

CITY OF BRADENTON BEACH, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1 - 3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4 - 8
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	9
STATEMENT OF ACTIVITIES	10
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS	11
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	13
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	14
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS	15
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS	16
NOTES TO FINANCIAL STATEMENTS	17 - 37
REQUIRED SUPPLEMENTARY INFORMATION:	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND	38
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CRA FUND	39
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY FUND	40
POLICE OFFICER PENSION PLAN:	
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS	41
SCHEDULE OF CONTRIBUTIONS	42
SCHEDULE OF INVESTMENT RETURNS	43

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

TABLE OF CONTENTS - CONTINUED

	<u>PAGE</u>
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	44
GENERAL EMPLOYEE PENSION PLAN:	
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS	45
SCHEDULE OF CONTRIBUTIONS	46
SCHEDULE OF INVESTMENT RETURNS	47
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	48
SUPPLEMENTARY INFORMATION:	
DETAIL SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND	49
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	50 - 51
MANAGEMENT LETTER	52 - 53
INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE	54



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bradenton Beach, Florida (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 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 City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

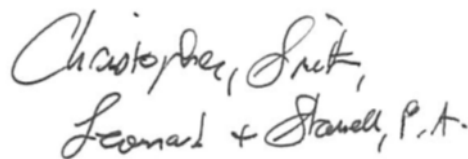
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bradenton Beach, Florida's internal control over financial reporting and compliance.

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

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

June 20, 2024
Bradenton, Florida

City of BRADENTON BEACH

State of Florida

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of City of Bradenton Beach, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. Readers should consider the information presented here in conjunction with the basic financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$15,396,181 (*net position*). Of this amount, \$2,664,375 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fiscal policies.
- The City's total net position increased by \$748,503 during the year.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$3,906,217, an increase of \$188,109 in comparison with the prior year. Of this total amount, \$1,940,981, is available for spending at the City's discretion (*unassigned fund balance*).

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by Ad Valorem taxes, and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City is engaged in only governmental activities. The government-wide financial statements can be found on pages 9 and 10 of this report.

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

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bradenton Beach, Florida, assets exceeded liabilities by \$15,396,181 at the close of the most recent fiscal year.

A large portion of the City's net position, \$11,263,487, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens within the boundaries of the City; consequently, these assets are *not* available for future spending. The City also had significant assets in cash and investments. Investments are in certificates of deposits and are all held in Qualified Public Depositories, or the State Local Government Surplus Trust Fund as allowed by Florida Statutes.

A condensed statement of net position as of September 30, 2023 with comparative balances as of September 30, 2022 follows:

Net Position

	Governmental Activities	
	2023	2022
Current and other assets	\$ 5,369,415	\$ 5,381,233
Net pension asset	12,717	-0-
Capital assets (net of depreciation)	11,334,602	10,633,034
Total assets	16,716,734	16,014,267
Deferred outflows	11,322	-0-
Long-term liabilities	204,439	197,719
Other liabilities	807,681	1,022,622
Total liabilities	1,012,120	1,220,341
Deferred inflows	319,755	146,248
Net Position:		
Net Investment in capital assets	11,263,487	10,596,203
Restricted	1,468,319	1,805,746
Unrestricted	2,664,375	2,245,729
Total Net Position	\$ 15,396,181	\$ 14,647,678

Net position in the amount of \$294,308 is restricted for library purposes, \$835,161 is restricted for redevelopment, and \$338,106 is restricted for storm water and other uses. The City Commission has committed \$294,681 for specific uses. Unrestricted net position totaled \$1,940,981, and may be used to meet the City's ongoing obligations to citizens and creditors.

The City's net position increased by \$748,503 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, 2023 with comparative totals for the fiscal year ended September 30, 2022:

Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 1,098,271	\$ 1,132,970
Operating grants	201,912	8,000
Capital grants	331,396	461,354
	1,631,579	1,602,324
General revenues:		
Taxes	3,361,878	2,991,442
Other	728,733	607,750
Total revenues	5,722,190	5,201,516

Expenses:		
General government	1,059,744	847,125
Public safety	1,933,731	1,495,597
Planning	462,263	449,384
Public works	904,390	779,237
Culture and recreation	613,559	497,392
Total expenses	<u>4,973,687</u>	<u>4,068,735</u>
Change in Net Position	748,503	1,132,781
Net Position – Beginning of year	<u>14,647,678</u>	<u>13,514,897</u>
Net Position – End of year	<u>\$ 15,396,181</u>	<u>\$ 14,647,678</u>

Revenues were \$5,722,190 compared to expenses of \$4,973,687. Revenues increased \$520,674 largely due to taxes and grants. Expenses increased by \$904,952 mainly due to general government and public safety.

