BRADENTON DOWNTOWN DEVELOPMENT AUTHORITY/ COMMUNITY REDEVELOPMENT AGENCIES (COMPONENT UNITS OF THE CITY OF BRADENTON, FLORIDA)

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

BRADENTON DOWNTOWN DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bradenton Downtown Development Authority, Bradenton Community Redevelopment Agency and the 14th Street Community Redevelopment Agency
Bradenton, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency and the 14th Street Community Redevelopment Agency (collectively, the "Entities"), component units of the City of Bradenton, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Entities' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Entities as of September 30, 2015, and the respective changes in financial position and budgetary comparisons for the General Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note J, the Entities implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of October 1, 2014. These standards significantly changed the accounting for the Entities' net pension liability and the related disclosures. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–9 and the Schedule of the Entities' Proportionate Share of the Net Pension Liability (FRS), Schedule of the Entities' Contributions (FRS), Schedule of the Entities' Proportionate Share of the Net Pension Liability (HIS), and Schedule of the Entities' Contributions (HIS) on pages 35 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2016, on our consideration of the Entities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entities' internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 27, 2016

The following pages represent the Management's Discussion and Analysis ("MD&A") for the financial statements of the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency and the 14th Street Community Redevelopment Agency (collectively, the "Entities"). It depicts and reviews the financial picture and activities as of September 30, 2015.

The intent of this MD&A is to present a picture and assessment of the Entities' financial performance in an effort to more clearly demonstrate to readers the results of this year's financial operation. Readers should review this MD&A along with the basic financial statements and notes also enclosed.

Using the Financial Statements

This financial report includes a series of financial statements and notes to those financial statements. The three separate entities are included in this financial report due to common governance and management.

The Statement of Net Position and the Statement of Activities provide information about the activities of the Entities as a whole, presenting both an aggregate view of the Entities' finances and a longer-term view of those finances. The fund financial statements provide more detail. These financial statements show how services were financed in the short-term as well as what financial resources remain for future spending. Financial information is presented for only the Bradenton Community Redevelopment Agency and the 14th Street Community Redevelopment Agency due to the Bradenton Downtown Development Authority having no assets, liabilities, equity, revenues, or expenditures as of and for the year ended September 30, 2015. As management oversees the activity of the entities as a whole, this MD&A will also reflect the activity and comparison to prior years as a whole.

Financial Highlights

- **Net Position**, decreased by $273,725 from $4,616,679 (restated) to $4,342,954 for the year ended September 30, 2015. This net change relates to the following items:

	Increase (Decrease)
Cash	$ (157,790)
Due from other governments	43,300
Capital assets (net)	(259,895)
Deferred outflows - pension	30,200
Deferred inflows - pension	41,958
Accounts and commitments payable	6,961
Accrued interest payable	(573)
Noncurrent liabilities	(118,806)

- **Total Assets** decreased at the end of the reporting year by $374,385 from $10,684,444 to $10,310,059. This change is attributed to the following elements:

		Increase (Decrease)
Cash	$	(157,790)
Due from other governments		43,300
Capital assets (net)		(259,895)

  The decrease in cash is due to the receipt of tax increment revenues and investment earnings being less than operating expenses, debt principal payments and payments on accounts and commitments payable. The decrease in capital assets resulted from depreciation taken on assets.

- **Total Liabilities** decreased by $112,418 from $6,070,189 to $5,957,771 due to the following items:

		Increase (Decrease)
Accounts and debt commitments payable	$	6,961
Accrued interest payable		(573)
Noncurrent liabilities		(118,806)

  Noncurrent liabilities decreased with the payment of scheduled principal repayments associated with the loans, note and bond. Accounts and commitments payable have increased due to bills received and unpaid as of year end.

- **Total Revenues** increased by $225,559 from $2,478,717 to $2,704,276. The increase is attributed to the following:

		Increase (Decrease)
Total grants and contributions	$	46,130
Tax increment revenues		179,928
Unrestricted investment earnings		(499)

Investment earnings decreased slightly due to lower interest rates received on various money market accounts and less overall cash invested. Total grants and contributions increased from the prior year due to the new Regatta event held downtown. The tax increment revenues increased due to an increase in the property values for the entities' respective target areas.

