

**City of Bradenton Community Redevelopment Agency
(A Component Unit of the City of Bradenton, Florida)**

Financial Statements

For the Year Ended September 30, 2020

CITY OF BRADENTON COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
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INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor, Members of the City
Council, and City Clerk & Treasurer
City of Bradenton Community Redevelopment Agency**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Bradenton Community Redevelopment Agency (CRA), a component unit of the City of Bradenton, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 CRA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CRA as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis included on pages 3–8 and the budgetary comparison schedules included on pages 27–29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021, on our consideration of the CRA'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 CRA'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 CRA's internal control over financial reporting and compliance.

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

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

June 17, 2021
Bradenton, Florida

**CITY OF BRADENTON COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)**

Management's Discussion and Analysis
September 30, 2020

As management of the City of Bradenton Community Redevelopment Agency (the "CRA"), we offer readers of the CRA's basic financial statements this narrative overview and analysis of the CRA for the year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$13,427,418 (net position).
- The CRA's total net position increased \$342,813, or 2.62% in comparison to the prior year.
- As of the close of the current fiscal year, the CRA's fund statements reported combined ending fund balances of \$4,888,784, an increase of \$837,977 in comparison with the prior year.
- Total CRA fund revenues were \$3,296,248.
- Total CRA fund expenditures were \$4,716,843.
- Total other financing sources were \$2,258,572.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The Statement of Net Position presents information on all of the CRA's *assets, deferred outflows and liabilities* at the end of the fiscal year. The difference between its assets plus deferred outflows and its liabilities is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

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

The financial statements reflect the presentation of the City of Bradenton Community Redevelopment Agency, composed of three Community Redevelopment Areas (CRAs). Each area is reported in a separate fund. The

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

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 CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The CRA is accounted for as a governmental fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements 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. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Each CRA fund adopts an annual appropriated budget. Budgetary comparison statements have been provided for each CRA fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are an integral part of the basic financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time to be an indicator of a government's financial position. The CRA's assets and deferred outflows exceeded its liabilities by \$13,427,418 at the close of the 2020 fiscal year.

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September 30, 2020

The following schedule is a summary of the Statement of Net Position found on page 9 of this report.

Net Position		
	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Assets		
Current and other assets	\$ 5,257,780	\$ 4,649,520
Capital assets, net depreciation	14,426,490	15,335,039
 Total assets	 <u>19,684,270</u>	 <u>19,984,559</u>
 Deferred Outflows of Resources		
Fair value of swap agreement	129,890	134,385
 Total deferred outflows of resources	 <u>129,890</u>	 <u>134,385</u>
 Liabilities		
Current and other liabilities	825,807	1,192,528
Long-term debt outstanding	5,560,935	5,841,811
 Total liabilities	 <u>6,386,742</u>	 <u>7,034,339</u>
 Net Position		
Net investment in capital assets	8,568,056	9,065,839
Restricted for community redevelopment	4,859,362	4,018,766
 Total net position	 <u>\$ 13,427,418</u>	 <u>\$ 13,084,605</u>

The CRA's overall financial position remains strong in spite of the impact the COVID-19 pandemic has had on the local, state and national economies. The increase of \$342,813 in net position is evidence that the CRA has been able to maintain a solid financial base.

A significant portion of the CRA's total net position (63.81%) reflect its *net investment in capital assets* (i.e., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The CRA uses these capital assets to provide services to citizens; consequently, these assets are not available to use for future spending. Although the CRA's investment in its capital assets is reported net of related debt, it should still be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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Management's Discussion and Analysis
September 30, 2020

Governmental Activities

The following is a summary of the Statement of Activities found on page 10 of this report.

Statement of Activities

	Governmental Activities	
	2020	2019
Revenues		
Program Revenues:		
Charges for services	\$ 60,844	\$ 170,199
General Revenues:		
Property taxes	2,513,023	2,243,976
Investment earnings	18,974	18,824
Other	703,407	94
Total Revenues	3,296,248	2,433,093
Expenses		
Governmental Activities		
Economic environment	4,345,669	2,137,372
Interest on long-term debt	316,386	337,499
Total Expenses	4,662,055	2,474,871
Change in net position before transfers	(1,365,807)	(41,778)
Transfers	1,708,620	1,461,694
Change in net position	342,813	1,419,916
Net position, beginning	13,084,605	11,664,689
Net position - end of year	\$ 13,427,418	\$ 13,084,605

Governmental activities reported an increase in the City's net position of \$342,813. This increase represents 2.55% of the governmental activities year-end net position which compares to the \$1,419,916 increase in the governmental activities year-end net position in the prior year. The increase in other revenues is due to the disposal of the Lincoln Village property.

