (a) payment of the principal of, premium, if any, and interest on such Bond to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment (1) moneys sufficient to make such payment, and/or (2) Governmental Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation, and expenses of the Trustee and the Council pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee and the Council. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Governmental Obligations.

Notwithstanding the foregoing paragraph, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of the Bonds as aforesaid until the Council shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by this Indenture);

(b) to call for redemption pursuant to this Indenture any Bonds to be redeemed prior to maturity pursuant to (a) hereof;

(c) (i) if all the Bonds are not to be redeemed within 30 days, to mail, as soon as practicable, in the manner prescribed by Article III hereof, a notice of defeasance to the Owners of the Bonds that the deposit required by (a)(ii) of the immediately preceding paragraph has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article VIII and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of the Bonds as specified in (a) hereof, or (ii) if any Bonds are to be redeemed within the next 30 days, until proper notice of redemption of those Bonds has been given.

Any moneys so deposited with the Trustee as provided in the two foregoing paragraphs may at the written direction of the Council also be invested and reinvested in Governmental Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all such Governmental Obligations in the hands of the Trustee pursuant to this Article VIII which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be paid to the Council as and when realized if not needed to pay any fees or expenses provided for hereunder.

To accomplish a defeasance, pursuant to this Article VIII, the Council shall cause to be delivered to the Trustee: (a) in the event of a net defeasance (unless otherwise required by the Council), a report of an Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (the "Verification Report"); (b) an escrow deposit agreement (which shall be acceptable in form and substance to the Trustee and the Council), (c) an opinion of Bond Counsel to the effect that (i) the pledge of the Trust Estate and all covenants, agreements, and other obligations of the Council to the holders of the Bonds have ceased, terminated, and become void and been discharged and satisfied, and the Bonds are no longer secured by or entitled to the benefits of this Indenture, and (ii) the deposit under this Article VIII and use of such deposit to defease and redeem the Bonds would not cause the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code (the "Defeasance Opinion"). The Verification Report and Defeasance Opinion shall be acceptable in form and substance, and addressed, to the Council and the Trustee.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of the Bonds and interest thereon shall be applied to and used solely for the payment of the particular Bonds and interest thereon with respect to which such moneys or obligations have been so set aside in trust.

Anything in Article XI hereof to the contrary notwithstanding, if moneys or obligations have been deposited or set aside with the Trustee pursuant to this Article VIII for the payment of the Bonds and interest thereon when due and such Bonds and interest shall not have in fact

been actually paid in full when due, no amendment to the provisions of this Article VIII shall be made without the consent of the Owner of each Bond affected thereby.

Notwithstanding the release and discharge of the lien of this Indenture as provided above, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost, or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, and the duties, rights and protections of the Trustee in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the Bondholder.

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ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 9.01. Defaults; Events of Default. If any of the following events occurs with respect to the Bonds, it is hereby defined as and declared to be and to constitute an "Event of Default" with respect to the Bonds:

(a) Default in the payment of the principal of or interest on the Bonds after the same has become due, whether at maturity or upon call for redemption.

(b) Default in the performance or observance of any covenant, agreement, or condition on the part of the Council contained in this Indenture or in the Bonds (other than defaults mentioned in Section 9.01(a) and (c)) and failure to remedy the same after notice of the default pursuant to Section 9.10 hereof.

(c) If the Council shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State, or the Council declares any act of bankruptcy, or there is adjudication of the Council as a bankrupt, or an assignment by the Council for the benefit of its creditors or the approval by a court of competent jurisdiction of a petition applicable to the Council in any proceeding for its reorganization instituted under federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State.

SECTION 9.02. Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default with respect to the Bonds, the Trustee shall have the following rights and remedies:

(a) The Trustee may, and in the case of Event of Default under Section 9.01(c) above shall, pursue any available remedy at law or in equity or by statute, including the federal bankruptcy laws or other applicable law or statute of the United States of America or of the State, to enforce the payment of principal of and interest on the Bonds then Outstanding, including enforcement of any rights of the Council or the Trustee under the Loan Agreement, and including the right to mandamus proceedings.

(b) The Trustee may by action or suit in equity require the Council to account as if it were the trustee of an express trust for the Owners of the Bonds and may then take such action with respect to the Loan Agreement as the Trustee shall deem necessary or appropriate and in the best interest of the Bondholders of the Bonds, subject to the terms of the Loan Agreement, including the sale of part or all of the Loan Agreement.

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders of the Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the related Trust Estate and of the Revenues, issues, earnings, income, products, and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

If an Event of Default shall have occurred, and if requested so to do in writing by the owners of 25% or more in aggregate principal amount of Outstanding Bonds and the Trustee is indemnified as provided in Section 10.01(k) hereof, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by subsections (a) through (c) of this Section 9.02 as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Bondholders.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee, or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission in exercising any right or remedy accruing upon any default or Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereon.

When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization, or other debtor relief law.

SECTION 9.03. Right of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding the Owners of a majority in aggregate principal amount of the Outstanding Bonds shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the

appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

SECTION 9.04. Appointment of Receivers. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, issues, earnings, income, products, and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 9.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article, including by virtue of action taken under provisions of any Loan Agreement, shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees (including reasonable Trustee's fees), expenses, liabilities, and advances payable to, incurred or made by the Trustee (including reasonable fees and disbursements of its counsel), be applied, along with any other moneys available for such purposes, as follows:

(c) Unless the principal of all of the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST -- To the payment to the Persons entitled thereto of all amounts payable pursuant to Section 4.05(a) or Section 4.05(b) and, as to installments of interest, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND -- To the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at stated maturity or pursuant to a call for redemption (other than such Bonds called for redemption for the payment of which moneys are held pursuant to the other provisions of this Indenture), in the order of their due dates and, if the amount available shall not be sufficient to pay in full the Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege;

THIRD -- To payment to the Persons entitled thereto of all amounts payable pursuant to Section 4.05(c); and

FOURTH -- To be held as provided in Article IV hereof for the payment to the Persons entitled thereto as the same shall become due of the amounts payable pursuant to this Indenture (including principal of such Bonds due upon call for redemption) and,

if the amount available shall not be sufficient to pay in full amounts due on any particular date, payment shall be made ratably according to the priorities set forth in subparagraphs FIRST, SECOND, and THIRD above.

(d) [Reserved].

Whenever moneys are to be applied pursuant to the provisions of this Section 9.02, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date, interest on the amounts of principal and past-due interest to be paid on such date shall cease to accrue. Defaulted interest on a Bond shall be payable to the Person in whose name such Bond is registered at the close of business on a Special Record Date for the payment of defaulted interest established by notice mailed by the Trustee to the registered Owners of the Bonds not more than 15 days preceding such Special Record Date. Such notice shall be mailed to the person in whose name the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing. The Trustee shall not be required to make payment of principal of any Bond to the Owner of such Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee and the Council have been paid, any balance remaining in the Funds shall be transferred to the Council as provided in Article VIII hereof.

SECTION 9.06. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Owners of all the Outstanding Bonds.

SECTION 9.07. Rights and Remedies of Bondholders. No Owner of any Bond shall have any right to institute any suit, action, or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred, (b) such default shall have become an Event of Default and the Owners of not less than 25% in aggregate principal amount of Outstanding Bonds affected thereby shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name, (c)

such Owners of Bonds shall have offered to the Trustee indemnity as provided in Section 10.01(k) hereof, and (d) the Trustee shall for 60 days after receipt of such request and indemnification fail or refuse to exercise the rights and remedies hereinbefore granted, or to institute such action, suit, or proceeding in its own name; and such request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by its, his, or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Outstanding Bonds. However, nothing contained in this Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity or redemption date of such principal or interest, or the obligation of the Council to pay the principal of and interest on each of the Bonds issued hereunder to the respective registered Owners thereof at the time, place, and from the source and in the manner in this Indenture and in the Bonds expressed.

SECTION 9.08. Termination of Proceedings. In case the Trustee or any Owner of any Bonds shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Council, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and with regard to the property herein subject to this Indenture, and all rights, remedies, and powers of the Trustee, and Owners of Bonds shall continue as if no such proceedings had been taken.

SECTION 9.09. Waivers of Events of Default. The Trustee may, upon the advice of Counsel, at its discretion waive any Event of Default hereunder (other than an Event of Default specified in 9.01(c) above) and its consequences and shall do so upon the written request the Owners of (a) more than two-thirds in aggregate principal amount of all Outstanding Bonds in the case of default in the payment of principal or interest, or (b) more than one-half in aggregate principal amount of all Outstanding Bonds affected thereby in the case of any other default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any such Outstanding Bond at the date of maturity specified therein, or (ii) any default in the payment when due of the interest on any such Outstanding Bond, unless prior to such waiver all arrears of interest or all arrears of payments of principal when due, as the case may be, with interest on overdue principal and interest, and all fees, costs and expenses of the Trustee (including reasonable attorney's fees, costs and expenses) in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then, and in every

such case, the Council, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon. No such waiver shall affect the rights of third parties to payment of amounts provided for hereunder.

SECTION 9.10. Notice of Defaults Under Section 9.01(b); Opportunity of Council To Cure Such Defaults. Anything herein to the contrary notwithstanding, no default under Section 9.01(b) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given to the Council by the Trustee, or the Owners of not less than 25% in aggregate principal amount of all Outstanding Bonds affected thereby and the Council shall have had 30 days after receipt of such notice to correct the default or cause the default to be corrected, and shall not have corrected the default or caused the default to be corrected within the applicable period; provided, however, if the default is such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Council within the applicable period and diligently pursued until the default is corrected.

With regard to any alleged default concerning which notice is given to the Council under the provisions of this Section, the Council hereby grants the Trustee full authority for the account of the Council to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Council with full power to do any and all things and acts to the same extent that the Council could do and perform any such things and acts and with power of substitution.

SECTION 9.11. [Reserved].

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ARTICLE X

THE TRUSTEE

SECTION 10.01. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees appointed with due care, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys (who may but need not be the attorney or attorneys for the Council or the Borrower) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds, or for the validity of the execution by the Council of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Owner of the Bonds secured hereby with the same rights which it would have if not the Trustee.

(e) Unless a Responsible Officer of the Trustee shall have actual knowledge thereof, the Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except defaults under Section 9.01(a) hereof unless the Trustee shall be specifically notified in writing of such default by the Council, a court of law, or any Owner of Bonds. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Designated Office of the Trustee and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as

aforesaid. The Trustee shall provide copies of any such notices as soon as practicable to the Council and the Borrower.

(f) The Trustee shall conclusively rely upon and shall be fully protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper Person or Persons. The Trustee shall not withhold unreasonably its consent, approval, or action to any reasonable request of the Council. Any action taken by the Trustee pursuant to this Indenture upon the request, authority, or consent of any Person who at the time of making such request or giving such authority or consent is the registered Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon the Bonds issued in exchange therefor or in place thereof.

(g) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the Trustee shall be entitled in good faith to conclusively rely upon a certificate signed by an authorized officer of the Council or by an authorized officer of the Program Administrator as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which a Responsible Officer of the Trustee has actual knowledge, or is deemed to have notice pursuant to Section 10.01(e), shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an authorized officer of the Council under its seal to the effect that a resolution in the form therein set forth has been adopted by the Council as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(h) All moneys received by the Trustee hereunder, until used or applied as herein provided, shall be held in trust for the purposes for which they were received.

(i) At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives, shall have the right to inspect any and all of the books, papers, and records of the Council pertaining to the Revenues and receipts under the Loan Agreement and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Before taking the action referred to in Sections 9.02, 9.07, or 10.04 hereof, the Trustee may require that satisfactory indemnity be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability relating to such action, except liability which is adjudicated to have resulted from its negligence or willful default.

(l) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(m) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(n) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(o) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(p) The Trustee shall have the right to accept and act upon directions or instructions given pursuant to this Indenture, any Loan Agreement or any other document reasonably relating to the Bonds and delivered using Electronic Means (defined below); provided, however, that the Council or the Borrower, as the case may be, shall provide to the Trustee an incumbency certificate listing Authorized Representatives and containing specimen signatures of such Authorized Representatives, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Council or the Borrower elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustees' understanding of such directions or instructions shall be deemed controlling. The Council and each Borrower understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative. The Council and each Borrower, as the case may be, shall each be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Representatives treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with

such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The Council and each Borrower agree: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

SECTION 10.02. Fees, Charges, and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees, costs and expenses (including in connection with any appeal or bankruptcy proceedings and other expenses reasonably and necessarily made or incurred by the Trustee), but solely from moneys available therefor pursuant to Section 4.05 hereof or Section 9.05 hereof and pursuant to the Loan Agreement.

SECTION 10.03. Notice to Bondholders if Default Occurs Under Indenture. If the Trustee becomes aware of an Event of Default through a notice provided pursuant to Section 14.05 hereof, then the Trustee shall promptly give written notice thereof by first-class mail to the Owners of all Outstanding Bonds affected thereby, as shown by the bond registration books.

SECTION 10.04. Intervention by Trustee. In any judicial proceeding to which the Council is a party and which in the opinion of the Trustee and its Counsel has a substantial bearing on the interests of Owners of the Bonds, the Trustee may intervene on behalf of the Bondholders, and shall do so if requested in writing by the Owners of at least 25% of the aggregate principal amount of Bonds then Outstanding; provided, however, the Trustee shall have no duty to act under this Section 10.04 unless it has received indemnification satisfactory to it.

SECTION 10.05. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of the bond administration portion of its corporate trust business, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto shall be and become, to the extent permitted by law, successor Trustee hereunder and vested with all of the title to the Trust Estate

and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided, however, that written notice shall be provided to the Council and the Bondholders.

Any successor Trustee appointed pursuant to this Section or through consolidation, sale, or merger shall be a trust company or bank in good standing located in or incorporated under the laws of the State or the United States, duly authorized to exercise trust powers and subject to examination by federal or State authority, having a reported capital and surplus of not less than \$50,000,000.

SECTION 10.06. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 60 days' written notice by first-class mail to the registered Owner of each Bond, and such resignation shall take effect upon the appointment of a successor Trustee as hereinafter provided and the acceptance of such appointment by such successor.

SECTION 10.07. Removal of Trustee. The Council may remove the Trustee at any time without cause with 30 days written notice, by an instrument or concurrent instruments in writing delivered to the Trustee so removed and consented to by the Owners of a majority in aggregate principal amount of all Bonds then Outstanding for any breach of trust set forth herein, provided, that all amounts owing to the Trustee shall be paid simultaneous with or prior to such removal.

SECTION 10.08. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by a resolution of the Council or if the Council shall not have appointed a successor Trustee, by filing with the Council an instrument or concurrent instruments in writing signed by Owners of not less than a majority in principal amount of Bonds outstanding, or by their attorneys in fact, duly authorized. Notice of the appointment of a successor Trustee shall be given by the successor Trustee in the same manner as provided by Section 10.06 hereof with respect to the resignation of a Trustee. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing having a corporate trust office in the State, having a reported capital and surplus of not less than \$50,000,000 and subject to examination by federal or State authority, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Notwithstanding anything to the contrary, if no successor Trustee shall have been appointed and accepted appointment within 60 days of the resignation, removal, or other vacancy in the office of Trustee in the manner herein provided, the Trustee or any bond owner

may petition any court of competent jurisdiction for the appointment of a successor Trustee until a successor shall have been appointed as above provided.

SECTION 10.09. Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Council an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the Council, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities, moneys, documents, and other property held by it as the Trustee hereunder to its or his successor hereunder. Should any instrument in writing from the Council be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Council. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article X, shall be filed or recorded by the successor Trustee in each recording office where this Indenture shall have been filed or recorded. Such successor Trustee shall give notice of such successors to S&P.

SECTION 10.10. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Council during the Trustee's normal business hours and under reasonable conditions.

SECTION 10.11. [Reserved].

SECTION 10.12. Paying Agent. The Council hereby appoints the Trustee as Paying Agent. The Council may, with the approval of the Trustee, appoint additional Paying Agents for the Bonds. Each Paying Agent shall designate to the Council and the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Council under which such Paying Agent will agree, particularly:

(a) to hold all sums received by it for the payment of the principal of or interest on Bonds in trust for the benefit of the Owners of the Bonds until such sums shall be paid to such Owners of the Bonds or otherwise disposed of as herein provided;

(b) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the Council and the Trustee at all reasonable times; and

(c) upon the request of the Trustee, to forthwith deliver to the Trustee all sums so held in trust by the Paying Agent.

SECTION 10.13. Registrar. The Council hereby appoints the Trustee as Registrar for the Bonds. The Registrar shall designate to the Trustee its principal office and signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the Council and the Trustee under which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Council and the Trustee at all reasonable times.

The Council shall cooperate with the Trustee to cause the necessary arrangements to be made and to be thereafter continued whereby Bonds, executed by the Council and authenticated by the Registrar or any authenticating agent, shall be made available for exchange, registration, and registration of transfer at the principal office of the Registrar. The Council shall cooperate with the Trustee to cause the necessary agreements to be made and thereafter continued whereby the Registrar shall be furnished such records and other information at such times as shall be required to enable the Registrar to perform the duties and obligations imposed upon it hereunder.

SECTION 10.14. Effect on Bondholders of Certain Actions. Notwithstanding any other provision of this Indenture, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee or Paying Agent shall consider the effect on the Bondholders.

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ARTICLE XI

SUPPLEMENTAL INDENTURES

SECTION 11.01. Supplemental Indentures Not Requiring Consent of Bondholders. The Council and the Trustee may, without the consent of or notice to any of the Bondholders, enter into any indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

- (a) to cure or correct any ambiguity, omission, or formal defect in this Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers, or authorities that may lawfully be granted to or conferred upon such Bondholders or the Trustee, or to make any change which is not to the material prejudice of such Bondholders;
- (c) to subject to this Indenture additional revenues, properties, or collateral;
- (d) to modify, amend, or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions, and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute; or

SECTION 11.02. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 11.01 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than two-thirds in aggregate principal amount of the Outstanding Bonds affected thereby shall have the right, from time to time, to consent to and approve the execution by the Council and the Trustee of such other indenture or indentures supplemental hereto for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section shall permit, or be construed as permitting (a) without the consent of the Owners of all then Outstanding Bonds affected thereby: (i) an extension of the maturity date of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, or (v) except to the extent necessary to implement Section 4.08(c) hereof, the creation of any lien hereunder other than a lien ratably securing all of the Bonds at any time Outstanding hereunder, or (b) any modification of the trusts, powers,

rights, obligations, duties, remedies, immunities, and privileges of the Trustee without the written consent of the Trustee.

If at any time the Council shall request the Trustee in writing to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by registered or certified mail to each Owner of a Bond affected thereby at the address shown on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Designated Office of the Trustee for inspection by all Bondholders. If, within 60 days, or such longer period as shall be prescribed by the Council, following the mailing of such notice, the Owners of not less than two-thirds in aggregate principal amount of the Outstanding Bonds affected thereby at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Council from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Prior to entering into any indenture or indentures supplemental to this Indenture under this Article XI, the Trustee shall be entitled to receive and conclusively rely upon an opinion of Counsel to the effect that such indenture or indentures supplemental to this Indenture is authorized or permitted pursuant to this Article XI. The Trustee may, but shall not be obligated to, enter into any indenture or indentures supplement to this Indenture that adversely affects its rights, duties and protections under and pursuant to this Indenture.

SECTION 11.03. Notice to S&P. The Trustee shall give notice to S&P of any supplemental indentures or any amendments to any Loan Agreement.

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ARTICLE XII

AMENDMENT OF LOAN AGREEMENT

SECTION 12.01. Amendments, Etc., Not Requiring Consent of Bondholders. The Council and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change, or modification of any Loan Agreement that may be required (a) by the provisions of such Loan Agreement or to conform to the provisions of this Indenture, (b) for the purpose of curing any ambiguity or inconsistency or formal defect or omission, (c) so as to add additional rights acquired in accordance with the provisions of such Loan Agreement, or (d) in connection with any other change therein which is not to the material prejudice of the Trustee or the Owners of the Bonds.

SECTION 12.02. Amendments, Etc., Requiring Consent of Bondholders. Except for amendments, changes, or modifications provided for in Section 12.01 hereof, neither the Council nor the Trustee shall consent to any amendment, change, or modification of any Loan Agreement without the mailing of notice and the written approval or consent of the Owners of not less than two-thirds in aggregate principal amount of the Bonds at the time Outstanding given and procured pursuant to this Section. If at any time the Council and the Borrower shall request in writing the consent of the Trustee to any such proposed amendment, change, or modification of the Loan Agreement, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be mailed in the same manner as provided by Section 11.02 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file with the Trustee for inspection by all Bondholders. Nothing contained in this Section shall permit, or be construed as permitting, a reduction of the aggregate principal amount of Bonds the Owners of which are required to consent to any amendment, change, or modification of the Loan Agreement, a reduction in, or a postponement of, the payments under any Loan Agreement or any changes that affect the exclusion of interest on the Bonds from the gross income of the Holders thereof for purposes of federal income taxation, without the consent of the Owners of all of the Bonds then Outstanding.

Prior to consenting to any amendment, change or modification of any Loan Agreement, the Trustee shall be entitled to receive and conclusively rely upon an opinion of Counsel to the effect that such amendment, change or modification is authorized or permitted pursuant to this Article XII. The Trustee may, but shall not be obligated to, enter into any amendment, change or modification of the Loan Agreement that adversely affects its rights, duties and protections thereunder.

Nothing contained in this Section shall be construed to prevent the Trustee, with the consent of the Council, from settling a default under any Loan Agreement on such terms as the Trustee may determine to be in the best interests of the Owners of the Bonds.

ARTICLE XIII

GENERAL COVENANTS

SECTION 13.01. Payment of Principal and Interest. The Council covenants that it will promptly pay the principal of and interest on every Bond issued under this Indenture at the place, on the dates, and in the manner provided herein and in said Bonds according to the true intent and meaning thereof, provided that the principal and interest are payable by the Council solely from the Trust Estate as provided in this Indenture, and nothing in the Bonds or this Indenture shall be considered as assigning or pledging any other funds or assets of the Council other than such Trust Estate.

SECTION 13.02. Performance of Covenants; the Council. The Council covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Indenture, in any and every Bond executed, authenticated, and delivered hereunder and in all of its proceedings pertaining hereto. The Council covenants that it is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute this Indenture, to execute and deliver the Loan Agreement, to assign the Loan Agreement and collateral documents and amounts payable thereunder, and to pledge the Revenues and any other property hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Council according to the terms thereof and hereof.

SECTION 13.03. Instruments of Further Assurance. The Council agrees that the Trustee may defend its rights to the payments of the Revenues for the benefit of the Owners of the Bonds, against the claims and demands of all persons whomsoever. The Council covenants that it will do, execute, acknowledge, and deliver, or cause to be done, executed, acknowledged, and delivered, such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning, and confirming unto the Trustee all and singular the rights assigned hereby and the amounts and other property pledged hereby to the payment of the principal of and interest on the Bonds. The Council covenants and agrees that, except as provided herein or in the Loan Agreement, it will not sell, convey, assign, pledge, encumber, or otherwise dispose of any part of the Revenues or the proceeds of the Bonds or its rights under the Loan Agreement.

SECTION 13.04. Rights Under the Loan Agreement. The Loan Agreement, the form of which has been filed with the Trustee and duly executed counterparts of each of which will be retained by the Trustee, as required by Section 13.05 hereof, set forth the covenants and obligations of the Council and the Borrower, including provisions that the Loan Agreement may not be effectively amended without the concurring written consent of the Trustee, as provided in Article XII hereof, and reference is hereby made to the Loan Agreement for a

detailed statement of said covenants and obligations of the Borrower under the Loan Agreement, and the Council agrees that the Trustee in its name or to the extent permitted by law, in the name of the Council, may enforce all rights of the Council and all obligations of the Borrower under the Loan Agreement (and waive the same except for rights expressly granted to the Council) on behalf of the Bondholders whether or not the Council is in default hereunder.

SECTION 13.05. Possession and Inspection of Loan Agreement. The Trustee shall retain possession of an executed copy of each Loan Agreement to which it is a party or in which it has an interest and release them only in accordance with the provisions of this Indenture. The Council and the Trustee covenant and agree that all books and documents in their possession relating to the Loan Agreement and to the distribution of proceeds thereof shall at all times during the normal business hours of the Trustee be open to inspection by such accountants or other agencies or Persons as the other party may from time to time designate.

SECTION 13.06. Provision of Documents to Bondholders. If any Bondholder shall request of the Council or Trustee in writing a copy of the Indenture or the Loan Agreement, the Trustee shall, at the expense of the Bondholder, provide such Bondholder with a photocopy or other copy of any such document requested.

SECTION 13.07. Tax Covenants.

(a) The Council shall not use or permit the use of any proceeds of the Bonds or any other funds of the Council, and the Trustee shall not knowingly use or permit the use of any proceeds of the Bonds or any other funds of the Council held by the Trustee, directly or indirectly, to acquire any securities or obligations, and shall not knowingly use or permit the use of any amounts received by the Council or Trustee with respect to the Loan Agreement in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148, or "federally guaranteed" within the meaning of the Code. If at any time the Council is of the opinion that for purposes of this subsection (a) it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee under this Indenture, the Council shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(b) The Council shall not use or permit the use of any proceeds of Bonds or any other funds of the Council, and the Trustee shall not knowingly use or permit the use of any proceeds of the Bonds or any other funds of the Council held by the Trustee, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the Bonds being treated as a "private activity bond," as defined in Section 141 of the Code.

(c) The Council and the Trustee (if directed by the Council) shall at all times do and perform all acts and things permitted by law and this Indenture which are necessary or

desirable in order to assure that interest paid on the Bonds will be excluded from gross income for purposes of federal income taxation and shall take no action that would result in such interest not being excluded from federal gross income.

(d) The Council covenants that it will maintain adequate accounting records, and rebate investment income from the investment of proceeds of the Bonds to the United States Treasury within the time allowed and in the manner specified by the Code and regulations and will otherwise comply with such laws and regulations.

SECTION 13.08. Security Interest.

(a) This Indenture creates a valid and binding assignment of, and lien on the Trust Estate in favor of the Trustee as security of payment of the Bonds, enforceable by the Trustee in accordance with the terms hereof.

(b) The Council has not heretofore made a pledge of, granted a lien on, or made an assignment or sale of such collateral that ranks on a parity with (except the Reserve Fund) or prior to the lien or assignment granted hereby. The Council has not described such collateral in a Uniform Commercial Code financing statement. The Council shall not hereafter make or suffer to exist any pledge or assignment of, or lien on, such collateral that ranks prior to or on a parity with (except the Reserve Fund) the assignment or lien, granted hereby, or file any financing statement describing any such pledge, assignment, or lien, except as expressly permitted hereby.

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ARTICLE XIV

MISCELLANEOUS

SECTION 14.01. Consents, etc., of Bondholders. Any consent, request, direction, approval, objection, or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by an agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection, or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Council, the Trustee, and any subsequent Owners of the Bonds with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of the Bonds and the amount or amounts, numbers and other identification of the Bonds, and the date of owning the same shall be proved by the registration books of the Council maintained by the Registrar pursuant to Section 2.07 hereof.

SECTION 14.02. Limitation of Rights. With the exception of rights herein expressly conferred or as otherwise provided herein, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto and the owners of the Bonds, any legal or equitable right, remedy, or claim under or in respect to this Indenture or any covenants, conditions, and provisions herein contained; this Indenture and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds as herein provided.

SECTION 14.03. [Reserved].

SECTION 14.04. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

SECTION 14.05. Notices. Any notice, request, complaint, demand, communication, or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram or telex, addressed to the parties as follows:

Council: Florida Municipal Loan Council
c/o Florida League of Cities
301 South Bronough Street, Suite 300
Tallahassee, Florida 32301

Trustee: The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway North
Jacksonville, Florida 32256

For purposes of presentation of Bonds for transfer, exchange, or payment:

The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway N.
Jacksonville, FL 32256

The above parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

SECTION 14.06. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of payment of principal of or interest on the Bonds or the date fixed for redemption of any Bonds shall be a day which is not a Business Day, then payment of interest or principal shall be made on the succeeding Business Day with the same force and effect as if made on the interest payment date or the date of maturity or the date fixed for redemption.

SECTION 14.07. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which, when so executed and delivered, shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14.08. Applicable Provisions of Law. This Indenture shall be governed by and construed in accordance with the laws of the State without regard to conflict of law principles.

IN WITNESS WHEREOF, the Council has caused this Indenture to be executed on its behalf by its Chairman and the seal of the Council to be hereunto affixed and duly attested by its Executive Director and the Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Indenture to be executed in its name by its duly authorized officer, all as of the day and year first above written.

FLORIDA MUNICIPAL LOAN COUNCIL

(SEAL)

By: _____
Name: Isaac Salver
Title: Chairman

ATTEST:

FLORIDA LEAGUE OF CITIES, INC.,
Program Administrator

By: _____
Name: Michael Sittig
Title: Executive Director

TRUST INDENTURE

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____

Name: Janalee R. Scott

Title: Vice President

EXHIBIT A
FORM OF BOND

No. R-_____

\$_____

FLORIDA MUNICIPAL LOAN COUNCIL
REVENUE BOND,
SERIES 2018A
(CITY OF BRADENTON SERIES)

Maturity Date: Interest Rate: Dated Date: CUSIP

August 23, 2018

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

FLORIDA MUNICIPAL LOAN COUNCIL, a legal entity duly created and existing under the Constitution and laws of the State of Florida (the "Council"), for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount identified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Dated Date identified above, until payment of said Principal Amount has been made or duly provided for, at the Interest Rate set forth above on April 1, 2019, and on each April 1 and October 1 thereafter (each an "Interest Payment Date"), unless interest on this Bond is in default, in which event it shall bear interest from the last date to which interest has been paid until payment of such Principal Amount shall be discharged as provided in the Indenture hereinafter mentioned. The principal (or Redemption Price) hereof is payable upon presentation hereof at the designated office of The Bank of New York Mellon Trust Company, N.A., as Paying Agent and Registrar (together with any successor thereto, respectively, the "Paying Agent" and the "Registrar"). Interest hereon is payable by check mailed, except as provided in the Indenture, to the person whose name appears on the bond registration books maintained by the Registrar as the Registered Owner hereof as of the close of business on the 15th day of the calendar month preceding each Interest Payment Date, at such Person's address as it appears on such registration books.

This Bond is one of a duly authorized issue of bonds of the Council designated as "Florida Municipal Loan Council Revenue Bonds, Series 2018A (City of Bradenton Series)" (the

"Bonds"), issued in the aggregate principal amount of SEVEN MILLION FIVE HUNDRED NINETY FIVE THOUSAND DOLLARS (\$7,595,000), pursuant to the provisions of Chapter 163, Part I, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and pursuant to a Trust Indenture, dated as of August 1, 2018, between the Council and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") (together with any supplements or amendments thereto, the "Indenture"). The Bonds are issued for the purpose of providing funds to make a loan to the City of Bradenton, Florida (the "Borrower") to finance or reimburse the costs of various capital projects, pursuant to a loan agreement between the Council and such Borrower (together with any supplements or amendments thereto, the "Loan Agreement").

Capitalized terms used but not defined herein shall have the meaning set forth in the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at the Designated Office of the Trustee) and to the Act for a description of the rights and remedies thereunder (and limitations thereon) of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties, and immunities of the Trustee, and of the rights and obligations of the Council thereunder, to all the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds and the interest thereon are payable from Revenues and are secured by a pledge and assignment of said Revenues and of amounts held in certain Funds established pursuant to the Indenture (including proceeds of the sale of the Bonds until applied as set forth therein), subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are further secured by an assignment of the right, title, and interest of the Council in the Loan Agreement to the Trustee, to the extent and as more particularly described in the Indenture.

Optional Redemption of the Bonds. The Bonds maturing on or before October 1, 2028 are not subject to optional redemption prior to their maturities. The Bonds maturing after October 1, 2028 are subject to redemption at the option of the Council on or after October 1, 2028, as a whole or in part at any time, in any manner determined by the Trustee in its discretion taking into consideration the maturity of the Loan being prepaid by the Borrower, at the Redemption Price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption of the Bonds. The Bonds maturing on October 1, 2043 are subject to mandatory redemption, in part, by lot, at Redemption Prices equal to 100% of the principal amount thereof plus interest accrued to the redemption date, beginning on October 1, 2039 and on each October 1 thereafter, in the following principal amounts in the following years:

Year	Principal Amount
2039	\$405,000
2040	425,000
2041	440,000
2042	460,000
2043*	480,000

* Maturity, not a redemption.

In the case of every redemption, the Registrar shall cause notice of such redemption to be given to the Registered Owner of any Bonds designated for redemption in whole or in part as provided in the Indenture. The failure of the Registrar to give notice to a Bondholder or any defect in such notice shall not affect the validity of the redemption of any other Bonds. On the redemption date, the principal amount and premium, if any, of each Bond to be redeemed, together with the accrued interest thereon to such date, shall become due and payable; from and after such date of redemption (such notice having been given and moneys available solely for such redemption being on deposit with the Trustee), the Bonds or portions thereof to be redeemed shall not be deemed to be outstanding under the Indenture, and the Council shall be under no further liability in respect thereof.

The Indenture and the rights and obligations of the Council, the Bondholders, and Trustee may be modified or amended from time to time and at any time, without consent of the Bondholders in the manner, to the extent, and upon the terms provided in the Indenture.

The Bonds are limited obligations of the Council and are not a lien or charge upon the funds or property of the Council, except to the extent of the herein mentioned pledge and assignment. Neither the State of Florida nor the Council shall be obligated to pay the principal of the Bonds, nor the interest thereon, except from Revenues received by the Council, and neither the faith and credit nor the taxing power of the State of Florida or of any political subdivision or any municipal corporation thereof is pledged to the payment of the principal of, or interest on, the Bonds. The Bonds are not a debt of the State of Florida and the State of Florida or any political subdivision or any municipal corporation thereof are not liable for the payment thereof.

It is hereby certified and recited that any and all conditions, things, and acts required to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by the Act, and by the Constitution and laws of the State of Florida, and that the amount of this Bond, together with all other indebtedness of the Council, does not exceed any limit prescribed by the Act, or by the Constitution and laws of the State of Florida, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Registrar.

IN WITNESS WHEREOF, FLORIDA MUNICIPAL LOAN COUNCIL has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman and its seal to be reproduced hereon by facsimile and attested by the manual or facsimile signature of its Executive Director all as of the date of the Bonds.

FLORIDA MUNICIPAL LOAN COUNCIL

(SEAL)

By: _____
Chairman

Attest:

Executive Director

VALIDATION CERTIFICATE

This Bond is one of a series of Bonds which were validated and confirmed by judgment of the Circuit Court for Leon County, Florida, rendered on February 13, 2003.

By: _____
Chairman

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Registrar

Date of Authentication:

August 23, 2018

By: _____
Authorized Signer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)
attorney, to transfer the same on the books of the Registrar with full power of substitution in the
premises.