- **Total Expenses** decreased by $653,067 from $3,631,068 to $2,978,001. The increase is attributed to the following:

	Increase (Decrease)
Accounting and legal fees	$ (7,840)
Administrative costs	301
Interest expense	267
Payroll costs	51,541
Project costs including depreciation	(697,336)

A summary of the Entities' net position for the years ended September 30, 2015 and 2014, are as follows:

	Bradenton Community Redevelopment Agency		14th Street Community Redevelopment Agency	
	2015	**2014 (Restated)**	**2015**	**2014**
Current and other assets	$ 502,933	$ 624,302	$ 262,088	$ 255,209
Capital assets	6,148,282	6,393,588	3,396,756	3,411,345
Total assets	6,651,215	7,017,890	3,658,844	3,666,554
Deferred outflows	32,624	2,424	-	-
Long-term liabilities	5,283,418	5,240,771	640,949	802,402
Other liabilities	33,404	27,016	-	-
Total liabilities	5,316,822	5,267,787	640,949	802,402
Deferred inflows	41,958	-	-	-
Net position				
Net investment in capital assets	955,615	1,213,889	2,755,807	2,608,943
Unrestricted	369,444	538,638	262,088	255,209
Total net position	$ 1,325,059	$ 1,752,527	$ 3,017,895	$ 2,864,152

A summary of the Entities’ changes in net position for the years ended September 30, 2015 and 2014, is as follows:

	Bradenton Community Redevelopment Agency		14th Street Community Redevelopment Agency	
Revenues	**2015**	**2014 (Restated)**	**2015**	**2014**
General revenues				
Tax increment funding	$ 2,238,389	$ 2,058,116	$ 371,299	$ 371,644
Unrestricted investment earnings	4,565	5,086	882	860
Program revenues				
Operating grants and contributions	89,141	43,011	-	-
Total revenues	2,332,095	2,106,213	372,181	372,504
Expenses	2,759,563	3,394,048	218,438	237,020
Change in net position	(427,468)	(1,287,835)	153,743	135,484
Net position, beginning of year, restated	1,752,527	3,040,362	2,864,152	2,728,668
Net position, end of year	$ 1,325,059	$ 1,752,527	$ 3,017,895	$ 2,864,152

General Fund Budget Comparison

During the fiscal year, the Entities' Board of Directors prepared an original budget that was approved at the September 23, 2014, monthly board meeting. A statement showing the Entities' original and final budgets are presented in the financial statement on pages 14 and 15. There were no changes between the original and final budget.

Capital Asset and Long-term Debt Administration

- **Capital Assets**

  At September 30, 2015, the Entities have capital investments in real property at a cost of $3,492,799, office equipment and furniture at a cost of $15,245, and improvements at a cost of $6,740,641. Total capital assets of $9,545,038 are net of accumulated depreciation of $703,647.

  Current depreciation expense of $259,895 was recognized in 2015. Additional capital asset information is presented in Note C.

- **Long-term Debt**

  At September 30, 2015, the Entities had two outstanding loans and one bond issue totaling $5,925,949. A Promissory Note for $614,196 is due/renewed each year on February 6, with a monthly interest rate of 3.25%. During 2009, two lines of credit were established, with interest rates of 3.95% and 3.25%. $26,753 is owed on one line of credit and no balance is owed on the other line of credit at September 30, 2015. The 2011 Series Bond issue has interest only payments of $244,600 through 2016. All debt issues are secured by the tax increment revenues of the Authority and/or real property.

Economic Factors and Next Year's Budget

Bradenton CRA

In Fiscal Year 2014-2015 (ending September 30, 2015), the Entities elected to focus its Bradenton CRA resources on:

1. Fulfilling its projected $1.162 million obligation to Manatee County (the "County") as part of the inter-local agreement to keep the County's administration building downtown (see below).
2. Investing in downtown events both public and private.
3. Investing in the Realize Bradenton non-profit organization, which is charged with implementing the Realize Bradenton cultural plan and overseeing the events initiative on the Bradenton Riverwalk; continued marketing initiatives of the City of Bradenton's (the "City") many components.
4. Debt service payments (interest only) on the 2011 Series Bond for the Riverwalk Project in the amount of $244,600.
5. Continued Building and Site Enhancement grant programs as well as tax abatement agreements for businesses in the CRA.

In 1987, the City, County and Bradenton CRA entered into a 30 year agreement to fund a portion of the construction costs of the County's downtown administration building. The inter-local agreement calls on the DDA to return 100% of the County's tax increment funding, negating any County financial participation in current Bradenton CRA projects. This agreement will be in effect through 2017.

14th Street CRA

In Fiscal Year 2014-2015 (ending September 30, 2015), the Entities elected to focus its 14th Street CRA resources on:

1. Reducing approximately $159,000 in debt from past property purchases.
2. Investing in Village of the Arts and Tamiami Trail with the Tapestry Plan.

3. Investing in the Realize Bradenton non-profit organization, which is charged with implementing the Realize Bradenton cultural plan and overseeing the events initiative in the 14th Street CRA along with the New College study of the entire area.
4. Marketing DDA owned properties along 14th Street corridor for future development.
5. Continued grant programs for residents and businesses within the CRA.

Requests for Information

For more information, please visit our website at www.ddabradenton.com or contact our staff at 941-932-9440.