- Economic environment expenses increased \$2,208,297, from \$2,137,372 to \$4,345,669 due, in large part, to a loss on the disposal of the Manatee Inns property which was done to help jumpstart a redevelopment trend on 14th Street West.

FINANCIAL ANALYSIS OF THE CRA'S FUNDS

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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Management's Discussion and Analysis
September 30, 2020

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 11-14. The focus of the CRA's governmental funds is to provide information on near-term inflows, outflows and balances of the spendable resources. Such information is useful in assessing the CRA's financing requirements. In particular, the fund information provided in accordance with GASB 54 will serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the CRA's governmental funds reported combined ending fund balances of \$4,888,784, an increase of \$837,977. This is in comparison with the prior year's increase of \$279,961. The increase between the years is primarily a result of an increase in property tax revenues.

\$4,875,658 of the fund balance is restricted for community redevelopment projects. The remaining \$13,126 of the fund balance is non-spendable, indicating that it is not available for new spending.

General Fund - Budgetary Highlights

Budget-to-actual statements and schedules are provided in the financial statements for the CRA Funds on pages 27-29. Budget data is provided for both the original adopted budget and the final budget for fiscal year 2020. After the original budget is approved, it may be amended for various reasons such as unanticipated revenues, unforeseen expenditures or new grant awards.

Overall, the Central Community Redevelopment Area Fund expenditures were under the final budget by \$1,561,088 or 63% of the total final budget of the Fund; the Bradenton Community Redevelopment Area Fund expenditures were under the final budget by \$1,353,941 or 27% of the total final budget and the 14th Street Community Redevelopment Area Fund expenditures were under the final budget by \$1,699,535 or 91% of the total final budget.

Capital Assets and Long-term Debt

Capital assets decreased due to the disposal of the Manatee Inns property. Long-term debt outstanding decreased as a result of the normal debt payments based on the amortization schedules.

ECONOMIC FACTORS AND YEAR 2021 BUDGET

The CRA and the City continue to partner and plan infrastructure improvements that encourage private sector development in each of the community redevelopment areas.

Factors considered in preparing the CRA's budget for the 2021 fiscal year included the following items:

- Ongoing uncertainty associated with the COVID-19 pandemic continues to impact plans and decision making throughout the CRA.
- The City expects to see an increase in taxable assessed values of 5.5% for the 2021 fiscal year.
- The unemployment rate for the City of Bradenton for 2020 is 6.00%, up from 3.3% in 2019.

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Management's Discussion and Analysis

September 30, 2020

REQUESTS FOR INFORMATION

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

CITY OF BRADENTON COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
STATEMENT OF NET POSITION
September 30, 2020

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 5,240,380
Prepaid items	13,126
Due from City of Bradenton	4,274
Nondepreciable capital assets	6,881,818
Depreciable capital assets, net	7,544,672
Total assets	<u>19,684,270</u>
Deferred Outflows of Resources	
Fair value of swap agreement	129,890
Total deferred outflows of resources	<u>129,890</u>
Liabilities	
Accounts payable and other current liabilities	\$ 69,038
Accrued interest payable	29,422
Advances from City of Bradenton	299,958
Noncurrent liabilities:	
Due within one year	427,389
Due in more than one year:	
Swap rate agreement liability	129,890
Revenue bonds payable	4,464,052
Notes payable	966,993
Total liabilities	<u>6,386,742</u>
Net Position	
Net investment in capital assets	8,568,056
Restricted for community redevelopment	4,859,362
Total net position	<u>13,427,418</u>
Total liabilities and net position	<u>\$ 19,814,160</u>

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

CITY OF BRADENTON COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenue and Changes in Net Position
			Governmental Activities
Primary government			
Governmental activities			
Economic environment	\$ 4,345,669	60,844	(4,284,825)
Interest on long-term debt	316,386	-	(316,386)
Total governmental activities	<u>\$ 4,662,055</u>	<u>60,844</u>	<u>(4,601,211)</u>
General revenues			
Property taxes			2,513,023
Investment earnings			18,974
Miscellaneous			703,407
Transfers from the City of Bradenton			1,708,620
Total general revenues and transfers			<u>4,944,024</u>
Change in net position			342,813
Net position, beginning			13,084,605
Net position, ending			<u>\$ 13,427,418</u>