Dated: _____

Signature guaranteed:

APPENDIX D
FORM OF THE LOAN AGREEMENT

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LOAN AGREEMENT

By and Between

FLORIDA MUNICIPAL LOAN COUNCIL

and

CITY OF BRADENTON, FLORIDA

Dated as of August 1, 2018

FLORIDA MUNICIPAL LOAN COUNCIL
REVENUE BONDS, SERIES 2018A
(CITY OF BRADENTON SERIES)

This Instrument Prepared By:

JoLinda Herring, Esquire
Bryant Miller Olive P.A.
SunTrust International Center
1 SE 3rd Avenue, Suite 2200
Miami, Florida 33131

and

Jason M. Breth, Esquire
Bryant Miller Olive P.A.
101 North Monroe Street, Suite 900
Tallahassee, Florida 32301

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LOAN AGREEMENT

This Loan Agreement (the "Loan Agreement"), is dated as of August 1, 2018, and entered into by and between the FLORIDA MUNICIPAL LOAN COUNCIL (the "Council"), a separate legal entity and public body corporate and politic duly created and existing under the Constitution and laws of the State of Florida (the "State"), and the CITY OF BRADENTON, FLORIDA (the "Borrower"), a duly constituted municipality under the laws of the State.

WITNESSETH:

WHEREAS, pursuant to the authority of the Act (as hereinafter defined), the Council desires to loan to the Borrower the amount necessary to enable the Borrower to finance, refinance, or reimburse the cost of the Projects, as hereinafter defined, and the Borrower desires to borrow such amount from the Council subject to the terms and conditions of and for the purposes set forth in this Loan Agreement; and

WHEREAS, the Council is a separate legal entity and public body corporate and politic duly created and existing under the laws of the State organized and existing under and by virtue of that certain Interlocal Agreement by and among, initially, the City of DeLand, Florida, the City of Rockledge, Florida, and the City of Stuart, Florida, as amended and supplemented, together with the additional governmental entities who become members of the Council, in accordance with Chapter 163, Part I, Florida Statutes, as amended (the "Interlocal Act"); and

WHEREAS, the Council has determined that there is substantial need within the State for a financing program (the "Program") which will provide funds for qualifying projects (the "Projects") for the participating borrowers, including the Borrower; and

WHEREAS, the Council is authorized under the Interlocal Act to issue its revenue bonds to provide funds for such purposes; and

WHEREAS, the Council has determined that the public interest will best be served and that the purposes of the Interlocal Act can be more advantageously obtained by the Council's issuance of revenue bonds in order to loan funds to the Borrower to finance or refinance Projects; and

WHEREAS, the Borrower is authorized under and pursuant to the Act to enter into this Loan Agreement for the purposes set forth herein; and

WHEREAS, the Borrower has determined that a covenant to budget and appropriate legally available non-ad valorem revenues, as described herein, shall be pledged to secure this Loan Agreement; and

WHEREAS, the Borrower has determined that there is a substantial need for the financing of the Project (as hereinafter defined); and

WHEREAS, the Council and the Borrower have determined that the lending of funds by the Council to the Borrower pursuant to the terms of this Loan Agreement and that certain Trust Indenture, dated as of August 1, 2018, by and between the Council and the Trustee (as hereinafter defined), including any amendments and supplements thereto (the "Indenture"), relating to the issuance of the Bonds (as hereinafter defined), will assist in the development and maintenance of the public welfare of the residents of the State and the areas served by the Borrower, and shall serve a public purpose by improving the health and living conditions, and providing adequate governmental services, facilities, and programs and will promote the most efficient and economical development of such services, facilities, and programs in the State; and

WHEREAS, neither the Council, the Borrower, the State, nor any political subdivision thereof (other than the Borrower to the extent of their obligations under the Loan Agreement only), shall in any way be obligated to pay the principal of, premium, if any, or interest on those certain revenue bonds of the Council designated the "Florida Municipal Loan Council Revenue Bonds, Series 2018A (City of Bradenton Series)" (the "Bonds") as the same shall become due, and the issuance of the Bonds shall not directly, indirectly, or contingently obligate the Council, the Borrower, the State, or any political subdivision or municipal corporation thereof to levy or pledge any form of ad valorem taxation for their payment but shall be payable solely from the funds and revenues pledged under and pursuant to this Loan Agreement and the Indenture.

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Unless the context or use indicates another meaning or intent, the following words and terms as used in this Loan Agreement shall have the following meanings, and any other hereinafter defined words and terms, shall have the meanings as therein defined.

"Accountant" or "Accountants" means an independent certified public accountant or a firm of independent certified public accountants.

"Act" means, collectively, to the extent applicable to the Borrower, Chapter 163, Part I, Florida Statutes, Chapter 166, Part II, Florida Statutes, and Chapter 125, Part I, Florida Statutes, each as amended, and all other applicable provisions of law.

"Additional Payments" means payments required by Section 5.03 hereof.

"Authorized Representative" means, when used pertaining to the Council, the Chairman of the Council and such other designated members, agents, or representatives as may hereafter be selected by Council resolution; and, when used with reference to a Borrower which is a municipality, means the person performing the functions of the Mayor or Deputy, Acting, or Vice Mayor of such Borrower thereof or other officer authorized to exercise the powers and performs the duties of the Mayor; and, when used with reference to an act or document, also means any other person authorized by resolution or ordinance to perform such act or sign such document.

"Balloon Indebtedness" means Debt, 25% or more of the original principal of which matures during any one Fiscal Year.

"Basic Payments" means the payments denominated as such in Section 5.01 hereof.

"Board" means the governing body of the Borrower.

"Bond Counsel" means Bryant Miller Olive P.A., Miami, Florida, or any other nationally recognized bond counsel, selected by the Council.

"Bondholder" or "Holder," "holder of Bonds," "Owner," or "owner of Bonds," whenever used herein with respect to a Bond, means the Person in whose name such Bond is registered.

"Bonds" means the \$7,595,000 Florida Municipal Loan Council Revenue Bonds, Series 2018A (City of Bradenton Series) issued pursuant to Article II of the Indenture.

"Borrower" means the City of Bradenton, Florida, the governmental unit which is described in the first paragraph and on the cover page of this Loan Agreement and which is borrowing and using the Loan proceeds to finance and/or be reimbursed for, all or a portion of the costs of one or more Projects.

"Business Day" means any day of the year which is not a Saturday or Sunday or a day on which banking institutions located in New York City or the State are required or authorized to remain closed or on which the New York Stock Exchange is closed.

"Certificate," "Statement," "Request," "Requisition," or "Order" of the Council mean, respectively, a written certificate, statement, request, requisition, or order signed in the name of the Council by its Chairman, Program Administrator, or such other person as may be designated and authorized to sign for the Council; or of the Borrower mean, respectively, a written certificate, statement, request, requisition, or order signed in the name of the Borrower by its Mayor or Deputy, Acting or Vice Mayor, or Chairman or Vice Chairman, or such other person as may be designated and authorized to sign for the Borrower. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single

instrument with any other instrument, opinion, or representation, and the two or more so combined shall be read and construed as a single instrument.

"Closing" means the closing of a Loan pursuant to the Indenture and this Loan Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code, the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court decisions).

"Cost" means the purchase price of any project acquired; the cost of improvements; the cost of construction, extension or enlargement; the cost of all lands, properties, rights, easements and franchises acquired; the cost of all machinery and equipment, financing charges, interest during construction; and, if deemed advisable, for one year after completion of construction, cost of investigations, audits, and engineering and legal services; and all other expenses necessary or incident to determining the feasibility or practicability of such acquisition or construction, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized and to the acquisition or construction of a project and the placing of the same in operation. Any obligation or expense incurred by the Borrower prior to the issuance of bonds for engineering studies and for estimates of cost and of revenues, and for other technical, financial, or legal services in connection with the acquisition or construction of any project, may be regarded as a part of the cost of such project.

"Council" means the Florida Municipal Loan Council.

"Counsel" means an attorney duly admitted to practice law before the highest court of the State and, without limitation, may include legal counsel for either the Council, a Borrower, or the Trustee.

"Counterparty" means the entity entering into a Hedge Agreement with the Borrower. Counterparty would also include any guarantor of such entity's obligations under such Hedge Agreement.

"Debt" means at any date (without duplication) all of the following to the extent that they are guaranteed or secured by or payable in whole or in part from any Non-Ad Valorem Revenues (a) all obligations of the Borrower for borrowed money or evidenced by bonds, debentures, notes, or other similar instruments; (b) all obligations of the Borrower to pay the

deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (c) all obligations of the Borrower as lessee under capitalized leases; and (d) all indebtedness of other Persons to the extent guaranteed by, or secured by, the Non-Ad Valorem Revenues of the Borrower; provided, however, if with respect to any obligation contemplated in (a), (b), or (c) above, the Borrower has covenanted to budget and appropriate sufficient Non-Ad Valorem Revenues to satisfy such obligation but has not secured such obligation with a lien on or pledge of any Non-Ad Valorem Revenues then, and with respect to any obligation contemplated in (d) above, such obligation shall not be considered "Debt" for purposes of this Loan Agreement unless the Borrower has actually used Non-Ad Valorem Revenues to satisfy such obligation during the immediately preceding Fiscal Year or reasonably expects to use Non-Ad Valorem Revenues to satisfy such obligation in the current or immediately succeeding Fiscal Year. After an obligation is considered "Debt" as a result of the proviso set forth in the immediately preceding sentence, it shall continue to be considered "Debt" until the Borrower has not used any Non-Ad Valorem Revenues to satisfy such obligation for two consecutive Fiscal Years.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Event of Default" shall have the meaning ascribed to such term in Section 8.01 of this Loan Agreement.

"Fiscal Year" means the fiscal year of the Borrower.

"Fitch" means Fitch Ratings, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Council by notice to the Trustee.

"Funds" means the funds created pursuant to Section 4.02 of the Indenture related to the Bonds.

"Governmental Funds" means all of the "governmental funds" of the Borrower as described and identified in the audited financial statements of the Borrower.

"Governmental Funds Revenues" means total revenues of the Borrower derived from any source whatsoever and that are allocated to and accounted for in the Governmental Funds as shown in the audited financial statements of the Borrower.

"Hedge Agreement" means an agreement in writing between the Borrower and the Counterparty pursuant to which (a) the Borrower agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference

to the amount of interest (which may be at a fixed or variable rate) payable on debt (or a notional amount) specified in such agreement during the period specified in such agreement and (b) the Counterparty agrees to pay to the Borrower an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on debt (or a notional amount) specified in such agreement during the period specified in such agreement.

"Hedge Payments" means any amounts payable by the Borrower on the debt or the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or by virtue of termination of a Qualified Hedge Agreement or any obligation of the Borrower to provide collateral.

"Indenture" means the Trust Indenture dated as of August 1, 2018, between the Council and the Trustee, including any indentures amendatory or supplemental thereto, pursuant to which (a) the Bonds are authorized to be issued, and (b) the Council's interest in the Trust Estate is pledged as security for the payment of the principal of, premium, if any, and interest on the Bonds.

"Interest Payment Date" means April 1 and October 1 of each year, commencing April 1, 2019.

"Interest Period" means the semi-annual period between Interest Payment Dates.

"Interlocal Act" means Chapter 163, Part I, Florida Statutes.

"Interlocal Agreement" means that certain Interlocal Agreement originally dated as of December 1, 1998, initially among the City of Stuart, Florida, the City of Rockledge, Florida, and the City of DeLand, Florida, together with the additional governmental entities who become members of the Council, all as amended and supplemented from time to time.

"Loan" means the Loan made to the Borrower from proceeds of the Bonds in order to finance the Project in the amount specified in Section 3.01 herein.

"Loan Agreement" means this Loan Agreement and any amendments and supplements hereto.

"Loan Repayment Date" means March 20, 2019, and thereafter each March 20th and September 20th, or if such day is not a Business Day, the next preceding Business Day.

"Loan Repayments" means the payments of principal and interest and other payments payable by the Borrower pursuant to the provisions of this Loan Agreement, including, without limitation, Additional Payments.

"Loan Term" means the term provided for in Article IV of this Loan Agreement.

"Maximum Annual Debt Service" means the largest aggregate amount of annual Loan Repayments coming due in any Fiscal Year in which the Loan is outstanding.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Council by notice to the Trustee.

"Non-Ad Valorem Revenues" means all Governmental Funds Revenues of the Borrower other than revenues generated from ad valorem taxation on real or personal property, and which are legally available to make the Loan Repayment, but only after provision has been made by the Borrower (from any source of Governmental Funds Revenues) for the payment of all essential or legally mandated services.

"Outstanding Bonds" or "Bonds Outstanding" means all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds deemed paid under Article VIII of the Indenture; and
- (c) Bonds in lieu of which other Bonds have been authenticated under Section 2.06, 2.07, or 2.09 of the Indenture.

"Person" or "person" means an individual, a corporation, a partnership, an association, a trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Principal Payment Date" means the maturity date or mandatory redemption date of any Bond.

"Program" means the Council's program of making the Loan under the Act and pursuant to the Indenture.

"Program Administrator" means the Florida League of Cities, Inc., a non-profit Florida corporation.

"Project" or "Projects" means a governmental undertaking approved by the governing body of a Borrower for a public purpose, including the refinancing of any indebtedness, which shall include the Borrower's Project detailed on Exhibit A hereof.

"Purchase Price" means the purchase price of one or more items of a Project payable by a Borrower to the seller of such items.

"Qualified Hedge Agreement" means Hedge Agreement with respect to which the Borrower has received written notice from at least two of Fitch, Moody's, and S&P that the rating of the Counterparty is not less than "A."

"Redemption Price" means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the premium, if any, payable upon redemption pursuant to the provisions of such Bond and the Indenture.

"Revenues" means all Loan Repayments paid to the Trustee for the accounts of the Borrower for deposit in the Principal Fund and Revenue Fund to pay principal of, premium, if any, and interest on the Bonds upon redemption, at maturity, or to pay interest on the Bonds when due, and all receipts of the Trustee credited to the Borrower under the provisions of this Loan Agreement.

"S&P" means Standard & Poor's Global Ratings, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Council by notice to the Trustee.

"Series 2018A Cost of Issuance Fund" means the fund by that name established pursuant to Section 4.02 of the Indenture related to the Bonds.

"Series 2018A Principal Fund" means the fund by that name established pursuant to Section 4.02 of the Indenture related to the Bonds.

"Series 2018A Project Loan Fund" means the fund by that name established pursuant to Section 4.02 of the Indenture related to the Bonds.

"Series 2018A Revenue Fund" means the fund by that name established pursuant to Section 4.02 of the Indenture related to the Bonds.

"Special Record Date" means the date established pursuant to Section 9.05 of the Indenture as a record date for the payment of defaulted interest, if any, on the Bonds.

"State" means the State of Florida.

"Trust Estate" means the property, rights, Revenues and other assets pledged and assigned to the Trustee pursuant to the Granting Clauses of the Indenture.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee, or any successor thereto under the Indenture.

SECTION 1.02. Uses of Phrases. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "Bondholder," "Owner," and "person" shall include the plural as well as the singular number, and the word "person" shall include corporations and associations, including public bodies, as well as persons. All references herein to specific Sections of the Code refer to such Sections of the Code and all successor or replacement provisions thereto.

[Remainder of page intentionally left blank]

ARTICLE II

REPRESENTATIONS, WARRANTIES, AND COVENANTS OF BORROWER AND COUNCIL

SECTION 2.01. Representations, Warranties, and Covenants. The Borrower represents, warrants, and covenants on the date hereof for the benefit of the Council, the Trustee, the Borrower, and Bondholders, as applicable, as follows:

(a) Organization and Authority. The Borrower:

(1) is a duly organized and validly existing municipality of the State and is a duly organized and validly existing Borrower; and

(2) has all requisite power and authority to own and operate its properties, to finance the Project, to covenant to budget and appropriate the Non-Ad Valorem Revenues, and to carry on its activities as now conducted and as presently proposed to be conducted.

(b) Full Disclosure. There is no fact that the Borrower knows of which has not been specifically disclosed in writing to the Council that materially and adversely affects or, except for pending or proposed legislation or regulations that are a matter of general public information affecting the State municipalities generally, that will materially affect adversely the properties, activities, prospects, or condition (financial or otherwise) of the Borrower or the ability of the Borrower to perform its obligations under this Loan Agreement.

The audited financial statements, including, but not limited to the audited financial statements for the Borrower's Fiscal Year ended September 30, 2017, balance sheets, and any other written statement furnished by the Borrower to the Council; and Wells Fargo Bank, National Association, as underwriter of the Bonds (the "Underwriter") were prepared in accordance with Generally Accepted Accounting Principles ("GAAP") and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. There is no fact known to the Borrower which the Borrower has not disclosed to the Council and the Underwriter in writing which materially affects adversely or is likely to materially affect adversely the financial condition of the Borrower, or its ability to make the payments under this Loan Agreement when and as the same become due and payable.

(c) Pending Litigation. There are no proceedings pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower, except as specifically described in writing to the Council and the Underwriter in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the properties, prospects, or condition (financial or otherwise) of the Borrower, or the

existence or powers or ability of the Borrower to enter into and perform its obligations under this Loan Agreement.

(d) Borrowing Legal and Authorized. The execution and delivery of this Loan Agreement and the consummation of the transactions provided for in this Loan Agreement and compliance by the Borrower with the provisions of this Loan Agreement:

(1) are within the powers of the Borrower and have been duly and effectively authorized by all necessary action on the part of the Borrower; and

(2) do not and will not (i) conflict with or result in any material breach of any of the terms, conditions, or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon any property or assets of the Borrower pursuant to any indenture, loan agreement, or other agreement or instrument (other than this Loan Agreement) or restriction to which the Borrower is a party or by which the Borrower, its properties, or operations are bound as of the date of this Loan Agreement, or (ii) with the giving of notice or the passage of time or both, constitute a breach or default or so result in the creation or imposition of any lien, charge, or encumbrance, which breach, default, lien, charge, or encumbrance (described in (i) or (ii)) could materially and adversely affect the validity or the enforceability of this Loan Agreement or the Borrower's ability to perform fully its obligations under this Loan Agreement; nor does such action result in any violation of the provisions of the Act, or any laws, ordinances, governmental rules or regulations, or court orders to which the Borrower, its properties, or operations may be bound.

(e) No Defaults. No event has occurred and no condition exists that constitutes an Event of Default, or which, upon the execution and delivery of this Loan Agreement and/or the passage of time or giving of notice or both, would constitute an Event of Default. The Borrower is not in violation in any material respect, and has not received notice of any claimed violation (except such violations as (i) heretofore have been specifically disclosed in writing to, and have been in writing specifically consented to by the Council, and (ii) do not, and shall not, have any material adverse effect on the transactions herein contemplated and the compliance by the Borrower with the terms hereof), of any terms of any agreement or other instrument to which it is a party or by which it, its properties, or operations may be bound, which may materially adversely affect the ability of the Borrower to perform hereunder.

(f) Governmental Consent. The Borrower has obtained, or will obtain, all permits, approvals, and findings of non-reviewability required as of the date hereof by any governmental body or officer for the acquisition, construction, installation, and/or equipping of the Project, including, but not limited to, construction and renovation work necessary for such acquisition, construction, installation, and/or equipping, the financing or refinancing thereof, or the reimbursement of the Borrower therefor, or the use of the Project, and, prior to the Loan, the Borrower will obtain all other such permits, approvals, and findings as may be necessary for the

foregoing and for such Loan and the proper application thereof; the Borrower has complied with or will comply with all applicable provisions of law requiring any notification, declaration, filing, or registration with any agency or other governmental body or officer in connection with the acquisition, construction, installation, and/or equipping of the Project, including, but not limited to, construction and renovation work necessary for such acquisition, construction, installation, and/or equipping, financing or refinancing thereof, or reimbursement of the Borrower therefor. Any such action, construction, installation, financing, refinancing or reimbursement contemplated in this Loan Agreement is consistent with, and does not violate or conflict with, the terms of any such agency or other governmental consent, order, or other action which is applicable thereto. No further consent, approval, or authorization of, or filing, registration or qualification with, any governmental authority is required on the part of the Borrower as a condition to the execution and delivery of this Loan Agreement, or to amounts becoming outstanding hereunder.

(g) Compliance with Law. The Borrower is in compliance with all laws, ordinances, and governmental rules and regulations to which it is subject, and which are material to its properties, operations, finances, or status as a municipal corporation.

(h) Use of Proceeds.

(1) The Borrower deems it necessary, desirable, and in the best financial interest of the Borrower to finance the acquisition, construction, and/or equipping of the Project. The financing of the Project in the manner herein provided is hereby authorized. The Borrower will apply the proceeds of the Loan from the Council for the financing of the Costs of the Projects as set forth in Exhibit A hereto. Simultaneously with the closing of the Loan, a portion of the proceeds of the Loan will, at the Borrower's request and instruction as provided in Section 3.04 hereof, be transferred by the Underwriter directly to the Trustee for deposit by the Trustee into the Series 2018A Project Loan Fund established pursuant to the Indenture. The Borrower will provide the Trustee with a requisition in the form of the requisition attached hereto as Exhibit E for the expenditure of the amounts of the Loan in the Series 2018A Project Loan Fund. If any component of the Project listed in Exhibit A is not paid for out of the proceeds of the Loan at the Closing of the Loan, Borrower shall, as quickly as reasonably possible, with due diligence, and in any event prior to August 23, 2021, use the remainder of the proceeds of the Loan listed in Exhibit A and any investment earnings thereon to pay the Costs of the Project, provided that, such time limit may be extended by the written consent of the Council with notice to the Trustee. The Borrower may amend Exhibit A to provide for the financing of different or additional Projects if the Borrower, after the date hereof, deems it to not be in the interest of the Borrower to acquire or construct any item of the Project or the Costs of the Project prove to be less than the amounts listed on Exhibit A and the investment earnings thereon, without the consent of the Council or the Trustee (but with notice thereto); provided, however, the Borrower must obtain an opinion of Bond Counsel to the effect that such an amendment and the completion of the revised

Project will not adversely affect the validity or tax-exempt status of the Bonds regarding the amended Exhibit A. Notwithstanding the foregoing all such proceeds of the Loan shall be expended prior to August 23, 2021.

(2) Costs of the Project which may be financed include, but are not limited to, all reasonable or necessary direct or indirect costs of or incidental to the acquisition, construction, installation, or equipping of the Project, including operational expenses during the construction period which would qualify for capitalization under GAAP, the incidental costs of placing the same in use, and financing expenses (including the application or origination fees, if any, of the Council and the Borrower's Counsel fees. Costs of the Project shall not include operating expenses.

(3) The Borrower understands that the actual Loan proceeds received by it are less than the sum of the face amount of the Loan Agreement plus the reoffering premium and less any discount in an amount equal to a discount as described in Section 3.01 hereof. The Borrower will accordingly be responsible for repaying, through the Basic Payments portion of its Loan Repayments, the portion of the Bonds issued to fund only its Loan including the portion issued to fund the underwriting discount, net original issue premium, and other fees and costs of issuing the Bonds.

(4) The Borrower covenants that it will make no use of the proceeds of the Bonds which are in its control at any time during the term of the Bonds which would cause such Bonds to be "Arbitrage Bonds" within the meaning of Section 148 of the Code.

(5) The Borrower, by the Trustee's acceptance of the Indenture, covenants that the Borrower shall neither take any action nor fail to take any action or to the extent that it may do so, permit any other party to take any action which, if either taken or not taken, would adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

(i) Project. All items constituting the Project are permitted to be financed with the proceeds of the Bonds and the Loan pursuant to the Act.

(j) Compliance with Interlocal Act and Interlocal Agreement. The Council hereby covenants and represents that all agreements and transactions provided for herein or contemplated hereby are in full compliance with the terms of the Interlocal Agreement and the Interlocal Act.

SECTION 2.02. Covenants of Borrower. The Borrower makes the following covenants and representations as of the date first above written and such covenants shall continue in full force and effect during the Loan Term:

(a) Security for Loan Repayment. Subject to the provisions of Section 2.02(k) hereof, the Borrower covenants and agrees to appropriate in its annual budget, by amendment, if required, and to pay when due under this Loan Agreement as promptly as money becomes available directly to the Trustee for deposit directly into the appropriate Fund established in the Indenture, amounts of Non-Ad Valorem Revenues of the Borrower sufficient to satisfy the Loan Repayment as required under this Loan Agreement. Such covenant is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into. Such covenant and agreement on the part of the Borrower to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all required Loan Repayments, including delinquent Loan Repayments, shall have been budgeted, appropriated, and actually paid to the Trustee for deposit into the appropriate Fund. The Borrower further acknowledges and agrees that the Indenture shall be deemed to be entered into for the benefit of the Holders of any of the Bonds and that the obligations of the Borrower to include the amount of any deficiency in Loan Repayments in each of its annual budgets and to pay such deficiencies from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein and in the Indenture. Notwithstanding the foregoing or any provision of this Loan Agreement to the contrary, the Borrower does not covenant to maintain any services or programs now maintained by the Borrower which generate Non-Ad Valorem Revenues or to maintain the charges it presently collects for any such services or programs.

(b) Delivery of Information to the Council. The Borrower shall deliver to the Council as soon as available and in any event within 270 days after the end of each Fiscal Year an audited statement of its financial position as of the end of such Fiscal Year and the related statements of revenues and expenses, fund balances, and changes in fund balances for such Fiscal Year, all reported by an independent certified public accountant, whose report shall state that such audited financial statements present fairly Borrower's financial position as of the end of such Fiscal Year and the results of operations and changes in financial position for such Fiscal Year.

(c) [Reserved].

(d) Anti-Dilution Test.

(1) During such time as the Loan is outstanding hereunder, the Borrower agrees and covenants with the Bondholders that (i) the Non-Ad Valorem Revenues shall cover projected Maximum Annual Debt Service on the Loan and maximum annual debt service on all other Debt by at least 1.5x; and (ii) projected Maximum Annual Debt Service on the Loan and maximum annual debt service for all other Debt will not exceed 25% of the Governmental Funds Revenues, exclusive of (A) ad valorem tax revenues restricted to payment of debt service on any Debt and (B) any proceeds of the Loan or any Debt. The calculations required by clauses (i) and (ii) above shall be determined

using the average of actual receipts for the prior two Fiscal Years based on the audited financial statements of the Borrower.

(2) For purposes of the covenants contained in this Section 2.02(d), maximum annual debt service on the Debt means, with respect to the Debt that bears interest at a fixed interest rate, the actual maximum annual debt service, and, with respect to the Debt which bears interest at a variable interest rate, maximum annual debt service on such Debt shall be determined assuming that interest accrues on such Debt at the Current "Bond Buyer Revenue Bond Index" as published in *The Bond Buyer* no more than two weeks prior to any such calculation; provided, however, if any Debt, whether bearing interest at a fixed or variable interest rate, constitutes Balloon Indebtedness, maximum annual debt service on such Debt shall be determined assuming such Debt is amortized over 25 years on an approximately level debt service basis. In addition, with respect to debt service on any Debt which is subject to a Qualified Hedge Agreement, interest on such Debt during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time.

(e) Further Assurance. The Borrower shall execute and deliver to the Trustee all such documents and instruments and do all such other acts and things as may be reasonably necessary to enable the Trustee to exercise and enforce its rights under this Loan Agreement and to realize thereon, and record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be reasonably necessary or required by the Trustee to validate, preserve, and protect the position of the Trustee under this Loan Agreement.

(f) Keeping of Records and Books of Account. The Borrower shall keep or cause to be kept proper records and books of account, in which correct and complete entries will be made in accordance with generally accepted accounting principles, consistently applied (except for changes concurred in by the Borrower's independent auditors) reflecting all of its financial transactions.

(g) Payment of Taxes, Etc. The Borrower shall pay all legally contracted obligations when due and shall pay all taxes, assessments, and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims, which, if unpaid, might become a lien or charge upon any of its properties, provided that it shall not be required to pay any such tax, assessment, charge, levy, or claim which is being contested in good faith and by appropriate proceedings, which shall operate to stay the enforcement thereof.

(h) Compliance with Laws, Etc. The Borrower shall comply with the requirements of all applicable laws, the terms of all grants, rules, regulations, and lawful orders of any governmental authority, non-compliance with which would, singularly or in the aggregate, materially adversely affect its business, properties, earnings, prospects, or credit, unless the

same shall be contested by it in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

(i) Tax-exempt Status of Bonds. The Council and the Borrower understand that it is the intention hereof that the interest on the Bonds be excludable from the gross income of the Holders thereof for federal income tax purposes. In furtherance thereof, the Borrower and the Council each agree that they will take all action within their control which is necessary in order for the interest on the Bonds or this Loan to remain excludable from gross income for federal income taxation purposes and shall refrain from taking any action which results in such interest becoming included in gross income.

The Borrower and the Council further covenant that, to the extent they have control over the proceeds of the Bonds, they will not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds, with respect to the payments derived from the Bonds or hereunder or with respect to the issuance of other Council obligations, which action or failure to act may cause the Bonds to be "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code and the regulations promulgated thereunder. In furtherance of the covenant contained in the preceding sentence, the Borrower and the Council agree to comply with the Tax Certificate as to Arbitrage and the provisions of Section 141 through 150 of the Internal Revenue Code of 1986, as amended, including the letter of instruction attached as an Exhibit to the Tax Certificate, delivered by Bond Counsel to the Borrower and the Council simultaneously with the issuance of the Bonds, as such letter may be amended from time to time, as a source of guidelines for achieving compliance with the Code.

The covenants of the Council and the Borrower contained in this subsection shall survive the termination of this Loan Agreement.

(j) Information Reports. The Borrower covenants to provide the Council with all materials and information it possesses or has the ability to possess, which is necessary to enable the Council to file all reports required under Section 149(e) of the Code to assure that interest paid by the Council on the Bonds shall, for purposes of the federal income tax, be excluded from gross income.

(k) Limited Obligations.

(1) Anything in this Loan Agreement to the contrary notwithstanding, it is understood and agreed that all obligations of the Borrower hereunder shall be payable only from Non-Ad Valorem Revenues budgeted and appropriated as provided for hereunder and nothing herein shall be deemed to pledge ad valorem taxation revenues or to permit or constitute a mortgage or lien upon any assets or property owned by the Borrower and no Bondholder or any other person, including the Council or the Trustee, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Borrower. The obligations hereunder do not constitute an

indebtedness of the Borrower within the meaning of any constitutional, statutory, or charter provision or limitation, and neither the Trustee, the Council, the Bondholders, nor any other person shall have the right to compel the exercise of the ad valorem taxing power of the Borrower or taxation of any real or personal property therein for the payment by the Borrower of its obligations hereunder. Except to the extent expressly set forth in this Loan Agreement, this Loan Agreement and the obligations of the Borrower hereunder shall not be construed as a limitation on the ability of the Borrower to pledge or covenant to pledge the Non-Ad Valorem Revenues or any revenues or taxes of the Borrower for other legally permissible purposes. Notwithstanding any provisions of this Loan Agreement, the Indenture or the Bonds to the contrary, the Borrower shall never be obligated to maintain or continue any of the activities of the Borrower which generate user service charges, regulatory fees, or any Non-Ad Valorem Revenues or the rates for such services or regulatory fees. Neither this Loan Agreement nor the obligations of the Borrower hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Borrower, but shall be payable solely as provided in Section 2.02(a) hereof and is subject in all respects to the provisions of Section 166.241, Florida Statutes, and is subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare, and safety of the inhabitants of the Borrower. The Council and the Borrower mutually agree and understand that the amounts available to be budgeted and appropriated to make Loan Payments hereunder is subject to the obligation of the Borrower to provide essential services; however, such obligation is cumulative and would carry over from Fiscal Year to Fiscal Year.

(2) It is the intent of the parties hereto and they do hereby covenant and agree, that the liability of the Borrower hereunder is a several liability of the Borrower expressly limited to the Loan Repayments, and the Borrower shall have no joint liability with the Council for any of their respective liabilities, except to the extent expressly provided herein.

(l) Reporting Requirements.

(1) The Borrower will file or cause to be filed with the Council any official statement issued by, or on behalf of, the Borrower in connection with the incurrence of any additional indebtedness by the Borrower secured by Non-Ad Valorem Revenues. Such official statements shall be filed within 60 days after the publication thereof.

(2) The Borrower agrees to provide to the Council, not later than December 31st of each year, a certificate of its Chief Financial Officer stating that to the best of its knowledge the Borrower is in compliance with the terms and conditions of this Loan Agreement, or, specifying the nature of any noncompliance and the remedial action taken or proposed to be taken to cure such noncompliance.

(m) Indemnity. To the full extent permitted under the laws of the State, the Borrower will pay, and will protect, indemnify, save, and hold harmless, the Council, the Trustee, each member, officer, commissioner, employee, and agent of any of the Council, the Trustee, and each other person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Council, harmless from and against, any and all liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees, costs, and expenses), suits, claims and judgments of whatsoever kind and nature (including those in any manner directly or indirectly arising or resulting from, out of, or in connection with, any injury to, or death of, any person or any damage to property resulting from the use or operation of the Project) in any manner arising out of or in connection with the acceptance or administration of the trusts established pursuant to the Indenture or the action or failure to act of the Borrower, its successors and assigns, or the agents, contractors, employees, licensees, or otherwise of the Borrower or its successors and assigns in connection with, the Project financed with the proceeds of the Loan, or the breach or violation of any agreement, covenant, representation, or warranty of the Borrower set forth in this Loan Agreement or any document delivered pursuant hereto or thereto or in connection herewith or therewith. Such indemnification shall not apply to any actions caused by the gross negligence or willful misconduct of the party seeking such indemnification.

Such indemnity shall not be restricted in any way by any limitation on the amount or type of damages, compensation, or benefits payable under any workers' compensation acts, disability benefit acts, or other employee benefits acts or any other similar laws but may be limited by State law relating to the ability of governmental units to indemnify parties for the actions of such governmental units, including but not limited to Section 768.28, Florida Statutes.

An indemnified person shall promptly notify the Borrower in writing of any claim or action brought against it, in respect of which indemnity may be sought against the Borrower, setting forth, to the extent reasonably practicable under the circumstances, the particulars of such claim or action, and the Borrower will promptly assume the defense thereof with its in-house counsel or, at its election, the employment of competent outside counsel reasonably satisfactory to such indemnified person and the payment of all expenses.

An indemnified person may employ separate counsel with respect to any such claim or action and participate in the defense thereof, but, except as provided herein, the fees and expenses of such separate counsel shall not be payable by the Borrower unless such employment has been specifically authorized by the Borrower, which such authorization shall not be unreasonably withheld, or unless such employment was occasioned by conflicts of interest between and among indemnified persons and/or the Borrower. If the Borrower shall fail to assume the defense of any action as required hereunder, or, within a reasonable time after commencement of such action, to retain outside counsel, if it so elects or if it becomes necessary due to conflict, reasonably satisfactory to the indemnified person, the fees, costs, and expenses of counsel to such indemnified person hereunder shall be paid by the Borrower.

The provisions of this Section 2.03(m) shall survive the termination of this Loan Agreement or the sooner resignation or removal of the Trustee and shall inure to the benefit of the Trustee's successors and assigns.

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ARTICLE III

THE LOAN

SECTION 3.01. The Loan. The Council hereby agrees to loan to the Borrower and the Borrower hereby agrees to borrow from the Council the principal amount of \$7,595,000, which after adding the net bond premium of \$401,377.05 results in \$7,996,377.05 of Loan proceeds. This amount includes an amount equal to \$180,949.96, which reflects the Borrower's share of the costs of issuance and the Underwriter's discount. The amounts advanced to the Borrower net of the costs of the initial issuance are to be used by the Borrower for the purposes of financing the Costs of the Project.

SECTION 3.02. Evidence of Loan. The Borrower's obligation hereunder to repay amounts advanced pursuant to Section 3.01, together with interest thereon, and other payments required under this Loan Agreement, shall be evidenced by this Loan Agreement.

SECTION 3.03. [Reserved].