BRADENTON DOWNTOWN DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2015

	Bradenton Community Redevelopment Agency	14th Street Community Redevelopment Agency
ASSETS		
Cash	$ 452,933	$ 262,088
Due from other governments	50,000	-
Capital assets		
Nondepreciable, capital assets	-	2,923,829
Depreciable capital assets, net	6,148,282	472,927
Total assets	6,651,215	3,658,844
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension	32,624	-
LIABILITIES		
Accounts and contracts payable	11,854	-
Accrued interest payable	21,550	-
Total current liabilities	33,404	-
Noncurrent liabilities		
Due within one year	-	640,949
Due in more than one year	5,283,418	-
Total noncurrent liabilities	5,283,418	640,949
Total liabilities	5,316,822	640,949
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension	41,958	-
NET POSITION		
Net investment in capital assets	955,615	2,755,807
Unrestricted	369,444	262,088
Total net position	$ 1,325,059	$ 3,017,895

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

BRADENTON DOWNTOWN DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

		Program Revenues		Net (Expense) Revenue and Change in Net Position	
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Bradenton Community Redevelopment Agency	14th Street Community Redevelopment Agency
Function/programs					
Governmental activities					
Economic development					
Bradenton Community Redevelopment Agency	$ 2,759,563	$ 89,141	$ -	$ (2,670,422)	$ -
14th Street Community Redevelopment Agency	218,438	-	-	-	(218,438)
Total governmental activities	$ 2,978,001	$ 89,141	$ -	(2,670,422)	(218,438)
General revenues					
Tax increment revenues				2,238,389	371,299
Unrestricted investment earnings				4,565	882
Total general revenues				2,242,954	372,181
Change in net position				(427,468)	153,743
Net position, beginning of year, as restated				1,752,527	2,864,152
Net position, end of year				$ 1,325,059	$ 3,017,895

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

BRADENTON DOWNTOWN DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Bradenton Community Redevelopment Agency	14th Street Community Redevelopment Agency
ASSETS		
Cash	$ 452,933	$ 262,088
Due from other governments	50,000	-
Total assets	$ 502,933	$ 262,088
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts and contracts payable	$ 11,854	$ -
Total liabilities	11,854	-
Fund balance		
Committed for capital projects	14,021	19,563
Unassigned	477,058	242,525
Total fund balance	491,079	262,088
Total liabilities and fund balance	$ 502,933	$ 262,088
Total fund balance, above	$ 491,079	$ 262,088
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.	6,148,282	3,396,756
Deferred outflows, deferred inflows, and the net pension liability related to the Entities' pension plan are not expected to be liquidated with expendable available resouces and, therefore are not reported in the funds.	(100,085)	-
Long-term liabilities, including notes payable, bonds payable, and accrued interest are not due and payable in the current period and, therefore, are not reported in the funds.	(5,214,217)	(640,949)
Net position of governmental activities	$ 1,325,059	$ 3,017,895

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

BRADENTON DOWNTOWN DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Bradenton Community Redevelopment Agency	14th Street Community Redevelopment Agency
Revenues		
Tax increment revenues	$ 2,238,389	$ 371,299
Interest	4,565	882
Other	89,141	-
Total revenues	2,332,095	372,181
Expenditures		
Accounting and legal fees	17,725	-
Administrative costs	33,396	179
Debt service	245,175	192,461
Payroll costs	186,664	-
Project costs	1,977,465	172,662
Total expenditures	2,460,425	365,302
Net change in fund balances	(128,330)	6,879
Fund balance, beginning	619,409	255,209
Fund balance, ending	$ 491,079	$ 262,088
Net change in fund balance, above	$ (128,330)	$ 6,879
Amounts reported for governmental activities in the statement of activities are different because:		
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. There were no current year capital outlays and depreciation was $245,306 for the Bradenton Community Redevelopment Agency and $14,589 for the 14th Street Community Redevelopment Agency.	(245,306)	(14,589)
The repayment of principal of long-term debt consumes the financial resources of the governmental funds. However it has no effect on net position.	-	161,453
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Pension	(41,437)	-
Change in accrued interest	573	-
Amortization of discount	(12,968)	-
Change in net position of governmental activities	$ (427,468)	$ 153,743

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

BRADENTON DOWNTOWN DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
BRADENTON COMMUNITY REDEVELOPMENT AGENCY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Tax increment revenues	$ 2,245,503	$ 2,245,503	$ 2,238,389	$ (7,114)
Interest	5,400	5,400	4,565	(835)
Other	17,000	17,000	89,141	72,141
Total revenues	2,267,903	2,267,903	2,332,095	64,192
Expenditures				
Accounting and legal fees	29,000	29,000	17,725	11,275
Administrative costs	35,600	35,600	33,396	2,204
Debt service	245,510	245,510	245,175	335
Payroll costs	180,986	180,986	186,664	(5,678)
Project costs	2,042,124	2,042,124	1,977,465	64,659
Total expenditures	2,533,220	2,533,220	2,460,425	72,795
Net change in fund balance	(265,317)	(265,317)	(128,330)	136,987
Fund balance, beginning	619,409	619,409	619,409	-
Fund balance, ending	$ 354,092	$ 354,092	$ 491,079	$ 136,987