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

CITY OF BRADENTON COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	Central Community Redevelopment Area	Bradenton Community Redevelopment Area	14th Street Community Redevelopment Area	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,896,311	1,448,226	1,895,843	5,240,380
Prepaid items	13,126	-	-	13,126
Due from City of Bradenton	4,274	-	-	4,274
Total assets	<u>\$ 1,913,711</u>	<u>1,448,226</u>	<u>1,895,843</u>	<u>5,257,780</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 33,705	19,170	16,163	69,038
Advances from City of Bradenton	299,958	-	-	299,958
Total liabilities	<u>333,663</u>	<u>19,170</u>	<u>16,163</u>	<u>368,996</u>
Fund balances				
Non-spendable				
Non-spendable prepaid items	13,126	-	-	13,126
Restricted for community redevelopment	1,566,922	1,429,056	1,879,680	4,875,658
Total fund balances	<u>1,580,048</u>	<u>1,429,056</u>	<u>1,879,680</u>	<u>4,888,784</u>
Total liabilities and fund balances	<u>\$ 1,913,711</u>	<u>1,448,226</u>	<u>1,895,843</u>	<u>5,257,780</u>

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

Reconciliation of Fund Balance to Net Position

Total fund balances for governmental funds \$ 4,888,784

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost	\$ 17,346,559	
Less accumulated depreciation	<u>(2,920,069)</u>	14,426,490

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Notes payable	(1,209,382)	
Revenue bonds payable, net	(4,649,052)	
Accrued interest payable	<u>(29,422)</u>	<u>(5,887,856)</u>

Total net position of governmental activities \$ 13,427,418

CITY OF BRADENTON COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	Central Community Redevelopment Area	Bradenton Community Redevelopment Area	14th Street Community Redevelopment Area	Total Governmental Funds
Revenues				
Taxes	\$ 523,884	1,612,605	376,534	2,513,023
Interest and investment earnings	-	13,537	5,437	18,974
Rents	60,844	-	-	60,844
Miscellaneous	703,407	-	-	703,407
Total revenues	1,288,135	1,626,142	381,971	3,296,248
Expenditures				
Current				
Economic environment	421,448	1,060,510	171,659	1,653,617
Debt service				
Principal	227,163	180,000	-	407,163
Interest	90,159	228,844	-	319,003
Capital outlay	195,206	2,141,854	-	2,337,060
Total expenditures	933,976	3,611,208	171,659	4,716,843
Excess (deficiency) of revenues over (under) expenditures	354,159	(1,985,066)	210,312	(1,420,595)
Other financing sources (uses)				
Transfers from City of Bradenton	482,725	1,479,604	346,291	2,308,620
Transfers to City of Bradenton	-	(600,000)	-	(600,000)
Sale of capital assets	-	-	549,952	549,952
Total other financing sources (uses)	482,725	879,604	896,243	2,258,572
Net change in fund balances	836,884	(1,105,462)	1,106,555	837,977
Fund balances, beginning	743,164	2,534,518	773,125	4,050,807
Fund balances, ending	\$ 1,580,048	1,429,056	1,879,680	4,888,784

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

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

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

Net change in fund balances, total governmental funds	\$	837,977
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expense exceeded depreciation in the current period:

Capital outlay	\$	2,141,854	
Less depreciation expense		(392,514)	1,749,340

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

Net book value of capital assets disposed		(2,657,889)	(2,657,889)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal or long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued or refunded, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments:			
Notes payable		227,162	
Revenue bonds payable		180,000	
Amortization of discounts/premiums		3,604	410,766

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

Change in accrued interest payable		2,619	2,619
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Change in net position of governmental activities	\$	342,813
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**CITY OF BRADENTON COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)**

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

a. **Bradenton Community Redevelopment Area (CRA)**

The Bradenton Community Redevelopment Area is a dependent special district created pursuant to Florida Statute 163 and City of Bradenton Ordinance 2219 passed by the Bradenton City Council on May 28, 1980. The City provides funding on an annual basis to the CRA via ad valorem tax based on the 1980 base year.

