

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

Financial Statements

For the Year Ended September 30, 2023

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

To the Honorable Mayor and Members of the CRA Board
City of Bradenton Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

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, 2023, 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 each major fund of the CRA, as of September 30, 2023, 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 the 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 6, 2024, 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 & Stanell, P.A.*

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

June 6, 2024
Bradenton, Florida

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

Management's Discussion and Analysis
September 30, 2023

As management of the Community Redevelopment Agency of the City of Bradenton (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, 2023. 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 and deferred inflows at the close of the most recent fiscal year by \$18,379,628 (net position).
- The CRA's total net position increased \$3,453,238, or 23.14% 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 \$11,428,429, an increase of \$3,538,204 in comparison to the prior year.
 - Total CRA fund revenues were \$3,979,231.
 - Total CRA fund expenditures were \$1,814,998.
 - Total other financing sources were \$1,373,971.

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*, *deferred inflows* and *liabilities* at the end of the fiscal year. The difference between its assets plus deferred outflows and its liabilities and deferred inflows 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.

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

Management's Discussion and Analysis

September 30, 2023

The financial statements reflect the presentation of the Community Redevelopment Agency of the City of Bradenton, composed of three Community Redevelopment Areas (CRAs). Each area is reported in a separate fund. The Bradenton City Council acts as the decision-making Board for all the 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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which are the Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual.

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 and deferred inflows by \$18,379,628 at the close of the 2023 fiscal year.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BRADENTON
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Management's Discussion and Analysis
September 30, 2023

The following schedule is a summary of the Statement of Net Position found on page 10 of this report.

Net Position		
	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Assets		
Current and other assets	\$ 12,044,721	\$ 8,844,261
Capital assets, net depreciation	11,127,245	11,509,144
Swap rate agreement asset	<u>212</u>	<u>-</u>
Total assets	<u>23,172,178</u>	<u>20,353,405</u>
Deferred Outflows of Resources		
Fair value of swap agreement	<u>-</u>	<u>1,709</u>
Total deferred outflows of resources	<u>-</u>	<u>1,709</u>
Liabilities		
Current and other liabilities	918,828	1,245,194
Long-term debt outstanding	<u>3,873,510</u>	<u>4,183,530</u>
Total liabilities	<u>4,792,338</u>	<u>5,428,724</u>
Deferred Inflows of Resources		
Fair value of swap agreement	<u>212</u>	<u>-</u>
Total deferred inflows of resources	<u>212</u>	<u>-</u>
Net Position		
Net investment in capital assets	6,968,629	7,055,280
Restricted for community redevelopment	<u>11,410,999</u>	<u>7,871,110</u>
Total net position	<u><u>\$ 18,379,628</u></u>	<u><u>\$ 14,926,390</u></u>

The CRA's overall financial position remains strong. The increase of \$3,453,238 in net position is due to a decrease in economic environment expenses.

A significant portion of the CRA's total net position (37.91%) 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.

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

Management's Discussion and Analysis
September 30, 2023

Governmental Activities

The following is a summary of the Statement of Activities found on page 11 of this report.

Statement of Activities

	Governmental Activities	
	2023	2022
Revenues		
Program Revenues:		
Charges for services	\$ 45,618	\$ 51,045
General Revenues:		
Property taxes	3,892,940	3,235,441
Investment earnings	32,912	9,736
Other	7,761	15
Total Revenues	3,979,231	3,296,237
Expenses		
Governmental Activities		
Economic environment	1,679,655	4,862,560
Interest on long-term debt	220,309	234,805
Fees and expenditures	-	725
Total Expenses	1,899,964	5,098,090
Change in net position before transfers	2,079,267	(1,801,853)
Transfers, net	1,373,971	1,446,280
Change in net position	3,453,238	(355,573)
Net position, beginning	14,926,390	15,281,963
Net position - end of year	\$ 18,379,628	\$ 14,926,390

Governmental activities reported an increase in the City's net position of \$3,453,238. This increase represents 18.79% of the governmental activities year-end net position. Total revenues increased from \$3,296,237 to \$3,979,231.