Financial Analysis of the City’s Funds

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

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

As of the end of the current fiscal year, the City’s general fund reported an ending fund balance of \$2,776,004, an increase of \$675,910 in comparison with the prior year. Of this total \$1,940,981 is *unassigned fund balance*, which is available for spending at the City’s discretion. \$202,236 of fund balance is non-spendable due to prepaid items, \$294,681 is committed for equipment replacement and cell tower proceeds expenditures, and \$338,106 is restricted for storm water and other uses.

As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balances represents approximately 47% of total general fund expenditures, while total fund balance approximates 67%.

Revenues were \$4,938,543, expenditures were \$4,136,784, and net other financing sources were (\$125,849). Revenues decreased \$135,866 due mainly to reductions in grants. Expenditures increased \$554,818 due mainly to public safety and public works.

The fund balance of the City’s special revenue fund is restricted for redevelopment, and decreased by \$458,896. Revenues were \$902,098, expenditures were \$1,486,843 and transfers in were \$125,849. The CRA fund spent \$1,233,561 on capital outlay for various projects.

The library fund operations are restricted to use for the Bradenton Beach Public Library. Fund balance for the year decreased by \$28,905. Revenues were \$6,712, and expenditures were \$35,617.

Fiduciary funds. The City established the Retirement Plan and Trust for the Police Officers and the General Employees of the City of Bradenton Beach. Total contributions during the year were \$223,478. Assets held in trust for pension benefits totaled \$287,797, which included investments of \$278,117 and contributions receivable of \$9,680.

General Fund Budgetary Highlights

During the year, the General Fund budget was amended. The original budgeted revenues totaled \$4,164,910, and final budgeted revenues were \$4,279,910. The original budgeted expenditures totaled \$4,114,330, and final budgeted expenditures were \$4,363,950. Actual revenues exceeded budget by \$658,633. Actual expenditures were less than budgeted expenditures by \$227,166. Significant amendments were for grant revenues and capital outlay expenditures. The General Fund budget is presented as required supplementary information as listed in the table of contents.

Capital Assets

The City's investment in capital assets amounts to \$11,334,606 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and machinery and equipment. The City's investment in capital assets for the current fiscal year increased \$701,568. This was comprised \$1,430,042 of capital additions, net of \$674,345 of depreciation expense, and \$54,129 of loss on disposal of assets.

The following is a condensed schedule of capital assets as of September 30, 2023 with comparative totals for September 30, 2022:

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Land	\$ 800,453	\$ 800,453
Construction in progress	3,996,055	3,055,754
Building and Improvements	543,374	612,434
Infrastructure	5,638,922	5,871,152
Machinery and equipment	<u>355,798</u>	<u>293,241</u>
Total	<u>\$11,334,602</u>	<u>\$10,633,034</u>

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

Economic Factors and Next Year's Budgets and Rates

The millage rate in the fiscal 2024 budget is 2.3329, which is the same rate as the 2023 budget.

The City's budgeted revenues in the general fund for fiscal year 2024 are \$4,591,901. Budgeted expenditures amount to \$4,447,413, including transfers. Budgeted revenues in fiscal year 2023 in the CRA fund are \$887,883. Budgeted expenditures for the CRA are \$1,436,299.