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

The 14th Street Community Redevelopment Area is a dependent special district created pursuant to Florida Statute 163 and City of Bradenton Ordinance 2504 passed by the Bradenton City Council on November 24, 1993. The City provides funding on an annual basis to the CRA via ad valorem tax based on the 1993 base year. Downtown Development Authority (DDA) serves as an advisory board to both the Bradenton CRA and the 14th Street CRA. The DDA is an administrative unit only, with no assets, liabilities, equity, revenue or expenses/expenditures as of the year ended September 30, 2020.

c. **Central Community Redevelopment Area (CCRA)**

The Central Community Redevelopment Area is a dependent special district created by the Community Redevelopment Act of 1969, Chapter 163 Part III, Florida Statutes, and City of Bradenton Ordinance 2628 passed by the Bradenton City Council on July 12, 2000. The Community Redevelopment Plan provides a framework for coordinating and facilitating public and private redevelopment of the Central Redevelopment District and adjacent areas. Seven community members serve as an advisory board to the CCRA.

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

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

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(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)**

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2020

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and statement of activities) report information on all of the governmental activities of the CRA. The government-wide focus is more on the sustainability of the CRA as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The accounts of the CRA are organized on the basis of funds, each of which is considered a separate accounting entity. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include charges for services, operating and capital grants and contributions. Taxes and other items not included as program revenues are reported as general revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Assets, Deferred Outflows of Resources, Liabilities and Net Position or Equity

a. Deposits and investments

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

b. Restricted assets

The CRA had no assets restricted by external parties as of September 30, 2020.

c. Capital assets

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

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

Property, plants and equipment of the CRA, are depreciated using the straight-line method over the following estimated lives:

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

d. Long-term obligations

In the government-wide financial statements long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

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

e. Deferred outflows of resources

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

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

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- *Non-spendable:* Fund balances are reported as “non-spendable” when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- *Restricted:* Fund balances are reported as “restricted” when there are limitations imposed on their use either through the enabling legislation adopted by the 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 for only specific purposes pursuant to constraints imposed by formal action of the CRA Board through the adoption of a resolution. Only the CRA Board may modify or rescind the commitment, also through a resolution.
- *Assigned:* Fund balances are reported as “assigned” when amounts are constrained by the CRA’s intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned:* Fund balances are reported as “unassigned” as the residual amount when the balances do not meet any of the above criterion.

Any fund balance not reported as non-spendable is reported as restricted for the CRA.

Net Position: Net position represents the difference between the assets, deferred outflows of resources and liabilities, deferred inflows of resources. In the Statement of Net Position, the net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net 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 positions not reported as net investment in capital assets and restricted net position, are reported as unrestricted net position.

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

Accounting Estimates

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

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The CRA's primary source of revenue is tax-increment funding. This revenue is computed by applying the respective tax rates for the City of Bradenton and Manatee County multiplied by the increased value of property located within the boundaries of the redevelopment areas of the CRA in excess of the base property value.

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The CRA's Board adopts an annual operating budget, which can be amended by the Board throughout the year.

At the fund level, actual expenditures cannot exceed the budgeted amounts; however, with proper approval by the Board, budgetary transfers between line items can be made. The CRA's management cannot amend or transfer appropriations.

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, on the modified accrual basis. Appropriations lapse at year end. Formal budgetary integration is employed as a management control device during the year for all funds. The presented budgetary information has been amended in a legally permissible manner.

NOTE C – DEPOSITS AND INVESTMENTS

Deposits

At September 30, 2020, the CRA's cash-in-bank was fully insured by Federal Depository Insurance required by Sections 280.07 and 280.08, Florida Statutes. Hence, there is no custodial credit risk for the deposits of the CRA.

The CRA does not have a separate deposit and investment policy and it follows the deposit and investment policies of the City and Florida Statute 218.415. The City's investment policy is designed to ensure the prudent management of funds, and the availability of operating and capital funds when required, while earning a competitive return within the policy framework. The primary objectives, in order of priority, of investment activity shall be safety of capital, liquidity of assets, and investment income

Fair Value Measurements - The CRA categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted market prices for similar assets or liabilities in active markets, primarily fixed income prices provided by a vendor or broker/dealer; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2020:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Investment derivative instruments:				
Interest rate swaps for loans	\$ 129,890	-	129,890	-
	<u>\$ 129,890</u>	<u>-</u>	<u>129,890</u>	<u>-</u>

