

CITY OF BRADENTON BEACH, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

**CITY OF BRADENTON BEACH, FLORIDA
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commission
City of Bradenton Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bradenton Beach, Florida (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bradenton Beach, Florida's basic financial statements. The accompanying detail schedule of expenditures – budget and actual – general fund and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the detail schedule of expenditures – budget and actual – general fund and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bradenton Beach, Florida's internal control over financial reporting and compliance.

CS&L CPAs

CS&L CPAs, P. A.

June 26, 2026
Bradenton, Florida

City of BRADENTON BEACH

State of Florida

107 Gulf Drive North – Bradenton Beach, Florida 34217 – Phone (941) 778-1005 / FAX: 778-7585

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of City of Bradenton Beach, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. Readers should consider the information presented here in conjunction with the basic financial statements.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$17,627,912(*net position*). Of this amount, \$1,452,765 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fiscal policies.
- The City's total net position decreased by \$1,378,175 during the year, largely due to cleanup and repair efforts from three major hurricanes.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$3,378,359, a decrease of \$1,641,245 in comparison with the prior year. Of this total amount, \$27,635, is available for spending at the City's discretion (*unassigned fund balance*).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to City of Bradenton Beach, Florida's basic financial statements. The City's basic financial statements comprise 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 themselves.

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 and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them 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 information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by Ad Valorem 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 City is engaged in only governmental activities. The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City utilizes governmental funds and a fiduciary fund.

Governmental funds. Governmental funds focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using the modified accrual method of accounting and the current financial resources focus. As a result, long-term assets and liabilities are not included.

A reconciliation to facilitate the comparison between the governmental fund financial statements and the government-wide financial statements is presented on pages 12 and 14.

The governmental funds used by the City are the General Fund and two Special Revenue Funds. Information is presented separately for each fund in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The General Fund is the City's general operating fund. All general tax revenues are accounted for in this fund. From this fund, all general operating expenditures and capital expenditures are paid. Special Revenue Funds are used to account for redevelopment revenues and expenditures as well as revenues and expenditures of the Library Fund.

The City adopts an annual budget for each of its governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 11 to 14 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government and follow the accrual method of accounting. Fiduciary funds include pension trust funds used to account for the Police Officers' Pension Trust Fund and the General Employees' Pension Trust Fund. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The basic fiduciary fund financial statements can be found on pages 15 to 16 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the amounts provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 17.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bradenton Beach, Florida, assets and deferred outflows exceeded liabilities and deferred inflows by \$17,627,912 at the close of the most recent fiscal year.

A large portion of the City's net position, \$13,648,699, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens within the boundaries of the City; consequently, these assets are *not* available for future spending. The City also had significant assets in cash and investments. Investments are in certificates of deposits and are all held in Qualified Public Depositories, or the State Local Government Surplus Trust Fund as allowed by Florida Statutes.

A condensed statement of net position as of September 30, 2025 with comparative balances as of September 30, 2024 follows:

Net Position

	Governmental Activities	
	2025	2024
Current and other assets	\$ 5,412,812	\$ 6,572,638
Net pension asset	115,073	61,363
Capital assets (net of depreciation)	13,648,699	14,006,139
Total assets	19,176,584	20,640,140
Deferred outflows	43,506	29,843
Long-term liabilities	94,910	162,354
Other liabilities	1,199,273	1,238,955
Total liabilities	1,294,183	1,401,309
Deferred inflows	297,995	320,261
Net position:		
Net investment on capital assets	13,648,699	13,995,308
Restricted	2,526,448	2,005,283
Unrestricted	1,452,765	2,947,822
Total net position	\$ 17,627,912	\$ 18,948,413

Net position in the amount of \$141,351 is restricted for library purposes, \$1,800,846 is restricted for redevelopment, and \$584,251 is restricted for storm water and other uses. Unrestricted net position totaled \$1,452,765, and may be used to meet the City's ongoing obligations to citizens and creditors.

The City's net position decreased by \$1,378,175 during the current fiscal year. Following is a summary of the information presented in the statement of activities for the fiscal year ended September 30, 2025 with comparative totals for the fiscal year ended September 30, 2024:

Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues:		
Program revenue:		
Charges for service	\$ 1,439,255	\$ 2,121,192
Operating grants	1,789,002	35,134
Capital grants	116,068	2,452,253
	3,344,325	4,608,579
General revenues:		
Taxes	3,848,083	3,837,525
Other	658,276	755,626
Total revenues	7,850,684	9,201,730

Expenses		
General government	1,195,707	1,233,275
Public safety	5,885,239	2,063,954
Planning	619,871	572,311
Public works	932,852	997,226
Culture and recreation	595,190	782,732
Total expenses	<u>9,228,859</u>	<u>5,649,498</u>
Changes in net position	(1,378,175)	3,552,232
Net position – restated beginning of year	19,006,087	15,396,181
Net position – end of year	<u>\$ 17,627,912</u>	<u>\$ 18,948,413</u>

Revenues were \$7,850,684 compared to expenses of \$9,228,859. Revenues decreased \$1,351,046 largely due to grant revenues not repeated in the current year. Expenses increased by \$3,579,361 mainly due to hurricane clean-up and repairs from three major hurricanes impacting the City.

Financial Analysis of the City's Funds

The City utilizes governmental funds that include the General Fund, the CRA Fund and the Library Fund.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's general fund reported an ending fund balance of \$1,422,246, a decrease of \$2,039,150 in comparison with the prior year. Of this total \$27,635 is *unassigned fund balance*, which is available for spending at the City's discretion. \$224,561 of fund balance is non-spendable due to prepaid items, \$294,681 is committed for equipment replacement and cell tower proceeds expenditures, \$291,118 is assigned for City Pier use and \$584,251 is restricted for storm water and other uses.

A significant portion of the City's unassigned fund balance was used during the current year for hurricane cleanup and repairs.

Revenues were \$6,464,468, expenditures were \$8,377,769, and net other financing sources for transfers to other fund were (\$125,849). Revenues decreased \$1,677,069 due to reduced grant revenues. Expenditures increased \$1,064,140 due mainly to the impact of hurricane damages.

The fund balance of the City's special revenue fund is restricted for redevelopment, and increased by \$443,875. Revenues were \$821,806, expenditures were \$503,780 and transfers in from other fund were \$125,849. The CRA fund spent \$193,856 on capital outlay for various projects.

The library fund operations are restricted to use for the Bradenton Beach Public Library. Fund balance for the year decreased by \$45,970. Revenues were \$5,928 and expenditures were \$51,898.

Fiduciary funds. The City established retirement plans for the police officers and general employees of the City. Total contributions during the year were \$319,852. Assets held in trust for pension benefits totaled \$990,748, which included investments of \$974,195 and contributions receivable of \$16,553.

General Fund Budgetary Highlights

General Fund original and final budgeted revenues totaled \$5,071,726. The original budgeted expenditures totaled \$4,668,563, and final budgeted expenditures were \$7,513,611. Actual revenues exceeded budget by \$1,392,742. Actual expenditures were less than budgeted expenditures by \$31,255. Significant amendments were for public safety expenditures. The General Fund budget is presented as required supplementary information as listed in the table of contents.

Capital Assets

The City's investment in capital assets amounts to \$13,648,699 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, and machinery and equipment. The City's investment in capital assets for the current fiscal year decreased \$357,440. This was comprised \$344,077 of capital additions, net of \$693,665 of depreciation expense, and \$7,852 of loss on disposal of assets.

The following is a condensed schedule of capital assets as of September 30, 2025 with comparative totals for September 30, 2024:

	Governmental Activities	
	2025	2024
Land	\$ 800,453	\$ 800,453
Construction in progress	6,788,011	6,788,011
Buildings and improvements	393,521	471,891
Infrastructure	5,112,709	5,378,404
Machinery and equipment	554,005	567,380
Total	\$ 13,648,699	\$ 14,006,139

See note 3 of this report for additional information on the City's capital assets.

Economic Factors and Next Year's Budgets and Rates

The millage rate in the fiscal year 2026 budget is 2.3329, which is the same rate as the 2025 budget.

The City's budgeted revenues in the general fund for fiscal year 2026 are \$5,354,012. Budgeted expenditures amount to \$5,024,015. Budgeted revenues in fiscal year 2026 in the CRA fund are \$776,404. Budgeted expenditures for the CRA are \$2,181,970, with the intention of using reserves.

Requests for Information

This financial report is designed to provide a general overview of the City of Bradenton Beach, Florida's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Director at City of Bradenton Beach, Florida, 107 Gulf Drive North, Bradenton Beach, Florida 34217.

