

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

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the governmental fund of the City of Bradenton Beach Community Redevelopment Agency (CRA), a component unit of the City of Bradenton Beach, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the governmental fund of the CRA, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for a reasonable period of time.

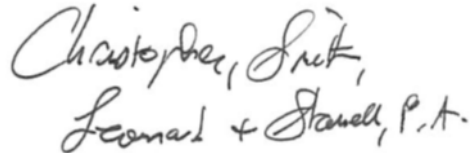
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023, 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.

Handwritten signature in cursive script that reads "Christopher, Smith, Leonard & Stanell, P.A."

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

June 26, 2023
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Bradenton Beach Community Redevelopment Agency (a component unit of the City of Bradenton Beach, Florida) (the CRA), we offer readers of the CRA's financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2022. Readers should consider the information presented here in conjunction with the basic financial statements.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$4,276,064 (*net position*). Of this amount, \$1,459,073 (restricted net position) is unspent ad valorem taxes and other revenues that must be used on redevelopment projects within the CRA's boundaries.
- The CRA's total net position increased by \$602,531 during the year.
- At the fund level as of the close of the current fiscal year, the CRA's governmental fund reported an ending fund balance of \$1,294,801, an increase of \$262,979. Of this total amount, \$1,293,799, is restricted yet available for spending on redevelopment projects within the CRA's boundaries (*restricted fund balance*). Nonspendable fund balance is \$1,002.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the 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 and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the CRA that are principally supported by Ad Valorem taxes, and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The CRA is engaged in only governmental activities.

The government-wide financial statements can be found on pages 9 and 10 of this report.

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

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

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

The CRA only utilizes one governmental fund. All general tax revenues are accounted for in this fund and all general operating expenditures and capital expenditures are paid from this fund.

The CRA adopts an annual budget for its governmental fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with these budgets. The budgetary comparison statement is included as required supplementary information as listed in the table of contents.

The basic governmental fund financial statements can be found on pages 11 to 14 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the amounts provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 15.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CRA, assets exceeded liabilities by \$4,276,064 at the close of the most recent fiscal year.

Approximately 66% of the CRA's total net position, \$2,816,991, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The CRA uses these capital assets to provide services to citizens within the boundaries of the CRA; consequently, these assets are *not* available for future spending. The CRA also had significant assets in cash and investments at September 30, 2022. Investments are held in the State Local Government Surplus Trust Fund as allowed by Florida Statutes.

A condensed statement of net position as of September 30, 2022 with comparative balances as of September 30, 2021 follows:

Net Position

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 1,489,410	\$ 1,357,718
Capital assets (net of depreciation)	<u>2,816,991</u>	<u>2,498,810</u>
Total assets	4,306,401	3,856,528
Liabilities	<u>30,337</u>	<u>182,995</u>
Total liabilities	30,337	182,995
Net Position:		
Net Investment in capital assets	2,816,991	2,498,810
Restricted	<u>1,459,073</u>	<u>1,174,723</u>
Total Net Position	<u>\$ 4,276,064</u>	<u>\$ 3,673,533</u>

Approximately 34%, or \$1,459,073, of total net position is restricted for redevelopment.

The CRA's net position increased by \$602,531 during the current fiscal year. The following is a summary of the information presented in the statement of activities for the fiscal year ended September 30, 2022 with comparative totals for the fiscal year ended September 30, 2021:

Changes in Net Position

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 74,121	\$ 24,074
Operating grants	-0-	-0-
Capital grants	<u>244,626</u>	<u>761,883</u>
	<u>318,747</u>	<u>785,957</u>
General revenues:		
Taxes	537,652	496,212
Interest	4,224	1,708
Other	<u>1,496</u>	<u>-0-</u>
Total revenues	<u>862,119</u>	<u>1,283,877</u>
Expenses:		
Public safety	69,058	58,257
Planning	49,742	111,491
Public works	2,985	4,196
Culture and recreation	<u>246,242</u>	<u>357,119</u>
Total expenses	<u>368,027</u>	<u>531,063</u>
Transfers from the City of Bradenton Beach, Florida	<u>108,439</u>	<u>94,540</u>
Change in Net Position	602,531	847,354
Net Position - Beginning of year	<u>3,673,533</u>	<u>2,826,179</u>
Net Position - End of year	<u>\$ 4,276,064</u>	<u>\$ 3,673,533</u>

Revenues (excluding transfers) during the year ended September 30, 2022 were \$862,119 compared to expenses of \$368,027. Revenues decreased \$421,758 due to grant revenues for waterfront improvements within the CRA district in the prior year that did not repeat in the current year. Expenses decreased by \$163,036 due decreases in operating expenses.