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NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 5,956,095	-	2,315,694	\$ 3,640,401
Construction in progress	1,099,563	2,141,854	-	3,241,417
Total capital assets not being depreciated	<u>7,055,658</u>	<u>2,141,854</u>	<u>2,315,694</u>	<u>6,881,818</u>
Other capital assets				
Buildings	1,638,679	-	724,752	913,927
Other improvements	9,515,814	-	-	9,515,814
Machinery and equipment	35,000	-	-	35,000
Total other capital assets at historical cost	<u>11,189,493</u>	<u>-</u>	<u>724,752</u>	<u>10,464,741</u>
Less accumulated depreciation for				
Buildings	684,065	50,299	382,557	351,807
Other improvements	2,224,880	339,882	-	2,564,762
Machinery and equipment	1,167	2,333	-	3,500
Total accumulated depreciation	<u>2,910,112</u>	<u>392,514</u>	<u>382,557</u>	<u>2,920,069</u>
Governmental activities capital assets	<u>\$ 15,335,039</u>	<u>1,749,340</u>	<u>2,657,889</u>	<u>\$ 14,426,490</u>

NOTE E – TRANSFERS TO/FROM AND ADVANCES FROM THE CITY OF BRADENTON

Transfers in for the year ended September 30, 2020, from the City of Bradenton to the CRA totaled \$2,308,620 and were for the purpose of community redevelopment. The CRA transferred \$600,000 to the City of Bradenton to pay debt service on the City Centre parking garage.

An advance payable to the City of Bradenton is \$299,958 at the year ended September 30, 2020.

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NOTE F – LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity for the year ended September 30, 2020, is shown below.

Payments on notes payable for the Central Community Redevelopment Area (CCRA) and the Bradenton Community Redevelopment Area (BCRA) are paid out of their respective individual funds.

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year	Amounts Due In More Than One Year
Governmental activities						
Notes payable - direct borrowings						
CCRA, Series 2005A	\$ 385,909	-	(63,521)	322,388	66,271	256,117
CCRA, Series 2005A	1,050,635	-	(163,641)	886,994	176,118	710,876
Total notes payable	<u>1,436,544</u>	<u>-</u>	<u>(227,162)</u>	<u>1,209,382</u>	<u>242,389</u>	<u>966,993</u>
Bonds payable						
BCRA, Tax Increment Revenue						
Bond, Series 2011	4,775,000	-	(180,000)	4,595,000	185,000	4,410,000
Series 2011 Premium	<u>57,656</u>	<u>-</u>	<u>(3,604)</u>	<u>54,052</u>	<u>-</u>	<u>54,052</u>
Total bonds payable	<u>4,832,656</u>	<u>-</u>	<u>(183,604)</u>	<u>4,649,052</u>	<u>185,000</u>	<u>4,464,052</u>
Swap rate agreement liability	<u>134,386</u>	<u>-</u>	<u>(4,496)</u>	<u>129,890</u>	<u>-</u>	<u>129,890</u>
Governmental activities long-term liabilities	<u>\$ 6,403,586</u>	<u>-</u>	<u>(415,262)</u>	<u>5,988,324</u>	<u>427,389</u>	<u>5,560,935</u>

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Notes To The Financial Statements
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Description of Debt	Governmental Activities
Notes Payable	
<p>\$1,000,000 Central Community Redevelopment Agency Promissory Note, Series 2005A: The purpose of this note was to refinance the CCRA Promissory Note, Series 2003 and to finance certain project costs. Interest and principal shall be due and payable in arrears on the first day of each and every February, May, August, and November. The interest rate on the note is 63.7% of the 30 day LIBOR rate plus 91 basis points as set at the beginning of each quarter and is payable quarterly. As a means of lowering its borrowing costs, the original principal amount was swapped to an annual fixed rate of 4.14%, payable in quarterly installments through February 1, 2025. Under terms of the Interest Rate Swap Agreement with Bank of America, the CCRA receives 63.7% of the 30 day LIBOR rate plus 91 basis points on the unamortized principal of the swap amount. Final maturity is February 1, 2025. This note has certain loan covenants which the CCRA is in compliance with as of September 30, 2020. Moneys derived from the Tax Increment Revenues and investment earnings thereon are pledged to secure this loan.</p>	\$ 322,388
<p>\$2,500,000 Central Community Redevelopment Agency Promissory Note, Series 2005A: The purpose of this note was to finance certain costs of various projects. Interest and principal shall be due and payable in arrears on the first day of each and every February, May, August, and November. The interest rate on the note is the LIBOR rate plus 85 basis points as set at the beginning of each quarter and is payable quarterly. As a means of lowering its borrowing costs, the original principal amount was swapped to an annual fixed rate of 5.76%, payable in quarterly installments through February 1, 2025. Under terms of the Interest Rate Swap Agreement with Bank of America, the CCRA receives 100% of the 30 day LIBOR rate plus 85 basis points on the unamortized principal of the swap amount. Final maturity is February 1, 2025. This note has certain loan covenants which the CCRA is in compliance with as of September 30, 2020. Moneys derived from the Tax Increment Revenues and investment earnings thereon are pledged to secure this loan.</p>	886,994
Total Notes Payable - Governmental Activities	\$ 1,209,382