CITY OF BRADENTON BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
ASSETS	
Cash-unrestricted	\$ 1,167,971
Cash-restricted	2,074,471
Investments-unrestricted	396,443
Investments-restricted	522,698
Accounts receivable	74,592
Due from other governmental units	680,574
Prepaid expenses	238,477
Lease receivable	256,657
Lease interest receivable	929
Net pension asset	115,073
Capital assets	
Land	800,453
Construction in progress	6,788,011
Buildings and improvements	393,521
Infrastructure	5,112,709
Equipment	554,005
Total Assets	19,176,584
DEFERRED OUTFLOWS	
Deferred outflows of pension resources	43,506
LIABILITIES	
Accounts payable	1,026,610
Accrued expenses	116,217
Unearned revenue	56,446
Non current liabilities	
Due within one year	23,730
Due in more than one year	71,180
Total Liabilities	1,294,183
DEFERRED INFLOWS	
Deferred inflows of pension earnings	58,825
Lease-related inflows of resources	239,170
Total Deferred Inflows	297,995
NET POSITION	
Net investment in capital assets	13,648,699
Restricted for:	
Redevelopment	1,800,846
Library	141,351
Stormwater and other	584,251
Unrestricted	1,452,765
TOTAL NET POSITION	\$ 17,627,912

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	\$ 1,195,707	\$ 258,259	\$ 37,284	\$ 21,023	\$ (879,141)
Public safety	5,885,239	543,477	1,742,357	60,613	(3,538,792)
Planning	619,871	354,765	-	-	(265,106)
Public works	932,852	1,500	-	-	(931,352)
Culture and recreation	595,190	281,254	9,361	34,432	(270,143)
Total Governmental Activities	9,228,859	1,439,255	1,789,002	116,068	(5,884,534)
Total Government	\$ 9,228,859	\$ 1,439,255	\$ 1,789,002	\$ 116,068	(5,884,534)
Ad Valorem taxes					3,107,510
Sales tax					219,815
Service tax					450,160
Other taxes					70,598
State revenue sharing					26,190
Franchise fees					272,671
Storm water fees					270,382
Interest					77,730
Other					11,303
Total general revenues					4,506,359
Change in Net Position					(1,378,175)
Net Position – Beginning, as originally stated					18,948,413
Change in accounting principle (Note 2)					57,674
Net Position – Beginning, as restated					19,006,087
Net Position – Ending					\$ 17,627,912

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	CRA	Library	Total Governmental Funds
ASSETS				
Cash–unrestricted	\$ 1,167,971	\$ –	\$ –	\$ 1,167,971
Cash–restricted	584,251	1,337,623	152,597	2,074,471
Investments – unrestricted	396,443	–	–	396,443
Investments – restricted	–	522,698	–	522,698
Accounts receivable	74,592	–	–	74,592
Due from other governmental units	680,574	–	–	680,574
Due from other funds	56,746	–	–	56,746
Prepaid items	224,561	2,399	11,517	238,477
TOTAL ASSETS	<u>\$ 3,185,138</u>	<u>\$ 1,862,720</u>	<u>\$ 164,114</u>	<u>\$ 5,211,972</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,012,635	\$ 13,235	\$ 740	\$ 1,026,610
Accrued expense	116,217	–	–	116,217
Due to other funds	–	46,240	10,506	56,746
Unearned revenue	56,446	–	–	56,446
Total Liabilities	<u>1,185,298</u>	<u>59,475</u>	<u>11,246</u>	<u>1,256,019</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	577,594	–	–	577,594
Fund balance:				
Non-spendable:	224,561	2,399	11,517	238,477
Spendable:				
Restricted	584,251	1,800,846	141,351	2,526,448
Committed	294,681	–	–	294,681
Assigned	291,118	–	–	291,118
Unassigned	27,635	–	–	27,635
Total Fund Balances	<u>1,422,246</u>	<u>1,803,245</u>	<u>152,868</u>	<u>3,378,359</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,185,138</u>	<u>\$ 1,862,720</u>	<u>\$ 164,114</u>	<u>\$ 5,211,972</u>

The accompanying notes are an integral part of these financial statements

**CITY OF BRADENTON BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

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

Fund Balance – Governmental Funds	\$ 3,378,359
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	13,648,699
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Lease receivable	256,657
Lease interest receivable	929
Net pension assets are not current financial resources and, therefore, are not reported in the governmental funds.	115,073
Deferred outflows of resources are not available current financial resources and therefore, are not reported in governmental funds.	43,506
Long-term liabilities, including compensated absences, are not due in the current period and therefore are not reported in the governmental funds:	
Compensated absences	(94,910)
Transactions recorded as revenues in the statement of activities, but did not meet the availability criteria under the modified accrual basis of accounting, and therefore are considered to be unavailable revenue until available in the governmental funds.	577,594
Deferred inflows of resources are not available current financial resources and therefore, are not reported in the governmental funds:	
Deferred inflows of pension earnings	(58,825)
Lease-related inflows of resources	(239,170)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 17,627,912</u>

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General	CRA	Library	Total Governmental Funds
REVENUES				
Ad Valorem taxes	\$ 2,309,657	\$ 797,853	\$ -	\$ 3,107,510
State shared revenue	316,602	-	-	316,602
Franchise fees	272,671	-	-	272,671
Service tax	450,160	-	-	450,160
Storm water fees	270,382	-	-	270,382
Licenses and permits	571,940	-	-	571,940
Court/local fines	44,260	-	-	44,260
Interest	47,849	23,953	5,928	77,730
Interlocal agreements	524,294	-	-	524,294
Grants	1,347,738	-	-	1,347,738
Other	308,915	-	-	308,915
Total Revenues	<u>6,464,468</u>	<u>821,806</u>	<u>5,928</u>	<u>7,292,202</u>
EXPENDITURES				
Administration department	967,579	-	-	967,579
Public safety	5,769,962	73,147	-	5,843,109
Planning department	591,300	35,156	-	626,456
Public works	856,479	15,306	-	871,785
Culture and recreation	125,356	186,315	51,898	363,569
Debt service	11,003	-	-	11,003
Capital outlay	56,090	193,856	-	249,946
Total Expenditures	<u>8,377,769</u>	<u>503,780</u>	<u>51,898</u>	<u>8,933,447</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,913,301)	318,026	(45,970)	(1,641,245)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	125,849	-	125,849
Transfers out	(125,849)	-	-	(125,849)
Total other financing sources (uses)	<u>(125,849)</u>	<u>125,849</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,039,150)	443,875	(45,970)	(1,641,245)
FUND BALANCES – Beginning	3,461,396	1,359,370	198,838	5,019,604
FUND BALANCES – Ending	<u><u>\$ 1,422,246</u></u>	<u><u>\$ 1,803,245</u></u>	<u><u>\$ 152,868</u></u>	<u><u>\$ 3,378,359</u></u>

The accompanying notes are an integral part of these financial statements

**CITY OF BRADENTON BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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

Net changes in fund balance – total governmental funds	\$ (1,641,245)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital additions reported as expenditures in the governmental funds	344,077
Loss on disposal	(7,852)
Depreciation expense	(693,665)

Revenues in the statement of activities that do not provide current financial resources as they do not meet the availability criteria and are not reported as revenues in the governmental funds:

Change in lease receivable	(36,056)
Change in lease interest receivable	(175)
Change in lease-related inflows of resources	37,381
Change in unavailable revenue	557,332

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 the governmental funds:

Change in compensated absences	(1,061)
Change in net pension liability (asset)	53,710
Change in deferred outflows of pension resources	13,663
Change in deferred inflows of pension earnings	(15,115)

The issuance of long-term debt, including leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These amounts do not effect net position in the government wide financial statements:

Principal payments on note payable – direct borrowing	10,831
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (1,378,175)</u>
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The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025

	<u>PENSION TRUST FUNDS</u>
ASSETS	
Investments, at fair value	\$ 974,195
Employer contribution receivable	12,854
Employee contribution receivable	3,699
TOTAL ASSETS	<u>\$ 990,748</u>
FIDUCIARY NET POSITION	
Restricted for pension benefits	<u>\$ 990,748</u>

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>PENSION TRUST FUNDS</u>
ADDITIONS	
CONTRIBUTIONS:	
Employer contributions	\$ 255,906
Employee contributions	63,946
Total contributions	<u>319,852</u>
INVESTMENT INCOME:	
Net realized and unrealized gains (losses)	<u>70,397</u>
Total investment earnings	<u>70,397</u>
Less investment expense	<u>13,363</u>
Net investment income	<u>57,034</u>
TOTAL ADDITIONS	<u>376,886</u>
DEDUCTIONS	
Benefit payments	<u>(5,992)</u>
TOTAL DEDUCTIONS	<u>(5,992)</u>
Change in fiduciary net position	370,894
FIDUCIARY NET POSITION – RESTRICTED FOR PENSION BENEFITS	
Beginning of year	<u>619,854</u>
End of year	<u><u>\$ 990,748</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

The City of Bradenton Beach, (the "City"), was incorporated under the laws of Florida Chapter 5864 on December 28, 1952, succeeding the Town of Bradenton Beach. The present charter provides for a Mayor and a four member Commission. Under the present charter, the City has the power to impose license taxes on occupations, to levy taxes on City property and to levy charges for services as required for the improvement and government of the City. Services authorized to be provided under the present charter are as follows: public safety, streets and roads, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

During the 1991 fiscal year, the City established the Community Redevelopment Agency (CRA), which was comprised of a five member Board of Commissioners. The original CRA was dissolved in July of 1994 and the City Commission was appointed as the board of the replacement CRA. As such, the CRA is considered part of the primary government. It is included in these financial statements as a special revenue fund. The CRA is responsible for carrying out the rehabilitation, conservation and redevelopment of the Community Redevelopment Program. The related tax increment revenue is included in this Special Revenue Fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include government-wide (which report on the City as a whole) and fund financial statements (which report on the General, CRA and Library funds, as well as the Fiduciary Funds). The basic financial statements present only governmental activities, as the City conducts no business-type activities. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The government-wide financial statements exclude the City's fiduciary activities (pension trust funds). For the most part, interfund activity has been removed from these statements. Government-wide financial statements include a statement of net position and a statement of activities. The statement of net position reports all financial and capital resources of the City's governmental activities. It is presented in a net position format (assets plus deferred outflows less liabilities plus deferred inflows equal net position) and shown with three components: net investment in capital assets, restricted net position and unrestricted net position. The statement of activities demonstrates the degree to which the district expenses of a given function or segment are offset by program revenues.

Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges for services including licenses and permits, fines and other related revenues 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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements – Fund Financial Statements

The City's accounts are organized on the basis of funds, which are self-balancing set of accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, reserves, fund balance, revenues and expenditures. The City utilizes governmental funds, which follow the modified accrual basis of accounting. Under this method, revenues are recorded when they become 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. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a fund liability is incurred. The City also uses a pension trust fund. The City reports the following governmental funds, which are major funds:

General Fund – The General Fund is the general operating fund of the City. All general tax revenues are accounted for in this fund. All general tax revenues are accounted for in this fund. General operating expenditures and capital expenditures of the City are paid from this fund.

Special Revenue Funds – The City has two special revenue funds both of which are considered to be major funds. The Community Redevelopment Agency (CRA) fund accounts for the related tax increment revenue. The Library fund accounts for the expenditures and revenues relating to the Bradenton Beach City Library. Under the terms of a last will and testament, the City was granted a bequest in 1989 which must be used for the expansion and operations of the Bradenton Beach City Library, Inc., a/k/a the Bradenton Beach Library Board. The monies spent are subject to the review and approval of the Library Board.

The City also reports fiduciary funds:

Fiduciary Funds – The pension trust funds are accounted for on the accrual basis since capital maintenance is critical. Employer and participant contributions are recognized in the period in which the contributions are due. Retirement benefits and refunds are recognized when due and payable in accordance with the plan.

Cash and Cash Equivalents

All checking, savings, money market investments and cash with fiscal agents are considered to be cash and cash equivalents. The City's policy is to consider all certificates of deposit to be investments.

Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts, and total \$74,592. At September 30, 2025, there was no allowance for doubtful accounts as all receivables are considered to be fully collectible.

Capital Assets

Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$500 and an estimated useful life of longer than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repair and maintenance that do not add to the value of the asset or extend the useful life of the asset are expensed as incurred. The City has elected to report general infrastructure assets on a prospective basis only.

Property, plant and equipment of the City are depreciated on a straight-line basis over the following estimated useful lives:

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets – Continued

<u>Asset</u>	<u>Years</u>
Buildings	30 – 40
Improvements and infrastructure	10 – 20
Vehicles	5
Furniture, fixtures and equipment	3 – 12

Interfund Receivables/Payables

Interfund receivables/payables arise from temporary interfund transfers. When a fund has an interfund receivable and an interfund payable to the same fund, the amounts are recorded in separate accounts. Internal activity and balances between governmental funds have been eliminated in the government-wide statement of net position.

Interfund Advances

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. There were no interfund advances at September 30, 2025.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/balance sheet may include a separate section for deferred outflows of resources. This 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. A deferred outflow of pension resources is reflected in the government-wide statement of net position.

Similarly, in addition to liabilities, the City may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City had two items that qualified as a deferred inflow on the government-wide statement of net position which represented lease-related inflows of resources and a deferred inflow of pension earnings.

The City had one item that qualified as a deferred inflow on the balance sheet – governmental funds which represented revenue that did not meet the availability criteria under the modified accrual basis of accounting.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities. In the fund financial statements, no long-term obligations are reported as they are not due to be paid from current financial resources.

Net Position

Net position is reported in three parts as applicable: net investment in capital assets; restricted and unrestricted. When both restricted and unrestricted resources are available, restricted resources are used first, and then unrestricted resources, as they are needed.

Fund Balance

Government Accounting Standards Board Statement (GASB) 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are non-spendable and spendable.

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance – Continued

Spendable is then further classified as restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

In accordance with GASB Statement 54, the City classified governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

- Restricted – includes amounts that can be spent only for specific purposes because of State or Federal laws or enabling legislation, or which are externally restricted by providers, such as creditors or grantors.
- Committed – includes amounts that can be spent only for specific purposes that are approved by a formal action of the City Commissioners through a resolution or the budget process.
- Assigned – includes amounts designated for a specific purpose by the City Commissioners through a resolution or the budget process, which are neither restricted nor committed.
- Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City uses restricted amounts first when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending.

Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The City does not have a formal minimum fund balance policy. Fund balance at September 30, 2025 was as follows:

	General Fund	CRA	Library Fund	Total
<u>Non-spendable:</u>				
Prepaid items	\$ 224,561	\$ 2,399	\$ 11,517	\$ 238,477
<u>Spendable:</u>				
Restricted to:				
Transportation and parks	329,600	–	–	329,600
Stormwater	254,651	–	–	254,651
CRA	–	1,800,846	–	1,800,846
Library	–	–	141,351	141,351
Committed to:				
Equipment replacement	48,950	–	–	48,950
Cell Tower proceeds	245,731	–	–	245,731
Assigned to:				
City Pier	291,118	–	–	291,118
<u>Unassigned:</u>				
Unassigned	27,635	–	–	27,635
Total Fund Balances	<u>\$ 1,422,246</u>	<u>\$ 1,803,245</u>	<u>\$ 152,868</u>	<u>\$ 3,378,359</u>

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance – Continued

Total CRA fund balance is restricted for redevelopment and the Library fund balance is restricted for library purposes. The remaining fund balance includes non-spendable amounts which were spent for each fund's specific purposes.

Budgetary Information

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all of the governmental funds. Expenditures should not exceed total appropriations. All annual appropriations lapse at fiscal year end. Budget amendments are approved by the City Commission.

Property Taxes

Property taxes become due and payable on November 1st of each year. The County Tax Collector remits the City's portion as such revenues are received. The City collects nearly all of its tax revenue during the period November 1 through April 1, at which time the property taxes become delinquent. The key dates in the property tax cycle are as follows:

Assessment roll validated	July 1
Millage resolution approved	September 30
Beginning of fiscal year for which taxes have been levied	October 1
Tax bills rendered and due	November 1
Property taxes payable:	
Maximum discount	November 30
Delinquent	April 1
Tax certificates sold	May 31

Property taxes are recognized as revenue in the fiscal year for which the taxes have been levied to the extent they result in current receivables. Under the system outlined above, no material amount of taxes is receivable at the end of the fiscal year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, 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 those estimates.

Adoption of a New Accounting Standard

Effective October 1, 2024, the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB No. 101). GASB No. 101 updates the recognition and measurement guidance for compensated absences, including vacation, sick leave, and other paid leave benefits. Under GASB No.101, liabilities for compensated absences are recognized when the benefits are both attributable to services already rendered and are expected to be paid. The standard eliminates the requirement to segregate obligations into "vesting" and "non-vesting" components, instead emphasizing whether leave accumulates and whether it is more likely than not to be paid. This change required the restatement of the beginning balances of the governmental activities. The restatement effective October 1, 2024 for compensated absences and the statement of activities are as follows:

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Adoption of a New Accounting Standard – Continued

Statement of Net Position:

Compensated absences at October 1, 2024, as originally stated	\$ 151,523
Change in accounting principle:	
GASB No. 101, <i>Compensated Absences</i>	(57,674)
Compensated absences at October 1, 2024, as restated	<u>\$ 93,849</u>

Statement of Activities:

Net Position at October 1, 2024, as originally stated	\$ 18,948,413
Change in accounting principle:	
GASB No. 101, <i>Compensated Absences</i>	57,674
Net position at October 1, 2024, as restated	<u>\$ 19,006,087</u>

NOTE 3 – CASH AND INVESTMENTS

The City's investment policies are governed by State Statutes in addition to its own investment policies. City monies are authorized to be invested in the following:

- (a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized through the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest bearing time deposits or savings accounts in state-certified Qualified Public Depositories as defined in Section 280.02, Florida Statutes.
- (d) Direct obligations of the U.S. Treasury.
- (e) Obligations of Federal agencies and instrumentalities.
- (f) Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. §80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality 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.

The City's bank accounts and certificates of deposit are with banking institutions that post collateral as required by state statutes (Qualified Public Depositories). All investments are held in the City's name by the financial institution.

The City's investments are either certificates of deposit or investments with Florida PRIME Fund (Florida PRIME), which is a Local Government Surplus Trust Fund Investment Pool (LGIP) administered by the Florida State Board of Administration (SBA). The City's investments in the pool are through shares owned in the fund and not the underlying investments. The Florida PRIME is considered a 2a-7 like pool. The account balance in the Florida PRIME approximates its fair value and is recognized at amortized cost. The Florida PRIME investments are subject to overnight withdrawal. There is a risk of loss of interest on the investments if there are changes in the underlying indexed base.