SECTION 3.04. Loan for Purpose of Financing the Project. The Borrower acknowledges that the Council, pursuant to the Borrower's request and instruction, is depositing a portion of the proceeds of the Loan in the amount of \$7,815,427.09, as set forth and as directed by the terms of the Indenture, into the Series 2018A Project Loan Fund in order to finance the acquisition, construction, and/or equipping of the Project. The Borrower will provide the Trustee with a requisition in substantially the form of the requisition attached hereto as Exhibit E for the expenditure of the amounts of the Loan in the Series 2018A Project Loan Fund.

[Remainder of page intentionally left blank]

ARTICLE IV

LOAN TERM AND LOAN CLOSING REQUIREMENTS

SECTION 4.01. Commencement of Loan Term. The Borrower's obligations under this Loan Agreement shall commence on the date hereof unless otherwise provided in this Loan Agreement.

SECTION 4.02. Termination of Loan Term. The Borrower's obligations under this Loan Agreement shall terminate after payment in full of all amounts due under this Loan Agreement and all amounts not theretofore paid shall be due and payable at the times and in the amounts set forth in Exhibit D attached hereto; provided, however, that all covenants and all obligations provided hereunder specified to so survive (including the obligation of the Borrower to pay the rebate obligations of the Council owed on the Bonds and agreed to by the Borrower pursuant to Section 5.03(b)(7) hereof shall survive the termination of this Loan Agreement and the payment in full of principal and interest hereunder. Upon termination of the Loan Term as provided above, the Council and the Trustee shall deliver, or cause to be delivered, to the Borrower an acknowledgment thereof.

SECTION 4.03. Loan Closing Submissions. Concurrently with the execution and delivery of this Loan Agreement, the Council or the Borrower are providing to the Trustee the following documents each dated the date of such execution and delivery, except all opinions and certificates shall be dated the date of Closing:

(a) A certified copy of the resolution of the Borrower substantially in the form of Exhibit B attached hereto authorizing the Loan and this Loan Agreement;

(b) An opinion of the Borrower's Counsel substantially in the form of Exhibit C attached hereto to the effect that the Loan Agreement is a valid and binding obligation of the Borrower and opining to such other matters as may be reasonably required by Bond Counsel and underwriter's counsel and acceptable to Borrower's Counsel;

(c) A certificate of the officials of the Borrower to the effect that the representations and warranties of the Borrower are true and correct;

(d) A certificate signed by the Authorized Representative of the Borrower, in form and substance satisfactory to Bond Counsel, stating (i) the estimated dates and the amounts of projected expenditures for the Project, and (ii) that it is reasonably anticipated by the Borrower that the Loan proceeds will be fully advanced therefor and expended by the Borrower prior to August 23, 2021, and that the projected expenditures are based on the reasonable expectations of the Borrower having due regard for its capital needs and the revenues available for the repayment thereof.

(e) This executed Loan Agreement;

(f) [Reserved;]

(g) A standard opinion of Bond Counsel (addressed to the Council, the Trustee, the Underwriter, and the Borrower) to the effect that (i) the resolution of the Council constitutes a valid and binding obligation of the Council enforceable against the Council in accordance with its terms; (ii) the Indenture has been duly executed by the Council and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid and binding obligation of the Council enforceable upon the Council in accordance with its terms; (iii) the Bonds have been duly authorized, executed, and delivered by the Council and are valid and special obligations of the Council enforceable in accordance with their terms, payable solely from the sources provided therefor in the Indenture; and (iv) the interest on the Bonds is excludable from gross income for federal income tax purposes;

(h) An opinion of Bond Counsel (addressed to the Council, the Trustee, the Underwriter, and the Borrower) to the effect that the financing from the proceeds of the Loan pursuant to this Loan Agreement is permitted under the Act, the Indenture and the resolution of the Borrower, and will not, in and of itself, cause the interest on the Bonds to be included in gross income for federal income tax purposes, or adversely affect the validity, due authorization for, or legality of the Bonds;

(i) An opinion of Council's Counsel (addressed to the Council, the Trustee, and the Underwriter) to the effect that the Loan Agreement and Indenture are valid and binding obligations of the Council and opining to such other matters as may be reasonably required by Bond Counsel and underwriter's counsel and acceptable to Council's Counsel;

(j) An opinion of Disclosure Counsel (addressed to the Council and the Underwriter) to the effect that based upon their participation in the preparation of the official statement, but without having undertaken to determine independently the accuracy, completeness, or fairness of the statements contained therein, they have no reason to believe that the official statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(k) Such other certificates, documents, opinions, and information as the Council, the Trustee, or Bond Counsel may require, such requirement to be evidenced (in the case of parties other than the Trustee) by written notice of such party to the Trustee of such requirement.

ARTICLE V

LOAN REPAYMENTS

SECTION 5.01. Payment of Basic Payments. The Borrower shall pay to the order of the Council all Loan Repayments in lawful money of the United States of America to the Trustee. No such Loan Repayment shall be in an amount such that interest on the Loan is in excess of the maximum rate allowed by the laws of the State of Florida or of the United States of America. The Loan shall be repaid in Basic Payments, consisting of:

- (a) principal in the amounts and on the dates set forth in Exhibit D; plus
- (b) interest calculated at the rates, in the amounts and on the dates set forth in Exhibit D.

On or before the 15th day of the month immediately preceding each Interest Payment Date, the Trustee shall give Borrower notice in writing of the total amount of the next Basic Payment due. The Basic Payments shall be due on each March 20th and September 20th, or if such day is not a Business Day, the next preceding Business Day (a "Loan Repayment Date"), commencing March 20, 2019, and extending through September 20, 2043, unless the Loan is prepaid pursuant to terms of Section 5.07 hereof.

SECTION 5.02. No Reserve Fund. The Reserve Requirement for the Bonds is equal to \$0.00. No Series 2018A Reserve Fund will be established for the Bonds.

SECTION 5.03. Payment of Additional Payments. In addition to Basic Payments, the Borrower agrees to pay on demand of the Council or the Trustee, the following Additional Payments:

(a) (i) the annual fees or expenses of the Council, if any, including the fees of any provider of arbitrage rebate calculations; the fees of the Program Administrator; the fees of the rating agencies (to the extent not previously paid from the Cost of Issuance Fund); and (ii) the costs and fees related to the Bonds.

(b) All reasonable fees and expenses of the Council or Trustee relating to this Loan Agreement, including, but not limited to:

- (i) the cost of reproducing this Loan Agreement;
- (ii) the reasonable fees and disbursements of Counsel utilized by the Council and the Trustee, in connection with the Loan, this Loan Agreement, and the enforcement thereof;

(iii) reasonable extraordinary fees and expenses of the Trustee and the Council following an Event of Default hereunder;

(iv) all other reasonable out-of-pocket expenses of the Trustee and the Council in connection with the Loan, this Loan Agreement and the enforcement thereof, including, but not limited to, all fees and expenses related to the prepayment and defeasance of the Loan and the Bonds;

(v) all taxes (including any recording, documentary stamp taxes, intangible taxes, and filing fees) in connection with the execution and delivery of this Loan Agreement and the pledge and assignment of the Council's right, title, and interest in and to the Loan and the Loan Agreement, pursuant to the Indenture (and with the exceptions noted therein), and all expenses, including reasonable attorneys' fees, costs and expenses, relating to any amendments, waivers, consents, or collection or enforcement proceedings pursuant to the provisions hereof;

(vi) [Reserved];

(vii) any amounts owed to the United States of America as rebate obligations on the Bonds related to the Loan, which obligation shall survive the termination of this Loan Agreement;

(viii) fees and costs of maintaining a rating on the Loan; and

(ix) (1) any and all losses, damages, expenses (including reasonable legal and other fees and expenses), liabilities, or claims (or actions in respect thereof), to which the Council may become subject under any federal or state securities laws, federal or state tax laws, or other statutory law or at common law or otherwise, and (2) any and all fees and expenses of any inquiries or audits by any regulatory agencies, all as caused by or arising out of or based upon this Loan Agreement, the Loan, the Bonds, the issuance of the Bonds or the use of Bond proceeds.

SECTION 5.04. Interest Earnings or Investment Losses and Excess Payments.

(a) On each Interest Payment Date the Trustee shall credit against Borrower's obligation to pay its Loan Repayments, any interest earnings which were received during the prior Interest Period by the Trustee on the Funds and Accounts (except the Project Loan Fund) held under the Indenture, or shall increase the Borrower's obligation to pay its Loan Repayment, any investment losses which were incurred during the prior Interest Period on the Funds and Accounts (except the Project Loan Fund) held under the Indenture.

(b) The credits provided for in (a) shall not be given to the extent the Borrower is in Default in payment of its Loan Repayments. If past-due Loan Repayments are later collected

from the Borrower, the amount of the missed credit shall, to the extent of the amount collected, be credited in proportion to the amount of credit missed, to the Borrower from the past-due Loan Repayments.

(c) The credits may be accumulated. If the credit allowable for an Interest Period is more than required on the next ensuing Interest Payment Date to satisfy the current Loan Repayment, it may be used on the following Interest Payment Date.

SECTION 5.05. Obligations of Borrower Unconditional. Subject in all respects to the provisions of this Loan Agreement, including but not limited to Section 2.02(a) hereof, the obligations of the Borrower to make the Loan Repayments required hereunder and to perform and observe the other agreements on its part contained herein, shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed, or otherwise modified in any manner or to any extent whatsoever, while any Bonds remain outstanding or any Loan Repayments remain unpaid, regardless of any contingency, act of God, event, or cause whatsoever. This Loan Agreement shall be deemed and construed to be a "net contract," and the Borrower shall pay the Loan Repayments and all other payments required hereunder, regardless of any rights of set-off, recoupment, abatement, or counterclaim that the Borrower might otherwise have against the Council, the Trustee, or any other party or parties.

SECTION 5.06. Refunding Bonds. In the event the Bonds are refunded, all references in this Loan Agreement to Bonds shall be deemed to refer to the refunding bonds or, in the case of a crossover refunding, to the Bonds and the refunding bonds (but the Borrower shall never be responsible for any debt service on or fees relating to crossover refunding bonds which are covered by earnings on the escrow fund established from the proceeds of such bonds). The Council agrees not to issue bonds or other debt obligations to refund the Bonds without the prior written consent of the Authorized Representative of the Borrower.

SECTION 5.07. Prepayment. The Loan may be prepaid in whole or in part by the Borrower on the dates and in the amounts on which the Bonds are subject to optional redemption and notice provisions pursuant to Section 3.01 of the Indenture. The Borrower shall provide the Council 60 days' notice of any prepayment of its Loan.

[Remainder of page intentionally left blank]

ARTICLE VI

DEFEASANCE

This Loan Agreement shall continue to be obligatory and binding upon the Borrower in the performance of the obligations imposed by this Loan Agreement and the repayment of all sums due by the Borrower under this Loan Agreement shall continue to be secured by this Loan Agreement as provided herein until all of the indebtedness and all of the payments required to be made by the Borrower shall be fully paid to the Council or the Trustee as provided herein, including any fees and expenses in connection with such repayment, if any. If, at any time, the Borrower shall have paid, or shall have made provision for payment of, prepayment premium, if any, and interest on the Loan, with respect to the Bonds, and shall have paid all other amounts due under this Loan Agreement, then, and in that event, the covenant regarding the pledge of and the lien on the revenues pledged, if any, to the Council for the benefit of the Holders of the Bonds shall be no longer in effect and all future obligations of the Borrower under this Loan Agreement shall cease; provided, however, that all covenants and all obligations provided hereunder specified to so survive (including the obligation of the Borrower to pay the rebate obligations owed on the Bonds) shall survive the termination of this Loan Agreement and the payment in full of principal, premium, if any, and interest hereunder. For purposes of the preceding sentence, in order for the Borrower to have made "provision for payment," the Borrower shall have deposited sufficient cash and/or Governmental Obligations in irrevocable trust with a banking institution or trust company, for the sole benefit of the Council, in respect to which such cash and/or Governmental Obligations, the principal and interest on which, will be sufficient (as reflected in an accountant's verification report provided to the Trustee by the Borrower) to make timely payment of the principal of, prepayment premium, if any, and interest on the Loan. The prepayment premium, if any, shall be calculated based on the prepayment date selected by the Borrower in accordance with Section 5.07 hereof.

If the Borrower determines to prepay all or a portion of the Loan pursuant to Section 5.07 hereof, upon the required timely notice by the Borrower, the Council shall redeem a like amount of Bonds which corresponds in terms of amount and scheduled maturity date to such Loan prepayment pursuant to Section 3.01 of the Indenture.

If the Borrower shall make advance payments to the Council in an amount sufficient to retire the Loan of the Borrower, including redemption premium and accrued interest to the next succeeding redemption date of the Bonds, as provided herein, all future obligations of the Borrower under this Loan Agreement shall cease, including the obligations under Section 5.03 hereof, except for such amounts then outstanding and as provided in Section 4.02 hereof. However, prior to making such payments, the Borrower shall give at least 60 days' notice by mail, with receipt confirmed, to the Council.

ARTICLE VII

ASSIGNMENT AND PAYMENT BY THIRD PARTIES

SECTION 7.01. Assignment by Council. The Borrower expressly acknowledges that this Loan Agreement and the obligations of the Borrower to make payments hereunder (with the exception of certain of the Council rights to indemnification, fees, notices, and expenses), have been pledged and assigned to the Trustee as security for the Bonds under the Indenture, and that the Trustee shall be entitled to act hereunder and thereunder in the place and stead of the Council whether or not the Bonds are in default.

SECTION 7.02. Assignment by Borrower. This Loan Agreement may not be assigned by the Borrower for any reason without the express prior written consent of the Council and the Trustee.

[Remainder of page intentionally left blank]

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01. Events of Default Defined. The following shall be "Events of Default" under this Loan Agreement and the terms "Event of Default" and "Default" shall mean (except where the context clearly indicates otherwise), whenever they are used in this Loan Agreement, any one or more of the following events:

(a) Failure by the Borrower to timely pay any Loan Repayment, when due, so long as the Bonds are outstanding;

(b) Failure by the Borrower to timely pay any other payment required to be paid hereunder on the date on which it is due and payable, provided the Borrower has prior written notice of any such payments being due;

(c) Failure by the Borrower to observe and perform any covenant, condition, or agreement other than a failure under (a), on its part to be observed or performed under this Loan Agreement, for a period of 30 days after notice of the failure, unless the Council and the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Council or the Trustee, but cannot be cured within the applicable 30-day period, the Council and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the failure is corrected;

(d) Any warranty, representation, or other statement by the Borrower or by an officer or agent of the Borrower contained in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement, is false or misleading in any material respect when made;

(e) A petition is filed against the Borrower under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days of such filing;

(f) The Borrower files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(g) The Borrower admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes

insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator, or trustee) of the Borrower or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 60 days;

(h) Default under any agreement to which the Borrower is a party evidencing, securing, or otherwise respecting any indebtedness of the Borrower outstanding in the principal amount of \$100,000 or more if, as a result thereof, such indebtedness may be declared immediately due and payable or other remedies may be exercised with respect thereto;

(i) Any material provision of this Loan Agreement shall at any time for any reason cease to be valid and binding on the Borrower, or shall be declared to be null and void, or the validity or enforceability of this Loan Agreement shall be contested by the Borrower or any governmental agency or authority, or if the Borrower shall deny any further liability or obligation under this Loan Agreement; or

(j) Final judgment for the payment of money in the amount of \$250,000 or more is rendered against the Borrower, the payment of which would materially adversely affect the Borrower's ability to meet its obligations hereunder (it being agreed that, if insurance or adequate reserves are available to make such payment, such judgment would not materially affect the Borrower's ability to meet its obligations hereunder) and at any time after 90 days from the entry thereof, unless otherwise provided in the final judgment, (i) such judgment shall not have been discharged, or (ii) the Borrower shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree, or process upon which or pursuant to which such judgment shall have been granted or entered, and have caused the execution of or levy under such judgment, order, decree, or process of the enforcement thereof to have been stayed pending determination of such appeal, provided that such execution and levy would materially adversely affect the Borrower's ability to meet its obligations hereunder; or (iii) it has not been determined by a court of competent jurisdiction from which appeal may not be taken or from which appeal has been taken but has been finally denied that the Borrower is not obligated with respect to such judgment pursuant to the provisions of Chapter 768, Florida Statutes or other applicable law.

SECTION 8.02. Notice of Default. The Borrower agrees to give the Trustee and the Council prompt written notice if any petition, assignment, appointment, or possession referred to in Section 8.01(e), 8.01(f), and 8.01(g) is filed by or against the Borrower or of the occurrence of any other event or condition which constitutes a Default or an Event of Default, or with the passage of time or the giving of notice would constitute an Event of Default, immediately upon becoming aware of the existence thereof.

SECTION 8.03. Remedies on Default. Whenever any Event of Default referred to in Section 8.01 hereof shall have happened and be continuing, the Council or the Trustee shall, in addition to any other remedies herein or by law provided, have the right, at its or their option

without any further demand or notice, to take such steps and exercise such remedies as provided in Section 9.02 of the Indenture, and, without limitation, to take whatever other action at law or in equity which may appear necessary or desirable to collect amounts then due and thereafter to become due hereunder or to enforce any other of its or their rights hereunder.

SECTION 8.04. [Reserved].

SECTION 8.05. No Remedy Exclusive; Waiver, Notice. No remedy herein conferred upon or reserved to the Council or the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy, or power shall be construed to be a waiver thereof, but any such right, remedy, or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Council or the Trustee to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice other than such notice as may be required in this Article VIII.

SECTION 8.06. Application of Moneys. Any moneys collected by the Council or the Trustee pursuant to Section 8.03 hereof shall be applied (a) first, to pay any outstanding fees of the Trustee and Council, and any reasonable attorney's fees, costs or expenses, or any other expenses owed by the Borrower pursuant to Section 5.03(b)(3) and (4) hereof; (b) second, to pay interest due on the Loan; (c) third, to pay principal due on the Loan; (d) fourth, to pay any other amounts due hereunder; and (e) fifth, to pay interest and principal on the Loan and other amounts payable hereunder but which are not due, as they become due (in the same order, as to amounts which come due simultaneously, as in (a) through (d) in this Section 8.06).

[Remainder of page intentionally left blank]

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Notices. All notices, certificates, or other communication hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

Council: Florida Municipal Loan Council
c/o Florida League of Cities
301 South Bronough Street, Suite 300
Tallahassee, Florida 32301

Trustee: The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway North
Jacksonville, Florida 32256

Borrower: City of Bradenton, Florida
101 Old Main Street West
Bradenton, Florida 34205
Attention: City Clerk and Treasurer

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 9.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Council and the Borrower and their respective successors and assigns.

SECTION 9.03. Severability. In the event any provision of the Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.04. Amendments, Changes and Modifications. This Loan Agreement may be amended by the Council and the Borrower as provided in the Indenture.

SECTION 9.05. Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which, when so executed and delivered, shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.06. Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State without regard to conflict of law principles.

SECTION 9.07. Benefit of Bondholders; Compliance with Indenture. This Loan Agreement is executed in part to induce the purchase by others of the Bonds. Accordingly, all covenants, agreements, and representations on the part of the Borrower and the Council, as set forth in this Loan Agreement, are hereby declared to be for the benefit of the holders from time to time of the Bonds. The Borrower covenants and agrees to do all things within its power in order to comply with and to enable the Council to comply with all requirements and to fulfill and to enable the Council to fulfill all covenants of the Indenture. The Borrower also acknowledges that the Council has delegated certain of its duties under the Indenture to its Program Administrator, including the direction to make investments in accordance with Article VII thereof, including, but not limited to the investment of the Borrower's Project Loan Fund.

SECTION 9.08. Consents and Approvals. Whenever the written consent or approval of the Council shall be required under the provisions of this Loan Agreement, such consent or approval may be given by an Authorized Representative of the Council or such other additional persons provided by law or by rules, regulations or resolutions of the Council.

SECTION 9.09. Immunity of Officers, Employees and Members of Council and Borrower. No recourse shall be had for the payment of the principal of, premium, if any, or interest hereunder or for any claim based thereon or upon any representation, obligation, covenant, or agreement in this Loan Agreement against any past, present, or future official officer, member, counsel, employee, director, or agent, as such, of the Council or the Borrower, either directly or through the Council or the Borrower, or respectively, any successor public or private corporation thereto under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, counsels, employees, directors, or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement.

SECTION 9.10. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of sections of this Loan Agreement.

SECTION 9.11. No Pecuniary Liability of Council. No provision, covenant, or agreement contained in this Loan Agreement, or any obligation herein imposed upon the Council, or the breach thereof, shall constitute an indebtedness or liability of the State or any political subdivision or municipal corporation of the State or any public corporation or governmental agency existing under the laws thereof other than the Council. In making the agreements, provisions, and covenants set forth in this Loan Agreement, the Council has not obligated itself except with respect to the application of the revenues, income, and all other property as derived herefrom, as hereinabove provided.

SECTION 9.12. Payments Due on Holidays. With the exception of Basic Payments, if the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Loan Agreement, shall be other than on a Business Day, such

payments may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Loan Agreement.

SECTION 9.13. Calculations. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 9.14. Time of Payment. Any Loan Repayment or other payment hereunder which is received by the Trustee or Council after 2:00 p.m. (New York time) on any day shall be deemed received on the following Business Day.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Florida Municipal Loan Council has caused this Loan Agreement to be executed in its corporate name with its corporate seal hereunto affixed and attested by its duly authorized officers and the City of Bradenton, Florida, has caused this Loan Agreement to be executed in its corporate name with its corporate seal hereunto affixed and attached by its duly authorized officers. All of the above occurred as of the date first above written.

FLORIDA MUNICIPAL LOAN COUNCIL

(SEAL)

By: _____

Name: Isaac Salver

Title: Chairman

ATTEST:

FLORIDA LEAGUE OF CITIES, INC.,

Program Administrator

By: _____

Name: Michael Sittig

Title: Executive Director

LOAN AGREEMENT

CITY OF BRADENTON, FLORIDA

(SEAL)

By: _____
Name: Wayne H. Poston
Title: Mayor

ATTESTED BY:

By: _____
Name: Sharon Beauchamp
Title: City Clerk and Treasurer

Approved as to form and correctness
this 23rd day of August, 2018.

By: _____
Name: William R. Lisch
Title: City Attorney

EXHIBIT A

CITY OF BRADENTON, FLORIDA
USE OF LOAN PROCEEDS

<u>PROJECT</u>	<u>TOTAL AMOUNT TO BE FINANCED</u>
Acquisition, construction, and/or equipping of certain qualifying projects, including, but not limited to, a public parking garage and related improvements	\$7,815,427.09

EXHIBIT B

CERTIFIED RESOLUTION OF THE BORROWER

See Document No. 38

EXHIBIT C

OPINION OF BORROWER'S COUNSEL

[Letterhead of Counsel to Borrower]

August 23, 2018

Florida Municipal Loan Council
c/o Florida League of Cities, Inc.
301 Bronough Street, Suite 300
Tallahassee, Florida 32301

The Bank of New York Mellon Trust
Company, N.A.
10161 Centurion Parkway North
Jacksonville, Florida 32256

Bryant Miller Olive P.A.
SunTrust International Center
1 SE 3rd Avenue, Suite 2200
Miami, Florida 33131

Wells Fargo Bank, National Association
28059 US Hwy 19 N, Suite 205
Clearwater, Florida 33761

Ladies and Gentlemen:

I am counsel to the City of Bradenton, Florida (the "Borrower"), and have been requested by the Borrower to give this opinion in connection with the loan by the Florida Municipal Loan Council (the "Council") to the Borrower of funds to finance all or a portion of the Costs of the Project, as described in Exhibit A of the Loan Agreement, dated as of August 1, 2018, by and between the Council and the Borrower (the "Loan Agreement").

In this connection, I have reviewed such records, certificates, and other documents as I have considered necessary or appropriate for the purposes of this opinion, including applicable laws, the Charter of the Borrower, the Loan Agreement, the Trust Indenture dated as of August 1, 2018 (the "Indenture"), by and between the Council and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), Resolution No. 18-48 adopted by the Borrower on June 27, 2018 (the "Resolution"), the Continuing Disclosure Agreement, dated as of August 1, 2018 (the "Continuing Disclosure Agreement"), by and among the Borrower and the Florida League of Cities, Inc., the final Official Statement with respect to the Bonds dated August 9, 2018 (the "Official Statement"), and the Bond Purchase Contract dated August 9, 2018, between the Council, Wells Fargo Bank, National Association (the "Underwriter"), and the Borrower (the "Bond Purchase Contract"). Based on such review, and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

(a) The Borrower is a municipality duly organized and validly existing under the Constitution and laws of the State of Florida. The Borrower has the legal right and all requisite

power and authority to enter into the Loan Agreement, to covenant to budget and appropriate Non-Ad Valorem Revenues to the payment of the Loan, to adopt the Resolution, consummate the transactions contemplated in the Loan Agreement and the Resolution, and otherwise to carry on its activities and own its property.

(b) The Borrower has duly adopted the Resolution, and authorized, executed, and delivered the Loan Agreement, the Bond Purchase Contract, and the Continuing Disclosure Agreement, and such instruments are legal and binding obligations of the Borrower enforceable against the Borrower in accordance with its terms, except to the extent that the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity and to the sovereign police powers of the State of Florida and the constitutional powers of the United States of America.

(c) The execution and delivery of the Resolution, the Continuing Disclosure Agreement, the Bond Purchase Contract, and the Loan Agreement; the consummation of the transactions contemplated thereby; the acquisition or construction of the Project; and the fulfillment of or compliance with the terms and conditions of the Resolution, the Loan Agreement, the Bond Purchase Contract, and the Continuing Disclosure Agreement does not and will not conflict with or result in a material breach of or default under any of the terms, conditions, or provisions of any agreement, contract or other instrument, or law, ordinance, regulation, or judicial or other governmental order, to which the Borrower is now a party or it or its properties is otherwise subject or bound, and the Borrower is not otherwise in violation of any of the foregoing in a manner material to the transactions contemplated by the Loan Agreement.

(d) There is no litigation or legal or governmental action, proceeding, inquiry, or investigation pending or, to the best of my knowledge, threatened by governmental authorities or to which the Borrower is a party or of which any property of the Borrower is subject, which has not been described in the Official Statement or otherwise disclosed in writing to the Council and which, if determined adversely to the Borrower, would individually or in the aggregate materially and adversely affect the validity or the enforceability of the Resolution, the Loan Agreement, the Bond Purchase Contract, or the Continuing Disclosure Agreement.

(e) Based upon my review of the Official Statement and without having undertaken to determine independently the accuracy or completeness of the contents of the Official Statement, the statements and information with respect to matters of law relating to the Borrower in the Official Statement under the captions "THE BORROWER," "PURPOSE OF THE BONDS," "SECURITY AND SOURCES OF PAYMENT," "HURRICANE IRMA IMPACTS," "INVESTMENT CONSIDERATIONS," "LITIGATION" "CONTINUING DISCLOSURE," and "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," are true and correct in all material respects, and do not contain any untrue statement of a material fact or omit to state

a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, either as of its date or the date hereof. No opinion is expressed herein with respect to (i) actions or obligations of the Council or any other party other than the Borrower, (ii) documents to which the Borrower is not a party, and (iii) financial, statistical, or tax matters or projections.

(f) All approvals, consents, authorizations, and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the Borrower of its obligations under the Loan Agreement, the Continuing Disclosure Agreement, the Purchase Contract, the Resolution, and the other documents of the Borrower relating to the Loan have been obtained and are in full force and effect.

I am an attorney admitted to practice law only in the State of Florida and express no opinion as to the laws of any other state and further express no opinion as to (i) the status of interest on the Bonds under either Federal laws or the laws of the State of Florida, or (ii) economic or financial matters described in the Official Statement relating to the Borrower.

Very truly yours,

EXHIBIT D

DEBT SERVICE SCHEDULE

<u>Date*</u>	<u>Principal Amounts</u>	<u>Interest Rate</u>	<u>Interest Amounts</u>	<u>Total Amounts</u>
10/1/2019	\$140,000	4.000%	\$349,604.31	\$489,604.31
10/1/2020	180,000	4.000	310,625.00	490,625.00
10/1/2021	190,000	4.000	303,425.00	493,425.00
10/1/2022	195,000	4.000	295,825.00	490,825.00
10/1/2023	205,000	5.000	288,025.00	493,025.00
10/1/2024	215,000	5.000	277,775.00	492,775.00
10/1/2025	225,000	5.000	267,025.00	492,025.00
10/1/2026	235,000	5.000	255,775.00	490,775.00
10/1/2027	250,000	5.000	244,025.00	494,025.00
10/1/2028	260,000	5.000	231,525.00	491,525.00
10/1/2029	275,000	5.000	218,525.00	493,525.00
10/1/2030	290,000	3.000	204,775.00	494,775.00
10/1/2031	295,000	3.125	196,075.00	491,075.00
10/1/2032	305,000	3.250	186,856.26	491,856.26
10/1/2033	315,000	5.000	176,943.76	491,943.76
10/1/2034	335,000	4.000	161,193.76	496,193.76
10/1/2035	345,000	3.500	147,793.76	492,793.76
10/1/2036	360,000	5.000	135,718.76	495,718.76
10/1/2037	375,000	4.000	117,718.76	492,718.76
10/1/2038	395,000	3.625	102,718.76	497,718.76
10/1/2039	405,000	4.000	88,400.00	493,400.00
10/1/2040	425,000	4.000	72,200.00	497,200.00
10/1/2041	440,000	4.000	55,200.00	495,200.00
10/1/2042	460,000	4.000	37,600.00	497,600.00
10/1/2043	480,000	4.000	19,200.00	499,200.00

* Loan repayments are due March 20th and September 20th of each year.

EXHIBIT E TO LOAN AGREEMENT
FORM OF REQUISITION CERTIFICATE

TO: THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE
FROM: CITY OF BRADENTON, FLORIDA (THE "BORROWER")
SUBJECT: LOAN AGREEMENT DATED AS OF THE 1ST DAY OF AUGUST, 2018

This represents Requisition Certificate No. ___ in the total amount of \$_____ for payment of those Costs of the Project detailed in the schedule attached.

The undersigned does certify that:

1. All of the expenditures for which monies are requested hereby represent proper Costs of the Project, have not been included in a previous Requisition Certificate and have been properly recorded on the Borrower's books as currently due and owing.
2. The monies requested hereby are not greater than those necessary to meet obligations due and payable or to reimburse the Borrower for funds actually advanced for Costs of the Project. The monies requested do not include retention or other monies not yet due or earned under construction contracts.
3. This requisition is in compliance with Section 5.03 of the Indenture.
4. After payment of monies hereby requested, to the knowledge of the undersigned, there will remain available to the Borrower sufficient funds to complete the Project substantially in accordance with the plans therefor.
5. The Borrower is not in default under the Loan Agreement and nothing has occurred that would prevent the performance of its obligations under the Loan Agreement.

Executed this ____ day of _____, 20__.

CITY OF BRADENTON FLORIDA

By: _____
Name: _____
Title: _____

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Bonds in definitive form, Bryant Miller Olive P.A., Bond Counsel, proposes to render its separate final approving opinion with respect to the Bonds in substantially the following form:

[Date of Closing]

Florida Municipal Loan Council
Tallahassee, Florida

\$7,595,000

Florida Municipal Loan Council
Revenue Bonds, Series 2018A (City of Bradenton Series)

Ladies and Gentlemen:

We have acted as bond counsel to the Florida Municipal Loan Council (the "Council") in connection with the issuance by the Council of its \$7,595,000 Revenue Bonds, Series 2018A (City of Bradenton Series) (the "Bonds"), pursuant to and under the authority of the Constitution of the State of Florida, Chapter 163, Part I, Florida Statutes, Chapter 166, Part II, Florida Statutes, each as amended, and other applicable provisions of law, a Trust Indenture, dated as of August 1, 2018 (the "Indenture"), by and between the Council and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and Resolution No. 2018-01, adopted by the Council on June 7, 2018 (the "Resolution"). In such capacity, we have examined such law and certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meanings set forth in the Indenture.

The proceeds of the Bonds will be loaned to the City of Bradenton, Florida (the "Borrower") for the purpose of financing or reimbursing the cost of qualified projects of the Borrower and to pay certain costs of issuing the Bonds pursuant to a Loan Agreement, dated as of August 1, 2018, by and between the Council and the Borrower.

As to questions of fact material to our opinion, we have relied upon representations of the Council contained in the Indenture and representations of the Borrower contained in the Loan Agreement and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all

documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Kraig A. Conn, Esquire, Counsel to the Council, as to the due creation and valid existence of the Council, the due adoption of the Resolution, the due execution and delivery of the Bonds and the compliance by the Council with all conditions contained in the resolutions of the Council precedent to the issuance of the Bonds. We have assumed the proper authorization, execution, and delivery of the Loan Agreement by the Borrower and the validity of the Loan Agreement, and in rendering this opinion are not passing upon such matters.

The Bonds are payable from Revenues, which consist primarily of the payments of principal and interest and other payments payable by the Borrower pursuant to the provisions of the Loan Agreement, and are secured by a pledge and assignment of said Revenues and of amounts held in certain Funds and Accounts established pursuant to the Indenture (including proceeds of the sale of the Bonds until applied as set forth therein), subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are further secured by an assignment of the right, title, and interest of the Council in the Loan Agreement to the Trustee, to the extent and as more particularly described in the Indenture.

The Bonds do not constitute a general obligation or indebtedness of the Council or the Borrower within the meaning of any constitutional, statutory, or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Council or the Borrower or taxation in any form of any real or personal property for the payment of the principal of or interest on the Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion, that, under existing law:

1. The Resolution constitutes a valid and binding obligation of the Council enforceable against the Council in accordance with its terms.
2. The Indenture has been duly executed by the Council and, assuming due authorization, execution, and delivery by the Trustee, constitutes a valid and binding limited obligation of the Council enforceable upon the Council in accordance with its terms.
3. The Bonds are valid and binding limited obligations of the Council enforceable in accordance with their terms, and payable solely from the sources and in the manner and to the extent provided for in the Indenture.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. The opinions set forth in the preceding sentences are subject to the condition that the Council complies with all requirements of the Internal Revenue Code of 1986, as amended, (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Council has covenanted in the Indenture and the Borrower has covenanted in the Loan Agreement to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness, or adequacy of the Official Statement or any other offering material relating to the Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Council or the underwriter with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Bonds or regarding the perfection or priority of the lien on the Revenues pledged and created by the Indenture. Further, we express no opinion regarding federal income tax consequences arising with respect to the Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

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APPENDIX F

FINANCIAL INFORMATION REGARDING THE CITY OF BRADENTON, FLORIDA

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City of Bradenton, Florida



Comprehensive Annual Financial Report
 Fiscal Year Ended September 30, 2017

Sharon Beauchamp
 City Clerk & Treasurer

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CITY OF BRADENTON, FLORIDA
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended September 30, 2017

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

March 22, 2018

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, 2017. 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 designed 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.

During the summer of 2017 the City of Bradenton, through bid process, selected a new external audit firm. Christopher, Smith, Leonard, Bristow and Stanell (CS&L) CPA's went right to work in order for the City to meet the requirements of Chapter 11.45 of the Florida Statutes (requiring all Florida municipalities undergo an independent Certified Public Accountant's financial audit). This requirement has been met for the fiscal year ended September 30, 2017 and the report of the City's new 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 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, 2017 the City's elected officials are:

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

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 54,652. The City of Bradenton provides a full range of services including police, 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 for the past 50 years.