Financial Analysis of the CRA Governmental Fund

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

As of the end of the current fiscal year, the CRA's governmental fund reported an ending fund balance of \$1,294,801, an increase of \$262,979 for the year ended September 30, 2022. Of this total \$1,293,799 is *restricted fund balance*, which is available for spending for redevelopment projects that are part of the CRA's community redevelopment plan. The remaining \$1,002 of fund balance is non-spendable due to prepaid items.

As a measure of the governmental fund's liquidity, it may be useful to compare the restricted fund balance to total fund expenditures. Restricted fund balances represents approximately 189% of total governmental fund expenditures.

The fund balance of the CRA's governmental fund increased by \$262,979 during the current fiscal year. Revenues were \$840,748, expenditures were \$686,208, and other financing sources were \$108,439. The governmental fund revenues decreased over the prior year by \$328,345, of which was due to a reduction in reimbursement grants revenues. Other financing sources were consistent with the prior year, increasing by \$13,899. Expenditures decreased \$813,209 due largely to capital outlay related to grants.

Budgetary Highlights

During the year, the CRA's governmental fund budget was not amended. The original and final budgeted revenues were \$1,304,963 and transfers in were \$108,439. Original and final budgeted expenditures were \$2,455,627. For the current fiscal year, actual revenues were less than budgeted revenues by \$464,215 related to grants. Actual expenditures were less than budgeted expenditures by \$1,769,419 related to capital outlay projects.

The budgetary comparison statement is included as required supplementary information as listed in the table of contents.

Capital Assets

The CRA's investment in capital assets amounts to \$2,816,991 (net of accumulated depreciation). This investment in capital assets includes construction in progress, infrastructure, and machinery and equipment. The CRA's investment in capital assets for the current fiscal year increased by \$318,181. This was comprised of \$392,109 of capital additions (largely construction in progress), loss on disposal of \$12,419 and \$61,509 of depreciation expense.

The following is a condensed schedule of capital assets as of September 30, 2022 with comparative totals for September 30, 2021:

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Construction in progress	\$ 582,201	\$ 1,311,376
Infrastructure	2,234,790	1,185,738
Machinery and equipment	-0-	1,696
Total	<u>\$ 2,816,991</u>	<u>\$ 2,498,810</u>

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

Economic Factors and Next Year's Budgets and Rates

Budgeted revenues in fiscal year 2023 in the CRA fund are \$720,265. Budgeted expenditures for the CRA are \$741,744. The CRA expects to use fund balance during 2023 of \$21,479.

Requests for Information

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

CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Governmental Activities
ASSETS	
Cash–restricted	\$ 796,708
Investments–restricted	450,355
Due from other governmental units	164,272
Due from the City of Bradenton Beach, Florida	77,073
Prepaid expenses	1,002
Capital assets	
Construction in progress	582,201
Infrastructure	2,234,790
Total Assets	4,306,401
LIABILITIES	
Accounts payable	30,337
Total Liabilities	30,337
NET POSITION	
Net investment in capital assets	2,816,991
Restricted for redevelopment	1,459,073
TOTAL NET POSITION	\$ 4,276,064

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>Functions/Programs</u>	Program Revenues				Net (Expenses) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Public safety	\$ 69,058	\$ -	\$ -	\$ -	\$ (69,058)
Planning	49,742	-	-	-	(49,742)
Public works	2,985	-	-	-	(2,985)
Culture and recreation	246,242	74,121	-	244,626	72,505
Total Governmental Activities	368,027	74,121	-	244,626	(49,280)
Total Government	\$ 368,027	\$ 74,121	\$ -	\$ 244,626	(49,280)
					537,652
					4,224
					1,496
					108,439
					651,811
					602,531
					3,673,533
					\$ 4,276,064

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
BALANCE SHEET – GOVERNMENTAL FUND
SEPTEMBER 30, 2022

ASSETS	
Cash–restricted	\$ 796,708
Investments – restricted	450,355
Due from other governmental units	164,272
Due from the City of Bradenton Beach, Florida	77,073
Prepaid items	<u>1,002</u>
TOTAL ASSETS	<u><u>\$ 1,489,410</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 30,337
Total Liabilities	<u>30,337</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	<u>164,272</u>
Fund balance:	
Nonspendable:	1,002
Spendable:	
Restricted	1,293,799
Total Fund Balances	<u>1,294,801</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,489,410</u></u>