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

BRADENTON DOWNTOWN DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
14TH STREET COMMUNITY REDEVELOPMENT AGENCY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Tax increment revenues	$ 376,533	$ 376,533	$ 371,299	$ (5,234)
Interest	800	800	882	82
Total revenues	377,333	377,333	372,181	(5,152)
Expenditures				
Administrative costs	5,700	5,700	179	5,521
Debt service	191,244	191,244	192,461	(1,217)
Project costs	142,427	142,427	172,662	(30,235)
Total expenditures	339,371	339,371	365,302	(25,931)
Net change in fund balance	37,962	37,962	6,879	(31,083)
Fund balance, beginning	255,209	255,209	255,209	-
Fund balance, ending	$ 293,171	$ 293,171	$ 262,088	$ (31,083)

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency and the 14th Street Community Redevelopment Agency (collectively, the "Entities") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: There are three separate entities included in this financial report due to common governance and management. These entities are as follows:

1. The Bradenton Downtown Development Authority (DDA) is a dependent special district created by Special Legislative Act 74-425 in 1974. The DDA will sunset 45 years from the date it was created. City Ordinance No. 2219, May 29, 1980, designated the DDA to serve as the Bradenton Community Redevelopment Agency ("CRA") for the City of Bradenton (the "City"). City Ordinance No. 2504, November 24, 1993, designated the DDA to serve as the 14th Street Community Redevelopment Agency ("14th Street CRA"). The City found and declared a state of slum and blighted areas exist in some areas of the City. The City further found that certain slum or blighted areas, or portions thereof, may require acquisition, clearance and disposition subject to use restrictions. The DDA has taxing authority to tax or appropriate funds to a redevelopment trust fund in order to preserve and enhance the tax base of the DDA and to promote economic redevelopment of a targeted area. The taxing authority of the DDA via establishment of a "Special Taxing District" has not been created. The DDA is an administrative unit only, with no assets, liabilities, equity, revenues, or expenses/expenditures as of and for the year ended September 30, 2015.
2. City Resolution 79-55 dated November 1979, pursuant to Florida Statute 163.367, created the Bradenton Community Redevelopment Agency (CRA), a dependent special district, with a base year established as 1980, with an original sunset date of December 31, 2010, that has been extended with Resolution 08-39 through June 2038. The purpose of the CRA is to encourage, support and provide economic redevelopment of designated areas in the downtown section of the City. Promoting new development, new business and adding to the employee base, are several areas of concentration for the CRA efforts.
3. The 14th Street Community Redevelopment Agency (14th Street CRA) is a dependent special district created by City Resolution 93-62 on October 27, 1993. The 14th Street CRA was originally scheduled to sunset in 2014; however, Resolution 08-38 has extended the term through June 2038. The 14th Street CRA was also created to eliminate slum and blight in the 14th Street West corridor and surrounding neighborhoods. The Village of the Arts has developed into one of the most recognized concentrations of art galleries and studio artist neighborhoods in the state. Its formation is now copied by several other cities in the state and other areas.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Bradenton City Council, through Ordinance 2468 passed in September 1991, has appointed the DDA as the respective Community Redevelopment Agency of the City. Therefore, all three entities have the same Board of Directors (the "Board"). The Bradenton City Council places the following restrictions on the three dependent special districts:

1. Any agreement to fund a grant or request for funds or approval of any projects by the DDA acting as the DDA/CRA may be rescinded within thirty days by a four/fifths vote of the City Council. The Mayor may veto any rescinding action by the City Council. This veto, however, may be overridden by a four/fifths vote of the City Council.
2. No formal action taken by the Board shall be considered final nor shall any party have any right to rely on such act or acts or grants until the period of time for the rescinding action by the City Council has passed (thirty days) or until the City Council has firmly expressed its approval of the action of the Board.
3. The annual budget of the entities shall be considered final after approval by the City Council or after thirty days has elapsed from the period of time said budget is passed by the Board.

In addition to the above, the Mayor appoints members to the Board, ratified by the City Council, and the City provides funding via ad valorem tax related to the 1980 base year (CRA) and the 1993 base year (14th Street CRA), on an annual basis to the CRA and 14th Street CRA.

Based on the above factors, the City exercises financial accountability over the DDA, CRA and 14th Street CRA and, therefore, they are considered component units of the City as defined by GAAP. The financial statements of the DDA, CRA and 14th Street CRA are also included as a part of the City's Comprehensive Annual Financial Report.

The DDA, CRA and 14th Street CRA are currently occupying office space at the City's City Hall.

As the DDA, CRA and 14th Street CRA are instruments of the State of Florida, they are exempt from Federal income tax.

There are no component units for which the DDA, CRA or 14th Street CRA are financially accountable.