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

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Credit Quality

Florida PRIME is rated by Standard and Poor's. The rating as of September 30, 2025 is AAAm.

Interest Rate Risk

The City's policy is to minimize risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The Florida PRIME has a dollar weighted average days to maturity of 47 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life of Florida PRIME at September 30, 2025 is 73 days.

Foreign Currency Risk

Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2024 through September 30, 2025.

Other GASB No. 79 Disclosures

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. From October 1, 2024 through September 30, 2025, no such disclosure has been made. Additionally, as of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

At September 30, 2025, the City had investments in the LGIP in the amount of \$919,141. For further information regarding the LGIP, readers should refer to the financial statements and disclosures of the Florida State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool.

In addition to the investments in the LGIP, at September 30, 2025, the City's carrying amount of cash and cash equivalents was \$3,242,442 and the bank balance was \$3,364,762. Restricted cash and investments in the special revenue funds represents funds for redevelopment and library purposes.

The investments of the Retirement Plan and Trust for the Police Officers' of the City of Bradenton Beach and the Retirement Plan and Trust for the General Employees of the City of Bradenton Beach are recorded at fair value and are enumerated in NOTE 10.

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was:

	Beginning of Year	Increases	Decreases	Transfers	End of Year
<u>Governmental Activities</u>					
Assets not being depreciated:					
Land	\$ 800,453	\$ –	\$ –	\$ –	\$ 800,453
Construction in progress	6,788,011	–	–	–	6,788,011
Total capital assets, not being fully depreciated	7,588,464	–	–	–	7,588,464
Capital assets being depreciated:					
Building and improvements	2,002,842	–	–	–	2,002,842
Infrastructure	8,887,186	121,983	–	–	9,009,169
Furniture and equipment	2,069,980	222,094	(128,786)	–	2,163,288
Total capital assets being depreciated	12,960,008	344,077	(128,786)	–	13,175,299
Less accumulated depreciation for:					
Buildings and improvements	1,530,951	78,370	–	–	1,609,321
Infrastructure	3,508,782	387,678	–	–	3,896,460
Furniture and equipment	1,502,600	227,617	(120,934)	–	1,609,283
Total accumulated depreciation	6,542,333	693,665	(120,934)	–	7,115,064
Total capital assets, being depreciated, net	6,417,675	(349,588)	(7,852)	–	6,060,235
Governmental activities capital assets, net	<u>\$ 14,006,139</u>	<u>\$ (349,588)</u>	<u>\$ (7,852)</u>	<u>\$ –</u>	<u>\$ 13,648,699</u>

Depreciation expense in the governmental activities was allocated as follows: General Government \$244,063, Public Safety \$140,420, Planning \$1,631, Public Works \$74,858, and Culture and Recreation \$232,693.

NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of changes in the City’s long-term liabilities:

	Beginning of Year as Originally Stated	Restatement	Increases	Decreases	End of Year	Due Within One Year
Compensated absences	\$ 151,523	\$ (57,674)	\$ 1,061 *	\$ –	\$ 94,910	\$ 23,730
Direct borrowing arrangement	10,831	–	–	(10,831)	–	–
	<u>\$ 162,354</u>	<u>\$ (57,674)</u>	<u>\$ 1,061</u>	<u>\$ (10,831)</u>	<u>\$ 94,910</u>	<u>\$ 23,730</u>

* Change in compensated absences is reported as net.

The City provides vacation pay and sick leave to its employees. Accrued vacation and sick pay of \$94,910 is included as a liability in the government-wide financial statements. Upon retirement from the City, after 20 years of service, or reaching age 62, the employee is entitled to one-half of their accumulated sick time. The City has estimated the accrued sick time based on this policy. Accrued compensated absences are typically liquidated from the General Fund.

During 2022, the City entered into a direct borrowing arrangement for financing an additional police vehicle in the amount of \$42,000. Interest is charged at 2.11%. The amount due on the arrangement of \$10,831 was paid in full during the fiscal year.

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – 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. The City has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

NOTE 7 – LESSOR LEASE AGREEMENTS

The City is engaged in a lease agreement allowing the lessee to lease space on the City's cell phone tower. The lease agreement initially commenced in July 2012 with an initial lease term of five years with nine additional five-year renewal. The lease is in the second renewal term which expires in July 2027. With all renewal periods, the lease will ultimately expire in July 2062. Monthly rental revenue is based on 30% of the gross rental revenue generated and is estimated at \$529 per month over the remaining lease periods. Revenue of \$27,401 was recognized in the general fund during the year.

The City leases space on the Bradenton Beach Pier, under an agreement which was amended on September 22, 2024. The lease is for a term of five years, with five additional five-year options. As the City cannot determine the likelihood of exercising the additional option periods, the initial five-year term was used for recognition. Monthly rent ranges from \$2,667 to \$3,500. Revenue of \$51,447 was recognized in the general fund during the current year.

Lease-related revenue for governmental activities for the year ended September 30, 2025 was as follows:

Lease-related revenue	
Lease revenue	
Total	\$ 37,382
Total lease revenue	37,382
Interest revenue	12,124
Variable & other revenue	-
Total	<u>\$ 49,506</u>

Expected future minimum reductions of the lease receivable are as follows:

Year <u>Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Receipts</u>
2026	\$ 38,216	\$ 10,141	\$ 48,357
2027	40,506	7,850	48,356
2028	42,936	5,421	48,357
2029	2,339	4,018	6,357
2030	2,410	3,947	6,357
2031-2035	13,193	18,589	31,782
2036-2040	15,325	16,457	31,782
2041-2045	17,802	13,980	31,782
2046-2050	20,679	11,103	31,782
2051-2055	24,022	7,761	31,783
2056-2060	27,904	3,879	31,783
2061-2065	11,325	328	11,653
Total Future Receipts	<u>\$ 256,657</u>	<u>\$ 103,474</u>	<u>\$ 360,131</u>

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – INTERFUND BALANCES

Interfund balances arise from the general fund cash account being the primary disbursement account for the City. At September 30, 2025, the General Fund was owed \$46,240 from the CRA Fund and \$10,506 from the Library Fund.

NOTE 9 – DEFINED CONTRIBUTION RETIREMENT PLAN

Effective January 1, 1988, the City offers its employees a defined contribution pension plan. The plan is a Simplified Employee Pension Plan administered by Prudential Securities. The funds are held under the name of each participant with the insurance company, credit union, or a bank of the participant's choice.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the City Commission. For each employee in the pension plan, the City is required to contribute 13.5% of annual regular salary. Employees are not eligible to contribute to the plan through payroll deductions. For the year ended September 30, 2025, the City recognized pension expense of \$50,460.

Employees are eligible to participate in the plan after one year of service and participation in the Plan is elective. Employees are vested 100% immediately provided they earned greater than \$300 in the year prior to the beginning of the current year. There were no forfeitures available or used in the current year.

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS

Plan Description and Summary of Significant Accounting Policies

Effective February 1, 2022, the City Commission, in Ordinance 22-540, established the Retirement Plan and Trust for the Police Officers' of the City of Bradenton Beach (the Police Plan), which is a single-employer, defined benefit plan. The City has established a special pension trust fund into which shall be paid all monies received by the City under the provisions of Chapter 185, Florida Statutes. The City Commission of the City has the power to amend the Police Plan. The Trustee of the Police Plan is the Florida Municipal Pension Trust Fund (Trustee) and the Plan Administrator is the Florida League of Cities (Administrator). All police officers of the City are eligible to participate in the Police Plan. Per the October 1, 2024 valuation, the Police Plan had 9 active participants.

Effective October 1, 2022, the City Commission, in Ordinance 22-543, established the Retirement Plan and Trust for the General Employees of the City of Bradenton Beach (the GE Plan), which is a single-employer, defined benefit plan. The City has established a special pension trust fund into which shall be paid all monies received by the City under the provisions of the Plan document. The City Commission of the City has the power to amend the GE Plan. The Trustee of the GE Plan is the Florida Municipal Pension Trust Fund (Trustee) and the GE Plan Administrator is the Florida League of Cities (Administrator). All general employees of the City are eligible to participate in the GE Plan. Per the October 1, 2024 valuation, the GE Plan had 11 active participants and 1 inactive participant.

The Plans are accounted for in the accompanying financial statements as a pension trust fund. A separate financial statement is not issued for the Plans. The Plan administrative costs are paid by each respective plan.

Basis of Accounting

Both Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Asset Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Police Plan Retirement

A member's normal retirement date is the first day of the month coincident with or next following the attainment of age 65 and 10 years of service. A member may retire on an early retirement date which shall be the first day of any month coincident with or next following the attainment of age 55 and the completion of 10 years of credited service.

GE Plan Retirement

A member's normal retirement date is the first day of the month coincident with or next following the attainment of age 65 and 7 years of service. A member may retire on an early retirement date which shall be the first day of any month coincident with or next following the attainment of age 55 and the completion of 7 years of credited service.