Requests for Information

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

CITY OF BRADENTON BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities
ASSETS	
Cash–unrestricted	\$ 2,425,911
Cash–restricted	1,063,348
Investments–unrestricted	358,367
Investments–restricted	472,496
Accounts receivable	88,751
Due from other governmental units	412,621
Prepaid expenses	218,185
Lease receivable	317,053
Lease interest receivable	1,221
Right–to–use asset	11,462
Net pension asset	12,717
Capital assets	
Land	800,453
Construction in progress	3,996,055
Buildings and improvements	543,374
Infrastructure	5,638,922
Equipment	355,798
Total Assets	16,716,734
DEFERRED INFLOWS	
Deferred outflows of pension resources	11,322
LIABILITIES	
Accounts payable	222,868
Accrued expenses	36,479
Unearned revenue	548,334
Non current liabilities	
Due within one year	32,940
Due in more than one year	171,499
Total Liabilities	1,012,120
DEFERRED INFLOWS	
Deferred inflows of pension earnings	5,822
Lease–related inflows of resources	313,933
Total Deferred Inflows	319,755
NET POSITION	
Net investment in capital assets	11,263,487
Restricted for:	
Redevelopment	835,905
Library	294,308
Stormwater and other	338,106
Unrestricted	2,664,375
TOTAL NET POSITION	\$ 15,396,181

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

<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:					
General government	\$ 1,059,744	\$ 206,405	\$ 52,424	\$ 112,374	\$ (688,541)
Public safety	1,933,731	215,986	-	3,212	(1,714,533)
Planning	462,263	542,133	-	-	79,870
Public works	904,390	10,050	-	-	(894,340)
Culture and recreation	613,559	123,697	149,488	215,810	(124,564)
Total Governmental Activities	4,973,687	1,098,271	201,912	331,396	(3,342,108)
Total Government	\$ 4,973,687	\$ 1,098,271	\$ 201,912	\$ 331,396	(3,342,108)
Ad Valorem taxes					2,575,280
Sales tax					225,547
Service tax					482,227
Other taxes					78,824
State revenue sharing					30,022
Franchise fees					304,983
Storm water fees					272,499
Interest					77,236
Other					43,993
Total general revenues					4,090,611
Change in Net Position					748,503
Net Position – Beginning					14,647,678
Net Position – Ending					\$ 15,396,181

The accompanying notes are an integral part of these financial statements

**CITY OF BRADENTON BEACH, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General	CRA	Library	Total Governmental Funds
ASSETS				
Cash–unrestricted	\$ 2,425,911	\$ -	\$ -	\$ 2,425,911
Cash–restricted	338,106	446,119	279,123	1,063,348
Investments – unrestricted	358,367	-	-	358,367
Investments – restricted	-	472,496	-	472,496
Accounts receivable	88,751	-	-	88,751
Due from other governmental units	271,433	141,188	-	412,621
Due from other funds	20,878	-	-	20,878
Prepaid items	202,236	744	15,205	218,185
TOTAL ASSETS	<u>\$ 3,705,682</u>	<u>\$ 1,060,547</u>	<u>\$ 294,328</u>	<u>\$ 5,060,557</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 160,272	\$ 62,576	\$ 20	\$ 222,868
Accrued expense	36,479	-	-	36,479
Due to other funds	-	20,878	-	20,878
Unearned revenue	548,334	-	-	548,334
Total Liabilities	<u>745,085</u>	<u>83,454</u>	<u>20</u>	<u>828,559</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>184,593</u>	<u>141,188</u>	<u>-</u>	<u>325,781</u>
Fund balance:				
Nonspendable:	202,236	744	15,205	218,185
Spendable:				
Restricted	338,106	835,161	279,103	1,452,370
Committed	294,681	-	-	294,681
Unassigned	1,940,981	-	-	1,940,981
Total Fund Balances	<u>2,776,004</u>	<u>835,905</u>	<u>294,308</u>	<u>3,906,217</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,705,682</u>	<u>\$ 1,060,547</u>	<u>\$ 294,328</u>	<u>\$ 5,060,557</u>

The accompanying notes are an integral part of these financial statements

**CITY OF BRADENTON BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

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

Fund Balance – Governmental Funds	\$	3,906,217
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		11,334,602
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Lease receivable		317,053
Lease interest receivable		1,221
Right-to-use asset		11,462
Net pension assets are not current financial resources and, therefore, are not reported in the governmental funds.		12,717
Deferred outflows of resources are not available current financial resources and therefore, are not reported in governmental funds.		11,322
Long-term liabilities, including compensated absences, are not due in the current period and therefore are not reported in the governmental funds:		
Compensated absences		(160,832)
Lease liability		(22,333)
Note payable – Direct borrowing		(21,274)
Transactions recorded as revenues in the statement of activities, but did not meet the availability criteria under the modified accrual basis of accounting, and therefore are considered to be unavailable revenue until available in the governmental funds.		325,781
Deferred inflows of resources are not available current financial resources and therefore, are not reported in the governmental funds:		
Deferred inflows of pension earnings		(5,822)
Lease-related inflows of resources		(313,933)
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 15,396,181</u>