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 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 nation. 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 8.2% increase in total taxable assessed values, which follows an 8.3% increase from the previous year. Unemployment has dropped from 4.7% last year to a current level of 3.6% and tourism reached record levels in 2017.

Long-term financial planning. During fiscal year 2011, the Bradenton City Council approved and adopted a formal Fund Balance Policy. The 2017 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. While initial damage and clean-up estimates in the City were in the \$10,000,000 range, final reports have come in at approximately \$3,000,000. The City expects to be working on reimbursement requests with FEMA over the next several months and these storm payments and reimbursements will 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, ten years later, the City is looking forward to future financial reports that will reflect the impact of the recently adopted half-cent sales tax. This additional infrastructure funding will allow 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 management team reviewed all operations in an effort to reduce costs while maintaining a consistent level of service. The City now operates with 8.9% fewer employees than it did in 1999, which is 10.9% below the 2005 level. As noted in the City's financial statements, this very conservative approach has allowed the City to be nimble in our reactions to changes of a modern economy.

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

Major initiatives. The City adopted a series of policies and initiatives that are intended to provide short-term relief to our business community that will take advantage of a strong economic recovery that will aid all of our citizens.

The City, through its three community redevelopment agencies and newly established 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 will be well underway during 2018, 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 reclaimed water and wastewater facility improvements. Also, a substantial amount of funding has been dedicated to roadway milling and repaving.

Recreationally speaking, the City's shuffleboard facility will undergo some well-deserved enhancements, a new park is being constructed at Wares Creek, playground equipment is being replaced at multiple City parks, and crosswalks and sidewalks are being constructed and/or replaced in conjunction with the Sidewalks-to-Schools program.

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, 2016. This was the forty-third 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 2017 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, 2017.

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 CS&L CPAs who helped us with their comments and advice. Finally, I thank the City Administrator, Mayor and City Council for their guidance and support in planning and conducting the financial operations of the City of Bradenton in a responsible and progressive manner.

Sincerely,



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, 2016

Christopher P. Morrill
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, and 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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

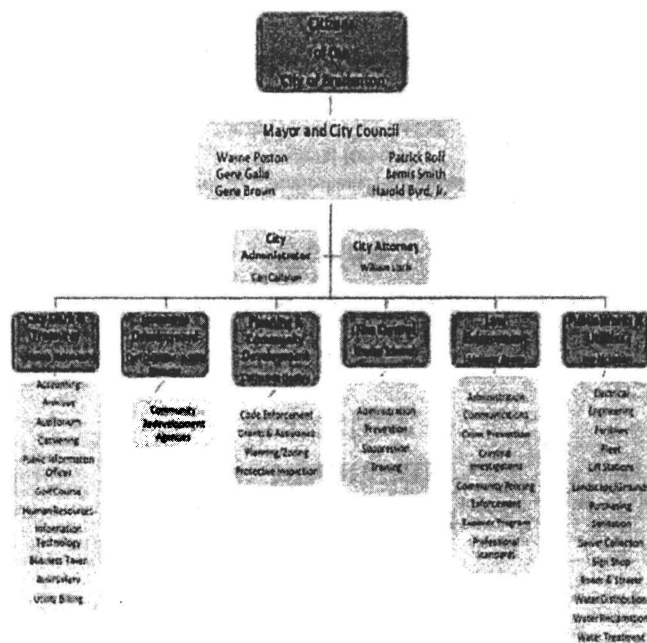
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Bradenton Firefighters' Retirement System, which represents 33%, 34%, and 23%, 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.



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, 2017, 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 funding progress and employer contributions for other postemployment benefits, 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 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 state financial assistance is presented for purposes of additional analysis as required by 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 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 statements and schedules, and the schedule of expenditures of 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 22, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

March 22, 2018
Bradenton, Florida

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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, 2017. I encourage readers to consider the information presented here in conjunction with additional information I have furnished in my transmittal letter on page 'i' of this report, and the City's financial statements beginning on page 19.

FINANCIAL HIGHLIGHTS

- The assets 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 \$187,287,346 (net position). Of this amount, \$72,441,291 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased \$13,002,234, or 7.46% in comparison to the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,730,797, an increase of \$5,916,736 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$24,836,711, or 65.71% of total General Fund expenditures.
- Total governmental fund revenues increased \$6,171,446, or 13.19% in comparison to the prior year.
- Total governmental fund expenditures increased \$2,394,338, or 5.22% in comparison to the prior year.
- The City Council took over as the decision-making board of the component units during 2016; therefore the revenues and expenditures of the City's component units are included in the governmental revenues and expenditures for both 2017 and 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The Statement of Net Position presents information on all of the City's *assets*, *deferred outflows of resources*, *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 units*, the Community Redevelopment Agencies (CRAs). The Bradenton City Council acts as the decision-making Board for all the component units. The Bradenton Downtown Development Authority currently serves as an Advisory Board to the City Council for the City's Downtown and 14th Street CRAs. The Central Community Redevelopment Agency 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 19-20 of this report.

Fund Financial Statements

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

Governmental Funds

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

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period after the end of the fiscal year. The difference between a fund's total assets and 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 21-24 of this report.

Proprietary Funds

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

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water-sewer utility, sanitation, 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 are considered to be non-major funds and are combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages 25-28 of this report.

Fiduciary Funds

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

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

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-88 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 89-100 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 \$187,287,346 at the close of the 2017 fiscal year.

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The following schedule is a summary of the Statement of Net Position found on page 19 of this report.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$ 82,764,819	\$ 74,757,209	\$ 49,069,825	\$ 46,081,573	\$ 131,834,644	\$ 120,838,782
Internal balances	167,068	353,446	(167,068)	(353,446)	-	-
Capital assets, net depreciation	69,882,627	68,474,330	79,871,636	78,511,872	149,754,263	146,986,202
Total assets	152,814,514	143,584,985	128,774,393	124,239,999	281,588,907	267,824,984
Deferred Outflows of Resources						
Related to pensions	14,860,221	15,477,853	3,026,978	2,771,259	17,887,199	18,249,112
Loss on debt refunding	860,571	901,997	-	-	860,571	901,997
Fair value of swap agreement	285,109	489,895	201,533	323,468	486,642	813,363
Total deferred outflows of resources	16,005,901	16,869,745	3,228,511	3,094,727	19,234,412	19,964,472
Liabilities						
Current and other liabilities	5,755,496	5,367,794	2,714,307	2,346,371	8,469,803	7,714,165
Long-term debt outstanding	71,372,032	73,844,656	28,568,052	29,107,253	99,940,084	102,951,909
Total liabilities	77,127,528	79,212,450	31,282,359	31,453,624	108,409,887	110,666,074
Deferred Inflows of Resources						
Related to pensions	3,986,490	2,646,300	614,695	191,970	4,601,185	2,838,270
Related to disaster	524,901	-	-	-	524,901	-
Total deferred inflows of resources	4,511,391	2,646,300	614,695	191,970	5,126,086	2,838,270
Net Position						
Net investment in capital assets	40,875,289	37,398,447	66,286,365	63,744,186	107,161,654	101,142,633
Restricted	7,684,401	5,396,412	-	-	7,684,401	5,396,412
Unrestricted	38,621,806	35,801,121	33,819,485	31,944,946	72,441,291	67,746,067
Total net position	\$ 87,181,496	\$ 78,595,980	\$ 100,105,850	\$ 95,689,132	\$ 187,287,346	\$ 174,285,112

The City's overall financial position reflects the vibrancy in the local economy. The increase of \$13,002,234 in net position is evidence that the City has continued to maintain a solid financial base. The City remained true to its conservative principals and a proactive approach to operations that allowed us to adapt positively during the previous downturn in the economy, which allowed us to return to more normal operations in relatively short order. With few exceptions, this conservative fiscal approach stresses a pay-as-you-go strategy and demonstrates that non-recurring revenues need to be funneled back into City assets or infrastructure. This strategy works well in all economic situations.

A significant portion of the City's total net position (57.22%) 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 (4.10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$72,441,291, 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 2017 and 2016 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 20 of this report.

	Statement of Activities					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for services	\$ 6,185,955	\$ 5,928,132	\$ 33,643,233	\$ 33,327,155	\$ 39,829,188	\$ 39,255,287
Operating grants and contributions	3,635,736	2,947,775	-	-	3,635,736	2,947,775
Capital grants and contributions	1,824,201	-	726,651	562,473	2,550,852	562,473
General Revenues:						
Property taxes	19,543,611	18,082,391	-	-	19,543,611	18,082,391
Other taxes	17,210,111	14,682,976	-	-	17,210,111	14,682,976
Other	5,140,606	5,375,991	351,015	1,062,067	5,491,621	6,438,058
Total Revenues	53,540,220	47,017,265	34,720,899	34,951,695	88,261,119	81,968,960
Expenses						
Governmental Activities						
General government	8,410,727	8,126,620	-	-	8,410,727	8,126,620
Public Safety	24,933,140	22,506,597	-	-	24,933,140	22,506,597
Transportation	4,962,084	4,124,936	-	-	4,962,084	4,124,936
Economic Environment	3,313,147	3,108,608	-	-	3,313,147	3,108,608
Culture and recreation	2,904,144	2,987,279	-	-	2,904,144	2,987,279
Interest on long-term debt	1,017,844	1,332,726	-	-	1,017,844	1,332,726
Business-type Activities						
Water-sewer	-	-	20,357,036	19,197,559	20,357,036	19,197,559
Sanitation	-	-	7,318,249	7,212,743	7,318,249	7,212,743
Other	-	-	2,042,514	1,994,363	2,042,514	1,994,363
Total Expenses	45,541,086	42,186,766	29,717,799	28,404,665	75,258,885	70,591,431
Change in net position before transfers	7,999,134	4,830,499	5,003,100	6,547,030	13,002,234	11,377,529
Transfers	586,382	588,431	(586,382)	(588,431)	-	-
Change in net position	8,585,516	5,418,930	4,416,718	5,958,599	13,002,234	11,377,529
Change in accounting principles	-	7,680,466	-	-	-	7,680,466
Net position - beginning	78,595,980	65,496,584	95,689,132	89,730,533	174,285,112	155,227,117
Net position - end of year	\$ 87,181,496	\$ 78,595,980	\$ 100,105,850	\$ 95,689,132	\$ 187,287,346	\$ 174,285,112

Governmental activities reported an increase in the City's net position of \$8,585,516. This increase represents 9.85% of the governmental activities year-end net position which compares to the \$5,418,930 increase in the governmental activities year-end net position in the prior year. The City appears to have emerged from the previous economic recession with few long-term side effects.

- General government, public safety, transportation, and economic environment experienced a total increase of expenses of \$3,752,337, while the activities of culture and recreation and interest on long-term debt saw decreases in expenses of \$398,017, resulting in an overall increase in expenses of \$3,354,320. 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.

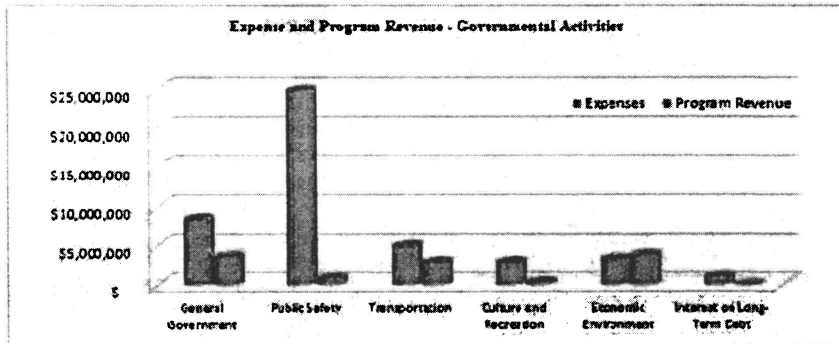
- The annual concerns regarding inconsistent funding of the federal and state housing programs has had a significant impact on the City's ability to deliver those services to the citizens most in need of help. Together, funding from the Community Development Block Grant and State Housing Initiative Program increased by \$54,110 compared to the prior year.
- Another item of note that appears to require constant monitoring is the increase in cost associated with other post-employment benefit liabilities (\$759,866). Although it does not require the use of City resources for funding, it has 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.

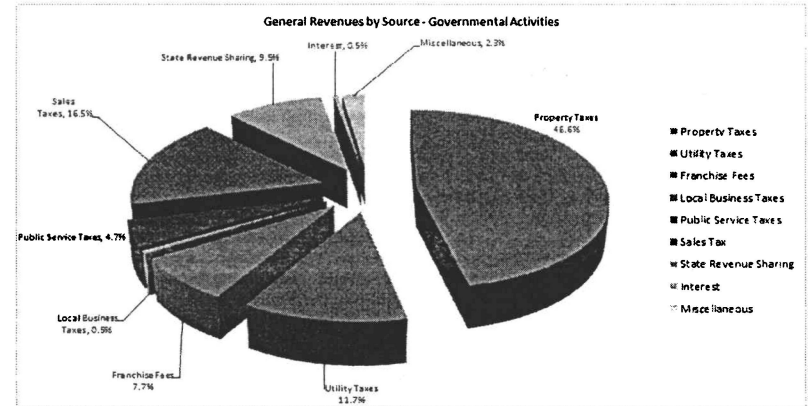
Until a plan is in place to fully fund the OPEB liability, the City will need to determine if further changes may be necessary to reduce the long-term economic impacts on the City's financial position, as well as ensure the long-term viability of such plans and benefits.

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:



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



Business-Type Activities

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

The increase in net position for business-type activities totaled \$4,416,718 and \$5,958,599 for the fiscal years 2017 and 2016, respectively. This net change in position represents a 4.62% increase compared to the 6.64% increase in the prior year.

Included in the above numbers is a \$3,420,314 increase in the net position of the Water-Sewer Fund. Operating income of \$3,376,069 accounted for most of the increase, net of transfers to other funds of \$655,500.

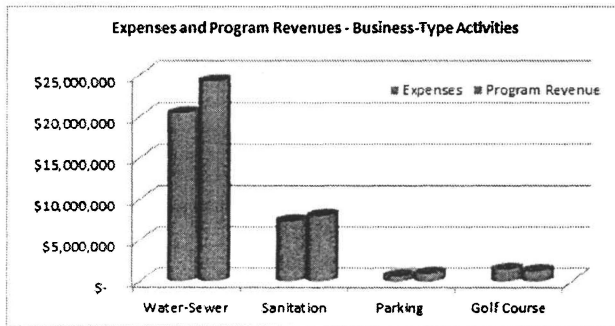
For the past several years the solid waste operations (Sanitation Fund) have produced an increase in net position. The \$577,461 increase in 2017 is similar to the \$584,553 increase for 2016. This increase continues a positive trend for a fund that for years relied on contributions from other sources 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. The \$405,781 increase in 2017 compares to the \$374,591 increase for 2016. Operating income of \$502,687 and net interest expense of \$96,906 account for the change in net position of the Parking Fund. 2018 will bring the addition of a 500-space public parking facility to the City. A re-evaluation of all City parking operations will occur at that time.

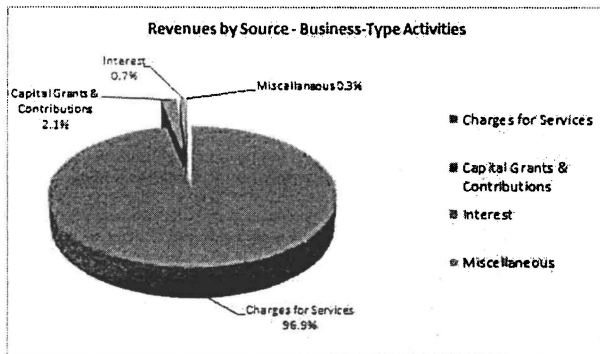
Almost since its inception in 1987 River Run Golf Links, the City's publicly owned golf course, had posted handsome financial returns that have been put into the golf course in the form of capital improvements or

financial reserves. It is these reserves that have allowed the golf course to weather a decrease in net position (\$182,159) 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 22% 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:



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



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 21-24. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of the spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the fund information provided in accordance with GASB 54 will serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,730,797, an increase of \$5,916,736 in comparison with the prior year. The increase is primarily a result of an increase in tax receipts and intergovernmental grants, coupled with a reduction in economic environment expenditures. Approximately 42.73% of the ending fund balance of \$57,730,797 constitutes the unassigned fund balance of \$24,667,869, which is available for spending at the City's discretion.

Another \$26,573,888 has been set aside by City Council as either committed or assigned fund balance. The remaining \$6,489,040 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 2017, the General Fund's fund balance experienced a \$4,018,701 decrease. If not for a \$6,655,000 transfer out for the new parking garage, the fund balance actually would have increased by \$2,636,299. The net decrease in the General Fund's fund balance of \$4,018,701 represents 10.63% of total General Fund expenditures. This decrease does not significantly change our financial position, and speaks volumes to the City's ability to maintain a stable financial environment.

Public safety expenditures increased \$901,255 primarily as a result of salary increases and pension contributions. 2018 will bring further increases in public safety expenditures due to the City's desire to increase its total number of 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 minor 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 90 and 102-106. Budget columns are provided for both the original adopted budget and the final budget for fiscal year 2017.

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

Department	Budget Increase	Reason for Increase
Legislative	24,051	Adjust personnel to actual and new council chairs.
City Clerk	224,973	Regatta promotion expenditures and consulting fees.
Purchasing	15,711	Adjust personnel to actual, inventory adjustment.
Fire Control	128,018	New union agreement.
Streets Division	107,693	Increase in landfill and materials fees and purchase of machinery.
Building	56,000	Increase in bank fees recovered in revenues and City Hall improvements.
Facilities Maintenance	85,139	Improvements to air conditioning in City Hall.
Information Technology	19,771	Replacement vehicle purchased.

Overall, the expenditures for the General Fund were under the final budget by \$1,529,712, or 3.89% of the total final budget of the General Fund.

In addition to the General Fund changes noted above, a \$2,200,000 budget increase was approved to allow for the revenue and expenses associated with a new Capital Projects Fund - the Half Cent Infrastructure Surtax Fund. The tax became effective January 1, 2017.

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, 2017, total net position amounted to \$99,302,442 for the enterprise funds, compared to \$95,081,045 at the end of 2016. Net position changes are a result of operations, non-operating revenues and expenses, capital contributions as well as donated assets.

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A review of the water-sewer fund indicates that a solid rate base allowed for a slim 0.51% increase in revenues, with a larger 6.07% increase in operating expenses when compared to prior year. Still, a resulting \$3,420,314 increase in net position for the Water and Sewer Fund is reflected for the 2017 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, including automated trucks which decrease manpower requirements, the City has successfully stabilized the operating costs associated with solid waste. For the current year revenue increased \$350,559 or 4.60%. Operating expenses increased by \$251,583 or 3.49%, as compared to 14.32% in 2016. The net result was an operating income of \$514,117 and a change in net position of \$577,461. These results are compared to the operating income of \$415,141 and an increase in net position of \$584,553 in 2016.

The Parking Fund accounts for the revenue and expenses associated with the City's public parking operations. For the current year, revenue increased \$32,187 or 3.58%. Operating expenses increased by \$45,942 or 11.98%. The net result was an operating income of \$502,687 and a change in net position of \$405,781. These results are compared to the operating income of \$516,442 and an increase in net position of \$374,591 in 2016.

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 2017, the medical self-insurance program showed an increase in claims by \$52,178 or 1.16% compared to prior year. This year's results reflect a positive \$475,937 change in net position compared to the \$148,057 negative change in 2016, again reflecting a positive trend. Because the prior year increase in claims was 22.09%, 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 an increase in claim costs of \$193,569 or 28.15% compared to prior year. The estimated claims payable decreased in the current year by \$62,601. Net position for workers' compensation increased \$288,425 or 3.08% compared to prior year.

The property insurance program had an increase in claim costs of \$29,533 or 12.26% compared to prior year. Net position for property insurance decreased \$33,215 or 1.60% compared to prior year.

Overall, the net position for the internal service funds increased from \$15,495,560 in 2016 to \$16,226,707 in 2017, or 4.72%.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounts to \$149,754,263 (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 will greatly enhance the City's ability to fund capital projects.

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

- Annual dredging of Wares Creek
- Expansion of existing Aquifer Storage Recovery (ASR) program
- Water and sewer main replacements
- Water meter replacement program
- Upgrades/replacement of the Wastewater Treatment Plant dewatering presses
- Replacement of mechanical components of sedimentation tank #2 at Wastewater Treatment Plant
- Construction of an enhanced, lighted and signed pedestrian crosswalk at Manatee Players
- Sewer main lining and rehabilitation
- Sidewalks to Schools – new sidewalk construction and replacement of deteriorated sidewalks
- Stormwater piping system rehabilitation/lining/replacement program
- Replacement of playground equipment at existing City parks
- Annual roadway milling and repaving program

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

- Replacement of Perico force main across Palma Sola Causeway
- Wastewater Treatment Plant headworks and aeration system improvement
- Replacement of mechanical components in sedimentation tank #1 at WWTP
- Water and sewer line replacement and system upgrades
- Chloramine booster station for elevated storage tanks #5 and #6
- Sidewalks to Schools - new sidewalk construction associated with Manatee High
- Water meter replacement program
- 33rd Street West stormwater system installation
- Reclaimed water injection well at Wastewater Treatment Plant
- Enhancements to the Bradenton Shuffleboard Court facilities
- Sewer Lift Station #31 (Blake Hospital) improvements
- Sewer Lift Station #5 replacement
- Sewer main lining and rehabilitation
- Sewer manhole lining and rehabilitation
- 12th Street West storm sewer system improvements
- Construction of Neal Park at Wares Creek
- 71st Street West drainage improvement

	Capital Assets (Net of Accumulated Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 10,337,703	\$ 9,628,493	\$ 6,373,488	\$ 6,372,988	\$ 16,711,191	\$ 16,001,481
Building	24,137,893	24,771,892	13,254,496	13,748,515	37,392,389	38,520,407
Infrastructure	18,730,668	18,532,980	23,301,216	23,879,140	42,031,884	42,412,120
Improvements	10,367,165	10,184,300	22,928,039	20,876,513	33,295,204	31,060,813
Machinery and Equipment	6,096,968	4,436,621	7,725,815	7,731,765	13,822,783	12,168,386
Construction in Progress	212,230	920,044	6,288,582	5,902,951	6,500,812	6,822,995
Total	\$ 69,882,627	\$ 68,474,330	\$ 79,871,636	\$ 78,511,872	\$ 149,754,263	\$ 146,986,202

City of Bradenton, Florida
Management's Discussion and Analysis
September 30, 2017

Additional information regarding capital assets, please see Note F on pages 50 and 51 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year the City had total bonded debt outstanding of \$42,962,609, with no general obligation debt. All City debt represents bonds secured solely by specified revenue sources.

	Bond Debt and Loans Payable					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue bonds	\$ 26,632,831	\$ 27,724,716	\$ -	\$ -	\$ 26,632,831	\$ 27,724,716
Notes	3,235,078	4,253,164	13,094,700	14,067,530	16,329,778	18,320,694
Total bonds	\$ 29,867,909	\$ 31,977,880	\$ 13,094,700	\$ 14,067,530	\$ 42,962,609	\$ 46,045,410

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 53-62 of this report.

ECONOMIC FACTORS AND YEAR 2018 BUDGET

Factors considered in preparing the City of Bradenton's budget for the 2018 fiscal year included the following items:

- The City of Bradenton experienced an increase in taxable assessed values of 8.2%. This increase in property values is estimated to generate approximately \$1,300,000 in additional revenue.
- The property tax millage rate will remain the same for the fifth consecutive year at 5.8976 mills in 2018.
- 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.
- Construction Market – The activity in the City's local housing and commercial construction markets necessitate an increase in staffing in the Building Department to offset additional building reviews and

City of Bradenton, Florida
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inspections. Staffing is being added incrementally and is being paid for exclusively by the user permit fees.

- Unemployment rate fell from 4.7% to 3.6%
- City population increased by 1.64% to 54,624.
- Union contracts are in place through the following dates: AFSCME - 9/18, Police - 9/19, Fire - 9/19.
- 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.

These are some of the factors that have been considered in preparing the City's budget for the 2017-18 fiscal year.

The City continues ongoing communication with the 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 2017, it is expected that there will be an additional increase in property values in 2018.

The citizens of Bradenton expect a sound and fiscally conservative budget. The City has consistently taxed its citizens to not only provide the essential services, but to continue the quality of life they have come to expect. It is this approach that enabled the City to keep the millage rate the same for the fiscal year 2018.

REQUESTS FOR INFORMATION

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

CITY OF BRADENTON, FLORIDA
STATEMENT OF NET POSITION
September 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 73,317,888	44,804,072	118,121,960
Receivables (net of allowance for uncollectibles)	5,323,030	3,631,025	8,954,055
Prepaid items	163,968	-	163,968
Due from other governments	3,505,186	624,693	4,130,079
Due from insurance	56,626	-	56,626
Inventory	397,921	10,035	407,956
Internal balances	167,068	(167,068)	-
Capital assets:			
Nondepreciable capital assets	10,549,933	12,662,070	23,212,003
Depreciable capital assets, net	59,332,694	67,209,566	126,542,260
Total assets	<u>152,814,514</u>	<u>128,774,393</u>	<u>281,588,907</u>
Deferred Outflows of Resources			
Deferred outflows related to pension	14,860,221	3,026,978	17,887,199
Loss on refunding of debt	860,571	-	860,571
Fair value of swap agreement	285,109	201,533	486,642
Total deferred outflows of resources	<u>16,005,901</u>	<u>3,228,511</u>	<u>19,234,412</u>
Liabilities			
Accounts payable and other current liabilities	\$ 1,558,813	1,059,602	2,618,415
Accrued payroll	582,016	134,300	716,316
Accrued interest payable	81,478	41,874	123,352
Due to other governments	8,160	1,747	9,907
Unearned revenue	708,159	2,730	710,889
Noncurrent liabilities			
Due within one year	2,816,870	1,474,054	4,290,924
Due in more than one year:			
Net pension liability	27,718,683	7,860,638	35,579,321
Net OPEB payable	13,673,378	6,405,314	20,078,692
Swap rate agreement liability	285,109	341,600	626,709
Revenue bonds payable	25,669,893	-	25,669,893
Notes payable	2,482,796	12,112,069	14,594,865
Capital leases	-	381,836	381,836
Estimated claims payable	1,144,128	-	1,144,128
Compensated absences	398,045	108,686	506,731
Customer deposits	-	1,357,909	1,357,909
Total liabilities	<u>77,127,528</u>	<u>31,282,359</u>	<u>108,409,887</u>
Deferred Inflows of Resources			
Deferred inflows related to pension	3,986,490	614,695	4,601,185
Deferred inflows related to disaster	524,901	-	524,901
Total deferred inflows of resources	<u>4,511,391</u>	<u>614,695</u>	<u>5,126,086</u>
Net Position			
Net investment in capital assets	40,875,289	66,286,365	107,161,654
Restricted for:			
Debt service	72,772	-	72,772
Grants	3,350,945	-	3,350,945
Impact fees	3,295,971	-	3,295,971
Public safety	570,697	-	570,697
Public works/transportation	394,016	-	394,016
Unrestricted	38,621,806	33,819,485	72,441,291
Total net position	<u>87,181,496</u>	<u>100,105,850</u>	<u>187,287,346</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 168,820,415</u>	<u>132,002,904</u>	<u>300,823,319</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, 2017

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 8,410,727	2,858,083	784,842	-	(4,767,802)	-	(4,767,802)
Public safety	24,933,140	691,782	200,606	-	(24,040,752)	-	(24,040,752)
Transportation	4,962,084	2,172,494	737,403	-	(2,052,187)	-	(2,052,187)
Economic environment	3,313,147	264,696	1,734,602	1,824,201	510,352	-	510,352
Culture and recreation	2,904,144	198,900	178,283	-	(2,526,961)	-	(2,526,961)
Interest on long-term debt	1,017,844	-	-	-	(1,017,844)	-	(1,017,844)
Total governmental activities	45,541,086	6,185,955	3,635,736	1,824,201	(33,895,194)	-	(33,895,194)
Business-type activities							
Water-sewer	20,357,036	23,493,305	-	726,651	-	3,862,920	3,862,920
Sanitation	7,318,249	7,964,554	-	-	-	646,305	646,305
Parking	619,814	932,173	-	-	-	312,359	312,359
Golf course	1,422,700	1,253,201	-	-	-	(169,499)	(169,499)
Total business-type activities	29,717,799	33,643,233	-	726,651	-	4,652,085	4,652,085
Total primary government	\$ 75,258,885	39,829,188	3,635,736	2,550,852	(33,895,194)	4,652,085	(29,243,109)
General revenues							
Property taxes					19,543,611	-	19,543,611
Utility taxes					4,915,542	-	4,915,542
Public service taxes					1,981,454	-	1,981,454
Half-cent sales taxes					4,099,926	-	4,099,926
Infrastructure sales tax					2,803,174	-	2,803,174
Local business taxes					199,607	-	199,607
Franchise fees					3,210,408	-	3,210,408
State revenue sharing, unrestricted					3,982,374	-	3,982,374
Unrestricted investment earnings					194,585	246,972	441,557
Gain on sale of capital assets					577,775	(32,243)	545,532
Miscellaneous					385,872	136,286	522,158
Transfers					586,382	(586,382)	-
Total general revenues and transfers					42,480,710	(235,367)	42,245,343
Change in net position					8,585,516	4,416,718	13,002,234
Net position, beginning					78,595,980	95,689,132	174,285,112
Net position, ending					\$ 87,181,496	\$ 100,105,850	\$ 187,287,346

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

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CITY OF BRADENTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017

	General Fund	State Housing Initiatives Partnership Program	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 40,393,927	217,449	15,253,763	55,865,139
Accounts receivable	2,705,170	1,947,263	670,597	5,323,030
Prepaid items	33,821	-	14,367	48,188
Due from other funds	413,820	1,095	43,265	458,180
Due from other governments	1,866,929	50	1,638,407	3,505,386
Inventory	397,921	-	-	397,921
Advances to other funds	1,518,367	-	-	1,518,367
Total assets	\$ 47,329,955	2,165,857	17,620,399	67,116,211
Liabilities, deferred inflows, and fund balances				
Liabilities				
Accounts payable	\$ 1,287,917	77	247,123	1,535,117
Accrued salaries, wages and benefits	579,584	12	2,420	582,016
Advances from other funds	-	-	547,891	547,891
Due to other funds	44,360	-	413,820	458,180
Due to other governments	8,160	-	-	8,160
Unearned revenues	478,695	108,381	-	587,076
Total liabilities	2,398,716	108,470	1,211,254	3,718,440
Deferred inflows of resources				
Unavailable revenue	2,507,137	1,947,262	1,212,575	5,666,974
Fund balances (deficit)				
Non-spendable				
Non-spendable Prepaid items	33,821	-	14,367	48,188
Non-spendable Inventory	397,921	-	-	397,921
Non-spendable Advances to other funds	1,518,367	-	-	1,518,367
Restricted for:				
Debt service	-	-	72,772	72,772
Grants	-	110,125	80,983	191,108
Impact fee programs	-	-	3,295,971	3,295,971
Public Safety	189,400	-	381,297	570,697
Public works/transportation	394,016	-	-	394,016
Committed to				
Capital projects	-	-	11,520,022	11,520,022
Emergency and disaster reserve	3,779,884	-	-	3,779,884
Assigned				
Special obligation debt services	9,660,425	-	-	9,660,425
Compensated absences	1,372,570	-	-	1,372,570
Red Light Safety Program	240,987	-	-	240,987
Unassigned	24,836,711	-	(168,842)	24,667,869
Total fund balances	42,424,102	110,125	15,196,570	57,730,797
Total liabilities, deferred inflows, and fund balances	\$ 47,329,955	2,165,857	17,620,399	67,116,211

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

Reconciliation of Fund Balance to Net Position

Total fund balances for governmental funds	\$ 57,730,797
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	
Cost	\$ 115,527,064
Less accumulated depreciation	(45,644,437)
	69,882,627
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	
	15,720,792
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Long-term receivables and due from other governments	5,649,395
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.	
	15,423,299
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 related items and the disaster fund.	
	(4,511,391)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Notes payable	(3,235,078)
Revenue bonds payable, net	(26,632,831)
OPEB liabilities	(13,673,378)
Net pension liability	(27,718,688)
Compensated absences	(1,372,570)
Accrued interest payable	(81,478)
	(72,714,023)
Total net position of governmental activities	\$ 87,181,496

CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2017

	General Fund	State Housing Initiatives Partnership Program	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 28,830,578	-	4,712,736	33,543,314
Licenses and permits	1,929,053	-	-	1,929,053
Intergovernmental grants	60,562	236,537	3,209,919	3,507,018
Impact fees	-	-	1,055,730	1,055,730
Shared revenues	3,982,374	-	-	3,982,374
Payments in lieu of taxes	72,980	-	-	72,980
Charges for services	3,245,188	-	41,521	3,286,709
Fines and forfeitures	146,262	-	6,822	153,084
Interest and investment earnings	144,341	167	97,492	242,000
Rents	708,409	-	199,668	908,077
Franchise fees	3,210,408	-	-	3,210,408
Miscellaneous	508,540	1,325	340,551	850,416
Special assessments, property owners	158,877	49,988	14,310	223,175
Total revenues	42,997,572	288,017	9,678,749	52,964,338
Expenditures				
Current				
General government	6,675,101	-	658,814	7,333,915
Public safety	24,250,025	-	85,067	24,335,092
Transportation	3,994,002	-	-	3,994,002
Economic environment	146,814	236,537	2,608,670	2,992,021
Culture and recreation	1,281,344	-	-	1,281,344
Debt service				
Principal	-	-	1,951,374	1,951,374
Interest	-	-	1,219,869	1,219,869
Fees and expenditures	-	-	485	485
Capital outlay	1,451,553	-	3,720,019	5,171,572
Total expenditures	37,798,839	236,537	10,244,298	48,279,674
Excess (deficiency) of revenues over (under) expenditures	5,198,733	51,480	(565,549)	4,684,664
Other financing sources (uses)				
Transfers from other funds	655,500	-	10,466,506	11,122,006
Transfers to other funds	(10,518,624)	-	(17,000)	(10,535,624)
Sale of capital assets	645,690	-	-	645,690
Total other financing sources (uses)	(9,217,434)	-	10,449,506	1,232,072
Net change in fund balances	(4,018,701)	51,480	9,883,957	5,916,736
Fund balances, beginning	46,442,803	58,645	5,312,613	51,814,061
Fund balances, ending	\$ 42,424,102	110,125	15,196,570	57,730,797

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

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

Net change in fund balances, total governmental funds		\$ 5,916,736
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	\$ 5,885,928	
Less depreciation expense	(3,612,215)	2,273,713
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 to proprietary fund	(1,969)	
Net book value of capital assets disposed	(863,447)	(865,416)
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	1,018,086	
Revenue bonds payable	933,289	
Amortization of discounts/premiums	117,170	2,068,545
Some revenues in the statement of activities do not provide current financial resources.		81,783
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)	(521,051)	
Compensated absences	(92,875)	
Accrued interest payable	43,429	
Net pension liability and related deferrals	(855,174)	(1,425,671)
Internal service funds are used by management to charge the cost of medical, property and workers' compensation insurances.		535,826
Change in net position of governmental activities		8,585,516