Police Plan Benefits and Eligibility

For normal retirement, the monthly retirement benefit shall be equal to the number of years of credited service multiplied by 3% and multiplied by average final compensation. For early retirement, the accrued benefit will be reduced by 5% for each year before a member's normal retirement age. Average final compensation is defined as one-twelfth (1/12) of the average annual compensation of the five (5) best years of credited service prior to retirement, termination or death, or the career average, whichever is greater.

GE Plan Benefits and Eligibility

For normal retirement, the monthly retirement benefit shall be equal to the number of years of credited service multiplied by 2% and multiplied by average final compensation. For early retirement, the accrued benefit will be reduced by 5% for each year before a member's normal retirement age. Average final compensation is defined as one-twelfth (1/12) of the average annual compensation of the five (5) best years of credited service prior to retirement, termination or death, or the career average, whichever is greater.

Disability Benefits–Police Plan and GE Plan

A member determined to be totally and permanently disabled from service-connected injury or disease will receive the benefits as set forth in the Employee Handbook adopted through Resolution 19-922, and as may be amended thereafter. A member determined to be totally and permanently disabled from a non-service-connected injury or disease and who has completed the required years of service will receive the benefits as set forth in the Employee Handbook adopted through Resolution 19-922, and as may be amended thereafter.

Police Plan Death Benefits

If a member dies prior to retirement in-the-line-of-duty, and is not vested, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions. If a member dies prior to retirement in-the-line-of-duty, but is vested, having completed the required years of credited service, the beneficiary shall receive the benefits otherwise payable to the member at the member's early or normal retirement date. If a member dies prior to retirement other than in-the-line-of-duty, but is not vested, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions. If a member dies prior to retirement other than in-the-line-of-duty, but is vested, having completed the required years of credited service, the beneficiary shall receive the benefits otherwise payable to the member at the member's early or normal retirement date.

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

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

GE Plan Death Benefits

If a member dies prior to retirement, and is not vested, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions. If a member dies prior to retirement but is vested, having completed the required years of credited service, the beneficiary shall receive the benefits otherwise payable to the member at the member's early or normal retirement date.

Police Plan Termination

If a member's employment is terminated either voluntarily or involuntarily the following benefits are payable: 1) If the member has less than 10 years of credited service upon termination of employment, the member shall be entitled to a refund of his accumulated contributions or the member may leave the accumulated contributions deposited with the Fund; 2) If the member has 10 or more years of credited service upon termination of employment, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided the member does not elect to withdraw his contributions and provided he survives to his normal or early retirement date. Early and normal retirement dates are based on actual years of credited service.

GE Plan Termination

If a member's employment is terminated either voluntarily or involuntarily the following benefits are payable: 1) If the member has less than 7 years of credited service upon termination of employment, the member shall be entitled to a refund of his accumulated contributions or the member may leave the accumulated contributions deposited with the Fund; 2) If the member has 7 or more years of credited service upon termination of employment, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided the member does not elect to withdraw his contributions and provided he survives to his normal or early retirement date. Early and normal retirement dates are based on actual years of credited service.

Contribution Information – Police Plan

Employee contributions of 6% of pre-tax basic annual compensation are required and were made in the amount of \$41,581. Basic member payroll subject to contributions excludes overtime, sick time, and vacation time. Payments for accrued unused sick or annual leave are also excluded.

Total payroll covered by the plan for the year was \$651,761. Total employer contributions, which equaled required contributions, were \$129,029 during the year ended September 30, 2025.

Contribution Information – GE Plan

Employee contributions of 3% of pre-tax basic annual compensation are required and were made in the amount of \$22,365. Basic member payroll subject to contributions excludes overtime, sick time, and vacation time. Payments for accrued unused sick or annual leave are also excluded.

Total payroll covered by the plan for the year was \$603,830. Total contributions, which equaled required contributions, were \$126,877 during the year ended September 30, 2025.

Investments

Both Plan's assets are held with the Florida Municipal Pension Trust Fund (FMPTF), an agent multiple employer pension plan administered by the FMPTF Board of Trustees. The FMPTF issues a publicly available report that includes the combined financial statements of all plan members which can be obtained from their website. Separate accounts are maintained for each employer group.

The plans follow the investment policies of the FMPTF. The Master Trustees of the FMPTF have the exclusive authority and discretion to manage and control the assets of the FMPTF. The City has selected to participate in the FMPTF 60/40 Target Fund. The maximum target asset allocation for equities is 60%. The following was the adopted asset allocation policy as of September 30, 2025:

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Investments – Continued

<u>Asset Class</u>	<u>Total Allocation</u>	
Equities	60%	
Large Cap		25%
Small Cap		14%
International		21%
Fixed Income	40%	
Core Bonds		15%
Core Plus		15%
Core Real Estate		10%

All employee pension plan assets with the FMPTF are included in the trust's master Trust Fund. Employee pension plan assets of the defined benefit type are invested by the FMPTF through the Florida Municipal Investment Trust (FMIvT) for the benefit of the participating employers, participating employees and beneficiaries. The FMIvT is a Local Government Investment Pool (LGIP) and, therefore, considered an external investment pool. The plans have a beneficial interest in shares in the FMIvT portfolios listed below. The plan's investment is the beneficial interest in the FMIvT portfolio, not the individual securities held within each portfolio.

As of September 30, 2025, the asset allocations for the various investment models were as follows:

<u>Asset Allocation and Model / Percentage</u>	<u>60/40</u>
Cash and Money Market	0.8%
FMIvT Broad Market High Quality Bond	16.0%
FMIvT Core Plus Fixed Income	14.8%
FMIvT Diversified Large Cap	25.4%
FMIvT Diversified Small to Mid Cap Equity	13.1%
FMIvT International Equity	21.8%
FMIvT Core Real Estate	8.1%
	<u>100.0%</u>

Credit Risk

Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations.

The FMIvT Broad Market High Quality Bond Fund has a Fitch Rating of AAF/S4. The FMIvT Core Plus Fixed Income Fund, FMIvT Expanded High Yield Bond Fund and the equities portfolios are not rated.

Interest Rate Risk

Interest rate exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value.

The FMIvT Broad Market High Quality Bond Fund has a weighted average maturity of 7.10 years. The FMIvT Core Plus Fixed Income Fund has a weighted average to maturity of 5.76 years.

Foreign Currency Risk

Participating employer's investments in the FMIvT are not subject to foreign currency risk.

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Police Plan Rate of Return

For the year ended September 30, 2025 the annual money-weighted rate of return on Pension Plan Investments, net of pension plan investment expense, was 7.43%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

GE Plan Rate of Return

For the year ended September 30, 2025 the annual money-weighted rate of return on Pension Plan Investments, net of pension plan investment expense, was 6.88%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations

The Plan did not hold investments in any one organization that represent 5 percent or more of the either Plan's fiduciary net position.

Fair Value Measurement

The investments held by the Plans are measured at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation 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; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2025:

	September 30, 2025	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Mutual Funds/Short-Term Investments	\$ 7,794	\$ 7,794	\$ –	\$ –
FMLvT Broad Market High Quality Bond	155,871	–	155,871	–
FMLvT Core Plus Fixed Income	144,181	–	–	144,181
FMLvT Diversified Large Cap	247,445	–	247,445	–
FMLvT Diversified Small to Mid Cap	127,620	–	127,620	–
FMLvT International Equity	212,374	–	212,374	–
FMLvT Core Real Estate	78,910	–	–	78,910
Total Investments	<u>\$ 974,195</u>	<u>\$ 7,794</u>	<u>\$ 743,310</u>	<u>\$ 223,091</u>

Mutual funds and short-term investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments held with Florida Municipal Investment Trust (FMLvT) are held in a Local Government Investment Pool (LGIP) which are classified as either Level 2 or Level 3. Level 2 investments are invested in funds or portfolios in which the underlying asset values are based on quoted prices or market-corroborated inputs, however, the net asset value of the portfolio is not publicly quoted. FMLvT Core Plus Fixed Income and FMLvT Core Real Estate are funds classified as Level 3 since the shares of the funds are not publicly quoted and the underlying funds invest in a variety of financial instruments.

Actuarial Assumptions–Police Plan

The total pension liability, net pension liability (asset), and certain sensitivity information are based on an actuarial valuation performed as of October 1, 2024, with a measurement period of September 30, 2025, using the aggregate cost method.

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Actuarial Assumptions–Police Plan – Continued

The following actuarial assumptions, were applied to all periods included in the measurement of the net pension liability (asset), deferred outflows of pension resources, deferred inflows of pension earnings, and pension expense.

Investment rate of return (2.62% for inflation)	7.00%
Projected salary increases	4.00% per annum
COLA	None assumed

The vesting requirement was based on 10 years of service and assumed a normal retirement age of 65, with at least 10 years of service. An average salary was used based on the highest five years and assumed normal payments under a 10-year certain and life annuity.

Pre-retirement mortality: None is assumed.

Post-retirement mortality:

Police: Non-disabled retirees, sex distinct rates set forth in PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rate plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018.

Actuarial Assumptions–GE Plan

The total pension liability, net pension liability (asset), and certain sensitivity information are based on an actuarial valuation performed as of October 1, 2024, with a measurement period of September 30, 2025, using the aggregate cost method.