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General	CRA	Library	Total Governmental Funds
REVENUES				
Ad Valorem taxes	\$ 1,934,603	\$ 640,677	\$ -	\$ 2,575,280
State shared revenue	334,393	-	-	334,393
Franchise fees	304,983	-	-	304,983
Service tax	482,227	-	-	482,227
Storm water fees	272,499	-	-	272,499
Licenses and permits	728,506	-	-	728,506
Court/local fines	80,494	-	-	80,494
Interest	47,997	22,527	6,712	77,236
Interlocal agreements	135,093	238,894	-	373,987
Grants	422,147	-	-	422,147
Other	195,601	-	-	195,601
Total Revenues	4,938,543	902,098	6,712	5,847,353
EXPENDITURES				
Administration department	739,503	-	-	739,503
Public safety	1,731,419	83,330	-	1,814,749
Planning department	430,793	28,506	-	459,299
Public works	851,510	1,500	-	853,010
Culture and recreation	98,636	139,946	35,617	274,199
Debt service	33,871	-	-	33,871
Capital outlay	251,052	1,233,561	-	1,484,613
Total Expenditures	4,136,784	1,486,843	35,617	5,659,244
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	801,759	(584,745)	(28,905)	188,109
OTHER FINANCING SOURCES (USES)				
Transfers in	-	125,849	-	125,849
Transfers out	(125,849)	-	-	(125,849)
Total other financing sources (uses)	(125,849)	125,849	-	-
NET CHANGE IN FUND BALANCES	675,910	(458,896)	(28,905)	188,109
FUND BALANCES - October 1, 2022	2,100,094	1,294,801	323,213	3,718,108
FUND BALANCES - September 30, 2023	\$ 2,776,004	\$ 835,905	\$ 294,308	\$ 3,906,217

The accompanying notes are an integral part of these financial statements

**CITY OF BRADENTON BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

Net changes in fund balance – total governmental funds	\$	188,109
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital additions reported as expenditures in the governmental funds		1,430,042
Loss on disposal		(54,129)
Depreciation expense		(674,345)
Revenues in the statement of activities that do not provide current financial resources as they do not meet the availability criteria and are not reported as revenues in the governmental funds:		
Change in lease receivable		169,403
Change in lease interest receivable		852
Change in lease-related inflows of resources		(167,685)
Change in unavailable revenue		(127,733)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Change in compensated absences		(38,914)
Change in right-to-use asset		(27,508)
Change in net pension liability (asset)		12,717
Change in deferred outflows of pension resources		11,322
Change in deferred inflows of pension earnings		(5,822)
The issuance of long-term debt, including leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These amounts do not effect net position in the government wide financial statements:		
Principal payments on note payable – direct borrowing		10,388
Principal payments on leases		21,806
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>748,503</u>

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	<u>PENSION TRUST FUNDS</u>
ASSETS	
Investments, at fair value	\$ 278,117
Employer contribution receivable	7,658
Employee contribution receivable	2,022
TOTAL ASSETS	<u><u>\$ 287,797</u></u>
FIDUCIARY NET POSITION	
Restricted for pension benefits	<u><u>\$ 287,797</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF BRADENTON BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	PENSION TRUST FUNDS
ADDITIONS	
CONTRIBUTIONS:	
Employer contributions	\$ 176,367
Employee contributions	47,111
Total contributions	223,478
INVESTMENT INCOME:	
Net realized and unrealized gains (losses)	3,290
Total investment earnings	3,290
Less investment expense	8,220
Net investment income	(4,930)
TOTAL ADDITIONS	218,548
Increase (Decrease) in fiduciary net position	218,548
FIDUCIARY NET POSITION – RESTRICTED FOR PENSION BENEFITS	
Beginning of year	69,249
End of year	\$ 287,797