<u>Government-wide and Fund Financial Statements</u>: The government-wide financial statements (i.e., the Statements of Net Position and the Statements of Activities) report information on all of the activities of the governments. The DDA, CRA and 14th Street CRA have only governmental activities, which are supported by taxes and intergovernmental revenues.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

<u>Measurement Focus, Basis of Accounting and Financial Statement Presentation</u>: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available, if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The CRA and 14th Street CRA each report only a General Fund:

> The *General Funds* are the CRA and the 14th Street CRA's primary operating funds. They account for all financial resources of the general government, except those required to be accounted for in another fund.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting: Preliminary budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America and are presented to the Board. Public hearings are conducted by the Board to obtain taxpayer comments. The Board of Directors approves the budget in September followed by approval from the Bradenton City Council.

No expenditures in excess of total fund appropriations are allowable without the Board of Directors approval. The Board of Directors may legally amend the budget. Budget appropriations lapse at year end. Commitments that are authorized and approved by the Board of Directors are included as project expenditures in the period committed.

Cash: Cash includes amounts on deposit in various checking and money market accounts. Funds on deposit are insured by the Federal Deposit Insurance Corporation or are fully collateralized as required by Chapter 280 of the Florida Statutes.

Capital Assets: Capital assets of the CRA and 14th Street CRA include property and equipment, and are reported in the government-wide financial statements. Capital assets are defined by each entity as assets with an initial individual cost of more than $500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Equipment is being depreciated using the straight line method over the estimated useful lives, currently ranging from three to seven years. Property (land) is not depreciated.

Long-Term Obligations: In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position. Bond and note premiums and discounts are deferred and amortized over the lives of the bonds and notes using the straight line method, which approximates the effective interest method. Bonds and notes payable are reported net of the applicable bond and note premium or discount. Bond and note issuance costs are reported as expenditures when incurred.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity: Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance: Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA and 14th Street CRA are bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable:* Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (1) not in spendable form (i.e., items that are not expected to be converted to cash), or (2) legally or contractually required to be maintained intact.
- *Restricted:* Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the CRA and 14th Street CRA or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Committed:* Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Only the Board of Directors may modify or rescind the commitment.
- *Assigned:* Fund balances are reported as assigned when amounts are constrained by the CRA or 14th Street CRA's intent to be used for specific purposes, but are neither restricted nor committed. Currently only the Board of Directors is authorized to assign fund balances.
- *Unassigned*: Fund balances are reported as unassigned as the residual amount when balances do not meet any of the above criterion. The CRA and 14th Street CRA report a positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in other funds should the CRA or 14th Street CRA establish other funds at a later time.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Flow Assumptions: When both restricted and unrestricted amounts of fund balance/net position are available for use for expenditures/expenses incurred, it is the CRA and 14th Street CRA's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the CRA and 14th Street CRA's policy to use fund balance in the following order: Committed, Assigned and Unassigned.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows / Inflows of Resources - The Entities deferred inflows and deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the Entities' actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members.

Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the Entities to the pension plan before year end but subsequent to the measurement date of the Entities' net pension liability are reported as deferred outflows of resources.

NOTE B – CASH AND CASH EQUIVALENTS

At September 30, 2015, the CRA and 14th Street CRA's cash in the bank was fully insured by Federal Depository Insurance and the multiple financial collateral pool required by Chapter 280, Florida Statutes. Hence, there is no custodial credit risk for the deposits of the CRA and 14th Street CRA.

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Bradenton Community Redevelopment Agency				
Capital assets, being depreciated				
Improvements	$ 6,740,641	$ -	$ -	$ 6,740,641
Office equipment	8,283	-	-	8,283
Furniture	6,962	-	-	6,962
Total capital assets being depreciated	6,755,886	-	-	6,755,886
Less accumulated depreciation for				
Improvements	(347,245)	(245,114)	-	(592,359)
Office equipment	(8,283)	-	-	(8,283)
Furniture	(6,770)	(192)	-	(6,962)
Total accumulated depreciation	(362,298)	(245,306)	-	(607,604)
Total capital assets, being depreciated, net	6,393,588	(245,306)	-	6,148,282
Bradenton Community Redevelopment Agency capital assets, net	$ 6,393,588	$ (245,306)	$ -	$ 6,148,282

	Beginning Balances	Increases	Decreases	Ending Balances
14th Street Community Redevelopment Agency				
Capital assets, not being depreciated				
Land	$ 2,923,829	$ -	$ -	$ 2,923,829
Total capital assets not being depreciated	2,923,829	-	-	2,923,829
Capital assets, being depreciated				
Office building	568,970	-	-	568,970
Total capital assets being depreciated	568,970	-	-	568,970
Less accumulated depreciation for				
Building	(81,454)	(14,589)	-	(96,043)
Total accumulated depreciation	(81,454)	(14,589)	-	(96,043)
Total capital assets, being depreciated, net	487,516	(14,589)	-	472,927
14th Street Community Redevelopment Agency capital assets, net	$ 3,411,345	$ (14,589)	$ -	$ 3,396,756

Depreciation expense of $245,306 was charged to the CRA and $14,589 was charged to the 14th Street CRA for the year ended September 30, 2015.