Economic environment expenses decreased \$(3,182,905), from \$4,862,560 to \$1,679,655 due, in large part, to the completion of the Streetscape project in the previous year and a decrease in contractual services.

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.

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

Management's Discussion and Analysis
September 30, 2023

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 12-15. 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 \$11,428,429, an increase of \$3,538,204. This is in comparison with the prior year's increase of \$1,980,765. The increase between the years is primarily a result of an increase in property tax revenues and a decrease in expenditures.

\$11,427,631 of the fund balance is restricted for community redevelopment projects. The remaining \$798 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 28-30. Budget data is provided for both the original adopted budget and the final budget for fiscal year 2023. 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 \$1,970,232 or 86% of the total final budget of the Fund; the Bradenton Community Redevelopment Area Fund expenditures were under the final budget by \$4,256,210 or 77% of the total final budget, the 14th Street Community Redevelopment Area Fund expenditures were under the final budget by \$1,359,716 or 86% of the total final budget.

Capital Assets and Long-term Debt

Capital assets decreased due to the normal depreciation expense. Long-term debt outstanding decreased as a result of the normal debt payments based on the amortization schedules.

ECONOMIC FACTORS AND YEAR 2024 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 2024 fiscal year included the following items:

- The City experienced an increase in taxable assessed values of 13.03%.
- The unemployment rate for the City of Bradenton for 2023 is 3.3%, a slight increase over the prior year but below the national unemployment rate.
- Working towards the completion of The Met (199 units of workforce housing) - 14th Street CRA.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BRADENTON
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Management's Discussion and Analysis
September 30, 2023

- Work towards purchasing key parcels in the Village of the Arts to eliminate slum and blight - 14th Street CRA.
- Maintenance of the Riverwalk - Bradenton CRA.
- Working towards the completion of Nine20 Manatee (137 units of workforce housing and mixed use retail) - Bradenton CRA.
- Working towards the completion of Riverview6 (80 units of affordable housing) - Bradenton CRA.
- Planning for park improvements for Love Park and MLK Jr. Park - Central CRA.

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the Community Redevelopment Agency 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, Department of Finance, 101 Old Main Street, Bradenton, Florida 34205; or through the City's website at www.cityofbradenton.com.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BRADENTON
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 12,042,130
Prepaid items	798
Other receivables	1,793
Nondepreciable capital assets	4,346,634
Depreciable capital assets, net	6,780,611
Swap rate agreement asset	212
Total assets	<u>23,172,178</u>
Liabilities	
Accounts payable and other current liabilities	67,799
Accrued payroll	13,297
Accrued interest payable	17,430
Advances from City of Bradenton	99,946
Due to other city funds	435,250
Noncurrent liabilities:	
Due within one year	285,106
Due in more than one year:	
Revenue bonds payable	3,853,240
Notes payable	20,270
Total liabilities	<u>4,792,338</u>
Deferred Inflows of Resources	
Fair value of swap agreement	212
Total deferred inflows of resources	<u>212</u>
Net Position	
Net investment in capital assets	6,968,629
Restricted for community redevelopment	11,410,999
Total net position	<u>18,379,628</u>
Total liabilities and net position	<u><u>\$ 23,172,178</u></u>

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

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BRADENTON
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenue and Changes in Net Position
			Governmental Activities
Primary government			
Governmental activities			
Economic environment	\$ 1,679,655	45,618	(1,634,037)
Interest on long-term debt	220,309	-	(220,309)
Total governmental activities	<u>\$ 1,899,964</u>	<u>45,618</u>	<u>(1,854,346)</u>
General revenues			
Property taxes			3,892,940
Investment earnings			32,912
Miscellaneous			7,761
Transfers from the City of Bradenton			3,648,035
Transfers to the City of Bradenton			(2,274,064)
Total general revenues and transfers			<u>5,307,584</u>
Change in net position			3,453,238
Net position, beginning			<u>14,926,390</u>
Net position, ending			<u>\$ 18,379,628</u>