Description of Debt	Governmental Activities
Bonds Payable	
<p>\$5,285,000 Series 2011 Tax Increment Revenue Bonds were issued for the purpose of financing the cost of construction of the Riverwalk Project. This project is intended to be donated to the City at a future date. The bonds are due in annual installments of \$165,000 to \$390,000 beginning September 1, 2017 through September 1, 2037. Increment tax revenues and non-ad valorem revenues are pledged to secure this issue. Interest rates range from 2.75% to 5.125%.</p>	4,595,000
Total Bonds Payable – Governmental Activities	\$ 4,595,000

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Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2020

Debt Maturity

Debt service requirements at September 30, 2020, were as follows:

Governmental Activities, Revenue Bonds and Notes Payable				
Year Ended September 30	Revenue Bonds		Notes Payable (Direct Borrowings)	
	Principal	Interest	Principal	Interest
2021	\$ 185,000	222,319	242,389	60,019
2022	190,000	215,381	255,728	46,681
2023	200,000	207,781	269,814	32,594
2024	210,000	199,531	284,648	17,761
2025	215,000	190,606	156,803	3,038
2026-2030	1,245,000	792,250	-	-
2031-2035	1,590,000	446,794	-	-
2036-2037	760,000	58,938	-	-
Total	<u>\$ 4,595,000</u>	<u>2,333,600</u>	<u>1,209,382</u>	<u>160,093</u>

Default Remedies:

In the event that the CRA defaults on any of its obligations, creditors, trustees and bondholders have available remedies of law, including the right to mandamus proceedings. Additional remedies are specified in certain of the Promissory Notes or Trust Indentures.

In the case of the \$1,000,000 and \$2,500,000 2005 CCRA promissory notes, all agreements give the Bank the option to declare the total loan balance due and payable upon an event of default. The promissory notes named in this paragraph are direct borrowings.

Interest Rate Swaps

The CRA has two interest rate swap agreements that reduce the economic risks associated with variability in cash outflows for interest on notes as discussed above. The *terms* and *objectives* of the interest rate swaps are as noted in the description of debt above.

	Changes in Fair Value	Fair Value at September 30, 2020	Notional Value at September 30, 2020
Governmental activities, fair value hedges			
Pay fixed-receive variable interest rate swap contract			
CCRA Series 2005A	\$ (1,215)	(24,963)	322,388
CCRA Series 2005A	<u>(3,280)</u>	<u>(104,927)</u>	<u>886,994</u>
Total Governmental activities	<u>\$ (4,495)</u>	<u>(129,890)</u>	<u>1,209,382</u>

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Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2020

The following table represents debt service payments on the variable rate notes, net of swap payments associated with the notes at year end. The variable interest at September 30, 2020 is assumed to be constant over the life of the note.

Year	Principal	Variable Interest	Swap Interest	Net Cash Flows
2021	\$ 242,389	10,012	50,007	302,408
2022	255,728	7,366	39,315	302,409
2023	269,814	4,574	28,020	302,408
2024	284,647	1,626	16,135	302,408
2025	156,804	-	3,038	159,842
	<u>\$ 1,209,382</u>	<u>23,578</u>	<u>136,515</u>	<u>1,369,475</u>

Fair Value: Because interest rates declined since execution of the swaps, the swaps had a negative fair value of \$129,890, as of September 30, 2020. The fair value was estimated using the zero-coupon method, calculating the future net settlement payments required by the swap assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement on the swap.

Credit Risk: As of September 30, 2020, the CRA was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swaps become positive, the CRA would be exposed to credit risk in the amount of the derivative's fair value.

Basis Risk: The swap does not expose the CRA to basis risk. The interest rate on the notes and swap are the same.

Termination Risk: The CRA, or the counterparty, may terminate the swap if the other party fails to perform under the terms of the contract. If at the time of termination, the swap has a negative fair value, the CRA would be liable to the counterparty for a payment equal to the swap's fair value.