The following actuarial assumptions, were applied to all periods included in the measurement of the net pension liability (asset), deferred outflows of pension resources, deferred inflows of pension earnings, and pension expense.

Investment rate of return (2.62% for inflation)	7.00%
Projected salary increases	4.00% per annum
COLA	None assumed

The vesting requirement was based on 7 years of service and assumed a normal retirement age of 65, with at least 7 years of service. An average salary was used based on the highest five years and assumed normal payments under a 10-year certain and life annuity.

Pre-retirement mortality: None is assumed.

Post-retirement mortality: No pre-retirement mortality is assumed; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block 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.

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Long-term Expected Rate of Return – Continued

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 the pension plan's target asset allocation as of September 30, 2025 are summarized in the following table:

Long-Term Expected Asset Class	<u>Real Rate of Return</u>
Equities	
Large Cap	4.60%
Small Cap	5.50%
International	6.70%
Fixed Income	
Core Bonds	1.60%
Core Plus	2.10%
Core Real Estate	5.00%
 Total or weighted arithmetic average	 4.38%

Discount Rate

The discount rate used to measure the total pension liability (asset) was 7.00%. 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 (asset).

Changes of Assumptions

There were no changes of assumptions since the prior measurement date.

Net Pension Liability (Asset)

The components of the net pension liability of the City were as follows:

	<u>Police Plan</u>	<u>GE Plan</u>
Total Pension Liability	\$ 550,136	\$ 329,342
Plan Fiduciary Net Position	(574,481)	(420,070)
Sponsors Net Pension Liability (Asset)	<u>\$ (24,345)</u>	<u>\$ (90,728)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	104.43%	127.55%

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Net Pension Liability (Asset) – Continued

<u>Police Plan</u>	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance as of September 30, 2024	\$ 360,574	\$ (386,777)	\$ (26,203)
Change due to:			
Service cost	140,752	–	140,752
Expected interest growth	35,990	(32,110)	3,880
Unexpected investment income	–	(9,236)	(9,236)
Demographic experience	18,812	–	18,812
Employer contributions	–	(119,071)	(119,071)
Employee contributions	–	(40,115)	(40,115)
Benefit payments and refunds	(5,992)	5,992	–
Administrative expenses	–	6,836	6,836
Assumption changes	–	–	–
Balance as of September 30, 2025	<u>\$ 550,136</u>	<u>\$ (574,481)</u>	<u>\$ (24,345)</u>
<u>GE Plan</u>	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance as of September 30, 2024	\$ 210,932	\$ (246,092)	\$ (35,160)
Change due to:			
Service cost	110,136	–	110,136
Expected interest growth	21,351	(22,213)	(862)
Unexpected investment income	–	(6,839)	(6,839)
Demographic experience	(13,077)	–	(13,077)
Employer contributions	–	(128,756)	(128,756)
Employee contributions	–	(22,697)	(22,697)
Benefit payments and refunds	–	–	–
Administrative expenses	–	6,527	6,527
Assumption changes	–	–	–
Balance as of September 30, 2025	<u>\$ 329,342</u>	<u>\$ (420,070)</u>	<u>\$ (90,728)</u>

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Police Plan

For the year ended September 30, 2025 the City recognized pension expense of \$94,944. At September 30, 2025 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
Balance as of September 30, 2024	\$ 27,019	\$ 28,807
Change due to:		
Amortization payments	(4,208)	(7,973)
Investment gain / loss	–	9,236
Demographic gain / loss	18,812	–
Assumption changes	–	–
Total changes	14,604	1,263
Balance as of September 30, 2025	<u>\$ 41,623</u>	<u>\$ 30,070</u>

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

<u>Year Ended September 30,</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	\$ 4,208	\$ 7,973
2027	2,857	7,973
2028	1,981	7,974
2029	1,981	2,152
2030	1,981	304
Thereafter	28,615	3,694
	<u>\$ 41,623</u>	<u>\$ 30,070</u>

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

GE Plan

For the year ended September 30, 2025 the City recognized pension expense of \$96,359. At September 30, 2025 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
Balance as of September 30, 2024	\$ 2,824	\$ 14,903
Change due to:		
Amortization payments	(941)	(6,064)
Investment gain / loss	–	6,839
Demographic gain / loss	–	13,077
Assumption changes	–	–
Total changes	(941)	–
Balance as of September 30, 2025	<u>\$ 1,883</u>	<u>\$ 28,755</u>

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

<u>Year Ended September 30,</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	\$ 941	\$ 6,064
2027	942	6,064
2028	–	6,063
2029	–	2,475
2030	–	1,108
Thereafter	–	6,981
	<u>\$ 1,883</u>	<u>\$ 28,755</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate:

	1% Decrease	Current Discount Rate 7.00%	1% Increase
Police Plan	\$ 71,902	\$ (24,345)	\$ (103,136)
GE Plan	\$ (46,633)	\$ (90,728)	\$ (127,659)

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

The following financial statements present the combining statement of fiduciary net position by pension trust fund as of and for the year ended September 30, 2025.

COMBINING STATEMENT OF FIDUCIARY NET POSITION

	Police Plan	GE Plan	Total Pension Trust Funds
ASSETS			
Investments, at fair value	\$ 560,914	\$ 413,281	\$ 974,195
Employer contribution receivable	8,962	3,892	12,854
Employee contribution receivable	3,012	687	3,699
TOTAL ASSETS	<u><u>\$ 572,888</u></u>	<u><u>\$ 417,860</u></u>	<u><u>\$ 990,748</u></u>
FIDUCIARY NET POSITION			
Restricted for pension benefits	<u><u>\$ 572,888</u></u>	<u><u>\$ 417,860</u></u>	<u><u>\$ 990,748</u></u>

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

ADDITIONS			
CONTRIBUTIONS:			
Employer contributions	\$ 129,029	\$ 126,877	\$ 255,906
Employee contributions	41,581	22,365	63,946
Total contributions	<u>170,610</u>	<u>149,242</u>	<u>319,852</u>
INVESTMENT INCOME:			
Net realized and unrealized gains (losses)	41,345	29,052	70,397
Total investment earnings	<u>41,345</u>	<u>29,052</u>	<u>70,397</u>
Less investment expense	6,836	6,527	13,363
Net investment income	<u>34,509</u>	<u>22,525</u>	<u>57,034</u>
TOTAL ADDITIONS	<u>205,119</u>	<u>171,767</u>	<u>376,886</u>
DEDUCTIONS			
Benefit payments	<u>(5,992)</u>	<u>–</u>	<u>(5,992)</u>
TOTAL DEDUCTIONS	<u>(5,992)</u>	<u>–</u>	<u>(5,992)</u>
Change in fiduciary net position	199,127	171,767	370,894
Beginning of year	<u>373,761</u>	<u>246,093</u>	<u>619,854</u>
End of year	<u><u>\$ 572,888</u></u>	<u><u>\$ 417,860</u></u>	<u><u>\$ 990,748</u></u>

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

AGGREGATE INFORMATION FOR CITY PENSION PLANS

The aggregate balances of the City pension plans are as follows:

	Deferred Outflows of Resources	Net Pension Liability	Net Pension (Asset)	Deferred Inflows of Resources	Pension Expense
Police Plan	\$ 41,623	\$ –	\$ (24,345)	\$ 30,070	\$ 107,588
GE Plan	1,883	–	(90,728)	28,755	87,981
	<u>\$ 43,506</u>	<u>\$ –</u>	<u>\$ (115,073)</u>	<u>\$ 58,825</u>	<u>\$ 195,569</u>

NOTE 11 – CONTINGENCIES

The City from time to time is involved in various litigation. The City does not believe the outcome of any cases will have a material effect on its financial position. As a result, no liability has been recorded in these financial statements. However, it is at least reasonably possible that additional liabilities could result in future periods.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES				
Ad Valorem taxes	\$ 2,460,970	\$ 2,460,970	\$ 2,309,657	\$ (151,313)
State shared revenue	313,350	313,350	316,602	3,252
Franchise fees	305,985	305,985	272,671	(33,314)
Service tax	538,802	538,802	450,160	(88,642)
Storm water fees	264,907	264,907	270,382	5,475
Licenses and permits	701,838	701,838	571,940	(129,898)
Court/local fines	127,720	127,720	44,260	(83,460)
Interest	38,500	38,500	47,849	9,349
Interlocal agreements	125,648	125,648	524,294	398,646
Grants	-	-	1,347,738	1,347,738
Other	194,006	194,006	308,915	114,909
Total Revenues	<u>5,071,726</u>	<u>5,071,726</u>	<u>6,464,468</u>	<u>1,392,742</u>
EXPENDITURES				
Administration department	1,063,655	1,063,655	967,579	96,076
Public safety	2,031,567	4,826,034	4,874,549	(48,515)
Planning department	470,683	470,683	591,300	(120,617)
Public works	936,420	936,420	856,479	79,941
Culture and recreation	154,918	154,918	125,356	29,562
Debt service	-	-	11,003	(11,003)
Capital outlay	11,320	61,901	56,090	5,811
Total Expenditures	<u>4,668,563</u>	<u>7,513,611</u>	<u>7,482,356</u>	<u>31,255</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>403,163</u>	<u>(2,441,885)</u>	<u>(1,017,888)</u>	<u>1,423,997</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(145,656)	(145,656)	(125,849)	19,807
Total other financing sources (uses)	<u>(145,656)</u>	<u>(145,656)</u>	<u>(125,849)</u>	<u>19,807</u>
NET CHANGE IN FUND BALANCES	257,507	(2,587,541)	(1,143,737)	1,443,804
FUND BALANCE – Beginning	3,461,396	3,461,396	3,461,396	-
FUND BALANCE – Ending	<u><u>\$ 3,718,903</u></u>	<u><u>\$ 873,855</u></u>	<u><u>\$ 2,317,659</u></u>	<u><u>\$ 1,443,804</u></u>

Note 1 – Summary of Significant Accounting Policies

The City is required to establish a budgetary system and an approved annual budget for the General Fund. The City's budgeting process is based on estimates of cash receipts and cash expenditures that are approved by the City Commission. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles), with the exception of hurricane-related expenditures.