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

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BRADENTON
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023

	Central Community Redevelopment Area	Bradenton Community Redevelopment Area	14th Street Community Redevelopment Area	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,151,641	6,455,833	2,434,656	12,042,130
Prepaid items	798	-	-	798
Other receivables	1,793	-	-	1,793
Total assets	<u>\$ 3,154,232</u>	<u>6,455,833</u>	<u>2,434,656</u>	<u>12,044,721</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 12,196	46,911	8,692	67,799
Accrued salaries, wages and benefits	3,163	6,971	3,163	13,297
Advances from other city funds	99,946	-	-	99,946
Due to other funds	68,067	297,240	69,943	435,250
Total liabilities	<u>183,372</u>	<u>351,122</u>	<u>81,798</u>	<u>616,292</u>
Fund balances				
Non-spendable				
Non-spendable prepaid items	798	-	-	798
Restricted for community redevelopment	2,970,062	6,104,711	2,352,858	11,427,631
Total fund balances	<u>2,970,860</u>	<u>6,104,711</u>	<u>2,352,858</u>	<u>11,428,429</u>
Total liabilities and fund balances	<u>\$ 3,154,232</u>	<u>6,455,833</u>	<u>2,434,656</u>	<u>12,044,721</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 \$ 11,428,429

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	\$ 15,171,571	
Less accumulated depreciation	<u>(4,044,326)</u>	
		11,127,245

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

Notes payable	(95,376)	
Revenue bonds payable, net	(4,063,240)	
Accrued interest payable	<u>(17,430)</u>	<u>(4,176,046)</u>

Total net position of governmental activities \$ 18,379,628

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BRADENTON
(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, 2023

	Central Community Redevelopment Area	Bradenton Community Redevelopment Area	14th Street Community Redevelopment Area	Total Governmental Funds
Revenues				
Taxes	\$ 662,443	2,738,985	491,512	3,892,940
Interest and investment earnings	-	25,283	7,629	32,912
Rents	45,618	-	-	45,618
Miscellaneous	2,875	885	4,001	7,761
Total revenues	<u>710,936</u>	<u>2,765,153</u>	<u>503,142</u>	<u>3,979,231</u>
Expenditures				
Current				
Economic environment	207,942	879,429	213,989	1,301,360
Debt service				
Principal	91,644	200,000	-	291,644
Interest	14,213	207,781	-	221,994
Total expenditures	<u>313,799</u>	<u>1,287,210</u>	<u>213,989</u>	<u>1,814,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>397,137</u>	<u>1,477,943</u>	<u>289,153</u>	<u>2,164,233</u>
Other financing sources (uses)				
Transfers from City of Bradenton	621,524	2,565,638	460,873	3,648,035
Transfers to City of Bradenton	(201,514)	(1,821,906)	(250,644)	(2,274,064)
Total other financing sources (uses)	<u>420,010</u>	<u>743,732</u>	<u>210,229</u>	<u>1,373,971</u>
Net change in fund balances	817,147	2,221,675	499,382	3,538,204
Fund balances, beginning	<u>2,153,713</u>	<u>3,883,036</u>	<u>1,853,476</u>	<u>7,890,225</u>
Fund balances, ending	<u>\$ 2,970,860</u>	<u>6,104,711</u>	<u>2,352,858</u>	<u>11,428,429</u>

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	\$	3,538,204
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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 decreases in capital assets and depreciation exceeded capital outlay in the current period:

Less depreciation expense	\$	(381,899)	(381,899)
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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	91,644		
Revenue bonds payable	200,000		
Amortization of discounts/premiums	3,604		
		295,248	

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	1,685	1,685
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Change in net position of governmental activities	\$	3,453,238
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**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BRADENTON
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)**

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Community Redevelopment Agency of the City of Bradenton (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. All three funds 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.
- 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 Annual Comprehensive Financial Report.

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

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

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2023

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, Deferred Inflows of Resources, 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, 2023.