The accompanying notes are an integral part of these financial statements

**CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

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

Fund Balance – Governmental Fund	\$ 1,294,801
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund	2,816,991
Transactions recorded as revenues in the statement of activities, but did not meet the availability criteria under the modified accrual basis of accounting, and therefore are considered to be unavailable revenue until available in the fund statements	<u>164,272</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 4,276,064</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	
Tax increment revenue	\$ 537,652
Interest	4,224
Interlocal agreements	74,121
Grants	223,255
Other	1,496
Total Revenues	840,748
 EXPENDITURES	
Public safety	69,058
Planning department	49,742
Public works	2,985
Culture and recreation	172,314
Capital outlay	392,109
Total Expenditures	686,208
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	
	154,540
 OTHER FINANCING SOURCES (USES)	
Transfers from the City of Bradenton Beach, Florida	108,439
Total other financing sources (uses)	108,439
 NET CHANGE IN FUND BALANCES	
	262,979
 FUND BALANCES – October 1, 2021	
	1,031,822
 FUND BALANCES – September 30, 2022	
	\$ 1,294,801

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Net changes in fund balance – total governmental fund	\$	262,979
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital additions reported as expenditures in the CRA governmental fund		392,109
Loss on disposal		(12,419)
Depreciation expense		(61,509)

Revenues in the statement of activities that do not provide current financial resources as they do not meet the availability criteria and are not reported as revenues in the funds. This amount represents the change in unavailable revenue.		21,371
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>602,531</u>
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The accompanying notes are an integral part of these financial statements

**CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

On February 5, 1992, the City of Bradenton Beach, Florida established the City of Bradenton Beach Community Redevelopment Agency (CRA), which was comprised of a five member Board of Commissioners. The original CRA was dissolved in July of 1994 and the City of Bradenton Beach Commission was appointed as the board of the replacement CRA. As such, the CRA is considered a blended component unit and special revenue fund of the City of Bradenton Beach, Florida.

The CRA is responsible for carrying out the rehabilitation, conservation and redevelopment of the Community Redevelopment Plan. The CRA is funded by incremental ad valorem tax revenues levied and is economically dependent as such.

The financial statements present the financial position and results of the operations solely of the CRA. In evaluating the CRA as a reporting entity, management has addressed all potential component units for which the CRA may or may not be financially accountable. No component units exist which would require inclusion in the CRA's financial statements.

B. BASIS OF PRESENTATION

BASIS OF ACCOUNTING: BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The CRA's basic financial statements include government-wide financial statements. The basic financial statements present only governmental activities, as the CRA conducts no business-type activities. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements include a Statement of Net Position and a Statement of Activities. The Statement of Net Position reports all financial and capital resources of the CRA's governmental activities. It is presented in a net position format (assets plus deferred outflows less liabilities plus deferred inflows equal net position) and is shown with three components: net investment in capital assets, restricted net position and unrestricted net position. Since all of the net position is restricted for redevelopment within the CRA's boundaries, there is no unrestricted net position in the Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges for services including licenses and permits, fines and other related revenues and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. BASIS OF PRESENTATION – CONTINUED

BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The CRA’s basic financial statements also include fund financial statements. The CRA’s accounts are organized on the basis of funds, which are self-balancing set of accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, reserves, fund balance, revenues and expenditures.

The CRA only has one governmental fund which follows the modified accrual basis of accounting. Under this method, revenues are recorded when they become measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The CRA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a fund liability is incurred.

Incremental ad valorem taxes and any other property taxes are recognized as revenue in the fiscal year for which the taxes have been levied to the extent they result in current receivables. No material amount of taxes is receivable at the end of the fiscal year.

C. CAPITAL ASSETS

Capital assets, which include infrastructure and equipment 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 \$500 and an estimated useful life of longer than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repair and maintenance that do not add to the value of the asset or extend the useful life of the asset are expensed as incurred. The CRA has elected to report general infrastructure assets on a prospective basis only.

Capital assets of the CRA are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Improvements and infrastructure	10 – 20
Equipment	3 – 12

D. LONG-TERM OBLIGATIONS

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

CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. BUDGETARY INFORMATION

An annual budget for the CRA is adopted on a basis consistent with U.S. generally accepted accounting principles. Expenditures should not exceed total appropriations. All annual appropriations lapse at fiscal year end. Budget amendments are approved by the City of Bradenton Commission.

F. CASH AND CASH EQUIVALENTS

All checking, savings, and money market investments are considered to be cash and cash equivalents.

G. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position/balance sheet may include a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Similarly, in addition to liabilities, the CRA may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At September 30, 2022, the CRA had one item that qualified as a deferred inflow on the balance sheet – governmental funds which represented revenue that did not meet the availability criteria under the modified accrual basis of accounting.