CITY OF BRADENTON, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2017

	Business-type Activities-Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)		
Assets						
Current assets						
Cash and cash equivalents	\$ 36,514,207	6,396,887	1,658,971	234,007	44,804,072	17,452,749
Customer accounts receivable	2,842,253	978,507	-	265	3,821,025	-
Allowance for uncollectibles	(190,000)	-	-	-	(190,000)	-
Due from other governments	606,283	13,296	3,211	1,903	624,693	56,626
Prepaid items	-	-	-	-	-	115,780
Inventory	-	-	-	10,035	10,035	-
Total current assets	39,772,743	7,388,690	1,662,182	246,210	49,069,825	17,625,155
Noncurrent assets						
Capital assets						
Land	3,319,785	-	1,097,797	1,955,906	6,373,488	-
Buildings	17,187,233	891,429	8,962,466	216,363	27,257,491	-
Machinery and equipment	10,860,483	8,598,812	86,487	790,627	20,336,409	-
Infrastructure	163,452,395	689,697	220,000	1,309,660	165,671,752	-
Construction work in progress	6,288,582	-	-	-	6,288,582	-
Less: accumulated depreciation	(136,085,175)	(5,767,965)	(2,268,341)	(1,934,605)	(146,056,086)	-
Total capital assets	65,023,303	4,411,973	8,098,409	2,337,951	79,871,636	-
Deferred outflows of resources						
Related to pension plans	1,957,597	854,565	46,949	167,867	3,026,978	-
Fair value of swap agreement	-	-	201,533	-	201,533	-
Total deferred outflows of resources	1,957,597	854,565	248,482	167,867	3,228,511	-
Total assets and deferred outflows of resources	\$ 106,753,643	12,655,228	10,009,073	2,752,028	132,169,972	17,625,155

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CITY OF BRADENTON, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2017

	Business-type Activities-Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Parking Fund	Golf Course Fund (Nonmajor)		
Liabilities and Net Position						
Current liabilities						
Accounts payable	\$ 741,814	171,141	2,775	5,142	920,872	23,696
Retainage payable	140,477	-	-	-	140,477	-
Accrued payroll	88,608	33,946	950	10,796	134,300	-
Accrued interest payable	35,400	-	6,474	-	41,874	-
Unearned revenues	-	-	2,730	-	2,730	103,499
Estimated payable for outstanding claims	-	-	-	-	-	127,125
Current portion of long-term liabilities	807,352	97,502	491,427	77,773	1,474,054	-
Total current liabilities	1,813,651	302,589	504,356	93,711	2,714,307	254,320
Noncurrent liabilities						
Notes payable	8,338,120	-	3,773,949	-	12,112,069	-
Derivative instrument-interest rate swap	-	-	341,600	-	341,600	-
Estimated payable for outstanding claims	-	-	-	-	-	1,144,128
Customer deposits	1,336,571	21,338	-	-	1,357,909	-
OPEB liability	4,176,750	1,768,062	98,291	362,211	6,405,314	-
Capital leases payable	201,404	-	-	180,432	381,836	-
Net pension liability	5,125,390	2,169,298	121,338	444,612	7,860,638	-
Compensated absences	73,225	27,852	368	7,241	108,686	-
Advances from other funds	211,327	759,149	-	-	970,476	-
Total long-term liabilities	19,462,787	4,745,609	4,335,546	994,496	29,538,528	1,144,128
Total liabilities	21,276,438	5,048,288	4,839,902	1,088,207	32,252,835	1,398,448
Deferred inflows of resources						
Related to pension plans	390,082	182,435	9,638	32,540	614,695	-
Net Position						
Net investment in capital assets	55,934,918	4,411,973	3,834,310	2,105,164	66,286,365	-
Unrestricted	29,152,205	3,012,532	1,325,223	(473,883)	33,016,077	16,226,707
Total net position	85,087,123	7,424,505	5,159,533	1,631,281	99,302,442	16,226,707
Total liabilities, deferred inflows of resources and net position	\$ 106,753,643	12,655,228	10,009,073	2,752,028	132,169,972	17,625,155
Net position, above						\$ 99,302,442
Adjustments to reflect consolidation of internal service fund activities related to enterprise funds						803,408
Net position of business-type activities						\$ 100,105,850

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, 2017

	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	\$ 23,616,276	7,977,492	932,227	1,253,524	33,779,519	9,322,004
Operating expenses						
Personal services	7,196,579	2,995,978	80,716	81,784	11,091,114	-
Contractual services	1,683,239	73,499	18,219	28,718	1,803,675	1,063,081
Supplies and materials	4,465,669	1,182,006	63,819	404,292	6,115,786	1,820,225
Repairs and maintenance	1,149,432	499,945	73,245	61,166	1,783,788	-
Utilities	862,047	1,814,667	-	11,899	2,688,613	-
Claims	-	-	-	-	-	5,706,136
Depreciation and amortization cost	4,883,241	897,280	193,541	108,122	6,082,184	-
Total operating expenses	20,240,207	7,463,375	429,540	1,432,038	29,565,160	8,589,442
Operating income (loss)	3,376,069	514,117	502,687	(178,514)	4,214,359	732,562
Non-operating revenues (expenses)						
Interest and investment earnings	149,471	1,221	94,683	1,597	246,972	(1,415)
Loss on disposition of assets	(32,243)	-	-	-	(32,243)	-
Interest expenses and fiscal charges	(144,134)	(6,995)	(191,589)	(5,242)	(347,960)	-
Total non-operating revenues (expenses)	(26,906)	(5,774)	(96,906)	(3,645)	(133,231)	(1,415)
Income (loss) before capital contributions and transfers	3,349,163	508,343	405,781	(182,159)	4,081,128	731,147
Capital contributions	726,651	-	-	-	726,651	-
Transfers from other funds	-	69,118	-	-	69,118	-
Transfers to other funds	(655,500)	-	-	-	(655,500)	-
Change in net position	3,420,314	577,461	405,781	(182,159)	4,221,397	731,147
Total net position, beginning	81,666,809	6,847,044	4,753,752	1,813,440	95,081,045	15,495,560
Total net position, ending	\$ 85,087,123	7,424,505	5,159,533	1,631,281	99,302,442	16,226,707
Change in net position, above					\$ 4,221,397	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					195,321	
Change in net position of business-type activities					\$ 4,416,718	

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, 2017

	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	\$ 22,990,312	7,965,263	913,789	1,252,248	33,121,612	9,265,768
Payments to suppliers	(7,947,216)	(3,564,580)	(155,068)	(509,809)	(12,176,673)	(2,897,806)
Payments for employees	(6,691,975)	(2,791,396)	(69,028)	(765,145)	(10,319,544)	(5,663,848)
Net cash provided (used) by operating activities	8,349,121	1,609,287	689,693	(22,706)	10,625,395	704,114
Cash flows from non-capital financing activities						
Advances from other funds	-	6,995	-	-	6,995	-
Transfers from (to) other funds	(655,500)	69,118	-	-	(586,382)	-
Net cash provided (used) by non-capital and related financing activities	(655,500)	76,113	-	-	(579,387)	-
Cash flow from capital and related financing activities						
Repayment of capital leases	(56,379)	-	-	(38,333)	(94,712)	-
Principal paid on capital debt	(446,761)	-	(491,366)	-	(938,127)	-
Interest paid on capital debt	(108,734)	(6,995)	(193,667)	(5,242)	(314,638)	-
Capital contributions	726,651	-	-	-	726,651	-
Acquisition and construction of capital assets	(6,417,662)	(783,444)	-	(1,967)	(7,203,073)	-
Net cash (used) by capital related financing activities	(6,302,885)	(790,439)	(685,033)	(45,542)	(7,823,899)	-
Cash flows from investing activities						
Interest and investment earnings	149,471	1,221	14,158	1,597	166,447	(1,415)
Net cash provided by investing activities	149,471	1,221	14,158	1,597	166,447	(1,415)
Net increase (decrease) in cash and equivalents	1,540,207	896,182	18,818	(66,651)	2,388,556	702,699
Cash and cash equivalents, October 1, 2016	34,974,000	5,500,705	1,640,153	300,658	42,415,516	16,750,050
Cash and cash equivalents, September 30, 2017	\$ 36,514,207	6,396,887	1,658,971	234,007	44,804,072	17,452,749
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 3,376,069	514,117	502,687	(178,514)	4,214,359	732,562
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization expense	4,883,241	897,280	193,541	108,122	6,082,184	-
(Increase) decrease:						
Accounts receivable	(11,574)	4,541	-	-	(7,033)	-
Prepaid items	-	-	-	-	-	(21,351)
Inventories	-	-	-	2,598	2,598	-
Due from other governments	(584,509)	(11,388)	1,912	(1,276)	(595,261)	(56,626)
Due from insurance	-	-	-	-	-	1,246
Deferred outflows of resources related to pension plans	(152,564)	(86,949)	(4,648)	(11,558)	(255,719)	-
Increase (decrease):						
Accounts and retainage payable	213,171	5,537	215	(6,332)	212,591	(13,462)
Accrued payroll	1,495	2,589	470	714	5,268	-
Compensated absences	18,481	20,533	325	8,418	47,757	-
Unearned revenues	-	-	(20,350)	-	(20,350)	(856)
Customer deposits	(29,881)	(5,382)	-	-	(35,263)	-
Estimated payable for outstanding claims	-	-	-	-	-	62,601
OPEB liability	160,417	60,307	3,618	14,474	238,816	-
Net pension liability	210,043	78,976	4,741	18,963	312,723	-
Deferred inflows of resources related to pension plans	264,732	129,126	7,182	21,685	422,725	-
Total adjustments	4,973,052	1,095,170	187,006	155,808	6,411,036	(28,448)
Net cash provided by operating activities	\$ 8,349,121	1,609,287	689,693	(22,706)	10,625,395	704,114
NONCASH CAPITAL ACTIVITIES						
Change in fair market value of interest rate swaps	\$ -	-	121,935	-	121,935	-
Borrowing under capital lease	-	-	-	271,119	271,119	-

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, 2017

	Pension Trust Funds
Assets	
Due from state	\$ 434,811
Due from city	85,509
Due from plan members	23,726
Interest receivable	110,732
Investments, at fair value	
U.S. Government obligations	6,122,082
Domestic corporate bonds	11,467,507
Convertible preferred stock	957,734
Convertible bonds	4,531,474
Foreign stock	5,833,251
Municipal obligations	573,178
Domestic stocks	46,762,803
Master limited partnerships	3,204,346
Mortgage backed	10,441,113
Collateralized mortgage backed	322,110
Mutual funds	17,637,799
Real estate investment trust	13,958,770
Money market fund	2,490,274
	<u>124,302,441</u>
Total investments	<u>124,302,441</u>
Total assets	<u>124,957,219</u>
Liabilities	
Accounts payable	68,406
Benefits payable	346,523
Due to brokers	24,484
	<u>439,413</u>
Total liabilities	<u>439,413</u>
Net assets	
Restricted for pension benefits	<u>\$ 124,517,806</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, 2017

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 3,687,486
Plan members	1,146,905
State of Florida	943,540
Total contributions	<u>5,777,931</u>
Investment earnings	
Interest and dividends	2,939,427
Miscellaneous	2,569
Net (decrease) increase in fair value	9,932,347
	<u>12,874,343</u>
Total investment earnings	<u>12,874,343</u>
Less investment expenses	(156,663)
Net investment earnings	<u>12,717,680</u>
	<u>18,495,611</u>
Total additions, net	<u>18,495,611</u>
Deductions	
Benefits	5,987,974
Administrative expenses	544,631
Total deductions	<u>6,532,605</u>
Change in net position	11,963,006
Net position, beginning	<u>112,554,800</u>
Net position, ending	<u>\$ 124,517,806</u>

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

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 54,652. 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 are three (3) component units which are legally separate from the City, but are so intertwined with the City that they are, in substance, the same as the City. They are 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 for the City of Bradenton pursuant to the provisions of Florida Statute 163.357.

The purpose of these three entities is to revitalize targeted areas in the City and include:

- a. **Bradenton Community Redevelopment Agency (CRA)**
The Bradenton CRA is a dependent special district created pursuant to Florida Statute 163 and City of Bradenton Ordinance 2219 passed by the Bradenton City Council on May 28, 1980. 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 Agency (CRA)**
The 14th Street CRA is a dependent special district created pursuant to Florida Statute 163 and City of Bradenton Ordinance 2504 passed by the Bradenton City Council on November 24, 1993. The 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 14th 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, 2017.

- c. **Central Community Redevelopment Agency (CCRA)**
The Central Community Redevelopment Agency (CCRA) is a dependent special district created by the Community Redevelopment Act of 1969, Chapter 163 Part III, Florida Statutes, and City of Bradenton Ordinance 2628 passed by the Bradenton City Council on July 12, 2000. The Community Redevelopment Plan provides a framework for coordinating and facilitating public and private redevelopment of the Central Redevelopment District and adjacent areas. Seven community members serve as an advisory board to the CCRA.

The CRAs are, by GAAP definition, component units of the City, as the City exercises financial accountability over, and has a benefit/burden relationship with them. 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 CRAs. The financial statements of the CRAs are also included as nonmajor special revenue funds in the City's Comprehensive Annual Financial Report.

There were no component units for which the CRAs were financially accountable.

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

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.

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.

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 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, 2017.

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

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.
- **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 \$3,779,884 as of September 30, 2017.

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

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 has the following items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. The City’s type of deferred inflows relates to the City’s pension plans 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 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 and must be amortized in a systematic and rational 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.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

- 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.

Deficit Fund Equity

For the year ending September 30, 2017, the Central Community Redevelopment Agency Fund, a nonmajor special revenue fund, has a deficit fund balance of \$139,783. The Special Obligation Bond 2016 Fund, a nonmajor debt service fund, has a deficit balance of \$14,692. These deficits will be eliminated as resources are obtained from revenues (taxes and charges for services) and transfers in.

NOTE C – DEPOSITS AND INVESTMENTS

Deposits

At September 30, 2017, 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, 2017, 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	\$ 7,561,372	-	5,462,294	2,099,078	-	Aaa
FMIvT	7,626,626	7,626,626	-	-	-	AAA/S1-S3
Corporate bonds	20,845,201	4,074,643	14,725,406	1,861,670	183,482	Aaa-/Baa3
Mortgage backed	9,109,599	96,394	3,992,205	4,730,867	290,133	NR
Collateralized mortgage obligations	215,860	-	41,248	79,917	94,695	Aaa-/Baa
Certificate of deposits	10,063,683	10,063,683	-	-	-	NR
Credit card backed securities	299,834	299,834	-	-	-	AAA
State investment pool	38,643,359	38,643,359	-	-	-	AAAm
Money market fund	14,887,301	14,887,301	-	-	-	NR
Total fair value	<u>\$ 109,252,835</u>	<u>75,691,840</u>	<u>24,221,153</u>	<u>8,771,532</u>	<u>568,310</u>	
Reconciliation to Financial Statements						
Pooled investments, above	\$ 109,252,835					
Pooled cash	5,139,511					
Nonpooled cash and cash on hand	3,729,614					
	<u>\$ 118,121,960</u>					
Statement of Net Position						
Cash and investments	\$ 118,121,960					
	<u>\$ 118,121,960</u>					

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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 0.62 and WAM of 0.80), the 1-3 Year High Quality Bond (Modified Duration of 1.38 and WAM of 1.50), and the Intermediate HQ Bond Fund (Modified Duration of 3.48 and WAM of 3.80).

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

Credit risk results from potential default of investments that are not financially sound.

The City invests funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), an investment pool administered by the State Board of Administration under regulatory oversight of the State of Florida. Throughout the year and as of September 30, 2017, 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 \$38,643,359 in the SBA at September 30, 2017. 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, 2017, Fitch rated the portfolio investments as AAAf/S1, AAAf/S2, and AAAf/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.

City of Bradenton, Florida
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For The Fiscal Year Ended September 30, 2017

Rate of return – For the year ended September 30, 2017 the annual money-weighted rate of return on the City’s investments, net of City’s investment expense, was 0.84 percent. The money-weighted rate of return express investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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, 2017:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Government securities	\$ 7,561,372	-	7,561,372	-
FMIVT	7,626,626	-	7,626,626	-
Corporate bonds	20,845,201	-	20,845,201	-
Mortgage backed	9,109,599	-	9,109,599	-
Collateralized mortgage obligation	215,860	-	215,860	-
Money market funds	3,690,937	3,690,937	-	-
Credit card backed securities	299,834	-	299,834	-
Total investments by fair value level	49,349,429	3,690,937	45,658,492	-
Investments not subject to level disclosure:				
Certificate of deposits	10,063,683			
Money market	11,196,364			
State investment pool	38,643,359			
	<u>\$ 109,252,835</u>			
Investment derivative instruments:				
Interest rate swaps for loans	\$ 626,709	-	626,709	-
	<u>\$ 626,709</u>		<u>626,709</u>	

City of Bradenton, Florida
Notes To The Financial Statements
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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	\$ 3,068,900	-	1,449,919	1,618,981	-	Aaa
Corporate bonds	6,616,710	778,949	3,874,509	1,865,586	97,666	Aaa-/Baa3
Domestic stock	16,868,752	16,868,752	-	-	-	NR
Convertible preferred stock	957,734	957,734	-	-	-	NR
Convertible corporate bonds	4,531,474	572,720	2,848,729	568,314	541,711	A3/Ba1
Foreign stock	1,249,353	1,249,353	-	-	-	NR
Mutual funds	17,637,799	17,637,799	-	-	-	NR
Mortgage backed	8,691,443	222,077	3,956,005	4,513,361	-	NR
Collateralized mortgage backed	322,110	56,961	77,161	187,988	-	Aaa-/Baa3
Real estate	6,741,877	6,741,877	-	-	-	NR
Master Limited Partnership	3,204,346	3,204,346	-	-	-	NR
Money market/cash	1,531,592	1,531,592	-	-	-	NR
Total fair value	<u>\$ 71,422,090</u>	<u>49,822,160</u>	<u>12,206,323</u>	<u>8,754,230</u>	<u>639,377</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, 2017, the annual money-weighted rate of return on the plan investments, net of the plan’s investment expense, was 8.45 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.

City of Bradenton, Florida
Notes To The Financial Statements
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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, 2017:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Government securities	\$ 3,068,900	-	3,068,900	-
Corporate bonds	6,616,710	-	6,616,710	-
Domestic stock	16,868,752	16,868,752	-	-
Convertible preferred stock	957,734	-	957,734	-
Convertible corporate bonds	4,531,474	-	4,531,474	-
Foreign stock	1,249,353	1,249,353	-	-
	17,637,799			
Mutual funds		8,078,220	9,559,579	-
Mortgage backed	8,691,443	-	8,691,443	-
Collateralized mortgage backed	322,110	-	322,110	-
Master Limited Partnership	3,204,346	1,477,485	1,726,861	-
Total investments by fair value level	63,148,621	27,673,810	35,474,811	-
Investments measured at net asset value (NAV):				
Real estate	6,741,877			
Total investments measured at NAV	6,741,877			
Total investments measured at fair value	69,890,498			
Investments not subject to level disclosure:				
Money market/cash	1,531,592			
	\$ 71,422,090			

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.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

Firefighters' Pension Fund

The firefighters' pension fund has an established investment policy under which the primary objective is to earn a total rate of return of a target index. The target index for the Bradenton Firefighters' Pension Fund is defined as a 45% investment in the Russell 3000 Stock Index; a 15% investment in the MSCI 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 40th percentile of the appropriate peer universe over three and five-year time periods. On an absolute basis, the objective is that the return of the total portfolio will equal or exceed the actuarial earnings assumption (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 40th percentile of the appropriate peer universe over three and five-year time periods. The Equities must adhere to the following guidelines: a) must be traded on a national exchange or electronic network, b) not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company, and c) additional criteria may be outlined in the manager's addendum.

Fixed Income Performance - The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The fixed income portion of the portfolio is expected to perform at a rate at least equal to the Bank of America Merrill Lynch Capital U.S. Intermediate Domestic Master Bond Index. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods. The fixed income must adhere to the following guidelines: a) all direct investment in fixed income investments shall have a minimum average categorical rating of "Investment Grade" or higher 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	\$ 3,053,182	-	-	-	3,053,182	AA+
Mortgage backed securities	1,749,670	-	-	1,749,670	-	AA+
Corporate bonds	4,850,797	-	4,850,797	-	-	AAA/BBB-
Municipal securities	573,178	-	573,178	-	-	AA+/BBB
Domestic stocks	29,894,051	29,894,051	-	-	-	NR
Real estate investment trust	7,216,893	7,216,893	-	-	-	NR
Foreign stocks	4,583,898	4,583,898	-	-	-	NR
Money market	958,682	958,682	-	-	-	NR
Total fair value	<u>\$2,880,351</u>	<u>42,653,524</u>	<u>5,423,975</u>	<u>1,749,670</u>	<u>3,053,182</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, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 13.15 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% - 20%	Russell 3000 Growth
Domestic Growth	13.5%	5% - 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%	0% - 10%	BoA ML Global Brd. Mkt. Ind.
TIPS	5%	0% - 7%	BoA ML TPS
Real Estate	10%	0% - 15%	NCREIF ODCE

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

The Firefighters' Pension Fund has the following recurring fair value measurements as of September 30, 2017:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Mortgage backed securities	\$ 1,749,670	-	1,749,670	-
Government securities	3,053,182	-	3,053,182	-
Corporate bonds	4,850,797	-	4,850,797	-
Municipal securities	573,178	-	573,178	-
Domestic stocks	24,194,516	24,194,516	-	-
Total investments by fair value level	34,421,343	24,194,516	10,226,827	-
		Redemption Frequency (If Currently Eligible)	Redemption Notice Period	
Investments measured at net asset value (NAV):				
Collective Funds:				
U.S. Enhanced Plus Fund, LLC	5,699,535	Anytime	4 Days	
International Funds:				
International Equity Fund	4,583,898	Monthly	5 Days	
Real Estate Investment Trust:				
U.S. Real Investment Fund, LLC	5,910,096	Quarterly	90-179 Days	
ASB Allegiance Fund	1,306,797	Quarterly	30 Days	
Total investments measured at NAV	17,500,326			
Total investments measured at fair value	51,921,669			
Investments not subject to level disclosure:				
Short term investments and money market	958,682			
	\$ 52,880,351			

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
For The Fiscal Year Ended September 30, 2017

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 \$2,824,490. 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 \$5,124,490 and is included within the governmental activities total accounts receivable balance in the statement of net position as of September 30, 2017.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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, 2017 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 2017 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, 2017

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 9,628,493	714,210	5,000	-	10,337,703
Construction in progress	920,044	89,687	797,501	-	212,230
Total capital assets not being depreciated	<u>10,548,537</u>	<u>803,897</u>	<u>802,501</u>	<u>-</u>	<u>10,549,933</u>
Other capital assets					
Buildings	39,013,819	500,000	-	-	39,513,819
Other improvements	19,813,588	763,520	105,575	-	20,471,533
Machinery and equipment	16,105,152	2,907,242	254,011	(65,876)	18,692,507
Infrastructure	25,388,006	911,269	-	-	26,299,275
Total other capital assets at historical cost	<u>100,320,565</u>	<u>5,082,031</u>	<u>359,586</u>	<u>(65,876)</u>	<u>104,977,134</u>
Less accumulated depreciation for					
Buildings	14,256,520	1,119,406	-	-	15,375,926
Other improvements	9,614,698	534,299	44,629	-	10,104,368
Machinery and equipment	11,668,528	1,244,929	254,011	(63,907)	12,595,539
Infrastructure	6,855,026	713,581	-	-	7,568,607
Total accumulated depreciation	<u>42,394,772</u>	<u>3,612,215</u>	<u>298,640</u>	<u>(63,907)</u>	<u>45,644,440</u>
Governmental activities capital assets	<u>\$ 68,474,330</u>	<u>2,273,713</u>	<u>863,447</u>	<u>(1,969)</u>	<u>69,882,627</u>
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 6,372,988	500	-	-	6,373,488
Construction in progress	5,902,951	3,335,189	2,949,558	-	6,288,582
Total capital assets not being depreciated	<u>12,275,939</u>	<u>3,335,689</u>	<u>2,949,558</u>	<u>-</u>	<u>12,662,070</u>
Other capital assets					
Buildings	27,257,491	-	-	-	27,257,491
Other improvements	134,440,526	5,013,674	-	50,180	139,504,380
Machinery and equipment	18,724,091	1,938,392	186,692	(84,142)	20,391,649
Infrastructure	26,031,973	135,400	-	-	26,167,373
Total other capital assets at historical cost	<u>206,454,081</u>	<u>7,087,466</u>	<u>186,692</u>	<u>(33,962)</u>	<u>213,320,893</u>
Less accumulated depreciation for					
Buildings	13,508,976	494,019	-	-	14,002,995
Other improvements	113,564,013	2,962,148	-	50,180	116,576,341
Machinery and equipment	10,992,326	1,912,693	153,074	(86,111)	12,665,834
Infrastructure	2,152,833	713,324	-	-	2,866,157
Total accumulated depreciation	<u>140,218,148</u>	<u>6,082,184</u>	<u>153,074</u>	<u>(35,931)</u>	<u>146,111,327</u>
Business-type activities capital assets	<u>\$ 78,511,872</u>	<u>4,340,971</u>	<u>2,983,176</u>	<u>1,969</u>	<u>79,871,636</u>

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 415,976
Public safety	781,487
Transportation	403,347
Community development	410,180
Culture and recreation	1,601,225
Total governmental activities, depreciation expense	<u>\$ 3,612,215</u>
Business-type activities	
Water-sewer utility	\$ 4,883,241
Sanitation	897,279
Parking	193,541
Golf course	108,123
Total business-type activities, depreciation expense	<u>\$ 6,082,184</u>

Commitments

Commitments under uncompleted construction projects at September 30, 2017, consist of the following:

	Amounts Authorized	Expended to Date	Committed
Capital project funds			
Parking Garage	\$ 12,045,939	45,939	12,000,000
Wares Creek	101,880	74,295	27,585
Enterprise funds			
Reservoir Expansion	6,051,985	3,416,362	2,635,623
SW Facilities Plan and Model	724,733	724,733	-
Sewer Lining Project	385,000	350,657	34,343
WW Facilities Plan	6,455,779	704,895	5,750,884
8th Ave W - WM Replace			
9th-14th	800,007	292	799,715
Sewer Lining Projects	500,000	435,496	64,504
Chloramination Booster Twr #6	129,830	-	129,830
WTP Projects	572,000	-	572,000
9th Ave E WM Replacements	250,000	-	250,000
Water Replace Projects	1,669,299	1,442,299	227,000
Misc Cmp Pipe Replacements	369,825	145,320	224,505
Total	<u>\$ 30,056,277</u>	<u>7,340,288</u>	<u>22,715,989</u>

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

NOTE G - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund advance balances (long term in nature) at September 30, 2017, consisted of:

		Due to:			
		General	State Housing Initiatives Partnership Program	Nonmajor Governmental	Total
Due from:	General	\$ -	1,095	43,265	44,360
	Nonmajor Governmental	413,820	-	-	413,820
	Total	<u>\$ 413,820</u>	<u>1,095</u>	<u>43,265</u>	<u>458,180</u>

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

		Advances from:	
		Nonmajor Governmental	General
Advances to:	Water and Sewer	\$ 547,891	211,327
	Sanitation	759,149	-
	Total	<u>\$ 1,518,367</u>	<u>-</u>

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, 2017, consisted of:

		Transfers to:				
		General Fund	State Housing Initiatives Partnership Program	Sanitation	Nonmajor Governmental	Total
Transfers from:	General Fund	\$ -	-	69,118	10,449,506	10,518,624
	Water and Sewer	655,500	-	-	-	655,500
	Nonmajor Governmental	-	-	-	17,000	17,000
	Total	<u>\$ 655,500</u>	<u>-</u>	<u>69,118</u>	<u>10,466,506</u>	<u>11,191,124</u>

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

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

NOTE H – LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity for the year ended September 30, 2017, 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.

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year	Amounts Due In More Than One Year
Governmental activities						
Notes payable						
Promissory note, franchise fees	\$ 1,685,709	-	(417,302)	1,268,407	439,962	828,445
CCRA, Series 2005A	561,560	-	(56,218)	505,342	58,470	446,872
CCRA, Series 2005A	1,496,555	-	(141,066)	1,355,489	148,010	1,207,479
14th CRA, Manatee Inn	509,340	-	(403,500)	105,840	105,840	-
Total notes payable	\$ 4,253,164	-	(1,018,086)	3,235,078	752,282	2,482,796
Bonds payable						
Special Obligation Revenue Bond, Series 2012	6,354,930	-	(313,289)	6,041,641	322,938	5,718,703
Special Obligation Revenue Bond, Series 2016	14,180,000	-	(455,000)	13,725,000	470,000	13,255,000
Series 2016 Premium	1,826,188	-	(144,862)	1,681,326	-	1,681,326
BCRA, Tax Increment Revenue Bond, Series 2011	5,285,000	-	(165,000)	5,120,000	170,000	4,950,000
Series 2011 Premium	78,598	-	(13,734)	64,864	-	64,864
Total bonds payable	\$ 27,724,716	-	(1,091,885)	26,632,831	962,938	25,669,893
Estimated claims payable (internal service funds)	1,208,652	62,601	-	1,271,253	127,125	1,144,128
Swap rate agreement liability	489,895	-	(204,786)	285,109	-	285,109
Net pension liability	28,821,337	17,558,058	(18,660,707)	27,718,688	-	27,718,688
OPEB liability	13,152,327	2,371,740	(1,850,689)	13,673,378	-	13,673,378
Compensated absences	1,279,695	1,061,433	(968,558)	1,372,570	974,525	398,045
Governmental activities long-term liabilities	\$ 76,929,786	21,053,832	(23,794,711)	74,188,907	2,816,870	71,372,037

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year	Amounts Due In More Than One Year
Business-type activities						
Notes payable						
State Revolving Loan, Wastewater	\$ 233,461	-	(15,605)	217,856	16,077	201,779
State Revolving Loan, Stormwater	374,683	-	(25,113)	349,570	25,873	323,697
State Revolving Loan, Stormwater	785,066	-	(38,143)	746,923	39,037	707,886
State Revolving Loan, Stormwater	1,241,023	-	(56,877)	1,184,146	57,928	1,126,218
State Revolving Loan, Stormwater	1,042,586	-	(45,413)	997,173	46,505	950,668
State Revolving Loan, Wastewater	5,304,353	-	(281,242)	5,023,111	288,687	4,734,424
State Revolving Loan, Wastewater	329,789	-	(17,966)	311,823	18,374	293,449
Promissory Note, Parking Garage Loan I	3,053,376	-	(338,933)	2,714,443	331,434	2,383,009
Promissory Note, Parking Garage Loan II	672,567	-	(62,169)	610,398	63,792	546,606
Promissory Note, Parking Garage Loan III	1,030,626	-	(91,369)	939,257	94,924	844,333
Total notes payable	14,067,530	-	(972,830)	13,094,700	982,631	12,112,069
Capital lease, sweepers	312,292	-	(54,508)	257,784	56,380	201,404
Capital lease, golf carts	-	271,119	(38,333)	232,786	52,354	180,432
Swap rate agreement liability	544,060	-	(202,460)	341,600	-	341,600
OPEB liability	6,166,498	1,087,119	(848,303)	6,405,314	-	6,405,314
Net pension liability	7,547,915	2,715,005	(2,402,282)	7,860,638	-	7,860,638
Customer deposits	1,393,172	418,716	(453,979)	1,357,909	-	1,357,909
Compensated absences	412,734	420,669	(342,028)	491,375	382,689	108,686
Business-type activities long-term liabilities	\$ 30,444,201	4,912,628	(5,314,723)	30,042,106	1,474,054	28,568,052

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

Description of Debt	Governmental Activities
<u>Notes Payable</u>	
\$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 .82923%.	\$ 1,268,407
\$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, 2017.	505,342
\$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, 2017.	1,355,489
\$717,854 Promissory Note, Manatee Inn Loan was renewed during fiscal year 2017. In addition to the required principal and interest payments due during the year, the 14 th Street CRA paid an additional principal reduction payment of \$300,000 on September 27, 2017. The remaining balance of \$105,840 is due, along with accrued interest on November 2, 2018. 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 14 th Street CRA and a lien upon the tax increment revenues derived from taxing authorities from taxable property within the redevelopment area.	105,840
Total Notes Payable – Governmental Activities	\$ 3,235,078

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

Description of Debt	Governmental Activities
<u>Bonds Payable</u>	
\$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 McKechnic 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.	6,041,641
\$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.	13,725,000
\$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%.	5,120,000
Total Bonds Payable – Governmental Activities	\$ 24,886,641

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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Description of Debt	Business- type Activities
Notes Payable	
\$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 1.41649%. The City, by interlocal agreement, receives funding for the Judicial Center Parking Garage debt from the Manatee County Board of County Commissioners.	2,714,443
\$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.	217,856
\$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.	349,570
\$6,496,068 Clean Water State Revolving Fund, Wastewater WW410300 was issued to rehab and replace lift stations, force mains, and new gravity sewer (Collection and Transmission) facilities projects. The principal of the loan is being repaid semi-annually with a final payment of \$209,455 due on February 15, 2032. Interest is paid at a rate of 2.63%	5,023,111
\$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%	311,823
\$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.	746,923

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

Description of Debt	Business- type Activities
Notes Payable (continued)	
\$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.	1,184,146
\$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.	997,173
\$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 .78139%. 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.	610,398
\$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 .78776%. 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.	939,257
Total Notes Payable – Business-type Activities	\$ 13,094,700

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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	(284,581)
Total	\$ 486,146
	2018
	2019
	2020
	2021
	2022
	525,378
Less interest	(34,808)
Present value of minimum lease payments	\$ 490,570

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City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

Debt Maturity

Debt service requirements at September 30, 2017, were as follows:

Year Ended September 30	Governmental Activities, Revenue Bonds and Notes Payable			
	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2018	962,938	959,222	752,282	154,756
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
2023-2027	8,409,375	3,464,275	708,856	53,393
2028-2032	5,085,000	1,985,825	-	-
2033-2037	6,285,000	788,482	-	-
Total	\$ 24,886,641	10,721,880	3,235,078	516,974

Year Ended September 30	Enterprise (Business-type Activities), Notes Payable	
	Notes Payable	
	Principal	Interest
2018	982,631	364,708
2019	1,014,449	333,932
2020	1,047,029	302,384
2021	1,080,788	269,712
2022	1,115,951	235,719
2023 - 2027	4,547,455	696,109
2028 - 2032	2,889,261	227,393
2033 - 2035	417,136	11,758
Total	\$ 13,094,700	2,441,715

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, 2017, there were five Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$9,436,555.

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, 2017

	Changes in Fair Value	Fair Value at September 30, 2017	Notional Value at September 30, 2017
Governmental activities, fair value hedges			
Pay fixed-receive variable interest rate swap contract			
Franchise Fee Note	\$ (77,288)	(78,415)	1,268,407
CCRA Series 2005A	(24,860)	(40,836)	505,342
CCRA Series 2005A	(102,638)	(165,858)	1,355,489
Total Governmental activities	(204,786)	(285,109)	3,129,238
Business-type activities, fair value hedges			
Pay fixed-receive variable interest rate swap contract			
Parking Garage Note I	(121,935)	(201,533)	2,714,443
Parking Garage Note II	(31,468)	(53,911)	610,398
Parking Garage Note III	(49,057)	(86,156)	939,257
Total Business-type activities	(202,460)	(341,600)	4,264,098
	<u>\$ (407,246)</u>	<u>(626,709)</u>	<u>7,393,336</u>

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, 2017 is assumed to be constant over the life of the note.