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 \$5,000 (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.

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

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2023

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, plant 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 and deferred inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The CRA has the following item that qualifies for reporting in this category: the offset of the fair value of the CRA's swap agreement. As certain swap agreements qualify as effective hedges, the change in the fair value occurs each year, and the asset and the deferred inflow 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.

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

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2023

- *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, liabilities, and 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 are reported as restricted 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.

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

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2023

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.

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, 2023, 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.

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

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2023

The City has the following recurring fair value measurements as of September 30, 2023:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Investment derivative instruments:				
Interest rate swaps for loans	\$ 212	-	212	-
	<u>\$ 212</u>	<u>-</u>	<u>212</u>	<u>-</u>

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 4,296,634	-	-	\$ 4,296,634
Construction in progress	50,000	-	-	50,000
Total capital assets not being depreciated	<u>4,346,634</u>	<u>-</u>	<u>-</u>	<u>4,346,634</u>
Other capital assets				
Buildings	1,274,123	-	-	1,274,123
Other improvements	9,515,814	-	-	9,515,814
Machinery and equipment	35,000	-	-	35,000
Total other capital assets at historical cost	<u>10,824,937</u>	<u>-</u>	<u>-</u>	<u>10,824,937</u>
Less accumulated depreciation for				
Buildings	409,735	39,685	-	449,420
Other improvements	3,244,526	339,881	-	3,584,407
Machinery and equipment	8,166	2,333	-	10,499
Total accumulated depreciation	<u>3,662,427</u>	<u>381,899</u>	<u>-</u>	<u>4,044,326</u>
Governmental activities capital assets	<u>\$ 11,509,144</u>	<u>(381,899)</u>	<u>-</u>	<u>\$ 11,127,245</u>

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

Transfers in for the year ended September 30, 2023, from the City of Bradenton to the CRA totaled \$3,648,035 and were for the purpose of community redevelopment. The CRA transferred \$2,274,064 to the City of Bradenton to pay debt service on the City Centre parking garage.

An advance payable to the City of Bradenton totals \$99,946 as of September 30, 2023.

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

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2023

NOTE F – LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity for the year ended September 30, 2023, 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	\$ 187,020	-	(91,644)	95,376	75,106	20,270
Total notes payable	<u>187,020</u>	<u>-</u>	<u>(91,644)</u>	<u>95,376</u>	<u>75,106</u>	<u>20,270</u>
Bonds payable						
BCRA, Tax Increment Revenue						
Bond, Series 2011	4,220,000	-	(200,000)	4,020,000	210,000	3,810,000
Series 2011 Premium	46,844	-	(3,604)	43,240	-	43,240
Total bonds payable	<u>4,266,844</u>	<u>-</u>	<u>(203,604)</u>	<u>4,063,240</u>	<u>210,000</u>	<u>3,853,240</u>
Swap rate agreement liability	<u>1,709</u>	<u>-</u>	<u>(1,709)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 4,455,573</u>	<u>-</u>	<u>(296,957)</u>	<u>4,158,616</u>	<u>285,106</u>	<u>3,873,510</u>

**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, 2023

Description of Debt	Governmental Activities
<u>Notes Payable</u>	
<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 SOFR rate plus 62 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 SOFR rate plus 62 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, 2023. Moneys derived from the Tax Increment Revenues and investment earnings thereon are pledged to secure this loan.</p>	\$ 95,376
Total Notes Payable - Governmental Activities	\$ 95,376

Description of Debt	Governmental Activities
<u>Bonds Payable</u>	
<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>	4,020,000
Total Bonds Payable – Governmental Activities	\$ 4,020,000

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, 2023

Debt Maturity

Debt service requirements at September 30, 2023, were as follows:

Governmental Activities, Revenue Bonds and Notes Payable				
Year Ended September 30	Revenue Bonds		Notes Payable (Direct Borrowings)	
	Principal	Interest	Principal	Interest
2024	210,000	199,531	75,106	3,619
2025	215,000	190,606	20,270	616
2026	225,000	181,200	-	-
2027	235,000	171,075	-	-
2028	250,000	159,325	-	-
2029-2033	1,440,000	596,500	-	-
2034-2038	1,445,000	189,881	-	-
Total	<u>\$ 4,020,000</u>	<u>1,688,118</u>	<u>95,376</u>	<u>4,235</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 2005 CCRA promissory note, 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 one interest rate swap agreement that reduces the economic risks associated with variability in cash outflows for interest on notes as discussed above. The *terms* and *objectives* of the interest rate swap is noted in the description of debt above.