Note 2– Reconciliation of Differences Between Non-GAAP Budgetary Basis and GAAP (Modified Accrual) Basis

	Actual On GAAP Basis	To Budgetary Basis	Actual On Budgetary Basis
Total Expenditures	<u>\$ 8,377,769</u>	<u>\$ (895,413)</u>	<u>\$ 7,482,356</u>
Excess of Revenue Over (Under) Expenditures	\$ (1,913,301)	\$ 895,413	\$ (1,017,888)
Other Financing Sources	<u>\$ (125,849)</u>	<u>\$ -</u>	<u>\$ (125,849)</u>
Net Changes in Fund Balance	\$ (2,039,150)	\$ 895,413	\$ (1,143,737)
Fund Balance – Beginning	<u>\$ 3,461,396</u>	<u>\$ -</u>	<u>\$ 3,461,396</u>
Fund Balance – Ending	<u><u>\$ 1,422,246</u></u>	<u><u>\$ 895,413</u></u>	<u><u>\$ 2,317,659</u></u>

CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – CRA FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES				
Ad Valorem taxes	\$ 864,714	\$ 864,714	\$ 797,853	\$ (66,861)
Interest	3,000	3,000	23,953	20,953
Total Revenues	<u>867,714</u>	<u>867,714</u>	<u>821,806</u>	<u>(45,908)</u>
EXPENDITURES				
Operating	349,606	349,606	309,924	39,682
Total Expenditures	<u>349,606</u>	<u>349,606</u>	<u>309,924</u>	<u>39,682</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>518,108</u>	<u>518,108</u>	<u>511,882</u>	<u>(6,226)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	145,656	145,656	125,849	(19,807)
Total other financing sources (uses)	<u>145,656</u>	<u>145,656</u>	<u>125,849</u>	<u>(19,807)</u>
NET CHANGE IN FUND BALANCES	663,764	663,764	637,731	(26,033)
FUND BALANCE – Beginning	<u>1,359,370</u>	<u>1,359,370</u>	<u>1,359,370</u>	<u>–</u>
FUND BALANCE – Ending	<u><u>\$ 2,023,134</u></u>	<u><u>\$ 2,023,134</u></u>	<u><u>\$ 1,997,101</u></u>	<u><u>\$ (26,033)</u></u>

Note 1 – Summary of Significant Accounting Policies

The City is required to establish a budgetary system and an approved annual budget for the CRA Fund. The City's budgeting process is based on estimates of cash receipts and cash expenditures that are approved by the City Commission. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles), with the exception of capital outlay.

Note 2– Reconciliation of Differences Between Non-GAAP Budgetary Basis and GAAP (Modified Accrual) Basis

	Actual On GAAP Basis	To Budgetary Basis	Actual On Budgetary Basis
Total Expenditures	<u>\$ 503,780</u>	<u>\$ (193,856)</u>	<u>\$ 309,924</u>
Excess of Revenue Over (Under) Expenditures	\$ 318,026	\$ 193,856	\$ 511,882
Other Financing Sources	<u>\$ 125,849</u>	<u>\$ –</u>	<u>\$ 125,849</u>
Net Changes in Fund Balance	\$ 443,875	\$ 193,856	\$ 637,731
Fund Balance – Beginning	<u>\$ 1,359,370</u>	<u>\$ –</u>	<u>\$ 1,359,370</u>
Fund Balance – Ending	<u><u>\$ 1,803,245</u></u>	<u><u>\$ 193,856</u></u>	<u><u>\$ 1,997,101</u></u>

CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – LIBRARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL FAVORABLE (UNFAVORABLE)
REVENUES				
Interest	\$ 3,000	\$ 3,000	\$ 5,928	\$ 2,928
Total Revenues	3,000	3,000	5,928	2,928
EXPENDITURES				
Personal services	25,168	25,168	23,950	1,218
Operating	31,015	31,015	27,948	3,067
Total Expenditures	56,183	56,183	51,898	4,285
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(53,183)	(53,183)	(45,970)	7,213
FUND BALANCE – Beginning	198,838	198,838	198,838	–
FUND BALANCE – Ending	<u>\$ 145,655</u>	<u>\$ 145,655</u>	<u>\$ 152,868</u>	<u>\$ 7,213</u>

Note 1– Summary of Significant Accounting Policies

The City is required to establish a budgetary system and an approved annual budget for the Library Fund. The City's budgeting process is based on estimates of cash receipts and cash expenditures that are approved by the City Commission. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICER PENSION PLAN
AVAILABLE FISCAL YEARS *

	2022	2023	2024	2025
Total pension liability				
Service cost	\$ 80,925	\$ 96,876	\$ 125,540	\$ 140,752
Expected interest growth	5,665	12,843	22,101	35,990
Demographic gain/loss	-	(6,126)	22,750	18,812
Employee contributions	-	-	-	-
Benefit payments, including refunds	-	-	-	(5,992)
Administrative expenses	-	-	-	-
Changes in benefit terms	-	-	-	-
Assumption changes	-	-	-	-
Net change in total pension liability	86,590	103,593	170,391	189,562
Total pension liability – Beginning	-	86,590	190,183	360,574
Total pension liability – Ending (a)	<u>\$ 86,590</u>	<u>\$ 190,183</u>	<u>\$ 360,574</u>	<u>\$ 550,136</u>
Plan fiduciary net position				
Expected interest growth	\$ 2,389	\$ 8,901	\$ 18,639	\$ 32,110
Unexpected investment income	(6,765)	(4,372)	29,111	9,236
Employer contributions	51,327	101,451	111,865	119,071
Employee contributions	18,115	33,082	37,601	40,115
Investment Income	-	-	-	-
Benefit payments, including refunds of employee contributions	-	(8,161)	(6,381)	(5,992)
Administrative expense	(25)	-	-	(6,836)
Net change in plan fiduciary net position	65,041	130,901	190,835	187,704
Plan fiduciary net position – Beginning	-	65,041	195,942	386,777
Plan fiduciary net position – Ending (b)	<u>\$ 65,041</u>	<u>\$ 195,942</u>	<u>\$ 386,777</u>	<u>\$ 574,481</u>
Net pension liability (asset) – Ending (a) – (b)	<u>\$ 21,549</u>	<u>\$ (5,759)</u>	<u>\$ (26,203)</u>	<u>\$ (24,345)</u>
Plan fiduciary net position as a percentage of the total pension liability	75.11%	103.03%	107.27%	104.43%
Covered employee payroll	\$ 371,270	\$ 448,503	\$ 588,313	\$ 651,761
Net pension liability as a percentage of covered employee payroll	5.80%	0.00%	0.00%	0.00%

* Until a full 10-year trend is compiled, information will be presented for those years available.

NOTE 1:

The City established the Retirement Plan and Trust for the Police Officers' of the City of Bradenton Beach in 2022.

CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICER PENSION PLAN
AVAILABLE FISCAL YEARS *

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Actuarially determined contribution	\$ -	\$ 101,451	\$ 111,865	\$ 119,071
Contributions in relation to the actuarially determined contributions	<u>51,327</u>	<u>101,451</u>	<u>111,865</u>	<u>119,071</u>
Contribution deficiency (excess)	<u>\$ 51,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 371,270	\$ 448,503	\$ 588,313	\$ 651,761
Contributions as a percentage of covered employee payroll	13.82%	22.62%	19.01%	18.27%

* Until a full 10-year trend is compiled, information will be presented for those years available.

**CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
POLICE OFFICER PENSION PLAN
AVAILABLE FISCAL YEARS ***

Annual money-weighted rate of return

<u>Plan Year</u>	<u>Percentage</u>
9/30/25	7.43%
9/30/24	17.85%
9/30/23	3.53%
9/30/22	-12.61%

* Until a full 10-year trend is compiled, information will be presented for those years available.