NOTE G – TAX ABATEMENTS

In 2011, the Community Redevelopment Agency (CRA), a blended component unit of the City, entered into a 15-year development agreement with Widewaters Bradenton, LLC (Widewaters) for the renovation and refurbishing of a 1962 historical building into a modern day hotel. The agreement reimburses Widewaters for 100% of the ad valorem property taxes of the property site for fifteen years. In years eleven through fifteen, the reimbursement is capped at the amount remitted for year ten, increased by any reduction in that amount based upon any property tax exemptions granted related to the hotel. Per the agreement, the abatement commenced in fiscal year 2018 in which the City reimbursed Widewaters 100% of its ad valorem tax in the amount of \$98,970. For fiscal year 2019, \$94,959 was abated and for fiscal year 2020, \$98,233 was abated.

In 2016 the CRA entered in to a economic development and incentives agreement with JIC Grand Palms, the developer. JIC Grand Palms intends to construct seventy-two new affordable senior housing apartments in the City of Bradenton. The CRA has agreed to pay the annual equivalent of certain taxing authority real property taxes collected on the project site. Beginning with the reassessment year and continuing for five consecutive years, the annual property tax assessment shall be the difference between the ad valorem property taxes paid by the developer for the project site during the taxable year and the ad valorem property taxes due for the project site from the taxing authorities to the CRA using the base year

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**Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2020**

of 2016. The CRA will reimburse 50% of the difference for each tax year. For fiscal year 2020, the reimbursement was \$12,183.

In 2016 the CRA entered in to a funding agreement with Sunz Insurance. Sunz Insurance relocated to a six-story building within the CRA. The relocation involved the renovation and operation of the building as well as promoting economic development by providing jobs and income to the residents of the area. The city and county property taxes are to be rebated based on the increased value of building improvements over an agreed-upon period of 15 years. In fiscal year 2020, the City reimbursed Sunz Insurance \$18,256, of which \$7,813 was related to fiscal year 2018 and \$10,442 was related to fiscal year 2019.

The tax abatement program is part of the overall revitalization and economic redevelopment of the downtown area. The tax incentive program is part of reaching the goal of attracting the types of businesses the City desires for the long-term health of the City.

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For The Fiscal Year Ended September 30, 2020

NOTE H – CONTINGENT LIABILITIES

Pursuant to City Resolution and an Interlocal Agreement, the City has covenanted with the City's blended component unit, the City of Bradenton Community Redevelopment Agency, holder of the Series 2011 Tax Increment Revenue Bonds that the City shall appropriate in its annual budget by amendment, if necessary, solely from non-ad valorem revenues lawfully available in each fiscal year, amounts which shall be sufficient to pay the debt service payments on the Series 2011 Tax Increment Revenue Bonds to the extent increment tax revenues are sufficient for such purposes. The bonds outstanding balance is \$4,595,000 as of September 30, 2020.

During the year ended September 30, 2020, local, U.S. and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any other government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the CRA, management believes that a material impact on the CRA's financial position and results of future operations is reasonably possible.

CITY OF BRADENTON COMMUNITY REDEVELOPMENT AGENCY
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CENTRAL COMMUNITY REDEVELOPMENT AREA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 512,717	512,717	523,884	11,167
Interest and investment earnings	1,500	1,500	-	(1,500)
Rents	70,000	70,000	60,844	(9,156)
Miscellaneous	725,000	1,428,409	703,407	(725,002)
Total revenues	1,309,217	2,012,626	1,288,135	(724,491)
Expenditures				
Principal	296,242	296,242	227,163	69,079
Interest	89,918	89,918	90,159	(241)
Capital outlay	990,397	1,584,907	195,206	1,389,701
Operating expenditures	289,808	398,707	371,914	26,793
Public assistance	125,290	125,290	49,534	75,756
Total expenditures	1,791,655	2,495,064	933,976	1,561,088
Excessive (deficiency) of revenues over (under) expenditures	(482,438)	(482,438)	354,159	836,597
Other financing sources				
Transfers from City of Bradenton	482,438	482,438	482,725	287
Total other financing sources	482,438	482,438	482,725	287
Net change in fund balance	-	-	836,884	836,884
Fund balance, October 1, 2019	743,164	743,164	743,164	-
Fund balance, September 30, 2020	<u>\$ 743,164</u>	<u>743,164</u>	<u>1,580,048</u>	<u>836,884</u>