	Changes in Fair Value	Fair Value at September 30, 2023	Notional Value at September 30, 2023
Governmental activities, fair value hedges			
Pay fixed-receive variable interest rate swap contract			
CCRA Series 2005A	\$ 1,921	212	95,376
Total Governmental activities	<u>\$ 1,921</u>	<u>212</u>	<u>95,376</u>

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

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2023

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, 2023 is assumed to be constant over the life of the note.

Year	Principal	Variable Interest	Swap Interest	Net Cash Flows
2024	75,106	192	3,427	78,725
2025	20,270	-	616	20,886
	<u>\$ 95,376</u>	<u>192</u>	<u>4,043</u>	<u>99,611</u>

Fair Value: Because interest rates improved since execution of the swaps, the swaps had a positive fair value of \$212, as of September 30, 2023. 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, 2023, the CRA was 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.

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

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2023

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. During fiscal year 2023, the property was sold and there was no abatement.

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 of 2016. The CRA will reimburse 50% of the difference for each tax year. For fiscal year 2023, the reimbursement was \$16,357.

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 CRA desires for the long-term health of the CRA.

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

Notes To The Financial Statements
For The Fiscal Year Ended September 30, 2023

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 \$4,020,000 as of September 30, 2023.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BRADENTON
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
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, 2023

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 714,835	714,835	662,443	(52,392)
Interest and investment earnings	20	20	-	(20)
Rents	42,600	42,600	45,618	3,018
Miscellaneous	-	-	2,875	2,875
Total revenues	757,455	757,455	710,936	(46,519)
Expenditures				
Personnel services	144,916	144,916	107,237	37,679
Operating expenditures	818,930	413,758	187,480	226,278
Public assistance	1,205,876	1,205,876	19,082	1,186,794
Capital outlay	600,000	519,481	-	519,481
Total expenditures	2,769,722	2,284,031	313,799	1,970,232
Excessive (deficiency) of revenues over (under) expenditures	(2,012,267)	(1,526,576)	397,137	1,923,713
Other financing sources (uses)				
Transfers from City of Bradenton	649,767	649,767	621,524	(28,243)
Transfers to City of Bradenton	-	(485,691)	(201,514)	284,177
Leases under GASB 87	1,362,500	1,362,500	-	(1,362,500)
Total other financing sources (uses)	2,012,267	1,526,576	420,010	(1,106,566)
Net change in fund balance	-	-	817,147	817,147
Fund balance, October 1, 2022	2,153,713	2,153,713	2,153,713	-
Fund balance, September 30, 2023	<u>\$ 2,153,713</u>	<u>2,153,713</u>	<u>2,970,860</u>	<u>817,147</u>

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BRADENTON
(A COMPONENT UNIT OF THE CITY OF BRADENTON, FLORIDA)
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, 2023