**CITY OF BRADENTON BEACH, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE OFFICERS PENSION PLAN**

Employers reporting date: September 30, 2025
Measurement date: September 30, 2025
Valuation Date: October 1, 2024

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

Actuarial assumptions

Actuarial cost method:	Aggregate cost method.
Discount rate:	7.00% per annum (2.62% per annum is attributable to long-term inflation): this rate was used to discount all future benefit payments.
Salary increases:	4.00% per annum.
Cost-of-living increases:	None assumed.
Pre-retirement mortality:	None assumed.
Post-retirement mortality:	For non-disabled retirees, sex distinct rates set forth in PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rate plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018.
Retirement:	Retirement is assumed to occur at normal retirement age.
Other decrements:	None assumed.
Future contributions:	Contributions from the employer and employees are assumed to be made as legally required.
Changes:	No assumptions were changed since the prior measurement date.

CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEE PENSION PLAN
AVAILABLE FISCAL YEARS *

	2023	2024	2025
Total pension liability			
Service cost	\$ 86,529	\$ 105,156	\$ 110,136
Expected interest growth	6,057	13,800	21,351
Demographic gain/loss	-	(610)	(13,077)
Employee contributions	-	-	-
Benefit payments, including refunds	-	-	-
Administrative expenses	-	-	-
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Net change in total pension liability	92,586	118,346	118,410
Total pension liability – Beginning	-	92,586	210,932
Total pension liability – Ending (a)	<u>\$ 92,586</u>	<u>\$ 210,932</u>	<u>\$ 329,342</u>
Plan fiduciary net position			
Expected interest growth	\$ 3,468	\$ 11,014	\$ 22,213
Unexpected investment income	(4,706)	17,939	6,839
Employer contributions	85,715	108,717	128,756
Employee contributions	15,126	19,182	22,697
Investment Income	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense	(59)	(10,304)	(6,527)
Net change in plan fiduciary net position	99,544	146,548	173,978
Plan fiduciary net position – Beginning	-	99,544	246,092
Plan fiduciary net position – Ending (b)	<u>\$ 99,544</u>	<u>\$ 246,092</u>	<u>\$ 420,070</u>
Net pension liability (asset) – Ending (a) – (b)	<u>\$ (6,958)</u>	<u>\$ (35,160)</u>	<u>\$ (90,728)</u>
Plan fiduciary net position as a percentage of the total pension liability	107.52%	116.67%	127.55%
Covered employee payroll	\$ 457,624	\$ 583,691	\$ 603,830
Net pension liability as a percentage of covered employee payroll	0.00%	0.00%	0.00%

* Until a full 10-year trend is compiled, information will be presented for those years available.

NOTE 1:

The City established the Retirement Plan and Trust for the General Employees' of the City of Bradenton Beach in 2023.

CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEE PENSION PLAN
AVAILABLE FISCAL YEARS *

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Actuarially determined contribution	\$ 85,715	\$ 103,843	\$ 110,379
Contributions in relation to the actuarially determined contributions	<u>85,715</u>	<u>108,717</u>	<u>128,756</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ 4,874</u></u>	<u><u>\$ 18,377</u></u>
Covered employee payroll	\$ 457,624	\$ 583,691	\$ 603,830
Contributions as a percentage of covered employee payroll	18.73%	18.63%	21.32%

* Until a full 10-year trend is compiled, information will be presented for those years available.

**CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
GENERAL EMPLOYEE PENSION PLAN
AVAILABLE FISCAL YEARS ***

Annual money-weighted rate of return

<u>Plan Year</u>	<u>Percentage</u>
9/30/25	6.88%
9/30/24	18.29%
9/30/23	-2.46%

* Until a full 10-year trend is compiled, information will be presented for those years available.

**CITY OF BRADENTON BEACH, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
GENERAL EMPLOYEE PENSION PLAN**

Employers reporting date: September 30, 2025
Measurement date: September 30, 2025
Valuation Date: October 1, 2024

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

Actuarial assumptions

Actuarial cost method:	Aggregate cost method.
Discount rate:	7.00% per annum (2.62% per annum is attributable to long-term inflation): this rate was used to discount all future benefit payments.
Salary increases:	4.00% per annum.
Cost-of-living increases:	None assumed.
Pre-retirement mortality:	None assumed.
Post-retirement mortality:	No pre-retirement mortality is assumed; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year.
Retirement:	Retirement is assumed to occur at normal retirement age.
Other decrements:	None assumed.
Future contributions:	Contributions from the employer and employees are assumed to be made as legally required.
Changes:	No assumptions were changed since the prior measurement date.

SUPPLEMENTARY INFORMATION

**CITY OF BRADENTON BEACH, FLORIDA
 DETAIL SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	GENERAL FUND			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
EXPENDITURES				
Administration department				
Personal services	\$ 639,833	\$ 639,833	\$ 611,475	\$ 28,358
Operating	423,822	423,822	356,104	67,718
Capital outlay	-	-	-	-
Police department				
Personal services	1,674,007	1,674,007	1,772,729	(98,722)
Operating	357,560	3,152,027	3,997,233	(845,206)
Debt service	-	-	11,003	(11,003)
Capital outlay	-	-	-	-
Planning department				
Personal services	122,923	122,923	232,367	(109,444)
Operating	347,760	347,760	358,933	(11,173)
Capital outlay	-	-	-	-
Maintenance/streets and roads				
Personal services	415,676	415,676	379,417	36,259
Operating	140,430	140,430	129,130	11,300
Capital outlay	11,320	27,469	16,148	11,321
Facilities management				
Personal services	73,562	73,562	78,513	(4,951)
Operating	64,100	64,100	68,882	(4,782)
Capital outlay	-	-	-	-
Stormwater				
Personal services	142,086	142,086	124,686	17,400
Operating	98,066	98,066	71,188	26,878
Capital outlay	-	-	-	-
Sanitation				
Operating	2,500	2,500	4,663	(2,163)
Culture and recreation				
Operating	154,918	154,918	125,355	29,563
Capital outlay	-	34,432	39,942	(5,510)
Total Expenditures	\$ 4,668,563	\$ 7,513,611	\$ 8,377,768	\$ (864,157)

**CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Federal Grantor/Pass-Through Grantor/ Federal Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the State of Florida Division of Emergency Management				
Disaster Grants-Public Assistance (Presidentially Declared Disasters) (HELENE)	97.036	Z4388	\$ -	\$ 1,606,569
Total U.S. Department of Homeland Security			\$ -	\$ 1,606,569
U.S. DEPARTMENT OF TREASURY				
Passed through the State of Florida Division of Emergency Management				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5171	\$ -	\$ 114,768
Total U.S. Department of Treasury			\$ -	\$ 114,768
U.S. DEPARTMENT OF JUSTICE				
Passed through the Florida Department of Law Enforcement of Office of Criminal Justice Grants				
Edward Byrne Memorial Justice Assistance Grant	16.738	JG078	\$ -	\$ 1,000
Total U.S. Department of Justice			\$ -	\$ 1,000
Total Expenditures of Federal Awards			\$ -	\$ 1,722,337

Note 1 – Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Note 2 – Indirect Cost Rate

The City elected not to use the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Contingencies

Grant monies received and distributed by the City are for specific purpose and are subject to review by grantor agencies. Such review 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 June 26, 2026, there were no material questioned or disallowed costs as a result of grant audits in the process or completed.

Note 4 – Sub-Recipients

The City did not pass through any grant amounts to sub-recipients.

OTHER REPORTS

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 City Commission
City of Bradenton Beach, 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, each major fund, and the aggregate remaining fund information of the City of Bradenton Beach, Florida (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2026.

Report on 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) as a basis for designing 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 City'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Handwritten signature in dark ink that reads "CS&L CPAs".

CS&L CPAs, P.A.

June 26, 2026
Bradenton, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

**To the Honorable Mayor and City Commission
City of Bradenton Beach, Florida**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Bradenton Beach, Florida's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

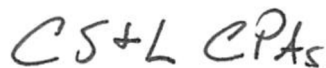
Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Handwritten signature in dark ink that reads "CS&L CPAs". The letters are cursive and slightly slanted.

CS&L CPAs, P.A.

June 26, 2026
Bradenton, Florida

**CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Section II – Financial Statement Findings

There were no matters reported.

PRIOR YEAR FINDINGS

There were no prior year audit findings required to be reported.

Section III –Federal Program Findings and Questioned Costs

There were no matters reported.

PRIOR YEAR FINDINGS

No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs.

MANAGEMENT LETTER

To the Honorable Mayor and City Commission
City of Bradenton Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Bradenton Beach, Florida as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 26, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on 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 Program and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 June 26, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding financial annual report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Bradenton Beach, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Bradenton Beach, Florida was not in a state of financial emergency as it did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. 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 of Bradenton Beach, Florida'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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a, Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information for a Dependent Special District

Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General is reported in the City of Bradenton Beach Community Redevelopment Agency's audit report.

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 fraud, waste or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

A handwritten signature in dark ink that reads "CS&L CPAs". The letters are cursive and slightly slanted to the right.

CS&L CPAs, P.A.

June 26, 2026
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

To the Honorable Mayor and City Commission
City of Bradenton Beach, Florida

We have examined the City of Bradenton Beach, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management 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.

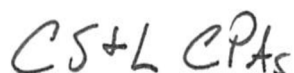
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied in all material respects, with the aforementioned compliance requirements for the year ended September 30, 2025.

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.

A handwritten signature in blue ink that reads "CS&L CPAs".

CS&L CPAs, P. A.

June 26, 2025
Bradenton, Florida