NOTE D – TAX INCREMENT REVENUES

In accordance with Florida Statutes Chapter 163 and various adopted special legislative acts, Redevelopment Trust Funds have been established by the Bradenton City Council to fund the activities of the CRA and 14th Street CRA within each redevelopment area. These trust funds receive tax increment revenues (defined as 95% of the difference between the current ad valorem millage rate applied to the base year real property assessed values within the redevelopment area and the current rate applied to the "frozen" level of aggregate property assessments, established at the adoption of the authorizing ordinance of the trust fund) from both the City and the County. Trust fund money may only be used in the redevelopment area that produced the tax increment revenues. For the fiscal year ended September 30, 2015, the CRA received $1,076,364 from the City and $1,162,025 from the County. For the fiscal year ended September 30, 2015, the 14th Street CRA received $177,234 from the City and $194,065 from the County.

NOTE E – COMMITMENTS

Manatee County Administrative Complex: In 1987, the City, the County and the DDA entered into a 30 year agreement to fund a portion of the construction costs of the County's downtown administration building. The inter-local agreement calls on the CRA to return 100% of the County's Tax Increment Funding annually. The amount in the current year returned to the County was $1,162,025. This agreement will be in effect through 2017.

NOTE F – PROJECT COSTS

The following schedule shows the significant project costs of the DDA/CRA incurred during the year ended September 30, 2015, reflecting budgeted amounts, actual expenditures and the variance:

	Final Budget	Actual	Variance
Manatee County building	$ 1,159,577	$ 1,162,025	$ (2,448)
Realize Bradenton	276,286	276,284	2
Other CRA projects	653,241	556,204	97,037
Total project costs	$ 2,089,104	$ 1,994,513	$ 94,591

NOTE G – LONG-TERM DEBT

The following is a summary of the activity and terms of the CRA and 14th Street CRA's long-term debt as of and for the year ended September 30, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due in One Year
Bradenton Community Redevelopment Agency					
2011 Series Bonds	$ 5,285,000	$ -	$ -	$ 5,285,000	$ -
Less unamortized discount	(105,301)	-	12,968	(92,333)	-
Net pension liability	61,072	61,166	(31,487)	90,751	-
Total Bradenton Community Redevelopment Agency	$ 5,240,771	$ 61,166	$ (18,519)	$ 5,283,418	$ -
14th Street Community Redevelopment Agency					
Promissory Note, Manatee Inn loan	$ 717,854	$ -	$ (103,658)	$ 614,196	$ 614,196
Promissory Note 2011	84,548	-	(57,795)	26,753	26,753
Total 14th Street Community Redevelopment Agency	$ 802,402	$ -	$ (161,453)	$ 640,949	$ 640,949

$5,285,000 Series 2011 Tax Increment Revenue Bonds were issued for the purpose of financing the cost of construction of the Riverwalk Project. This project is intended to be donated to the City at a future date. The bonds are due in annual installments of $165,000 to $390,000 beginning September 1, 2017 through September 1, 2037. Increment tax revenues and non-ad valorem revenues are pledged to secure this issue. Interest rates range from 2.75% to 5.125%.

Bradenton Community Redevelopment Commercial Note carries interest due in monthly installments at the three month LIBOR rate plus 185 basis points, and at no time shall be less than 3.25%. This note is secured by real property owned by the CRA and lien upon the tax increment revenues derived from taxing authorities from taxable property within the redevelopment area. This commercial note was approved for future use at an amount not to exceed $500,000 and principal amount outstanding, if any, shall be payable on June 10, 2016. No funds were drawn from or due on this commercial note during the current fiscal year.

Promissory Note, Manatee Inn Loan was restructured during fiscal year 2015, with a principal balance of $717,854. The 14th Street CRA paid an annual principal reduction payment in an amount equal to $103,658 on February 10, 2015. Interest only payments are due monthly until May 6, 2016 at which time the entire unpaid principal balance, together with accrued interest thereon, shall be due and payable in full. It is the 14th Street CRA's intention to refinance the loan prior to the May 6, 2016 maturity date as has been done in prior years. Interest is based on the three month LIBOR rate plus 185 basis points, but at no time shall be less than 3.25%. The note is secured by real property owned by the 14th Street CRA and a lien upon the tax increment revenues derived from taxing authorities from taxable property within the redevelopment area.