Year	Principal	Variable Interest	Swap Interest	Net Cash Flows
2018	1,142,592	53,165	250,184	1,445,941
2019	1,191,195	46,097	203,691	1,440,983
2020	1,123,259	38,697	155,341	1,317,297
2021	792,440	30,963	120,909	944,312
2022	827,529	22,847	95,107	945,483
2023	864,006	14,332	68,329	946,667
2024	902,016	5,397	40,470	947,883
2025	491,515	506	10,415	502,436
2026	80,625	1,313	26	81,964
	<u>\$ 7,415,177</u>	<u>213,317</u>	<u>944,472</u>	<u>8,572,966</u>

Fair Value: Because interest rates declined since execution of the swaps, the swaps had a negative fair value of \$626,709, as of September 30, 2017. 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, 2017, 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.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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

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

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

NOTE I – 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	\$ 4,953,529	10,273,665	723,899	817,127
HIS Plan	771,319	4,520,875	557,726	97,883
Firefighters' Pension Plan	4,814,177	6,186,794	1,777,246	1,650,518
Police Officers' Pension Plan	7,348,174	14,597,987	1,542,314	3,423,153
	<u>\$ 17,887,199</u>	<u>35,579,321</u>	<u>4,601,185</u>	<u>5,988,681</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.

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, 2017, membership consisted of:

	2017
Retirees, disabled participants and beneficiaries	
Currently receiving benefits	62
Members in DROP	1
Current employees	
Vested	43
Terminated vested	2
Non-vested	19
Total	127

Benefits Provided

The plan covers permanent and probationary City employees who are classified as uniform fire personnel. Any participant who has creditable service of ten years and has attained age 55, or has creditable service of 25 years is eligible for normal retirement. Such a retiree would receive a normal retirement benefit of 3% of average final compensation (average of the employee's salary for the two best years of the last ten years of credited service, or the career average, whichever is greater) multiplied by years of credited service.

Any participant who has creditable service of ten years and has attained age 50, or has creditable service of 20 years, is eligible for early retirement and may elect a deferred or immediate benefit. A deferred benefit is calculated and commences in accordance with the normal retirement formula except that credited service and average final compensation are determined as of the early retirement date. An immediate benefit commences on the early retirement date and is determined in accordance with an actuarially adjusted early retirement formula.

The plan provides for pre-retirement death benefits for both vested and non-vested members. If a member was vested, the beneficiary may elect to receive a refund of the member's accumulated benefits or a computed benefit payable over ten years. The beneficiary can make an election to receive a ten-year benefit immediately, or at the retiree's scheduled early or normal retirement date. The ten-year benefit is calculated as for normal retirement

based on the deceased member's credited service and average final compensation as of the date of death and reduced as for early retirement, if applicable. The beneficiary of a deceased non-vested member shall receive a refund of the member's accumulated contributions.

Effective October 1, 1999, an annual 3% cost-of-living adjustment is added to normal and early retirement benefits and pre-retirement death benefits effective every October 1 following the date the retiree attains, or would have attained, age 64. The monthly benefit for every retiree, or their beneficiary, who was receiving a normal, early or disability retirement benefit or pre-retirement benefit or pre-retirement death benefit on or before October 1, 1999, is increased by \$10 for each year of full retirement up to a maximum of \$100.

The plan provides disability benefits for both duty-related and non-duty-related disabilities. Disability caused by performance of duties is computed at 3% of average final compensation multiplied by years of credited service. Duty-related disability benefits cannot be less than 42% of the average final compensation of the member. Every plan participant with ten years or more of credited service is eligible to receive non-line-of-duty disability benefits. A non-line-of-duty disability is computed at 2% of the average final compensation multiplied by the total years of credited service. Non-line-of-duty disability benefits cannot be less than 25% of the average final compensation of the member.

Deferred Retirement Option Program (DROP)

Satisfaction of Normal Retirement requirements (earlier of 1) age 55 and 10 years of service, or 2) 25 years of service, regardless of age). Participation up to 60 months. At the election of the Member, the account is credited with either: 1) the actual net rate of investment return (total return net of brokerage commissions and transactions costs), or 2) 6.5% per year. The income is credited each fiscal quarter and the Member may change the method of crediting income once during the DROP period. The DROP balance as of September 30, 2017 is \$444,140.

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, 2017 and 2016 were \$2,172,055 and \$2,521,320, respectively.

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.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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

For the year ended September 30, 2017, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 13.15 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The following was the Firefighters' Pension Fund's adopted asset allocation policy as of September 30, 2017.

Asset Class	Target Allocation
Domestic Core Equity	18.0%
Domestic Value Equity	13.5%
Domestic Growth Equity	13.5%
International Equity	15.0%
Domestic Fixed Income	20.0%
Global Fixed Income	5.0%
TIPS	5.0%
Real Estate	10.0%
Total	<u>100.0%</u>

Net Pension Liability

The measurement date is September 30, 2016. The measurement period for the pension expense was October 1, 2015 to September 30, 2016. The reporting period is October 1, 2016 through September 30, 2017.

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, 2015. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2016, (measurement date) using generally accepted actuarial principles.

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions:

	<u>2017</u>	<u>2016</u>
Inflation	2.5%	2.5%
Salary increases	service based	7.5%
Discount rate	7.75%	8.00%
Investment rate of return	7.75%	8.00%

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
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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, 2017 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
All Cap Value Equity	7.5%
Broad Growth Equity	7.5%
Core 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 8.0 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, 2017

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.

GASB Statement No. 68 Disclosures for Fiscal Year Ending September 30, 2017.

	Change In Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2016	\$ 50,284,798	\$ 43,316,713	\$ 6,968,085
Changes for the year:			
Service cost	1,211,934	-	1,211,934
Interest	4,059,174	-	4,059,174
Changes of benefit terms	191,166	-	191,166
Differences between expected and actual experience	(1,346,250)	-	(1,346,250)
Changes of assumptions	1,475,851	-	1,475,851
Contributions - buy back	-	-	-
Contributions - employer	-	2,068,790	(2,068,790)
Contributions - State	-	452,530	(452,530)
Contributions - employee	-	430,777	(430,777)
Net investment income	-	3,540,463	(3,540,463)
Benefit payments, including refunds of employee contributions	(2,439,257)	(2,439,257)	-
Administrative expense	-	(119,394)	119,394
Net changes	<u>3,152,618</u>	<u>3,933,909</u>	<u>(781,291)</u>
Balances at September 30, 2017	<u>\$ 53,437,416</u>	<u>\$ 47,250,622</u>	<u>\$ 6,186,794</u>

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 8.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	Current Discount		
	1% Decrease 7.00%	Rate 8.00%	1% Increase 9.00%
City's Net Pension Liability	\$ 12,803,948	\$ 6,186,794	\$ 709,416

City of Bradenton, Florida
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For The Fiscal Year Ended September 30, 2017

Pension Expense Under GASB Statement No. 68

For the year ended September 30, 2017, the City recognized pension expense of \$1,650,518.

Deferred Outflows and Inflows of Resources

On September 30, 2017, the Sponsor 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	\$ -	1,777,246
Changes of assumptions	1,106,889	-
Net difference between projected and actual earnings on pension plan investments	1,535,233	-
City and State contributions subsequent to the measurement date	2,172,055	-
	<u>\$ 4,814,177</u>	<u>1,777,246</u>

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, 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	
2018	\$ 34,062
2019	34,060
2020	797,960
2021	(1,206)
2022	0
Thereafter	0
Total	<u>\$ 864,876</u>

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.

City of Bradenton, Florida
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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

The following table summarizes the membership of the Police Officers' Pension Fund as of the latest measurement date:

Active	112
Retirees, beneficiaries and DROP	65
Disability retirees	16
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, within the first three months of employment as Police Chief, elect in writing to not be a member of the System.

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

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

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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.

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, 2017 is \$677,910.

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, 2017 and 2016 \$2,458,971 and \$2,147,622, respectively.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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, 2017, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 9.83 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 under GASB No. 67 of the City as of September 30, 2017, which is rolled forward from the actuarial valuation date of October 1, 2016, were as follows:

Total Pension Liability	\$ 79,902,165
Plan Fiduciary Net Position	(65,304,178)
City's Net Pension Liability	<u>\$ 14,597,987</u>
 Plan Fiduciary Net Positions as a percentage of Total Pension Liability	 <u>81.73%</u>

Actuarial Methods and Assumptions (Pension Plan Reporting)

Valuation Date	October 1, 2015
Plan Year	October 1 – September 30
Actuarial Cost Method	Entry Age Normal
Inflation	3.0%
Salary Increases	6.7% to 9.1% depending on service, including inflation
Investment Rate of Return	8.0%, includes inflation, net of investment inflation
Retirement Age	Experience – based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2000 Combined Healthy Mortality Tables for males and females, with future mortality improvements being made by using Scale BB after the year 2000.
Cost of Living Increases	2% per year (based on maximum possible COLA)

The Wage Inflation Rate assumed in this valuation was 3% per 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.

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 8% investment return rate translates to an assumed real rate of return over wage inflation of 5%.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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 8% investment return rate translates to an assumed real rate of return over wage inflation of 5%.

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	9.6%
International Equity	6.2%
Bonds	6.6%
High Yield Bonds	8.4%
TIPS	5.5%
Convertibles	8.5%
REITS	9.3%
Real Estate	7.3%
MLPs	12.2%

Discount Rate (Pension Plan Reporting)

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

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Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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, 2017.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2016	\$ 79,902,165	\$ 65,304,178	\$ 14,597,987
Changes for the year:			
Service cost	1,738,683	-	1,738,683
Interest	6,407,795	-	6,407,795
Differences between expected and actual experience	(1,164,985)	-	(1,164,985)
Assumption changes	(484,231)	-	(484,231)
Contributions—employer	-	1,950,287	(1,950,287)
Contributions—employer (from State)*	-	508,684	(508,684)
Contributions—member (including buyback contributions)	-	654,627	(654,627)
Net investment income	-	6,152,170	(6,152,170)
Benefit payments, including refunds of employee contributions	(3,018,382)	(3,018,382)	-
Administrative expense	-	(77,081)	77,081
Refunds	(68,430)	(68,430)	-
Net changes	<u>3,410,450</u>	<u>6,101,875</u>	<u>(2,691,425)</u>
Balances at September 30, 2017	<u>\$ 83,312,615</u>	<u>\$ 71,406,053</u>	<u>\$ 11,906,562</u>

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 8.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	Current Discount Rate		
	1% Decrease 7.00%	8.00%	1% Increase 9.00%
City's Net Pension Liability	\$ 23,065,092	\$ 11,906,562	\$ 2,817,114

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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, 2017 is based on an actuarial valuation date of October 1, 2015 rolled forward to a measurement date of September 30, 2016. 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, 2016	Fiscal Year Ending September 30, 2017
Total Pension Liability	\$ 76,356,169	79,902,165
Plan Fiduciary Net Position	(61,173,337)	(65,304,178)
City's Net Pension Liability	<u>\$ 15,182,832</u>	<u>14,597,987</u>

Plan Fiduciary Net Positions as a percentage of Total Pension Liability 81.73%

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.

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, 2017:

	Changes In Net Pension Liability		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2016	\$ 76,356,169	\$ 61,173,337	\$ 15,182,832
Changes for the year:			
Service cost	1,716,107	-	1,716,107
Interest	6,108,658	-	6,108,658
Differences between expected and actual experience	(850,661)	-	(850,661)
Assumption Changes	-	-	-
Contributions—employer	-	1,733,304	(1,733,304)
Contributions—employer (from State)	-	470,750	(470,750)
Contributions—member (including buyback contributions)	-	656,297	(656,297)
Net investment income	-	4,779,609	(4,779,609)
Benefit payments, including refunds of employee contributions	(3,368,040)	(3,368,040)	-
Administrative expense	-	(81,011)	81,011
Refunds	(60,068)	(60,068)	-
Other (Use of State Contribution Reserve)	-	-	-
Net changes	<u>3,545,996</u>	<u>4,130,841</u>	<u>(584,845)</u>
Balances at September 30, 2017	<u>\$ 79,902,165</u>	<u>\$ 65,304,178</u>	<u>\$ 14,597,987</u>

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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 8.00 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 (7.00 percent) or 1-percentage point higher (9.00 percent) than the current rate:

	1% Decrease 7%	Current Rate 8%	1% Increase 9%
City's Net Pension Liability	\$ 25,528,880	\$ 14,597,987	\$ 5,708,954

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

For the year ended September 30, 2017, the City recognized pension expense of \$3,423,153. 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	\$ -	1,542,314
Changes of assumptions	1,350,853	-
Net difference between projected and actual earnings on pension plan investments	3,538,350	-
City and State contributions subsequent to the measurement date	2,458,971	-
	<u>\$ 7,348,174</u>	<u>1,542,314</u>

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, 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	
2018	\$ 1,041,590
2019	1,042,527
2020	1,304,458
2021	(41,686)
2022	-
Thereafter	-
Total	<u>\$ 3,346,889</u>

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2017**

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
Assets			
Due from state	\$ 434,811	-	434,811
Due from city	85,509	-	85,509
Due from plan members	23,726	-	23,726
Interest receivable	78,732	32,000	110,732
Investments, at fair value			
U.S. Government obligations	3,053,182	3,068,900	6,122,082
Domestic corporate bonds	4,850,797	6,616,710	11,467,507
Convertible preferred stock	-	957,734	957,734
Convertible bonds	-	4,531,474	4,531,474
Foreign stock	4,583,898	1,249,353	5,833,251
Municipal obligations	573,178	-	573,178
Domestic stocks	29,894,051	16,868,752	46,762,803
Master limited partnerships	-	3,204,346	3,204,346
Mortgage backed	1,749,670	8,691,443	10,441,113
Collateralized mortgage backed	-	322,110	322,110
Mutual funds	-	17,637,799	17,637,799
Real estate investment trust	7,216,893	6,741,877	13,958,770
Money market fund	958,682	1,531,592	2,490,274
Total investments	<u>52,880,351</u>	<u>71,422,090</u>	<u>124,302,441</u>
Total assets	<u>53,503,129</u>	<u>71,454,090</u>	<u>124,957,219</u>
Liabilities			
Accounts payable	44,602	23,804	68,406
Benefits payable	346,523	-	346,523
Due to brokers	-	24,484	24,484
Total liabilities	<u>391,125</u>	<u>48,288</u>	<u>439,413</u>
Net Position			
Restricted for pension benefits	<u>\$ 53,112,004</u>	<u>71,405,802</u>	<u>124,517,806</u>

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2017

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
Additions			
Contributions			
Employer	\$ 1,737,199	1,950,287	3,687,486
Plan members	492,278	654,627	1,146,905
State of Florida (from City's General Fund)	434,856	508,684	943,540
Total contributions	<u>2,664,333</u>	<u>3,113,598</u>	<u>5,777,931</u>
Investment earnings			
Interest and dividends	1,061,554	1,877,873	2,939,427
Miscellaneous/settlement income	2,569	-	2,569
Net (decrease) increase in the fair value of investments	5,312,943	4,619,404	9,932,347
Total investment earnings	6,377,066	6,497,277	12,874,343
Less investment expenses	156,663	-	156,663
Net investment earnings	<u>6,220,403</u>	<u>6,497,277</u>	<u>12,717,680</u>
Total additions, net	<u>8,884,736</u>	<u>9,610,875</u>	<u>18,495,611</u>
Deductions			
Benefits	2,901,162	3,086,812	5,987,974
Administrative expenses	122,192	422,439	544,631
Total deductions	<u>3,023,354</u>	<u>3,509,251</u>	<u>6,532,605</u>
Change in net position	5,861,382	6,101,624	11,963,006
Net position, beginning	<u>47,250,622</u>	<u>65,304,178</u>	<u>112,554,800</u>
Net position, ending	<u>\$ 53,112,004</u>	<u>71,405,802</u>	<u>124,517,806</u>

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City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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.

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) of their final average compensation based on the five highest years of salary for each year of credited service.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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, 2016 through June 30, 2017 and from July 1, 2017 through September 30, 2017, respectively, were as follows: Regular—7.52% and 7.92%; Special Risk Administrative Support—22.57% and 23.27%; Senior Management Service—21.77% and 22.71%; Elected Officers'—42.47% and 45.50%; and DROP participants—12.99% and 13.26%. 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 \$904,174 for the fiscal year ended September 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2017, the City reported a liability of \$10,273,665 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share of the net pension liability was based on the City's 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2017, the City's proportionate share was .034732583%, which was a decrease of .001619452% from its proportionate share measured as of June 30, 2016.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$817,127. 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	\$ 942,875	56,911
Changes of assumptions	3,452,676	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	294,338	254,607
City Pension Plan contributions subsequent to the measurement date	263,640	412,381
	<u>\$ 4,953,529</u>	<u>723,899</u>

The deferred outflows of resources related to the Pension Plan, totaling \$263,640 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, 2018. 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
2018	\$ 517,663
2019	1,375,912
2020	962,039
2021	196,567
2022	664,832
Thereafter	248,977
	<u>\$ 3,965,990</u>

Actuarial Assumptions – The total pension liability in the June 30, 2017 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	7.10%, 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, 2017, 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 7.60% to 7.10%.

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:

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.00%	3.00%	3.00%
Fixed Income	18.00%	4.50%	4.40%
Global Equity	53.00%	7.80%	6.60%
Real Estate	10.00%	6.60%	5.90%
Private Equity	6.00%	11.50%	7.80%
Strategic Investments	12.00%	6.10%	5.60%
Total	<u>100.00%</u>		
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 7.10%, reduced from 7.60%. 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 7.10%, 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 (6.10%) or one percentage point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
City's proportionate share of net pension liability	\$ 18,594,713	10,273,661	3,365,288

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, 2017, the City had no payable for outstanding contributions to the FRS Pension Plan required for the fiscal year ended September 30, 2017.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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, 2017, the HIS contribution for the period October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2017 was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution 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 \$223,764 for the fiscal year ended September 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2017, the City reported a liability of \$4,520,875 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share of the net pension liability was based on the City's 2016-17 fiscal year contributions relative to the 2015-16 fiscal year contributions of all participating members. At June 30, 2017, the City's proportionate share was .042281018 percent, which was a decrease of .000958793 percent from its proportionate share measured as of June 30, 2016.

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$97,883. 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	\$ -	9,413
Changes of assumptions	635,480	390,925
Net difference between projected and actual earnings on pension plan investments	2,508	-
Contributions and proportionate share of contributions	73,504	157,388
City Pension Plan contributions subsequent to the measurement date	59,827	-
	<u>\$ 771,319</u>	<u>557,726</u>

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

The deferred outflows of resources related to the HIS Plan, totaling \$59,827 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, 2018. 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
2018	\$ 47,935
2019	47,628
2020	47,481
2021	35,597
2022	14,039
Thereafter	(38,914)
	\$ 153,766

Actuarial Assumptions – The total pension liability in the July 1, 2017, 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	3.58 %

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

The actuarial assumptions used in the July 1, 2017, 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 2.85% to 3.58%.

Discount Rate - The discount rate used to measure the total pension liability was 3.58%, increased from 2.85%. 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 3.58%, 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 (2.58%) or one percentage point higher (4.58%) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
City's proportionate share of net pension liability	\$ 5,158,924	4,520,882	3,989,426

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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, 2017, the City had no payable for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2017.

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.

Funding Policy: Currently, the City's OPEB benefits are unfunded. There is no separate trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation as it does for its pension plans. Therefore, the ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to its current investment policy. For the fiscal years 2017, 2016, and 2015, the City provided required contributions of \$725,149, \$744,374, and \$817,524, respectively, toward the annual OPEB cost comprised of benefit payments made on behalf of retirees, exclusive of retiree contributions totaling \$584,624, \$544,844, and \$479,477, respectively.

The City made the following changes to the policy: (1) added the mandate that Medicare-eligible retirees must sign up for both Medicare Parts A and B, which increased the assumption that Medicare would cover 35% of eligible costs to 60% of all costs incurred by retirees age 65 and older including, but not limited to medical claim costs, prescriptions claim costs, administrative fees, and reinsurance premiums; and (2) trend rates for premium increases applicable to contributions paid by retirees eligible for discounted coverage increased from no (0%) retiree health care cost increases throughout the projection period to an 8% increase for the year beginning October 1, 2010 and matching the rates of assumed cost increases thereafter. In August 2012, additional policy changes were made; retired employees will now need 20 years of service with the City to be eligible for an insurance subsidy. The subsidy is limited to the employee only.

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

The State of Florida is treating the HIS program as a Cost-Sharing Multiple-Employer defined benefit pension plan like FRS, rather than being classified as an Agent Multiple-Employer defined benefit OPEB plan.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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

Description	Amount
Normal cost (service cost for one year)	\$ 435,311
Amortization of Unfunded Actuarial Accrued Liability	2,154,201
Interest on normal cost and amortization	-
Annual Required Contribution (ARC)	2,589,512
Interest on Net OPEB Obligation (NOO)	869,347
Adjustment to (ARC)	(1,973,844)
Annual OPEB cost (expense)	1,485,015
Employer contributions	(725,149)
Increase (decrease) in NOO	759,866
NOO at beginning of year	19,318,825
NOO at end of year	<u>\$ 20,078,691</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2017 were as follows:

Fiscal Year Ending	Schedule of Employer Contributions			
	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2014	1,995,388	871,085	43.65%	17,881,888
9/30/2015	1,535,780	817,524	53.23%	18,600,144
9/30/2016	1,463,055	744,374	50.88%	19,318,825
9/30/2017	1,485,015	725,149	48.83%	20,078,691

The funded status and funding progress as of September 30, 2017, was as follows:

Actuarial accrued liability (AAL)	\$ 20,625,091
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	<u>\$ 20,625,091</u>
Funded ratio (actuarial value of plan assets/ AAL)	0.00%
Covered payroll (annual payroll of active employees covered by the plan)	<u>\$ 20,996,058</u>
UAAL as a percentage of covered payroll	98.23%

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

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

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

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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

In the October 1, 2014, OPEB actuarial valuation, the individual entry age normal cost method with increasing normal cost pattern consistent with the salary increase assumptions used in the FRS pension plan was used. The unfunded actuarial accrued liability is amortized on a closed basis, calculated as a level percent of payroll over a 14-year period. The assumed rate of payroll growth is 4.00%. GASB Statement No. 45 requires that any such payroll growth assumption be based upon no increase in the number of active employees covered by the plan. Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the investment return discount rate is the long-term expectation of investment return on assets held in City funds pursuant to its investment policy. The City has selected 4.5% compounded annually.

The City makes the following assumptions in regard to healthcare cost trend and inflation rates: (1) inflation is projected at 3%, (2) initial per capita cost trend rate is projected at 7.5%, and (3) the ultimate per capita cost trend rate is 5.09%. The initial per capita trend rate is fully offset by carrier changes, estimated to result in 7.5% savings.

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.

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.

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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, 2015 to September 30, 2017:

	Medical Self-Insurance	Workers' Compensation Self-Insurance
Liability balance, September 30, 2015	\$ 516,000	649,640
Claims and changes in estimates	4,502,311	730,730
Claims payments	<u>(4,502,311)</u>	<u>(687,718)</u>
Liability balance, September 30, 2016	516,000	692,652
Claims and changes in estimates	4,554,489	943,888
Claims payments	<u>(4,554,489)</u>	<u>(881,287)</u>
Liability balance, September 30, 2017	<u>\$ 516,000</u>	<u>755,253</u>
Cash available to pay claims at September 30, 2017	<u>\$ 5,009,513</u>	<u>10,405,981</u>

City of Bradenton, Florida
Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2017

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 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 \$5,120,000 as of September 30, 2017.

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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, 2017

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.

	Budgeted Amount		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Taxes	\$ 28,241,855	28,241,855	28,830,578	588,723
Licenses and permits	1,209,700	1,265,700	1,929,053	663,353
Intergovernmental grants	38,147	58,130	60,562	2,432
Shared revenues	3,793,175	3,793,175	3,982,374	189,199
Payments in lieu of taxes	70,500	70,500	72,980	2,480
Charges for services	3,011,188	3,141,188	3,245,188	104,000
Fines and forfeitures	103,725	103,725	146,262	42,537
Interest and investment earnings	886,481	886,481	144,341	(742,140)
Rents	645,526	645,526	708,409	62,883
Franchise fees	3,130,407	3,165,157	3,210,408	45,251
Miscellaneous	127,485	1,047,274	508,540	(538,734)
Special assessments, property owners	23,250	23,250	158,877	135,627
Total revenues	41,281,439	42,441,961	42,997,572	555,611
Expenditures				
General government	7,233,419	7,287,383	6,675,101	612,282
Public safety	23,337,591	24,328,671	24,250,025	78,646
Transportation	4,342,154	4,504,677	3,994,002	510,675
Economic environment	292,589	292,589	146,814	145,775
Culture and recreation	1,369,180	1,369,180	1,281,344	87,836
Capital outlay	2,396,812	1,546,051	1,451,553	94,498
Total expenditures	38,971,745	39,328,551	37,798,839	1,529,712
Excess of revenues over expenditures	2,309,694	3,113,410	5,198,733	2,085,323
Other financing sources (uses)				
Refunding bond proceeds	66,675	66,675	-	(66,675)
Transfers from other funds	655,500	655,500	655,500	-
Transfers to other funds	(9,736,869)	(10,540,585)	(10,518,624)	21,961
Salc of capital assets	680,000	680,000	645,690	(34,310)
Total other financing sources (uses)	(8,334,694)	(9,138,410)	(9,217,434)	(79,024)
Net change in fund balance	(6,025,000)	(6,025,000)	(4,018,701)	2,006,299
Fund balance, October 1, 2016	46,442,803	46,442,803	46,442,803	-
Fund balance, September 30, 2017	\$ 40,417,803	40,417,803	42,424,102	2,006,299

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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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 333,984	341,515	236,537	(104,978)
Interest and investment earnings	-	130	167	37
Miscellaneous	-	-	1,325	1,325
Special assessments, property owners	-	38,970	49,988	11,018
Total revenues	333,984	380,615	288,017	(92,598)
Expenditures				
Economic environment				
Personnel services	39,877	39,877	5,728	34,149
Operating expenditures	4,625	4,695	1,737	2,958
Public assistance	300,586	408,878	229,072	179,806
Total expenditures	345,088	453,450	236,537	216,913
Excessive (deficiency) of revenues over (under) expenditures	(11,104)	(72,835)	51,480	124,315
Other financing sources				
Transfers from other funds	11,104	11,104	-	(11,104)
Total other financing sources	11,104	11,104	-	(11,104)
Net change in fund balance	-	(61,731)	51,480	113,211
Fund balance, October 1, 2016	58,645	58,645	58,645	-
Fund balance, September 30, 2017	\$ 58,645	(3,086)	110,125	113,211

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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 Funding Progress

Schedule of Employer Contributions

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,	2017	2016	2015
Measurement Date, September 30,	2016	2015	2014
Total pension liability			
Service cost	\$ 1,211,934	\$ 1,178,454	\$ 1,117,928
Interest on total pension liability	4,059,174	3,985,955	3,795,804
Change of benefit terms	191,166	-	-
Differences between expected and actual experience	(1,346,250)	(1,535,114)	-
Changes of assumptions	1,475,851	-	-
Benefit payments, including refunds of employee contributions	(2,439,257)	(3,440,070)	(2,295,560)
Net change in total pension liability	3,152,618	189,225	2,618,172
Total pension liability - beginning	50,284,798	50,095,573	47,477,401
Total pension liability - ending (a)	\$ 53,437,416	\$ 50,284,798	\$ 50,095,573
Plan fiduciary net pension			
Contributions - employer	2,068,790	2,240,745	2,164,348
Contributions - state	452,530	447,927	452,334
Contributions - employee	430,777	404,002	373,904
Contributions - buy back	-	-	-
Net investment income	3,540,463	(278,021)	4,989,801
Benefit payments, including refunds of member contributions	(2,439,257)	(3,440,070)	(2,295,560)
Administrative expenses	(119,394)	(100,526)	(57,326)
Net change in plan fiduciary net pension	3,933,909	(725,943)	5,627,501
Plan fiduciary net position - beginning	43,316,713	44,042,656	38,415,155
Plan fiduciary net position - ending (b)	\$ 47,250,622	\$ 43,316,713	\$ 44,042,656
City's net pension liability - ending (a) - (b)	\$ 6,186,794	\$ 6,968,085	\$ 6,052,917
Plan fiduciary net position as a percentage of the total pension liability			
Covered employee payroll*	88.42%	86.14%	87.92%
City's net pension liability as a percentage of covered -employee payroll	4,307,734	4,327,973	3,955,261
	143.62%	161.00%	153.03%

Notes to the Schedule:

*The covered 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

Schedule of Employer Contributions

Reporting Period Ending September 30,	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,086,621	\$ 2,448,266	\$ 2,651,436	\$ 2,786,086
Less City prepaid contribution	(635,776)	(562,722)	(525,486)	(694,890)
Net required contribution	1,450,845	1,885,544	2,125,950	2,091,196
Contributions in relation to the actuarially determined contribution	2,172,055	2,521,320	2,688,672	2,616,682
Contributions deficiency (excess)	\$ (721,210)	\$ (635,776)	\$ (562,722)	\$ (525,486)
Covered-employee payroll*	\$ 4,764,656	4,307,734	\$ 4,327,973	\$ 3,955,261
Contributions as a percentage of covered-employee payroll	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, 2015
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 Nominal 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: 7.5% 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	3% per year from age 55 to 64
Mortality	RP 2000 Combined Healthy Mortality Table, Sex Distinct. Disabled lives are set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.
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.
Cost-of-living Adjustments	3% per year from age 55 to 64.
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 minimis bias that is above or below the Market Value of Assets.
Payroll Growth	1.82% 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,	2017	2016	2015
Measurement Date, September 30,	2016	2015	2014
Total pension liability			
Service cost	\$ 1,716,107	\$ 1,704,870	\$ 1,743,824
Interest on total pension liability	6,108,658	5,769,530	5,401,904
Differences between expected & actual experience	(850,661)	(1,591,541)	(14,634)
Assumption charges	-	2,431,535	-
Benefits payments	(3,368,040)	(3,034,634)	(3,275,825)
Refunds	(60,068)	(155,427)	(82,636)
Other (Use of State Contribution Reserve)	-	(777,455)	-
Net change in total pension liability	3,545,996	4,346,878	3,772,633
Total pension liability - beginning	76,356,169	72,009,291	68,236,658
Total pension liability - ending (a)	\$ 79,902,165	\$ 76,356,169	\$ 72,009,291
Plan fiduciary net pension			
Contributions - employer	1,733,304	947,023	2,083,762
Contributions - employer (from State)*	470,750	1,216,355	409,016
Contributions - member (including buyback contributions)	656,297	613,398	445,907
Net investment income	4,779,609	(1,862,850)	6,415,819
Benefits payments	(3,368,040)	(3,034,634)	(3,275,825)
Refunds	(60,068)	(155,427)	(82,636)
Administrative expenses	(81,011)	(77,111)	(63,542)
Other (Use of State Contribution Reserve)	-	(777,454)	-
Net change in plan fiduciary net pension	4,130,841	(3,130,700)	5,932,501
Plan fiduciary net position - beginning	61,173,337	64,304,037	58,371,536
Plan fiduciary net position - ending (b)	\$ 65,304,178	\$ 61,173,337	\$ 64,304,037
City's net pension liability - ending (a) - (b)	\$ 14,597,987	\$ 15,182,832	\$ 7,705,254
Plan fiduciary net position as a percentage of the total pension liability	81.73%	80.12%	89.30%
Covered employee payroll*	6,721,823	6,641,933	6,649,201
City's net pension liability as a percentage of covered -employee payroll	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

CITY OF BRADENTON, FLORIDA
POLICE OFFICERS' PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions

Reporting Period Ending September 30,	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,404,665	\$ 2,147,622	\$ 2,024,461	\$ 2,454,885
Contributions in relation to the actuarially determined contribution	\$ 2,458,971	\$ 2,204,054	\$ 2,163,378	\$ 2,492,778
Contributions deficiency (excess)	<u>(54,306)</u>	<u>(56,432)</u>	<u>(138,917)</u>	<u>(37,893)</u>
Covered-employee payroll	\$ 7,273,639	\$ 6,721,823	\$ 6,641,933	\$ 6,649,201
Contributions as a percentage of covered-employee payroll	33.81%	32.79%	32.57%	37.49%

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

*\$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.

Notes to the Schedule of Contributions

Valuation Date October 1, 2015
Actuarially determined contribution rates are calculated as of October 1, which is two years prior to end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 Years
Asset Valuation Method	5-year smoothed market
Inflation	3.00%
Salary Increases	6.7% to 9.1% depending on service, including inflation
Investment Rate of Return	8.00%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	The RP2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years from the year 2000 using Scale BB.
Payroll Growth	3% per year.