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 2,835,335	2,835,335	2,738,985	(96,350)
Interest and investment earnings	4,800	4,800	25,283	20,483
Miscellaneous	-	-	885	885
Total revenues	2,840,135	2,840,135	2,765,153	(74,982)
Expenditures				
Personnel services	275,962	275,962	250,390	25,572
Operating expenditures	2,914,331	942,406	653,420	288,986
Public assistance	3,459,931	3,459,931	377,147	3,082,784
Capital outlay	1,414,110	865,221	6,253	858,968
Total expenditures	8,064,334	5,543,520	1,287,210	4,256,310
Excessive (deficiency) of revenues over (under) expenditures	(5,224,199)	(2,703,385)	1,477,943	4,181,328
Other financing sources (uses)				
Transfers from City of Bradenton	2,573,309	2,573,309	2,565,638	(7,671)
Transfers to City of Bradenton	(440,000)	(2,960,814)	(1,821,906)	1,138,908
Leases under GASB 87	3,090,890	3,090,890	-	(3,090,890)
Total other financing sources (uses)	5,224,199	2,703,385	743,732	(1,959,653)
Net change in fund balance	-	-	2,221,675	2,221,675
Fund balance, October 1, 2022	3,883,036	3,883,036	3,883,036	-
Fund balance, September 30, 2023	<u>\$ 3,883,036</u>	<u>3,883,036</u>	<u>6,104,711</u>	<u>2,221,675</u>

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BRADENTON
(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, 2023

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 529,506	529,506	491,512	(37,994)
Interest and investment earnings	1,500	1,500	7,629	6,129
Miscellaneous	-	-	4,001	4,001
Total revenues	531,006	531,006	503,142	(27,864)
Expenditures				
Personnel services	144,960	144,960	107,254	37,706
Operating expenditures	1,002,076	244,754	89,429	155,325
Public assistance	670,000	670,000	17,306	652,694
Capital outlay	610,000	513,991	-	513,991
Total expenditures	2,427,036	1,573,705	213,989	1,359,716
Excessive (deficiency) of revenues over (under) expenditures	(1,896,030)	(1,042,699)	289,153	1,331,852
Other financing sources (uses)				
Transfers from City of Bradenton	481,030	481,030	460,873	(20,157)
Transfers to City of Bradenton	-	(853,331)	(250,644)	602,687
Leases under GASB 87	1,415,000	1,415,000	-	(1,415,000)
Total other financing sources (uses)	1,896,030	1,042,699	210,229	(832,470)
Net change in fund balance	-	-	499,382	499,382
Fund balance, October 1, 2022	1,853,476	1,853,476	1,853,476	-
Fund balance, September 30, 2023	<u>\$ 1,853,476</u>	<u>1,853,476</u>	<u>2,352,858</u>	<u>499,382</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 and Members of the CRA Board
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, 2023, 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 6, 2024.

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 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 & Stanell, P.A.*

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

June 6, 2024
Bradenton, Florida

MANAGEMENT LETTER

To the Honorable Mayor and Members of the CRA Board
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, 2023, and have issued our report thereon dated June 6, 2024.

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 6, 2024, 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. There were no 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 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.

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 was \$0, as there were no such projects.
- 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 is presented on pages 28–30 in the CRA's September 30, 2023 financial statements.

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 Honorable Mayor, Members of the City Council, Members of the CRA Board, and applicable management of the CRA, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

June 6, 2024
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

To the Honorable Mayor and Members of the CRA Board
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, 2023. 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 to 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.

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

In our opinion, except for as described in the preceding paragraph, the CRA complied, in all material respects, within the specified requirements for the year ended September 30, 2023.

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 & Stanell, P.A.*

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

June 6, 2024
Bradenton, Florida



CITY OF BRADENTON

101 Old Main Street
Bradenton, Florida 34205-7865

(941) 932-9400

www.cityofbradenton.com

Gene Brown
Mayor

Jayne Kocher
Ward 1

Marianne
Barnebey
Ward 2

Josh Cramer
Ward 3

Lisa Gonzalez
Moore
Ward 4

Pam Coachman
Ward 5

August 9, 2024

Auditor General
State of Florida
401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Re: Bradenton Community Redevelopment Agency's
audit report for the fiscal year 2022-23

Dear Mr. Voss:

The Bradenton Community Redevelopment Agency Board approved the fiscal year 2023-2024 budget on September 13, 2023. However, it was not sent to Manatee County until October 13, 2023. This was a staff oversight and will be corrected in the future.

Sincerely,

Heidi Warnemunde

Heidi Warnemunde
Assistant Finance Director