CITY OF BRADENTON COMMUNITY REDEVELOPMENT AGENCY
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BRADENTON COMMUNITY REDEVELOPMENT AREA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts			Variance with
	Original Budget	Final Budget	Actual	Final Budget
Revenues				
Taxes	\$ 1,575,530	1,575,530	1,612,605	37,075
Interest and investment earnings	12,000	12,000	13,537	1,537
Miscellaneous	2,500,000	2,500,000	-	(2,500,000)
Total revenues	4,087,530	4,087,530	1,626,142	(2,461,388)
Expenditures				
Principal	780,000	180,000	180,000	-
Interest	228,844	228,844	228,844	-
Capital outlay	3,279,005	3,279,005	2,141,854	1,137,151
Operating expenditures	905,000	905,000	874,822	30,178
Public assistance	352,300	352,300	185,688	166,612
Capital outlay	20,000	20,000	-	20,000
Total expenditures	5,565,149	4,965,149	3,611,208	1,353,941
Excessive (deficiency) of revenues over (under) expenditures	(1,477,619)	(877,619)	(1,985,066)	(1,107,447)
Other financing sources				
Transfers from City of Bradenton	1,477,619	1,477,619	1,479,604	1,985
Transfers to City of Bradenton	-	(600,000)	(600,000)	-
Total other financing sources	1,477,619	877,619	879,604	1,985
Net change in fund balance	-	-	(1,105,462)	(1,105,462)
Fund balance, October 1, 2019	2,534,518	2,534,518	2,534,518	-
Fund balance, September 30, 2020	<u>\$ 2,534,518</u>	<u>2,534,518</u>	<u>1,429,056</u>	<u>(1,105,462)</u>

CITY OF BRADENTON COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
14TH STREET COMMUNITY REDEVELOPMENT AREA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts			Variance with
	Original Budget	Final Budget	Actual	Final Budget
Revenues				
Taxes	\$ 369,547	369,547	376,534	6,987
Interest and investment earnings	5,000	5,000	5,437	437
Miscellaneous	600,000	600,000	-	(600,000)
Total revenues	974,547	974,547	381,971	(592,576)
Expenditures				
Operating expenditures	187,852	187,852	146,499	41,353
Public assistance	1,083,390	1,633,342	25,160	1,608,182
Capital outlay	50,000	50,000	-	50,000
Total expenditures	1,321,242	1,871,194	171,659	1,699,535
Excessive (deficiency) of revenues over (under) expenditures	(346,695)	(896,647)	210,312	1,106,959
Other financing sources				
Transfers from City of Bradenton	346,695	346,695	346,291	(404)
Sale of capital assets	-	549,952	549,952	-
Total other financing sources	346,695	896,647	896,243	(404)
Net change in fund balance	-	-	1,106,555	1,106,555
Fund balance, October 1, 2019	773,125	773,125	773,125	-
Fund balance, September 30, 2020	<u>\$ 773,125</u>	<u>773,125</u>	<u>1,879,680</u>	<u>1,106,555</u>

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

To the Honorable Mayor, Members of the City
Council, and City Clerk & Treasurer
City of Bradenton Community Redevelopment Agency

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 each major fund of the City of Bradenton Community Redevelopment Agency (CRA), a component unit of the City of Bradenton, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated June 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA'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 CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA'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 CRA'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 CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

June 17, 2021
Bradenton, Florida

MANAGEMENT LETTER

**To the Honorable Mayor, Members of the City
Council, and City Clerk & Treasurer
City of Bradenton Community Redevelopment Agency**

Report on the Financial Statements

We have audited the financial statements of the City of Bradenton Community Redevelopment Agency (CRA), a component unit of the City of Bradenton, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 17, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 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, which are dated June 17, 2021, 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 financial audit report. Since no prior separate audit was performed for the CRA, there are no prior year findings or recommendations.

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 CRA 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 CRA 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 CRA. It is management's responsibility to monitor the CRA'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.

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.

Additional Matters

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

Purpose of this Letter

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

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

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

June 17, 2021
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

To the Honorable Mayor, Members of the City
Council, and City Clerk & Treasurer
City of Bradenton Community Redevelopment Agency

We have examined the City of Bradenton Community Redevelopment Agency's (CRA), a component unit of the City of Bradenton, Florida, compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, during the year ended September 30, 2020. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA'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 CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination disclosed that the CRA did not document the submission of the adopted budget to the Board of County Commissioners with ten days as required by Florida Statute 163.387(6)(b).

In our opinion, except for the items described in the preceding paragraph, the CRA complied, in all material respects, within the specified requirements for the year ended September 30, 2020.

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

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

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

June 17, 2021
Bradenton, Florida