Schedule of Investment Returns

	2017	2016	2015	2014
Annual Money - Weighted Rate of Return, Net of Investment Expense	9.83%	8.45%	-2.50%	9.00%

Note: Information for the fiscal years prior to 2014 is not available

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	9/30/2017	9/30/2016	9/30/2015	9/30/2014
City's Proportion of the FRS net pension liability	0.03473258%	0.036352035%	0.037778521%	0.036621250%
City's Proportionate share of the FRS net pension liability	\$ 10,273,665	\$ 9,178,914	\$ 4,879,603	\$ 2,234,435
City's Covered - employee payroll during the measurement period	\$ 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-employee payroll	75.44%	67.55%	36.35%	18.03%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.89%	84.88%	92.00%	96.09%

Schedule of Contributions

Reporting Period Ending	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Contractually required FRS contribution	\$ 904,174	\$ 899,209	\$ 950,714	\$ 802,161
FRS Contributions made in relation to the contractually required FRS contribution	904,174	899,209	950,714	802,161
FRS Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-employee payroll	\$ 13,619,219	\$ 13,587,760	\$ 13,423,099	\$ 12,390,604
FRS Contributions as a percentage of covered employee payroll	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 14th 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	9/30/2017	9/30/2016	9/30/2015	9/30/2014
City's Proportion of the HIS net pension liability	0.042281018%	0.043239811%	0.042018479%	0.041464856%
City's Proportionate share of the HIS net pension liability	\$ 4,520,875	\$ 5,039,421	\$ 4,285,224	\$ 3,877,065
City's Covered - employee payroll during the measurement period	\$ 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-employee payroll	33.84%	37.09%	31.92%	31.29%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	1.64%	0.97%	0.50%	0.99%

Schedule of Contributions

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date October 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio (1) / (2)	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2010	-	20,950,648	20,950,648	0.00%	18,838,973	111.21%
10/1/2012	-	25,353,279	25,353,279	0.00%	19,113,086	132.65%
10/1/2014	-	21,425,620	21,425,620	0.00%	19,496,947	109.89%
10/1/2016	-	20,625,091	20,625,091	0.00%	20,996,058	98.23%

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

Schedule of Employer Contributions

Fiscal Year Ending	Employer Contributions	Annual Required Contribution (ARC)	Percentage of ARC Contributed
9/30/2011	\$ 872,485	\$ 3,988,990	21.87%
9/30/2012	942,736	1,827,519	51.59%
9/30/2013	967,213	2,385,326	40.55%
9/30/2014	871,085	2,489,718	34.99%
9/30/2015	817,524	2,260,873	36.16%
9/30/2016	744,374	2,357,812	31.57%
9/30/2017	725,149	2,589,512	28.00%

CITY OF BRADENTON, FLORIDA
 SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL
 GENERAL FUND
 For the Fiscal Year Ended September 30, 2017

**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.

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Taxes				
General property taxes	\$ 17,299,211	17,299,211	17,634,049	334,838
Public service taxes	2,028,521	2,028,521	1,981,454	(47,067)
Half-cent sales taxes	4,080,568	4,080,568	4,099,926	19,358
Utility taxes	4,621,805	4,621,805	4,915,542	293,737
Local business taxes	211,750	211,750	199,607	(12,143)
Total taxes	<u>28,241,855</u>	<u>28,241,855</u>	<u>28,830,578</u>	<u>588,723</u>
Franchise fees	<u>3,130,407</u>	<u>3,165,157</u>	<u>3,210,408</u>	<u>45,251</u>
Licenses and permits				
Building permits	1,086,550	1,142,550	1,735,703	593,153
Electrical permits	97,500	97,500	138,800	41,300
Plumbing permits	24,500	24,500	54,550	30,050
Other licenses and permits	1,150	1,150	-	(1,150)
Total licenses and permits	<u>1,209,700</u>	<u>1,265,700</u>	<u>1,929,053</u>	<u>663,353</u>
Intergovernmental grants	<u>38,147</u>	<u>58,130</u>	<u>60,562</u>	<u>2,432</u>
Shared revenues				
State revenue sharing	1,481,456	1,481,456	1,502,887	21,431
State motor fuel	462,712	462,712	470,872	8,160
State mobile home licenses	32,975	32,975	34,424	1,449
State alcohol beverage licenses	27,950	27,950	28,894	944
State firefighter	11,350	11,350	15,610	4,260
Ninth-cent gas tax	258,675	258,675	285,809	27,134
Five-cent gas tax	708,228	708,228	762,890	54,662
Four-cent gas tax	509,757	509,757	551,453	41,696
Two-cent gas tax	300,072	300,072	329,535	29,463
Total shared revenues	<u>3,793,175</u>	<u>3,793,175</u>	<u>3,982,374</u>	<u>189,199</u>
Charges for services				
General government fees	3,009,188	3,139,188	3,245,188	106,000
Culture and recreation	2,000	2,000	-	(2,000)
Total charges for services	<u>3,011,188</u>	<u>3,141,188</u>	<u>3,245,188</u>	<u>104,000</u>
Fines and forfeitures	103,725	103,725	146,262	42,537
Interest and investment earnings	886,481	886,481	144,341	(742,140)
Payment in lieu of taxes	70,500	70,500	72,980	2,480
Rents	645,526	645,526	708,409	62,883
Special assessments-property owners	23,250	23,250	158,877	135,627
Miscellaneous	127,485	1,047,274	508,540	(538,734)
Total revenues	<u>\$ 41,281,439</u>	<u>42,441,961</u>	<u>42,997,572</u>	<u>555,611</u>

(Continued)

CITY OF BRADENTON, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
General Government				
Legislative				
Personnel services	\$ 540,147	545,410	545,409	1
Operating expenditures	56,843	75,637	66,068	9,569
Total Legislative	596,990	621,047	611,477	9,570
Executive-City Clerk				
Personnel services	454,531	475,231	475,229	2
Operating expenditures	845,768	1,050,041	1,027,576	22,465
Total Executive-City Clerk	1,300,299	1,525,272	1,502,805	22,467
Financial				
Personnel services	414,288	414,288	404,800	9,488
Operating expenditures	72,639	81,947	76,939	5,008
Total Financial	486,927	496,235	481,739	14,496
Human Resources				
Personnel services	214,622	214,622	215,451	(829)
Operating expenditures	101,890	101,890	49,304	52,586
Total Human Resources	316,512	316,512	264,755	51,757
Administration				
Personnel services	37,846	38,905	38,904	1
Operating expenditures	1,950	1,950	1,542	408
Total Administration	39,796	40,855	40,446	409
Legal Counsel				
Operating expenditures	126,500	126,500	102,903	23,597
Purchasing				
Personnel services	200,380	206,552	206,552	-
Operating expenditures	27,125	36,664	35,870	794
Total Purchasing	227,505	243,216	242,422	794

(Continued)

CITY OF BRADENTON, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Fleet Division				
Personnel services	\$ 805,150	800,261	740,624	59,637
Operating expenditures	94,809	101,998	102,017	(19)
Capital outlay	73,272	73,272	73,251	21
Total Fleet Division	973,231	975,531	915,892	59,639
Facilities Maintenance				
Personnel services	167,725	152,325	139,015	13,310
Operating expenditures	276,326	376,865	372,984	3,881
Total Facilities Maintenance	444,051	529,190	511,999	17,191
Information Technology				
Personnel services	575,777	575,777	527,980	47,797
Operating expenditures	627,129	627,129	599,472	27,657
Capital outlay	-	19,771	19,771	-
Total Information Technology	1,202,906	1,222,677	1,147,223	75,454
Electrical Division				
Personnel services	446,606	461,429	461,429	-
Operating expenditures	80,636	65,813	47,775	18,038
Capital outlay	30,000	30,000	24,643	5,357
Total Electrical Division	557,242	557,242	533,847	23,395
Code Enforcement				
Personnel services	248,937	250,803	250,803	-
Operating expenditures	26,300	25,134	16,960	8,174
Capital outlay	20,000	20,956	20,956	-
Total Code Enforcement	295,237	296,893	288,719	8,174
Grants and Assistance				
Operating expenditures	21,500	21,500	-	21,500
Total Grants and Assistance	21,500	21,500	-	21,500
Local Business Tax				
Personnel services	71,750	71,750	72,065	(315)
Operating expenditures	6,185	6,185	5,421	764
Total Local Business Tax	77,935	77,935	77,486	449
Risk Safety				
Personnel services	69,792	71,023	71,023	-
Operating expenditures	16,430	21,421	20,986	435
Total Risk Safety	86,222	92,444	92,009	435
Total General Government	6,752,853	7,143,049	6,813,722	329,327

(Continued)

CITY OF BRADENTON, FLORIDA
 SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (Continued)
 GENERAL FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with
	Original	Final		Final Budget
Public Safety				
Law Enforcement				
Personnel services	\$ 13,610,408	13,804,115	13,750,803	53,312
Operating expenditures	1,282,287	1,734,240	1,712,058	22,182
Capital outlay	1,328,469	674,383	601,802	72,581
Total Law Enforcement	16,221,164	16,212,738	16,064,663	148,075
Fire Control				
Personnel services	7,785,279	8,157,677	8,157,678	(1)
Operating expenditures	659,617	632,639	629,486	3,153
Capital outlay	863,665	646,263	646,263	-
Total Fire Control	9,308,561	9,436,579	9,433,427	3,152
Total Public Safety	25,529,725	25,649,317	25,498,090	151,227
Transportation				
Street Division				
Personnel services	628,059	627,759	628,377	(618)
Operating expenditures	2,196,799	2,304,792	2,147,820	156,972
Capital outlay	52,000	52,000	43,730	8,270
Total Street Division	2,876,858	2,984,551	2,819,927	164,624
Planning and Community Development				
Personnel services	430,577	430,577	385,782	44,795
Operating expenditures	190,742	190,042	57,364	132,678
Capital outlay	25,000	25,000	4,305	20,695
Total Planning and Community Development	646,319	645,619	447,451	198,168
Building				
Personnel services	703,046	703,046	637,499	65,547
Operating expenditures	167,931	223,931	133,324	90,607
Total Building	870,977	926,977	770,823	156,154
Total Transportation	4,394,154	4,557,147	4,038,201	518,946

(Continued)

CITY OF BRADENTON, FLORIDA
 SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (Continued)
 GENERAL FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with
	Original	Final		Final Budget
Economic Environment				
Personnel services	222,689	198,189	89,373	108,816
Operating expenditures	\$ 69,900	94,400	57,441	36,959
Total Economic Environment	292,589	292,589	146,814	145,775
Culture and Recreation				
Landscape and Grounds Division				
Personnel services	749,937	728,787	685,227	43,560
Operating expenditures	563,942	584,622	544,695	39,927
Capital outlay	29,406	29,406	21,137	8,269
Total Landscape and Grounds Division	1,343,285	1,342,815	1,251,059	91,756
Special Recreation Facilities				
Personnel services	45,731	45,731	46,296	(565)
Operating expenditures	9,570	9,570	4,657	4,913
Total Special Recreation Facilities	55,301	55,301	50,953	4,348
Operating expenditures	603,838	288,333	-	288,333
Total Culture and Recreation	2,002,424	1,686,449	1,302,012	384,437
Total expenditures	\$ 38,971,745	39,328,551	37,798,839	1,529,712

Nonmajor Governmental Funds

Special Revenue Funds

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

Community Development Program Fund

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

Central Community Redevelopment Agency

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

Bradenton Community Redevelopment Agency

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

Bradenton 14th Street Community Redevelopment Agency

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

Criminal Justice Education Fund

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 Fund

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 Fund

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

Special Obligation Series 2012 Fund

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

Special Obligation Series 2016 Fund

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 Fund

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

Nonmajor Governmental Funds (Continued)

Capital Projects Funds(Continued)

Parks and Recreational Impact Fee, West Fund

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

Parks and Recreational Impact Fee, East Fund

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

Public Safety Police Protection Fund

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

Public Safety Fire Protection Fund

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

General Projects Fund

To account for general City construction projects that are financed by general government resources. These funds are committed for capital improvement projects within the City.

Pirate City Capital Reserve Fund

A reserve fund designated for future capital repairs and maintenance for the Pittsburgh Pirates' spring training complex.

CITY OF BRADENTON, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2017

	Special Revenue			
	Community Development Program	Central Community Redevelopment Agency	Bradenton Community Redevelopment Agency	14th Street Community Redevelopment Agency
Assets				
Cash and cash equivalents	\$ 39,684	361,930	2,244,722	151,745
Accounts receivable	579,246	507	-	-
Prepaid items	-	14,367	-	-
Due from other funds	43,265	-	-	-
Due from other governments	15,204	-	-	-
Total assets	\$ 677,399	376,804	2,244,722	151,745
Liabilities				
Accounts payable	\$ 14,847	16,617	33,093	-
Accrued salaries, wages and benefits	2,323	-	-	-
Advances from other funds	-	499,970	-	-
Due to other funds	-	-	-	-
Total liabilities	17,170	516,587	33,093	-
Deferred inflows of resources				
Unavailable revenue	579,246	-	-	-
Fund balances (deficit)				
Non-spendable				
Non-spendable Prepaid items	-	14,367	-	-
Restricted for				
Debt service	-	-	-	-
Grants	80,983	-	-	-
Impact fee programs	-	-	-	-
Public Safety	-	-	-	-
Committed to				
Capital projects	-	-	2,211,629	151,745
Assigned				
Unassigned	-	(154,150)	-	-
Total fund balances	80,983	(139,783)	2,211,629	151,745
Total liabilities, deferred inflows, and fund balances	\$ 677,399	376,804	2,244,722	151,745

	Special Revenue					
	Criminal Justice Education	Twin Dolphin Marina Grant	Police Explorers	Police Federal Forfeiture	State Forfeiture	Abandoned Property
	60,126	17,584	2,110	177,368	89,343	52,350
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Total	60,126	17,584	2,110	177,368	89,343	52,350
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Total	60,126	17,584	2,110	177,368	89,343	52,350

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CITY OF BRADENTON, FLORIDA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2017

	Special Revenue			Debt Service
	Miscellaneous Grants	Disaster	Total	Franchise Fees Promissory Note 2000
Assets				
Cash and cash equivalents	-	139,016	3,335,978	70,083
Accounts receivable	90,844	-	670,597	-
Prepaid items	-	-	14,367	-
Due from other funds	-	-	43,265	-
Due from other governments	449	524,901	540,554	-
Total assets	91,293	663,917	4,604,761	70,083
Liabilities				
Accounts payable	-	139,016	203,573	-
Accrued salaries, wages and benefits	97	-	2,420	-
Advances from other funds	-	-	499,970	-
Due to other funds	352	-	352	-
Total liabilities	449	139,016	706,315	-
Deferred inflows of resources				
Unavailable revenue	90,844	524,901	1,212,575	-
Fund balances (deficit)				
Non-spendable				
Non-spendable Prepaid items	-	-	14,367	-
Restricted for				
Debt service	-	-	-	70,083
Grants	-	-	80,983	-
Impact fee programs	-	-	-	-
Public Safety	-	-	381,297	-
Committed to				
Capital projects	-	-	2,363,374	-
Assigned				
Unassigned	-	-	(154,150)	-
Total fund balances	-	-	2,685,871	70,083
Total liabilities, deferred inflows, and fund balances	91,293	663,917	4,604,761	70,083

	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	-	-	72,033	528,549	1,878,514
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	400,000	-	400,000	607,154	-
	1,950	400,000	-	472,033	1,135,703	1,878,514
	-	-	485	485	-	8,220
	-	-	-	-	-	-
	-	399,261	14,207	413,468	-	-
	-	399,261	14,692	413,953	-	8,220
	-	-	-	-	-	-
	-	-	(14,692)	(14,692)	-	-
	1,950	739	(14,692)	58,080	1,135,703	1,870,294
	1,950	400,000	-	472,033	1,135,703	1,878,514

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CITY OF BRADENTON, FLORIDA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2017

	Capital Projects			
	Parks and Recreation Impact Fee- West	Parks and Recreation Impact Fee- East	Public Safety Police Protection	Public Safety Fire Protection
Assets				
Cash and cash equivalents	238,591	568,859	409,995	256,153
Accounts receivable	-	-	-	-
Prepaid items	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	238,591	568,859	409,995	256,153
Liabilities				
Accounts payable	-	-	-	-
Accrued salaries, wages and benefits	-	-	-	-
Advances from other funds	-	-	-	47,921
Due to other funds	-	-	-	-
Total liabilities	-	-	-	47,921
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund balances (deficit)				
Non-spendable				
Non-spendable Prepaid items	-	-	-	-
Restricted for				
Debt service	-	-	-	-
Grants	-	-	-	-
Impact fee programs	238,591	568,859	409,995	208,232
Public Safety	-	-	-	-
Committed to				
Capital projects	-	-	-	-
Assigned				
Unassigned	-	-	-	-
Total fund balances	238,591	568,859	409,995	208,232
Total liabilities, deferred inflows, and fund balances	238,591	568,859	409,995	256,153

	Capital Projects			Total Nonmajor Governmental Funds
	General Projects	Pirate City Capital Reserve	Total	
Cash and cash equivalents	7,227,776	737,315	11,845,752	15,253,763
Accounts receivable	-	-	-	670,597
Prepaid items	-	-	-	14,367
Due from other funds	-	-	-	43,265
Due from other governments	90,699	-	697,853	1,638,407
Total assets	7,318,475	737,315	12,543,605	17,620,399
Liabilities				
Accounts payable	34,845	-	43,065	247,123
Accrued salaries, wages and benefits	-	-	-	2,420
Advances from other funds	-	-	47,921	547,891
Due to other funds	-	-	-	413,820
Total liabilities	34,845	-	90,986	1,211,254
Deferred inflows of resources				
Unavailable revenue	-	-	-	1,212,575
Fund balances (deficit)				
Non-spendable				
Non-spendable Prepaid items	-	-	-	14,367
Restricted for				
Debt service	-	-	-	72,772
Grants	-	-	-	80,983
Impact fee programs	-	-	3,295,971	3,295,971
Public Safety	-	-	-	381,297
Committed to				
Capital projects	7,283,630	737,315	9,156,648	11,520,022
Assigned				
Unassigned	-	-	-	(168,842)
Total fund balances	7,283,630	737,315	12,452,619	15,196,570
Total liabilities, deferred inflows, and fund balances	7,318,475	737,315	12,543,605	17,620,399

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CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2017

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	Special Revenue			
	Community Development Program	Central Community Redevelopment Agency	Bradenton Community Redevelopment Agency	14th Street Community Redevelopment Agency
Revenues				
Taxes	\$ -	429,399	1,269,533	210,630
Intergovernmental grants	432,389	-	-	-
Impact Fees	-	-	-	-
Charges for services	41,521	-	-	-
Fines and forfeitures	-	-	-	-
Interest and investment earnings	-	791	7,239	1,447
Rents	-	199,668	-	-
Miscellaneous	-	92,239	-	-
Special assessments, property owners	14,310	-	-	-
Total revenues	488,220	722,097	1,276,772	212,077
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Economic environment	444,835	616,703	1,409,565	137,567
Debt service				
Principal	-	197,283	165,000	403,500
Interest	-	134,496	244,600	17,217
Fees and expenditures	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	444,835	948,482	1,819,165	558,284
Excess (deficiency) of revenues over (under) expenditures	43,385	(226,385)	(542,393)	(346,207)
Other financing sources (uses)				
Transfers from other funds	-	396,273	1,167,101	211,312
Transfers to other funds	-	-	(17,000)	-
Total other financing sources (uses)	-	396,273	1,150,101	211,312
Net change in fund balances	43,385	169,888	607,708	(134,895)
Fund balances, beginning	37,598	(309,671)	1,603,921	286,640
Fund balances, ending	\$ 80,983	(139,783)	2,211,629	151,745

	Special Revenue					
	Criminal Justice Education	Twin Dolphin Marina Grant	Police Explorers	Police Federal Forfeiture	State Forfeiture	Abandoned Property
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	6,822	-	-	-	-	-
	-	-	-	-	-	-
	-	35,350	2,338	141,128	43,699	25,797
	-	-	-	-	-	-
	6,822	35,350	2,338	141,128	43,699	25,797
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,202	-	3,509	62,261	2	17,093
	-	-	-	-	-	-
	-	35,350	-	-	-	-
	2,202	35,350	3,509	62,261	2	17,093
	4,620	-	(1,171)	78,867	43,697	8,704
	-	-	3,281	98,501	45,646	43,646
	-	-	-	-	-	-
	-	-	3,281	98,501	45,646	43,646
	4,620	-	2,110	177,368	89,343	52,350
	55,506	-	-	-	-	-
	60,126	-	2,110	177,368	89,343	52,350

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, 2017

	Special Revenue			Debt Service
	Miscellaneous Grants	Disaster	Total	Franchise Fees Promissory Note 2000
Revenues				
Taxes	-	-	1,909,562	-
Intergovernmental grants	43,421	-	475,810	-
Impact Fees	-	-	-	-
Charges for services	-	-	41,521	-
Fines and forfeitures	-	-	6,822	-
Interest and investment earnings	-	-	9,477	631
Rents	-	-	199,668	-
Miscellaneous	-	-	340,551	-
Special assessments, property owners	-	-	14,310	-
Total revenues	43,421	-	2,997,721	631
Expenditures				
Current				
General government	43,421	615,393	658,814	-
Public safety	-	-	85,067	-
Economic environment	-	-	2,608,670	-
Debt service				
Principal	-	-	765,783	417,302
Interest	-	-	396,313	80,506
Fees and expenditures	-	-	-	-
Capital outlay	-	-	35,350	-
Total expenditures	43,421	615,393	4,549,997	497,808
Excess (deficiency) of revenues over (under) expenditures	-	(615,393)	(1,552,276)	(497,177)
Other financing sources (uses)				
Transfers from other funds	-	615,393	2,581,153	497,196
Transfers to other funds	-	-	(17,000)	-
Total other financing sources (uses)	-	615,393	2,564,153	497,196
Net change in fund balances	-	-	1,011,877	19
Fund balances, beginning	-	-	1,673,994	70,064
Fund balances, ending	-	-	2,685,871	70,083

	Debt Service			Capital Projects		
	Florida Municipal Loan 2012	Special Obligation Series 2012	Special Obligation Series 2016	Total	Half Cent Infrastructure Surtax	Road Impact Fee
Taxes	-	-	-	-	2,803,174	-
Intergovernmental grants	-	400,000	500,004	900,004	-	-
Impact Fees	-	-	-	-	-	737,403
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest and investment earnings	-	-	-	631	(3,829)	14,181
Rents	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Special assessments, property owners	-	-	-	-	-	-
Total revenues	-	400,000	500,004	900,635	2,799,345	751,584
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Debt service						
Principal	-	313,289	455,000	1,185,591	-	-
Interest	-	190,908	551,700	823,114	-	-
Fees and expenditures	-	-	485	485	-	-
Capital outlay	-	-	-	-	1,663,642	23,070
Total expenditures	-	504,197	1,007,185	2,009,190	1,663,642	23,070
Excess (deficiency) of revenues over (under) expenditures	-	(104,197)	(507,181)	(1,108,555)	1,135,703	728,514
Other financing sources (uses)						
Transfers from other funds	-	104,197	483,400	1,084,793	-	-
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	-	104,197	483,400	1,084,793	-	-
Net change in fund balances	-	-	(23,781)	(23,762)	1,135,703	728,514
Fund balances, beginning	1,950	739	9,089	81,842	-	1,141,780
Fund balances, ending	1,950	739	(14,692)	58,080	1,135,703	1,870,294

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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, 2017

	Capital Projects			
	Parks and Recreation Impact Fee- West	Parks and Recreation Impact Fee- East	Public Safety Police Protection	Public Safety Fire Protection
Revenues				
Taxes	-	-	-	-
Intergovernmental grants	-	-	-	-
Impact Fees	84,830	93,453	86,043	54,001
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and investment earnings	(12)	83	229	2,097
Rents	-	-	-	-
Miscellaneous	-	-	-	-
Special assessments, property owners	-	-	-	-
Total revenues	84,818	93,536	86,272	56,098
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Economic environment	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	442
Fees and expenditures	-	-	-	-
Capital outlay	61,583	-	-	-
Total expenditures	61,583	-	-	442
Excess (deficiency) of revenues over (under) expenditures	23,235	93,536	86,272	55,656
Other financing sources (uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	23,235	93,536	86,272	55,656
Fund balances, beginning	215,356	475,323	323,723	152,576
Fund balances, ending	238,591	568,859	409,995	208,232

	Capital Projects			Total Nonmajor Governmental Funds
	General Projects	Pirate City Capital Reserve	Total	
Taxes	-	-	2,803,174	4,712,736
Intergovernmental grants	1,834,105	-	1,834,105	3,209,919
Impact Fees	-	-	1,055,730	1,055,730
Charges for services	-	-	-	41,521
Fines and forfeitures	-	-	-	6,822
Interest and investment earnings	50,059	24,576	87,384	97,492
Rents	-	-	-	199,668
Miscellaneous	-	-	-	340,551
Special assessments, property owners	-	-	-	14,310
Total revenues	1,884,164	24,576	5,780,393	9,678,749
Expenditures				
Current				
General government	-	-	-	658,814
Public safety	-	-	-	85,067
Economic environment	-	-	-	2,608,670
Debt service				
Principal	-	-	-	1,951,374
Interest	-	-	442	1,219,869
Fees and expenditures	-	-	-	485
Capital outlay	1,936,374	-	3,684,669	3,720,019
Total expenditures	1,936,374	-	3,685,111	10,244,298
Excess (deficiency) of revenues over (under) expenditures	(52,210)	24,576	2,095,282	(565,549)
Other financing sources (uses)				
Transfers from other funds	6,655,000	145,560	6,800,560	10,466,506
Transfers to other funds	-	-	-	(17,000)
Total other financing sources (uses)	6,655,000	145,560	6,800,560	10,449,506
Net change in fund balances	6,602,790	170,136	8,895,842	9,883,957
Fund balances, beginning	680,840	567,179	3,556,777	5,312,613
Fund balances, ending	7,283,630	737,315	12,452,619	15,196,570

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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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 385,477	385,477	432,389	46,912
Charges for services	4,200	-	41,521	41,521
Special assessments, property owners	-	11,311	14,310	2,999
Total revenues	<u>389,677</u>	<u>396,788</u>	<u>488,220</u>	<u>91,432</u>
Expenditures				
Economic Environment				
Personnel services	164,160	164,160	169,351	(5,191)
Operating expenditures	25,583	25,583	12,451	13,132
Public assistance	199,934	655,284	263,033	392,251
Total expenditures	<u>389,677</u>	<u>845,027</u>	<u>444,835</u>	<u>400,192</u>
Net change in fund balance	-	(448,239)	43,385	491,624
Fund balance, October 1, 2016	<u>37,598</u>	<u>37,598</u>	<u>37,598</u>	-
Fund balance, September 30, 2017	<u>\$ 37,598</u>	<u>(410,641)</u>	<u>80,983</u>	<u>491,624</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
CENTRAL COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 457,540	429,399	429,399	-
Interest and investment earnings	500	500	791	291
Rents	186,389	186,389	199,668	13,279
Miscellaneous	-	-	92,239	92,239
Total revenues	<u>644,429</u>	<u>616,288</u>	<u>722,097</u>	<u>105,809</u>
Expenditures				
Economic Environment				
Operating expenditures	1,189,779	1,137,641	948,482	189,159
Capital outlay	100,000	100,000	-	100,000
Total expenditures	<u>1,289,779</u>	<u>1,237,641</u>	<u>948,482</u>	<u>289,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(645,350)</u>	<u>(621,353)</u>	<u>(226,385)</u>	<u>394,968</u>
Other financing sources (uses)				
Transfers from other funds	420,270	396,273	396,273	-
Total other financing sources (uses)	<u>420,270</u>	<u>396,273</u>	<u>396,273</u>	-
Net change in fund balance	(225,080)	(225,080)	169,888	394,968
Fund balance, October 1, 2016	<u>(309,671)</u>	<u>(309,671)</u>	<u>(309,671)</u>	-
Fund balance, September 30, 2017	<u>\$ (534,751)</u>	<u>(534,751)</u>	<u>(139,783)</u>	<u>394,968</u>

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CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
BRADENTON COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 1,280,733	1,280,733	1,269,533	(11,200)
Interest and investment earnings	4,600	4,600	7,239	2,639
Total revenues	1,285,333	1,285,333	1,276,772	(8,561)
Expenditures				
Economic Environment				
Operating expenditures	3,979,762	3,979,762	1,819,165	2,160,597
Total expenditures	3,979,762	3,979,762	1,819,165	2,160,597
Excess (deficiency) of revenues over (under) expenditures	(2,694,429)	(2,694,429)	(542,393)	2,152,036
Other financing sources (uses)				
Transfers from other funds	1,176,409	1,176,409	1,167,101	(9,308)
Transfers to other funds	-	-	(17,000)	(17,000)
Total other financing sources (uses)	1,176,409	1,176,409	1,150,101	(26,308)
Net change in fund balance	(1,518,020)	(1,518,020)	607,708	2,125,728
Fund balance, October 1, 2016	1,603,921	1,603,921	1,603,921	-
Fund balance, September 30, 2017	\$ 85,901	85,901	2,211,629	2,125,728

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
14TH STREET COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 212,423	212,423	210,630	(1,793)
Interest and investment earnings	800	800	1,447	647
Total revenues	213,223	213,223	212,077	(1,146)
Expenditures				
Economic Environment				
Operating expenditures	624,444	624,444	538,284	86,160
Capital outlay	76,800	76,800	20,000	56,800
Total expenditures	701,244	701,244	558,284	142,960
Excess (deficiency) of revenues over (under) expenditures	(488,021)	(488,021)	(346,207)	141,814
Other financing sources (uses)				
Transfers from other funds	195,121	195,121	211,312	16,191
Total other financing sources (uses)	195,121	195,121	211,312	16,191
Net change in fund balance	(292,900)	(292,900)	(134,895)	158,005
Fund balance, October 1, 2016	286,640	286,640	286,640	-
Fund balance, September 30, 2017	\$ (6,260)	(6,260)	151,745	158,005

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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Fines and forfeitures	\$ 9,205	9,205	6,822	(2,383)
Total revenues	9,205	9,205	6,822	(2,383)
Expenditures				
Public Safety				
Operating expenditures	9,205	9,205	2,202	7,003
Total expenditures	9,205	9,205	2,202	7,003
Net change in fund balance	-	-	4,620	4,620
Fund balance, October 1, 2016	55,506	55,506	55,506	-
Fund balance, September 30, 2017	\$ 55,506	55,506	60,126	4,620

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
TWIN DOLPHIN MARINA GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 400,000	400,000	-	(400,000)
Miscellaneous	-	-	35,350	35,350
Total revenues	400,000	400,000	35,350	(364,650)
Expenditures				
Culture and Recreation				
Operating expenditures	400,000	400,000	35,350	364,650
Total expenditures	400,000	400,000	35,350	364,650
Net change in fund balance	-	-	-	-
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	\$ -	-	-	-

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CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
POLICE EXPLORERS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Miscellaneous	\$ -	2,338	2,338	-
Total revenues	<u>-</u>	<u>2,338</u>	<u>2,338</u>	<u>-</u>
Expenditures				
Public Safety				
Operating expenditures	-	3,509	3,509	-
Reserve for contingencies	-	2,111	-	2,111
Total expenditures	<u>-</u>	<u>5,620</u>	<u>3,509</u>	<u>2,111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,282)</u>	<u>(1,171)</u>	<u>2,111</u>
Other financing sources (uses)				
Transfers from other funds	-	3,282	3,281	(1)
Total other financing sources (uses)	<u>-</u>	<u>3,282</u>	<u>3,281</u>	<u>(1)</u>
Net change in fund balance	-	-	2,110	2,110
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	<u>\$ -</u>	<u>-</u>	<u>2,110</u>	<u>2,110</u>

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
POLICE FEDERAL FORFEITURE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Miscellaneous	\$ -	141,128	141,128	-
Total revenues	<u>-</u>	<u>141,128</u>	<u>141,128</u>	<u>-</u>
Expenditures				
Public Safety				
Operating expenditures	-	62,262	62,261	1
Reserve for contingencies	-	177,367	-	177,367
Total expenditures	<u>-</u>	<u>239,629</u>	<u>62,261</u>	<u>177,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(98,501)</u>	<u>78,867</u>	<u>177,368</u>
Other financing sources (uses)				
Transfers from other funds	-	98,501	98,501	-
Total other financing sources (uses)	<u>-</u>	<u>98,501</u>	<u>98,501</u>	<u>-</u>
Net change in fund balance	-	-	177,368	177,368
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	<u>\$ -</u>	<u>-</u>	<u>177,368</u>	<u>177,368</u>

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CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
STATE FORFEITURE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Miscellaneous	\$ -	43,699	43,699	-
Total revenues	-	43,699	43,699	-
Expenditures				
Public Safety				
Operating expenditures	-	2	2	-
Reserve for contingencies	-	89,343	-	89,343
Total expenditures	-	89,345	2	89,343
Excess (deficiency) of revenues over (under) expenditures	-	(45,646)	43,697	89,343
Other financing sources (uses)				
Transfers from other funds	-	45,646	45,646	-
Total other financing sources (uses)	-	45,646	45,646	-
Net change in fund balance	-	-	89,343	89,343
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	\$ -	-	89,343	89,343

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
ABANDONED PROPERTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Miscellaneous	\$ -	25,798	25,797	(1)
Total revenues	-	25,798	25,797	(1)
Expenditures				
Public Safety				
Operating expenditures	-	17,093	17,093	-
Reserve for contingencies	-	52,351	-	52,351
Total expenditures	-	69,444	17,093	52,351
Excess (deficiency) of revenues over (under) expenditures	-	(43,646)	8,704	52,350
Other financing sources (uses)				
Transfers from other funds	-	43,646	43,646	-
Total other financing sources (uses)	-	43,646	43,646	-
Net change in fund balance	-	-	52,350	52,350
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	\$ -	-	52,350	52,350

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CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
MISCELLANEOUS GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ -	144,013	43,421	(100,592)
Total revenues	-	144,013	43,421	(100,592)
Expenditures				
General Government				
Personnel services	-	5,202	2,808	2,394
Operating expenditures	-	138,811	40,613	98,198
Total expenditures	-	144,013	43,421	100,592
Net change in fund balance	-	-	-	-
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	\$ -	-	-	-

CITY OF BRADENTON, FLORIDA
SPECIAL REVENUE FUND
DISASTER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Expenditures				
General Government				
Personnel services	\$ -	388,861	388,860	1
Operating expenditures	-	226,533	226,533	-
Total expenditures	-	615,394	615,393	1
Excess (deficiency) of revenues over (under) expenditures	-	(615,394)	(615,393)	1
Other financing sources (uses)				
Transfers from other funds	-	615,394	615,393	(1)
Total other financing sources (uses)	-	615,394	615,393	(1)
Net change in fund balance	-	-	-	-
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	\$ -	-	-	-

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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 1,591	1,591	631	(960)
Total revenues	<u>1,591</u>	<u>1,591</u>	<u>631</u>	<u>(960)</u>
Expenditures				
Loan principal repayments	417,303	417,303	417,302	1
Interest on bonds	81,484	81,484	80,506	978
Total expenditures	<u>498,787</u>	<u>498,787</u>	<u>497,808</u>	<u>979</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(497,196)</u>	<u>(497,196)</u>	<u>(497,177)</u>	<u>19</u>
Other financing sources (uses)				
Transfers from other funds	497,196	497,196	497,196	-
Total other financing sources (uses)	<u>497,196</u>	<u>497,196</u>	<u>497,196</u>	<u>-</u>
Net change in fund balance	-	-	19	19
Fund balance, October 1, 2016	70,064	70,064	70,064	-
Fund balance, September 30, 2017	<u>\$ 70,064</u>	<u>70,064</u>	<u>70,083</u>	<u>19</u>

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CITY OF BRADENTON, FLORIDA
DEBT SERVICE FUND
FLORIDA MUNICIPAL LOAN 2012 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ -	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Loan principal repayments	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, October 1, 2016	-	-	1,950	1,950
Fund balance, September 30, 2017	<u>\$ -</u>	<u>-</u>	<u>1,950</u>	<u>1,950</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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 400,000	400,000	400,000	-
Total revenues	400,000	400,000	400,000	-
Expenditures				
Loan principal repayments	313,289	313,289	313,289	-
Interest on bonds	190,908	190,908	190,908	-
Total expenditures	504,197	504,197	504,197	-
Excess (deficiency) of revenues over (under) expenditures	(104,197)	(104,197)	(104,197)	-
Other financing sources (uses)				
Transfers from other funds	104,197	104,197	104,197	-
Total other financing sources (uses)	104,197	104,197	104,197	-
Net change in fund balance	-	-	-	-
Fund balance, October 1, 2016	739	739	739	-
Fund balance, September 30, 2017	\$ 739	739	739	-

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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 500,000	500,000	500,004	4
Miscellaneous	34,300	34,300	-	(34,300)
Total revenues	534,300	534,300	500,004	(34,296)
Expenditures				
Loan principal repayments	455,000	455,000	455,000	-
Interest on bonds	551,700	551,700	551,700	-
Fees and expenditures	11,000	11,000	485	10,515
Total expenditures	1,017,700	1,017,700	1,007,185	10,515
Excess (deficiency) of revenues over (under) expenditures	(483,400)	(483,400)	(507,181)	(23,781)
Other financing sources (uses)				
Transfers from other funds	483,400	483,400	483,400	-
Total other financing sources (uses)	483,400	483,400	483,400	-
Net change in fund balance	-	-	(23,781)	(23,781)
Fund balance, October 1, 2016	9,089	9,089	9,089	-
Fund balance, September 30, 2017	\$ 9,089	9,089	(14,692)	(23,781)