H. ESTIMATES

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

I. NET POSITION

Net position is reported in three parts as applicable: net investment in capital assets; restricted and unrestricted. When both restricted and unrestricted resources are available, restricted resources are used first, and then unrestricted resources, as they are needed. The CRA does not have unrestricted net position as of September 30, 2022.

J. REVENUE SOURCES

The CRA's primary source of revenues are tax increment revenues collected by Manatee County, Florida and remitted to the CRA.

CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

K. FUND BALANCE

The CRA fund balance classifications comprise a hierarchy based primarily on the extent to which the CRA is bound to observe constraints imposed upon the use of the resources reported in the governmental fund. Fund balance classifications, are nonspendable and spendable. Spendable is then further classified as restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of fund, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements.

The CRA classified governmental fund balances as follows:

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

Spendable Fund Balance:

- Restricted – includes amounts that can be spent only for specific purposes because of State or Federal laws or enabling legislation, or which are externally restricted by providers, such as creditors or grantors.
- Committed – includes amounts that can be spent only for specific purposes that are approved by a formal action of the City of Bradenton Beach’s Commissioners through a resolution or the budget process.
- Assigned – includes amounts designated for a specific purpose by the City of Bradenton Beach’s Commissioners through a resolution or the budget process, which are neither restricted nor committed.
- Unassigned – Unassigned fund balance would include negative balances of the governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The CRA uses restricted amounts first when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the CRA would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The CRA does not have a formal minimum fund balance policy.

As of September 30, 2022, the CRA has \$1,002 classified as nonspendable related to prepaid items. The remaining fund balance of \$1,293,799 is restricted through enabling legislation to be utilized on redevelopment within the CRA’s boundaries.

**CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

L. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

Effective October 1, 2021, the CRA adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB No. 87), which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases based on the foundational principle that leases are financings of the right to use an underlying asset. Upon implementation, management determined that there were no material leases that would require recognition under GASB No. 87.

NOTE 2 – CASH AND INVESTMENTS

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

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

The CRA's bank accounts are with banking institutions that post collateral as required by state statutes (Qualified Public Depositories).

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

CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CASH AND INVESTMENTS – CONTINUED

Credit Quality

Florida PRIME is rated by Standard and Poor's. The rating as of September 30, 2022 is AAAM.

Interest Rate Risk

The CRA's policy is to minimize risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The Florida PRIME has a dollar weighted average days to maturity of 21 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life of Florida PRIME at September 30, 2022 is 72 days.

Foreign Currency Risk

Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2021 through September 30, 2022.

Other GASB No. 79 Disclosures

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days.

The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. From October 1, 2021 through September 30, 2022, no such disclosure has been made. Additionally, as of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

**CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – CASH AND INVESTMENTS – CONTINUED

At September 30, 2022, the CRA had investments in the LGIP in the amount of \$450,355. For further information regarding the LGIP, readers should refer to the financial statements and disclosures of the Florida State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool.

In addition to the investment in the LGIP, at September 30, 2022, the CRA's carrying amount of cash and cash equivalents was \$796,708 and the bank balance was \$798,100. Both cash and investments held by the CRA are restricted for redevelopment.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was:

	<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>End of Year</u>
<u>Governmental Activities</u>					
Assets not being depreciated:					
Construction in progress	\$ 1,311,376	\$ 344,179	\$ (12,419)	\$ (1,060,935)	\$ 582,201
Total capital assets, not being fully depreciated	1,311,376	344,179	(12,419)	(1,060,935)	582,201
Capital assets being depreciated:					
Infrastructure	1,370,164	47,930	-0-	1,060,935	2,479,029
Furniture and equipment	<u>10,176</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,176</u>
Total capital assets being depreciated	1,380,340	47,930	-0-	1,060,935	2,489,205
Less accumulated depreciation for:					
Infrastructure	184,426	59,813	-0-	-0-	244,239
Furniture and equipment	<u>8,480</u>	<u>1,696</u>	<u>-0-</u>	<u>-0-</u>	<u>10,176</u>
Total accumulated depreciation	<u>192,906</u>	<u>61,509</u>	<u>-0-</u>	<u>-0-</u>	<u>254,415</u>
Total capital assets, being depreciated, net	<u>1,187,434</u>	<u>(13,579)</u>	<u>-0-</u>	<u>1,060,935</u>	<u>2,234,790</u>
Governmental activities capital assets, net	<u>\$ 2,498,810</u>	<u>\$ 330,600</u>	<u>\$ (12,419)</u>	<u>\$ -0-</u>	<u>\$ 2,816,991</u>

Depreciation expense in the governmental activities is included in Culture and Recreation in the amount of \$61,509.