NOTE G – LONG-TERM DEBT (CONTINUED)

Promissory Note 2011 was restructured during fiscal year 2012, with a principal balance of $221,904 and new terms. The note was restructured as a four year note having a fixed interest rate of 3.95%. Principal and interest payments are due commencing on July 10, 2012, and continuing monthly until June 10, 2016, at which time the entire unpaid principal balance, together with accrued interest thereon, shall be due and payable in full. The monthly principal and interest payment is $5,011. The note is secured by real property owned by the 14th Street CRA and lien upon the tax increment revenues derived from taxing authorities from taxable property within the redevelopment area.

The following schedule shows the annual debt service requirements for the notes and bonds payable of the CRA and 14th Street CRA as of September 30, 2015:

Bradenton Community Redevelopment Agency

	Principal	Interest	Total
2016	$ -	$ 244,600	$ 244,600
2017	165,000	244,600	409,600
2018	170,000	240,062	410,062
2019	175,000	234,750	409,750
2020	180,000	228,844	408,844
2021-2025	1,000,000	1,035,619	2,035,619
2026-2030	1,245,000	792,250	2,037,250
2031-2035	1,590,000	446,794	2,036,794
2036-2037	760,000	58,937	818,937
	$ 5,285,000	$ 3,526,456	$ 8,811,456

14th Street Community Redevelopment Agency

	Principal	Interest	Total
2016	$ 640,949	$ 15,309	$ 656,258
	$ 640,949	$ 15,309	$ 656,258

NOTE H – RETIREMENT PLANS

Florida Retirement System:

General Information - The Executive Director of the DDA, CRA and 14th Street CRA and his assistants participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

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

Pension Plan

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

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

NOTE H – RETIREMENT PLANS (CONTINUED)

Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of- living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively, were as follows: Regular−7.37% and 7.26%; Special Risk Administrative Support−42.07% and 32.95%; Special Risk−19.82% and 22.04%; Senior Management Service−21.14% and 21.43%; Elected Officers'−43.24% and 42.27%; and DROP participants−12.28% and 18.75%. These employer contribution rates include 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively.

NOTE H – RETIREMENT PLANS (CONTINUED)

The Entities' contributions, including employee contributions, to the Pension Plan totaled $8,461 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Entities reported a liability of $44,369 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Entities' proportionate share of the net pension liability was based on the Entities' 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Entities' proportionate share was 0.000343510%, which was an increase of 0.000014712% from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Entities recognized pension expense of $2,084. In addition the Entities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 4,684	$ 1,052
Change of assumptions	2,945	-
Net difference between projected and actual earnings on Pension Plan investments	15,628	26,223
Changes in proportion and differences between Entities' Pension Plan contributions and proportionate share of contributions	1,911	6,246
Entities' Pension Plan contributions subsequent to the measurement date	1,945	-
Total	$ 27,113	$ 33,521

NOTE H – RETIREMENT PLANS (CONTINUED)

The deferred outflows of resources related to the Pension Plan, totaling $1,945 resulting from Entities' contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2016	$ (1,671)
2017	(1,671)
2018	(1,671)
2019	(1,670)
2020	(1,670)
Thereafter	-

Actuarial Assumptions – The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.65%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

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

NOTE H – RETIREMENT PLANS (CONTINUED)

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yeld Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Entities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds/Absolute Return	7.00%	5.81%	5.35%	10.00%
Real Estate (Property)	12.00%	7.11%	6.35%	13.00%
Total	100.00%			
Assumed Inflation - Mean		2.60%		2.00%

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

Discount Rate - The discount rate used to measure the total pension liability was 7.65%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Entities' Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Entities' proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Entities' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Entities' proportionate share of the net pension liability	$ 114,970	$ 44,369	$ (14,383)

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

NOTE H – RETIREMENT PLANS (CONTINUED)

Payables to the Pension Plan - At September 30, 2015, the Entities reported a payable in the amount of $0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2015.

HIS Plan

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

Benefits Provided – For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution for the period October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, was 1.20% and 1.26%, respectively. The Entities contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Entities' contributions to the HIS Plan totaled $1,757 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Entities reported a liability of $46,382 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Entities' proportionate share of the net pension liability was based on the Entities' 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Entities' proportionate share was 0.000454800%, which was an increase of 0.000016188% from its proportionate share measured as of June 30, 2014.

NOTE H – RETIREMENT PLANS (CONTINUED)

For the fiscal year ended September 30, 2015, the Entities recognized pension expense of $2,035. In addition the Entities reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Change of assumptions	3,649	-
Net difference between projected and actual earnings on HIS Plan investments	25	-
Changes in proportion and differences between Entities' HIS Plan contributions and proportionate share of contributions	1,256	8,437
Entities' HIS Plan contributions subsequent to the measurement date	581	-
Total	$ 5,511	$ 8,437

The deferred outflows of resources related to the HIS Plan, totaling $581 resulting from Entities' contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2016	$ (702)
2017	(702)
2018	(701)
2019	(701)
2020	(701)
Thereafter	-

Actuarial Assumptions – The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	4.29 %

NOTE H – RETIREMENT PLANS (CONTINUED)

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

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 4.29%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Entities' Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Entities' proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Entities' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Entities' proportionate share of the net pension liability	$ 52,851	$ 46,382	$ 40,989

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

Payables to the Pension Plan - At September 30, 2015, the Entities reported a payable in the amount of $0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2015.