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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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ -	2,200,000	2,803,174	603,174
Interest and investment earnings	-	-	(3,829)	(3,829)
Total revenues	<u>-</u>	<u>2,200,000</u>	<u>2,799,345</u>	<u>599,345</u>
Expenditures				
Capital outlay	-	2,200,000	1,663,642	536,358
Total expenditures	<u>-</u>	<u>2,200,000</u>	<u>1,663,642</u>	<u>536,358</u>
Net change in fund balance	-	-	1,135,703	1,135,703
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	<u>\$ -</u>	<u>-</u>	<u>1,135,703</u>	<u>1,135,703</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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Impact Fees	\$ 135,000	135,000	737,403	602,403
Interest and investment earnings	3,851	3,851	14,181	10,330
Total revenues	<u>138,851</u>	<u>138,851</u>	<u>751,584</u>	<u>612,733</u>
Expenditures				
Reserve for contingencies	113,851	113,851	-	113,851
Capital outlay	25,000	25,000	23,070	1,930
Total expenditures	<u>138,851</u>	<u>138,851</u>	<u>23,070</u>	<u>115,781</u>
Net change in fund balance	-	-	728,514	728,514
Fund balance, October 1, 2016	1,141,780	1,141,780	1,141,780	-
Fund balance, September 30, 2017	<u>\$ 1,141,780</u>	<u>1,141,780</u>	<u>1,870,294</u>	<u>728,514</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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Impact Fees	\$ 75,000	75,000	84,830	9,830
Interest and investment earnings	5,683	5,683	(12)	(5,695)
Total revenues	<u>80,683</u>	<u>80,683</u>	<u>84,818</u>	<u>4,135</u>
Expenditures				
Reserve for contingencies	80,683	17,888	-	17,888
Capital outlay	-	62,795	61,583	1,212
Total expenditures	<u>80,683</u>	<u>80,683</u>	<u>61,583</u>	<u>19,100</u>
Net change in fund balance	-	-	23,235	23,235
Fund balance, October 1, 2016	215,356	215,356	215,356	-
Fund balance, September 30, 2017	<u>\$ 215,356</u>	<u>215,356</u>	<u>238,591</u>	<u>23,235</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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Impact Fees	\$ 55,000	55,000	93,453	38,453
Interest and investment earnings	1,487	1,487	83	(1,404)
Total revenues	<u>56,487</u>	<u>56,487</u>	<u>93,536</u>	<u>37,049</u>
Expenditures				
Reserve for contingencies	56,487	6,487	-	6,487
Capital outlay	-	50,000	-	50,000
Total expenditures	<u>56,487</u>	<u>56,487</u>	<u>-</u>	<u>56,487</u>
Net change in fund balance	-	-	93,536	93,536
Fund balance, October 1, 2016	475,323	475,323	475,323	-
Fund balance, September 30, 2017	<u>\$ 475,323</u>	<u>475,323</u>	<u>568,859</u>	<u>93,536</u>

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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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Impact Fees	\$ 85,000	85,000	86,043	1,043
Interest and investment earnings	174	174	229	55
Total revenues	<u>85,174</u>	<u>85,174</u>	<u>86,272</u>	<u>1,098</u>
Expenditures				
Reserve for contingencies	85,174	85,174	-	85,174
Total expenditures	<u>85,174</u>	<u>85,174</u>	<u>-</u>	<u>85,174</u>
Net change in fund balance	-	-	86,272	86,272
Fund balance, October 1, 2016	323,723	323,723	323,723	-
Fund balance, September 30, 2017	<u>\$ 323,723</u>	<u>323,723</u>	<u>409,995</u>	<u>86,272</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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Impact Fees	\$ 75,000	75,000	54,001	(20,999)
Interest and investment earnings	144	144	2,097	1,953
Total revenues	<u>75,144</u>	<u>75,144</u>	<u>56,098</u>	<u>(19,046)</u>
Expenditures				
Reserve for contingencies	75,144	74,702	-	74,702
Interest	-	442	442	-
Total expenditures	<u>75,144</u>	<u>75,144</u>	<u>442</u>	<u>74,702</u>
Net change in fund balance	-	-	55,656	55,656
Fund balance, October 1, 2016	152,576	152,576	152,576	-
Fund balance, September 30, 2017	<u>\$ 152,576</u>	<u>152,576</u>	<u>208,232</u>	<u>55,656</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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental grants	\$ 1,750,000	1,750,000	1,834,105	84,105
Interest and investment earnings	393	393	50,059	49,666
Total revenues	<u>1,750,393</u>	<u>1,750,393</u>	<u>1,884,164</u>	<u>133,771</u>
Expenditures				
Reserve for contingencies	393	393	-	393
Capital outlay	8,405,000	8,625,000	1,936,374	6,688,626
Total expenditures	<u>8,405,393</u>	<u>8,625,393</u>	<u>1,936,374</u>	<u>6,689,019</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,655,000)</u>	<u>(6,875,000)</u>	<u>(52,210)</u>	<u>6,822,790</u>
Other financing sources (uses)				
Transfers from other funds	6,655,000	6,655,000	6,655,000	-
Total other financing sources (uses)	<u>6,655,000</u>	<u>6,655,000</u>	<u>6,655,000</u>	<u>-</u>
Net change in fund balance	-	(220,000)	6,602,790	6,822,790
Fund balance, October 1, 2016	680,840	680,840	680,840	-
Fund balance, September 30, 2017	<u>\$ 680,840</u>	<u>460,840</u>	<u>7,283,630</u>	<u>6,822,790</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, 2017

	Budgeted Amount		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Interest and investment earnings	\$ 4,300	4,300	24,576	20,276
Total revenues	<u>4,300</u>	<u>4,300</u>	<u>24,576</u>	<u>20,276</u>
Expenditures				
Reserve for contingencies	149,860	149,860	-	149,860
Total expenditures	<u>149,860</u>	<u>149,860</u>	<u>-</u>	<u>149,860</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(145,560)</u>	<u>(145,560)</u>	<u>24,576</u>	<u>170,136</u>
Other financing sources (uses)				
Transfers from other funds	145,560	145,560	145,560	-
Total other financing sources (uses)	<u>145,560</u>	<u>145,560</u>	<u>145,560</u>	<u>-</u>
Net change in fund balance	-	-	170,136	170,136
Fund balance, October 1, 2016	567,179	567,179	567,179	-
Fund balance, September 30, 2017	<u>\$ 567,179</u>	<u>567,179</u>	<u>737,315</u>	<u>170,136</u>

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Internal Service Funds

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

Property Insurance Fund

To account for insurance of properties for all City departments.

Medical Self-Insurance Program Fund

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

Workers' Compensation Self-Insurance Program Fund

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

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2017

	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Property Insurance	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 5,009,513	10,405,981	2,037,255	17,452,749
Due from other governments	32,421	21,290	2,915	56,626
Prepaid items	115,780	-	-	115,780
Total current assets	\$ 5,157,714	10,427,271	2,040,170	17,625,155
Liabilities				
Current liabilities				
Accounts payable	\$ 1,847	21,699	150	23,696
Unearned revenues	103,499	-	-	103,499
Estimated payable for outstanding claims	51,600	75,525	-	127,125
Total current liabilities	156,946	97,224	150	254,320
Noncurrent liabilities				
Estimated payable for outstanding claims	464,400	679,728	-	1,144,128
Total liabilities	621,346	776,952	150	1,398,448
Net position				
Unrestricted	4,536,368	9,650,319	2,040,020	16,226,707
Total liabilities and net position	\$ 5,157,714	10,427,271	2,040,170	17,625,155

CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2017

	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Property Insurance	Total
Operating revenues				
Charges for services	\$ 6,751,755	1,346,027	1,224,222	9,322,004
Operating expenses				
Contractual services	1,023,475	39,606	-	1,063,081
Supplies and materials	698,094	136,709	985,422	1,820,225
Claims	4,554,489	881,287	270,360	5,706,136
Total operating expenses	6,276,058	1,057,602	1,255,782	8,589,442
Operating income	475,697	288,425	(31,560)	732,562
Non-operating revenues				
Interest and investment earnings	240	-	(1,655)	(1,415)
Total non-operating revenues	240	-	(1,655)	(1,415)
Change in net position	475,937	288,425	(33,215)	731,147
Total net position, beginning	4,060,431	9,361,894	2,073,235	15,495,560
Total net position, ending	\$ 4,536,368	9,650,319	2,040,020	16,226,707

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CITY OF BRADENTON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2017

	Medical Self-Insurance Program	Workers' Compensation Self-Insurance Program	Property Insurance	Total
Cash flows from operating activities				
Receipts from charges for services	\$ 6,718,582	1,325,879	1,221,307	9,265,768
Payments to suppliers	(1,721,569)	(171,990)	(1,004,247)	(2,897,806)
Payments for employees	(4,574,802)	(818,686)	(270,360)	(5,663,848)
Net cash provided by (used in) operating activities	422,211	335,203	(53,300)	704,114
Cash flows from investing activities				
Interest and investment earnings received	240	-	(1,655)	(1,415)
Net change in cash and equivalents	422,451	335,203	(54,955)	702,699
Cash and cash equivalents, October 1, 2016	4,587,062	10,070,778	2,092,210	16,750,050
Cash and cash equivalents, September 30, 2017	\$ 5,009,513	10,405,981	2,037,255	17,452,749
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 475,697	288,425	(31,560)	732,562
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	(32,421)	(21,290)	(2,915)	(56,626)
Due from insurance	104	1,142	-	1,246
Prepaid items	(21,351)	-	-	(21,351)
Increase (decrease):				
Unearned revenues	(856)	-	-	(856)
Accounts payable	1,038	4,325	(18,825)	(13,462)
Claims payable	-	62,601	-	62,601
Total adjustments	(53,486)	46,778	(21,740)	(28,448)
Net cash provided (used) by operating activities	\$ 422,211	335,203	(53,300)	704,114

Fiduciary Funds

Trust Funds

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

Pension Trust Funds

Firefighters' Pension Fund

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

Police Officers' Pension Fund

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

**CITY OF BRADENTON, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2017**

	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
Assets			
Due from state	\$ 434,811	-	434,811
Due from city	85,509	-	85,509
Due from plan members	23,726	-	23,726
Interest receivable	78,732	32,000	110,732
Investments, at fair value			
U.S. Government obligations	3,053,182	3,068,900	6,122,082
Domestic corporate bonds	4,850,797	6,616,710	11,467,507
Convertible preferred stock	-	957,734	957,734
Convertible bonds	-	4,531,474	4,531,474
Foreign stock	4,583,898	1,249,353	5,833,251
Municipal obligations	573,178	-	573,178
Domestic stocks	29,894,051	16,868,752	46,762,803
Master limited partnerships	-	3,204,346	3,204,346
Mortgage backed	1,749,670	8,691,443	10,441,113
Collateralized mortgage backed	-	322,110	322,110
Mutual funds	-	17,637,799	17,637,799
Real estate investment trust	7,216,893	6,741,877	13,958,770
Money market fund	958,682	1,531,592	2,490,274
Total investments	52,880,351	71,422,090	124,302,441
Total assets	53,503,129	71,454,090	124,957,219
Liabilities			
Accounts payable	44,602	23,804	68,406
Benefits payable	346,523	-	346,523
Due to brokers	-	24,484	24,484
Total liabilities	391,125	48,288	439,413
Net Position			
Restricted for pension benefits	\$ 53,112,004	71,405,802	124,517,806

CITY OF BRADENTON, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the Fiscal Year Ended September 30, 2017

Statistical Section

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

Contents	Page
Financial Trends	155
<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	161
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	167
<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	173
<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	175
<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).

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	Pension Trust Funds		Totals
	Firefighters' Pension Fund	Police Officers' Pension Fund	
Additions			
Contributions			
Employer	\$ 1,737,199	1,950,287	3,687,486
Plan members	492,278	654,627	1,146,905
State of Florida	434,856	508,684	943,540
Total contributions	<u>2,664,333</u>	<u>3,113,598</u>	<u>5,777,931</u>
Investment earnings			
Interest and dividends	1,061,554	1,877,873	2,939,427
Miscellaneous	2,569	-	2,569
Net (decrease) increase in fair value	<u>5,312,943</u>	<u>4,619,404</u>	<u>9,932,347</u>
Total investment earnings	<u>6,377,066</u>	<u>6,497,277</u>	<u>12,874,343</u>
Less investment expenses	<u>(156,663)</u>	<u>-</u>	<u>(156,663)</u>
Net investment earnings	<u>6,220,403</u>	<u>6,497,277</u>	<u>12,717,680</u>
Total additions, net	<u>8,884,736</u>	<u>9,610,875</u>	<u>18,495,611</u>
Deductions			
Benefits	2,901,162	3,086,812	5,987,974
Administrative expenses	122,192	422,439	544,631
Total deductions	<u>3,023,354</u>	<u>3,509,251</u>	<u>6,532,605</u>
Change in net position	5,861,382	6,101,624	11,963,006
Net position, beginning	<u>47,250,622</u>	<u>65,304,178</u>	<u>112,554,800</u>
Net position, ending	<u>\$ 53,112,004</u>	<u>71,405,802</u>	<u>124,517,806</u>

(Continued)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 14,449,476	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
Utility taxes	3,614,330	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
Franchise fees	3,408,379	3,458,060	3,109,552	3,098,917	2,962,576	2,913,539	3,134,768	3,234,235	3,170,292	3,210,406
Public service taxes	2,866,892	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
Impact fees	-	-	34,933	-	-	-	-	-	-	-
Half-cent sales taxes	3,452,928	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
Infrastructure sales tax	-	-	-	-	-	-	-	-	-	2,803,174
Local business taxes	-	-	-	-	-	-	-	222,589	214,175	199,607
Other taxes	422,857	655,991	497,245	519,064	366,602	400,000	400,000	400,000	500,000	-
State revenue sharing	1,852,696	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
Unrestricted investment earnings	1,308,264	3,540,262	2,208,876	1,018,973	1,554,589	(149,611)	791,282	496,966	1,422,606	194,585
Repayment of loan - CCRA	-	-	33,335	66,671	-	-	-	-	-	-
Gain on sale of capital assets	343,608	1,072,623	6,160	46,060	-	-	-	56,444	44,825	577,775
Miscellaneous	-	-	-	-	-	-	-	245,494	209,526	385,872
Transfers	(15,936)	(25,000)	184,846	514,675	348,147	365,493	360,141	548,709	588,431	586,382
Total governmental activities	31,703,494	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
Business-type activities										
Investment earnings	609,869	818,055	618,876	459,777	657,081	43,982	492,155	362,362	934,389	246,972
Gain (Loss) on sale of capital assets	12,932	3,655	13,512	15,327	-	-	26,283	2,389	127,678	(32,243)
Miscellaneous	-	-	-	-	-	-	-	-	-	136,286
Transfers	15,936	25,000	(184,846)	(514,675)	(348,147)	(365,493)	(360,141)	(548,709)	(588,431)	(586,382)
Total business-type activities	638,737	846,710	447,542	(39,571)	308,934	(321,511)	158,297	(183,958)	473,636	(235,267)
Total primary government	\$ 32,342,231	34,716,117	30,289,823	29,342,522	29,409,905	27,402,069	30,912,426	34,219,680	39,203,425	42,245,443
Change in Net Position										
Governmental activities	\$ (833,410)	(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
Business-type activities	1,194,975	503,531	613,527	2,722,576	5,634,114	5,339,673	5,206,194	6,952,513	5,958,599	4,816,718
Total primary government	\$ 361,565	(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

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.

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

	Fiscal Year ⁽¹⁾		
	2008	2009	2010
General fund			
Reserved	\$ 839,764	569,585	546,807
Unreserved	17,869,835	19,753,036	17,979,801
Total General Fund	\$ 18,709,599	20,322,621	18,526,608
All other governmental funds			
Reserved	\$ 5,839,417	6,608,900	6,009,228
Unreserved, reported in			
Special revenue funds	17,587,349	16,350,074	16,563,777
Debt service funds	1,989,717	1,529,898	1,494,961
Capital projects funds	40,345	674,607	-
Total all other governmental funds	\$ 25,456,828	25,163,479	24,067,966

Notes:

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

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

Fiscal Year	Property Tax	Utility Tax	Communication Service Tax	Half-Cent Sales Tax	Infrastructure Sales Tax	Total
2008	\$ 14,449,476	3,614,330	2,866,892	3,452,928	-	24,383,626
2009	14,182,819	3,674,959	2,634,733	3,065,377	-	23,557,888
2010	12,722,890	3,864,722	2,529,202	3,034,041	-	22,150,855
2011	12,853,772	3,926,752	2,472,542	3,245,371	-	22,498,437
2012	12,970,233	3,932,368	2,461,325	3,126,907	-	22,490,833
2013	12,857,121	4,190,724	2,439,049	3,332,475	-	22,819,369
2014	14,153,418	4,591,870	2,241,335	3,600,966	-	24,587,589
2015	15,111,509	4,718,156	2,066,854	3,770,933	-	25,667,452
2016	18,082,391	4,848,812	2,001,095	3,948,602	-	28,880,900
2017	19,543,611	4,915,542	1,981,454	4,099,926	2,803,174	33,343,707

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)

Fiscal Year	Property Tax	Tourist Development Tax	Ninth Cent Gas Tax	Five-Cent Gas Tax	Four-Cent Gas Tax	Two-Cent Gas Tax	Utility Tax	Communication Service Tax	Half-Cent Sales Tax	Infrastructure Sales Tax	Total
2008	\$ 14,449,476	263,610	282,212	522,542	528,430	239,664	3,614,330	2,866,892	3,452,928	-	26,220,084
2009	14,182,819	255,531	264,364	532,067	500,555	227,021	3,674,959	2,634,733	3,065,377	-	25,337,426
2010	12,722,890	269,361	268,022	522,278	525,192	238,195	3,864,722	2,529,202	3,034,041	-	23,973,903
2011	12,853,772	289,237	265,138	523,860	522,465	236,959	3,926,752	2,472,542	3,245,371	-	24,336,096
2012	12,970,233	366,602	241,460	524,300	375,499	236,965	3,932,368	2,461,325	3,126,907	-	24,235,659
2013	12,857,121	400,000	261,127	517,723	360,776	235,164	4,190,724	2,439,049	3,332,475	-	24,594,159
2014	14,153,418	400,000	244,685	550,621	447,324	237,719	4,591,870	2,241,335	3,600,966	-	26,467,938
2015	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
2016	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
2017	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

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

Fiscal Year	Real Property	Personal Property	Centrally Assessed	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2008	\$ 4,400,363,084	334,236,652	421,725	(684,559,927)	4,050,461,534	4.1134	5,419,581,388	82.34%
2009	4,029,617,425	365,563,886	427,546	(942,525,097)	3,453,083,760	4.2843	5,338,133,954	80.89%
2010	3,486,297,604	368,980,353	427,080	(910,893,012)	2,944,812,025	4.2843	4,766,598,049	75.51%
2011	3,210,891,376	356,363,905	396,212	(874,956,035)	2,692,695,458	4.9452	3,567,651,493	75.51%
2012	3,054,389,054	326,685,423	434,387	(828,217,894)	2,553,290,970	5.2002	3,381,508,864	75.30%
2013	2,904,553,317	321,276,532	441,707	(765,296,847)	2,460,974,709	5.4356	3,226,271,556	76.28%
2014	2,922,921,458	316,675,346	459,950	(761,038,444)	2,479,018,310	5.8976	3,240,056,754	76.51%
2015	3,107,639,781	334,602,216	473,540	(809,076,526)	2,633,639,011	5.8976	3,442,715,537	76.50%
2016	3,348,946,878	326,590,073	475,623	(823,553,423)	2,852,459,151	5.8976	3,676,012,574	77.60%
2017	3,623,838,089	308,779,049	501,015	(847,792,759)	3,085,325,394	5.8976	3,933,118,153	78.44%

Source: Manatee County Property Appraiser

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

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

Fiscal Year	City of Bradenton			Manatee County			Overlapping Rates			Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	
2008	4.1134	-	4.1134	6.2993	0.0956	6.3949	7.6660	-	7.6660	18.1743
2009	4.2843	-	4.2843	6.2993	0.1090	6.4083	7.3720	-	7.3720	18.0646
2010	4.2843	-	4.2843	6.2993	0.1254	6.4247	7.5410	-	7.5410	18.2500
2011	4.9452	-	4.9452	6.2993	0.1303	6.4296	7.5910	-	7.5910	18.9658
2012	5.2002	-	5.2002	6.2993	0.1303	6.4296	7.5890	-	7.5890	19.2188
2013	5.4356	-	5.4356	6.2993	0.1303	6.4296	7.5720	-	7.5720	19.4372
2014	5.8976	-	5.8976	6.2993	0.1303	6.4296	7.5933	-	7.5933	19.9205
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

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	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Tropicana Products, Inc.	\$ 116,914,656	1	3.79%	\$ 74,746,480	3	2.16%
Manatee Memorial Hospital LP	80,810,038	2	2.62%	80,246,616	2	2.32%
HCA Health Services of Florida	52,532,682	3	1.70%	72,058,927	4	2.16%
Florida Power & Light	41,887,386	4	1.36%	28,789,415	8	0.83%
CCRC Propco (Freedom Village)	39,945,414	5	1.29%	27,685,120	9	0.80%
Carlton Arms of Bradenton	35,725,212	6	1.16%	26,942,948	10	0.78%
Bradenton Multifamily III DST	30,981,328	7	1.00%	-	-	-
Scott William Fitzpatrick	27,432,912	8	0.89%	-	-	-
BW Riversong LLC	26,271,523	9	0.85%	-	-	-
Minto Bradenton LLC	25,970,455	10	0.84%	-	-	-
Tropicana Manufacturing Company, Inc.	-	-	-	89,072,645	1	2.57%
Presbyterian Retirement Communities	-	-	-	31,177,626	6	0.90%
Verizon Florida	-	-	-	32,678,230	5	0.94%
WCI Communities, Inc	-	-	-	29,278,414	7	0.85%
TOTALS	\$ 478,471,606		15.50%	\$ 492,676,421		14.31%

⁽¹⁾ Percentage of total net assessed value is calculated using total net taxable assessed value on page 163

Source: Manatee County Property Appraiser's Office

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collection within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 15,206,445	14,387,727	94.6%	61,749	14,449,476	95.0%
2009	14,928,360	13,697,033	91.8%	419,268	14,116,301	94.6%
2010	13,392,221	12,683,700	94.7%	38,910	12,722,610	95.0%
2011	13,529,598	12,812,986	94.7%	40,706	12,853,692	95.0%
2012	13,277,624	12,937,796	97.4%	32,438	12,970,234	97.7%
2013	13,249,291	12,743,879	96.2%	24,661	12,768,540	96.4%
2014	14,467,802	14,015,568	96.9%	48,479	14,064,047	97.2%
2015	15,561,420	15,102,369	97.1%	9,140	15,111,509	97.1%
2016	16,760,394	16,261,180	97.0%	1,818	16,262,998	97.0%
2017	18,158,777	17,597,459	96.9%	36,590	17,634,049	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			
2008	\$ 1,792,025	25,090,668	166,592	2,340,000	557,975	16,217,211	105,044	46,269,515	2.085%	855.42
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

⁽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

Fiscal Year	General Bonds/Notes	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ⁽¹⁾ of Property	Per Capita ⁽²⁾
2008	\$ 26,882,693	2,268,938	24,613,755	0.4542%	455.05
2009	25,953,101	1,809,119	24,143,982	0.4523%	446.69
2010	24,977,264	1,774,182	23,203,082	0.4868%	430.72
2011	23,963,175	1,586,952	22,376,223	0.6272%	450.01
2012	29,470,537	69,030	29,401,507	0.8695%	583.49
2013	28,312,518	71,785	28,240,733	0.8753%	559.72
2014	27,075,380	73,904	27,001,476	0.8334%	528.21
2015	25,595,447	75,844	25,519,603	0.7413%	485.77
2016	31,977,880	81,842	31,896,038	0.8677%	593.18
2017	29,867,909	58,080	29,809,829	0.7579%	545.45

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

⁽²⁾ 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, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Manatee County	\$ 118,485,000	15.12%	17,914,932
Manatee County School Board	313,389,394	15.12%	47,384,476
Subtotal, overlapping debt			<u>65,299,408</u>
City of Bradenton direct debt	29,867,909	100.00%	<u>29,867,909</u>
Total direct and overlapping debt			<u>\$ 95,167,317</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.

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Total governmental funds	\$ 44,528	43,078	39,087	36,472	36,933	36,398	40,268	41,199	46,793	52,964
Less ad valorem revenues	14,449	14,182	12,723	12,854	12,970	12,857	14,153	15,112	18,082	19,544
Total non-ad valorem revenues	30,079	28,896	26,364	23,618	23,963	23,541	26,115	26,087	28,711	33,420
Less restricted funds:										
Special revenues ⁽²⁾	2,763	2,763	2,763	2,763	-	-	-	-	-	-
Adjusted non-ad valorem revenues	<u>\$ 27,316</u>	<u>26,133</u>	<u>23,601</u>	<u>20,855</u>	<u>23,963</u>	<u>23,541</u>	<u>26,115</u>	<u>26,087</u>	<u>28,711</u>	<u>33,420</u>
Expenditures										
General expenditures										
Public safety	\$ 20,894	20,155	20,822	20,587	21,302	21,696	22,491	22,066	23,349	24,335
General government	8,943	8,639	8,088	7,582	7,881	7,948	8,311	8,265	7,265	7,334
Total general expenditures	29,837	28,794	28,910	28,169	29,183	29,644	30,802	30,331	30,614	31,669
Less ad valorem revenues available to pay general expenditures	14,449	14,182	12,723	12,854	12,970	12,857	14,153	15,112	18,082	19,544
Adjusted general expenditures	15,388	14,612	16,187	15,315	16,213	16,787	16,649	15,219	12,532	12,125
Legally available non-ad valorem revenues	<u>\$ 11,928</u>	<u>11,521</u>	<u>7,414</u>	<u>5,540</u>	<u>7,750</u>	<u>6,754</u>	<u>9,466</u>	<u>10,868</u>	<u>16,179</u>	<u>21,295</u>
Average of current and prior year	\$ 12,494	11,725	9,468	6,477	6,562	7,169	8,110	10,167	13,524	18,737
Annual debt service requirement ⁽¹⁾	2,486	2,121	2,105	2,119	2,136	2,297	2,333	2,333	3,664	3,171
Coverage	4.80	5.43	3.52	2.61	3.63	2.94	4.06	4.66	4.42	6.72
Percentage of governmental funds	5.58%	4.92%	5.39%	5.81%	5.78%	6.31%	5.79%	5.66%	7.83%	5.99%

⁽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

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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.

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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	
2008	\$ 17,818,864	12,673,305	5,145,559	2,271,883	272,834	2.02
2009	18,684,199	14,349,381	4,334,818	2,402,364	284,804	1.61
2010	17,674,071	13,000,165	4,673,906	2,405,505	192,166	1.80
2011	19,023,763	12,772,791	6,250,972	2,494,266	97,882	2.41
2012	20,044,581	12,314,930	7,729,651	-	-	(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)

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.

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

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾ (in thousands)	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2008	54,090	2,219,096	41,026	7.6
2009	54,051	2,065,937	38,222	12.5
2010	53,871	2,141,749	39,757	12.6
2011	49,724	2,093,629	42,105	10.9
2012	50,389	2,170,607	43,077	9.0
2013	50,455	2,223,400	44,067	8.1
2014	51,119	2,283,128	44,663	6.1
2015	52,534	2,517,482	47,921	4.8
2016	53,771	2,696,024	50,139	4.7
2017	54,652	2,838,133	51,931	3.6

Sources:

- ⁽¹⁾ Bureau of Economic and Business Research
- ⁽²⁾ Personal income is a calculated amount based on population and per capita personal income
- ⁽³⁾ U.S. Bureau of Economic Analysis from 2005 to 2012, estimated for 2013 and 2014 @ 2.3%
- ⁽⁴⁾ Florida Department of Labor and Employment Security

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

Employer	2017			2008		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment	Employees ⁽¹⁾	Rank	Percentage of Total County Employment
Manatee County School District	5,695	1	3.35%	7,000	1	4.87%
Beall's, Inc	1,732	2	1.02%	1,550	4	1.08%
Manatee County Government	1,700	3	1.00%	1,950	2	1.36%
Manatee Memorial Hospital	1,200	4	0.71%	1,500	5	1.04%
Manatee Co. Sheriff's Dept.	1,142	5	0.67%	1,086	6	0.76%
Tropicana Products, Inc.	1,000	6	0.59%	1,600	3	1.11%
Publix	994	7	0.58%	-	-	-
Blake Medical Center	849	8	0.50%	1,050	7	0.73%
IMG Academies	700	9	0.41%	-	-	-
Feld Entertainment	600	10 (tie)	0.35%	-	-	-
Trinet	600	10 (tie)	0.35%	-	-	-
Hoveround	-	-	-	670	8	0.47%
City of Bradenton	-	-	-	550	9	0.38%
Gevity HR	-	-	-	500	10	0.35%
Total	16,212		9.53%	17,456		12.15%
Total number of individuals employed within Manatee County ⁽²⁾	169,935			143,704		

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 Government, and Manatee County Sheriff's Department
- ⁽²⁾ US Department of Labor, Bureau of Labor Statistics

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Full-time	107	102	87	90	94	92	92	98	99	97
Part-time	5	7	8	4	5	2	1	8	3	3
Public safety										
Police										
Officers	122	122	120	119	118	120	120	120	120	120
Civilians	28	30	25	29	30	30	30	30	33	28
Part-time civilians	28	12	26	26	26	26	26	18	15	21
Fire										
Firefighters and officers	70	70	65	64	65	65	65	65	65	63
Civilians	5	5	3	3	3	3	3	3	5	4
Part-time civilians	0	0	0	0	0	0	0	0	0	0
Highway and streets										
Engineering	7	7	8	8	8	8	8	10	12	12
Part-time engineering	0	0	0	1	1	1	1	0	0	1
Maintenance	17	16	13	13	13	13	13	13	12	11
Sanitation	55	55	55	52	52	52	52	52	44	44
Culture and recreation										
Full-time	42	39	36	35	31	31	31	30	28	29
Part-time	35	32	32	32	32	32	32	28	17	13
Water										
Full-time	39	41	41	41	40	40	40	36	33	43
Sewer	50	50	47	47	50	50	50	49	45	34
Total										
Full-time	542	537	500	501	504	504	504	506	496	485
Part-time	68	51	66	63	64	61	60	54	35	38

Source: City of Bradenton personnel records

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Total arrests	2,720	2,834	2,576	2,424	2,137	2,229	2,351	2,895	3,104	3,157
Parking violations	11,229	9,073	7,294	7,988	4,320	4,615	4,316	4,294	5,502	4,946
Traffic citations	11,535	10,247	7,050	7,586	4,881	5,009	6,401	11,193	12,448	4,116
Fire										
Number of calls answered	4,594	4,543	4,360	4,133	4,423	4,225	4,500	4,949	5,282	5,841
Inspections	1,232	1,243	1,876	1,995	1,670	1,444	1,433	2,677	3,531	3,134
Highways and streets										
Street resurfacing (miles)	2.400	2.500	10.450	3.160	3.778	1.356	2.760	9.000	9.000	11.400
Potholes repaired	3,065	3,181	2,351	2,192	1,743	1,419	1,612	1,750	1,574	945
Sanitation										
Refuse collected (tons/day)	183.20	168.09	165.70	208.28	244.12	236.66	240.95	246.10	227.23	233.09
Recyclables collected (tons/day)	6.80	6.70	37.67	6.90	7.69	8.11	7.83	7.68	7.04	7.78
Water										
New connections	133	191	149	101	132	133	156	165	170	169
Water mains breaks	184	152	239	177	142	178	212	216	192	370
Average daily consumption (millions of gallons)	4.84	4.91	5.01	5.12	5.49	5.89	5.74	5.80	5.56	5.72
Wastewater										
Average daily sewage treatment (millions of gallons)	5.26	4.96	5.07	5.00	5.39	5.52	5.70	6.28	6.42	6.58

Source: Various City of Bradenton Departments

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	126	120	115	119	125	123	119	122	122	129
Fire stations	3	3	3	3	3	3	3	3	3	3
Sanitation										
Collection trucks	19	19	19	15	16	16	16	16	16	16
Highways and streets										
Streets (miles)	149.00	149.00	149.00	154.69	154.58	155.16	155.16	193.00	193.00	194.37
Streetlights	3,867	3,882	3,882	4,247	4,247	4,317	4,338	4,338	4,341	4,394
Traffic signals	352	352	352	352	352	364	412	412	412	412
Culture and recreation										
Parks acreage	167.70	167.70	167.70	193.29	193.29	193.29	193.29	193.29	193.29	187.09
Parks	10	10	10	10	11	11	10	10	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	254.00	254.70	255.74	255.74	257.50	259.30
Fire hydrants	1,788	1,835	1,858	1,860	1,876	1,880	1,905	1,900	1,952	1,973
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	200.00	175.50	175.50	176.10	177.05	201.90	203.58	205.00
Storm sewers (miles)	108.00	108.00	108.00	106.40	106.40	107.10	107.08	149.60	150.61	151.00
Maximum daily capacity (millions of gallons)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9	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, and 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, 2017, 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 22, 2018.

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 22, 2018 Bradenton, Florida

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

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

Report on Compliance for Each Major State Project

We have audited the City of Bradenton, Florida's (City) compliance with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of the City's major State projects for the year ended September 30, 2017. The City's major 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 State statutes, regulations, and the terms and conditions of its State projects applicable to its State projects.

Auditor's Responsibility

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

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

Opinion on Each Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2017.

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 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 State project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Christopher, Smith, Leonard,
Bristow & Stannell, P.A.

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

March 22, 2018
Bradenton, Florida

CITY OF BRADENTON, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROJECTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

State Projects

Internal Control over major projects:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Type of auditor's report issued on compliance for major projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557 yes x no

Identification of Major State Projects:

Local Economic Development Initiatives	40.012
Facilities for Retained Spring Training Franchises	73.016
Dollar threshold used to distinguish between Type A and Type B programs:	<u> \$300,000 </u>

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CITY OF BRADENTON, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROJECTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

Section II - Financial Statement Findings

No matters were reported.

PRIOR YEAR FINDINGS

There were no prior audit findings.

Section III - State Project Award 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 state projects.



CITY OF BRADENTON, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2017

MANAGEMENT LETTER

State Grantor/Pass-Through Grantor/Project <u>State Financial Assistance</u>	CSFA Number	Pass-Through Entity Identifying Number	Expenditure
Florida Housing Finance Agency State Housing Initiatives Partnership Program	40.901	N/A	236,537
Residential Construction Mitigation Program	31.066	N/A	42,971
Hurricane Loss Mitigation Program	31.066	N/A	449
Florida Department of Revenue Facilities for Retained Spring Training Franchise	73.016	N/A	500,004
Florida Fish and Wildlife Conservation Commission Florida Boating Improvement Program	77.006	15243	35,350
Florida Department of Economic Opportunity Local Economic Development Initiatives	40.012	N/A	<u>743,899</u>
Total Expenditures of State Financial Assistance			<u><u>1,559,210</u></u>

To the Honorable Mayor, and 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, 2017, and have issued our report thereon dated March 22, 2018.

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; 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 State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs - 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 22, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(b)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)(b)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.

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Note A - Basis of Presentation

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of the City of Bradenton, Florida (City) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements 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 22, 2018 there were no material questioned or disallowed costs as a result of grant audits in process or completed.



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.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

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 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 22, 2018
Bradenton, Florida

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INDEPENDENT ACCOUNTANT'S REPORT
ON INVESTMENT COMPLIANCE

To the Honorable Mayor, and 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, 2017. 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, 2017.

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

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

March 22, 2018
Bradenton, Florida