NOTE 4 – RISK MANAGEMENT

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The CRA has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

**CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – RELATED PARTY TRANSACTIONS

The CRA is a blended component unit of the City of Bradenton Beach, Florida (the City). During 2022, the CRA received \$108,439 of tax increment funds from the City.

As of September 30, 2022, the City of Bradenton Beach, Florida owed the CRA \$77,073.

NOTE 6 – CONTINGENCIES

The CRA is a defendant in various lawsuits which are in different stages in the legal process. The CRA does not believe the outcome of these cases will have a material effect on its financial position. As a result, no liability has been recorded in these financial statements. However, it is at least reasonably possible that additional liabilities could result in the near term.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**CITY OF BRADENTON BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF BRADENTON BEACH, FLORIDA)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Tax increment revenue	\$ 541,963	\$ 541,963	\$ 537,652	\$ (4,311)
Interest	5,500	5,500	4,224	(1,276)
Interlocal agreements	339,500	339,500	74,121	(265,379)
Grants	368,000	368,000	223,255	(144,745)
Other	50,000	50,000	1,496	(48,504)
Total Revenues	<u>1,304,963</u>	<u>1,304,963</u>	<u>840,748</u>	<u>(464,215)</u>
EXPENDITURES				
Operating	1,287,627	1,287,627	294,099	993,528
Capital outlay	1,168,000	1,168,000	392,109	775,891
Total Expenditures	<u>2,455,627</u>	<u>2,455,627</u>	<u>686,208</u>	<u>1,769,419</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,150,664)	(1,150,664)	154,540	1,305,204
OTHER FINANCING SOURCES (USES)				
Transfers in	108,439	108,439	108,439	-
Total other financing sources (uses)	<u>108,439</u>	<u>108,439</u>	<u>108,439</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,042,225)	(1,042,225)	262,979	1,305,204
FUND BALANCE – October 1, 2021	<u>1,031,822</u>	<u>1,031,822</u>	<u>1,031,822</u>	<u>-</u>
FUND BALANCE – September 30, 2022	<u>\$ (10,403)</u>	<u>\$ (10,403)</u>	<u>\$ 1,294,801</u>	<u>\$ 1,305,204</u>

Note 1 – Summary of Significant Accounting Policies

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

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and governmental fund of the City of Bradenton Beach Community Redevelopment Agency (CRA), a component unit of the City of Bradenton Beach, Florida, as of and for the year ended September 30, 2022, 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 26, 2023.

Report on 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.

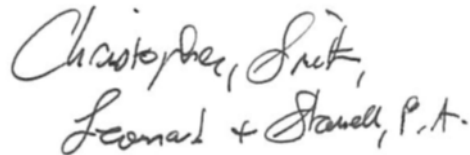
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Handwritten signature of Christopher Smith, Leonard & Stanell, P.A.

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

June 26, 2023
Bradenton, Florida

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Bradenton Beach Community Redevelopment Agency (CRA), a component unit of the City of Bradenton Beach, Florida, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 26, 2023.

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 our 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 26, 2023, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, 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 was not in a state of financial emergency as it did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the 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.

Specific Information for a Dependent Special District

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA reported:

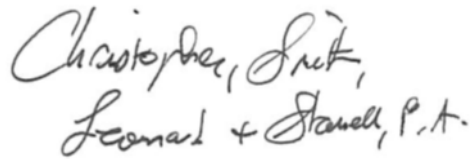
- (a) The total number of CRA employees compensated in the last pay period of the CRA's fiscal year was 0.
- (b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year was 0.
- (c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$0.
- (d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- (e) Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project. Projects are as follows: 1) Floating dock expansion \$94,498; and 2) Undergrounding \$157,248.
- (f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amends a final adopted budget under Section 189.016(6), Florida Statutes. The budget variance schedule is presented on page 23.

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 have any such findings.

Purpose of this Letter

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

Handwritten signature of Christopher Smith in cursive script, followed by the firm name "Leonard & Stanell, P.A." also in cursive.

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

June 26, 2023
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Bradenton Beach Community Redevelopment Agency (CRA), a component unit of the City of Bradenton Beach, 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, 2022. 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.

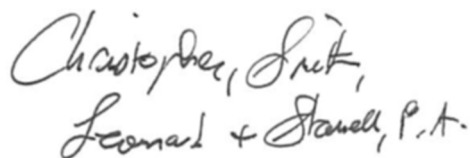
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with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

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

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

In our opinion, the CRA complied in all material respects, with the aforementioned compliance requirements for the year ended September 30, 2022.

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

A handwritten signature in black ink that reads "Christopher, Smith, Leonard & Stanell, P.A." in a cursive script.

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

June 26, 2023
Bradenton, Florida