NOTE I – ACCOUNTING CHANGES

The Entities participate in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the Entities implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the defined benefit pension plans. The beginning net position of the Entities was decreased by $58,648 due to the adoption of this statement.

Bradenton Community Redevelopment Agency Governmental Activities, September 30, 2014, as previously reported	$ 1,811,175
Adjustment for change in accounting principle	(58,648)
Bradenton Community Redevelopment Agency Governmental Activities, September 30, 2014, as restated	$ 1,752,527

NOTE J – SUBSEQUENT EVENTS

On June 24, 2015, the City of Bradenton Council voted to take control of the DDA, CRA and 14th Street CRA and become the official community redevelopment agency for the community redevelopment areas of the City of Bradenton. The official transition took place on January 1, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

BRADENTON DOWNENTITIES DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ENTITIES' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting Period Ending Measurement Date	9/30/2015 6/30/2015	9/30/2014 6/30/2014
Entities' proportion of the FRS net pension liability	0.000343510%	0.000328798%
Entities' proportionate share of the FRS net pension liability	$ 44,369	$ 20,061
Entities' covered employee payroll	$ 139,866	$ 136,688
Entities' proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	31.72%	14.68%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	92.00%	96.09%

Notes to the Schedule:

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

BRADENTON DOWNENTITIES DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ENTITIES' CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting Period Ending	9/30/2015		9/30/2014	
Measurement Date	6/30/2015		6/30/2014	
Contractually required FRS contribution	$	8,375	$	7,202
FRS Contributions in relation to the contractually required FRS contribution		8,375		7,202
FRS Contribution deficiency (excess)	$	-	$	-
Covered employee payroll	$	139,866	$	136,688
FRS Contributions as a percentage of covered employee payroll		5.99%		5.27%

Notes to the Schedule:

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

BRADENTON DOWNENTITIES DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ENTITIES' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting Period Ending	9/30/2015	9/30/2014
Measurement Date	6/30/2015	6/30/2014
Entities' proportion of the HIS net pension liability	0.000454800%	0.000438612%
Entities' proportionate share of the HIS net pension liability	$ 46,382	$ 41,011
Entities' covered employee payroll	$ 139,866	$ 136,688
Entities' proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	33.16%	30.00%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	0.50%	0.99%

Notes to the Schedule:

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

BRADENTON DOWNENTITIES DEVELOPMENT AUTHORITY/
COMMUNITY REDEVELOPMENT AGENCIES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ENTITIES' CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting Period Ending	9/30/2015	9/30/2014
Measurement Date	6/30/2015	6/30/2014
Contractually required HIS contribution	$ 1,739	$ 1,503
HIS Contributions in relation to the contractually required HIS contribution	1,739	1,503
HIS Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 139,866	$ 136,688
HIS Contributions as a percentage of covered employee payroll	1.24%	1.10%

Notes to the Schedule:

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

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*

Board of Directors
Bradenton Downtown Development Authority, Bradenton Community Redevelopment Agency and the 14th Street Community Redevelopment Agency
Bradenton, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major funds of the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency and the 14th Street Community Redevelopment Agency (collectively, the "Entities"), component units of the City of Bradenton, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Entities' basic financial statements, and have issued our report thereon dated April 27, 2016. As referenced in our report, the Entities implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of October 1, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Bradenton, Florida
April 27, 2016

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Directors
Bradenton Downtown Development Authority, Bradenton Community Redevelopment Agency and the 14th Street Community Redevelopment Agency
Bradenton, Florida

Report on the Financial Statements

We have audited the financial statements of the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency and the 14th Street Community Redevelopment Agency (collectively, the "Entities"), component units of the City of Bradenton, Florida, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated April 27, 2016.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which are dated April 27, 2016, 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 or recommendations in the preceding annual financial audit report requiring correction.

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 for the Entities is disclosed within the footnotes of this report. The Entities have no component units.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Entities have met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Entities did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Entities' financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Entities for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

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

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
April 27, 2016

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None Reported

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bradenton Downtown Development Authority, Bradenton Community Redevelopment
Agency and the 14th Street Community Redevelopment Agency
Bradenton, Florida

We have examined the Bradenton Downtown Development Authority, the Bradenton Community Redevelopment Agency and the 14th Street Community Redevelopment Agency (collectively, the "Entities") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Entities' compliance with those requirements. Our responsibility is to express an opinion on the Entities' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Entities' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Entities' compliance with specified requirements.

In our opinion, the Entities complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Entities 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 27, 2016