The accompanying notes are an integral part of these financial statements

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

NOTE 1 – REPORTING ENTITY

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

GOVERNMENTAL FUNDS:

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

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

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

CAPITAL ASSETS

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

BUDGETARY INFORMATION

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

PROPERTY TAXES

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

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

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

CASH AND CASH EQUIVALENTS

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

ACCOUNTS RECEIVABLE

Accounts receivable are shown net of allowance for doubtful accounts, and total \$88,751. At September 30, 2023, there was no allowance for doubtful accounts as all receivables are considered to be fully collectible.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position/balance sheet may include a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

A deferred outflow of pension resources is reflected in the government-wide statement of net position.

Similarly, in addition to liabilities, the City may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Additionally, the City had two items that qualified as a deferred inflow on the government-wide statement of net position which represented lease-related inflows of resources, and a deferred inflow of pension earnings.

INTERFUND RECEIVABLES/PAYABLES

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

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.

NET POSITION

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

FUND BALANCE

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

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

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

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 Commissioners through a resolution or the budget process.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- Assigned – includes amounts designated for a specific purpose by the City Commissioners through a resolution or the budget process, which are neither restricted nor committed.
- Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The City does not have a formal minimum fund balance policy. Fund balance at September 30, 2023 was as follows:

<u>NonSpendable:</u>	<u>General Fund</u>	<u>CRA</u>	<u>Library Fund</u>
Prepaid items	\$ 202,236	\$ 744	\$ 15,205
 <u>Spendable:</u>			
Restricted to:			
Transportation and parks	236,280	-0-	-0-
Stormwater	100,823	-0-	-0-
CRA	-0-	835,161	-0-
Library	-0-	-0-	279,103
Other	1,003	-0-	-0-
Committed to:			
Equipment replacement	48,950	-0-	-0-
Cell Tower proceeds	245,731	-0-	-0-
 <u>Unassigned:</u>			
Unassigned	1,940,981	-0-	-0-
Total Fund Balances	<u>\$ 2,776,004</u>	<u>\$ 835,905</u>	<u>\$ 294,308</u>

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

INTERFUND ADVANCES

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. There were no interfund advances at September 30, 2023.

IMPLEMENTATION OF NEW ACCOUNTING STANDARD

Effective October 1, 2022, the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB No. 96), which requires recognition of intangible right-to-use subscription assets and subscription liabilities. Under GASB Statement No. 96, the right-to-use subscription assets and related subscription liability are solely reported in the statement of net position. Upon implementation, management determined that there were no material subscription-based information technology arrangements that would require recognition under GASB No. 96.

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS

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

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

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

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

Credit Quality

Florida PRIME is rated by Standard and Poor's. The rating as of September 30, 2023 is AAAm.

Interest Rate Risk

The City's policy is to minimize risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The Florida PRIME has a dollar weighted average days to maturity of 35 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, 2023 is 75 days.

Foreign Currency Risk

Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2022 through September 30, 2023.

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

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

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, 2022 through September 30, 2023, no such disclosure has been made. Additionally, as of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

At September 30, 2023, the City had investments in the LGIP in the amount of \$830,863. For further information regarding the LGIP, readers should refer to the financial statements and disclosures of the Florida State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool.

In addition to the investments in the LGIP, at September 30, 2023, the City’s carrying amount of cash and cash equivalents was \$3,489,259 and the bank balance was \$3,550,704. Restricted cash and investments in the special revenue funds represents funds for redevelopment and library purposes.

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

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

NOTE 4 – CAPITAL ASSETS

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

	<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>End of Year</u>
Governmental Activities					
Assets not being depreciated:					
Land	\$ 800,453	\$ -0-	\$ -0-	\$ -0-	\$ 800,453
Construction in progress	<u>3,055,754</u>	<u>1,185,411</u>	<u>(54,129)</u>	<u>(190,981)</u>	<u>3,996,055</u>
Total capital assets, not being fully depreciated	3,856,207	1,185,411	(54,129)	(190,981)	4,796,508
Capital assets being depreciated:					
Building and improvements	2,002,842	-0-	-0-	-0-	2,002,842
Infrastructure	8,580,129	-0-	-0-	190,981	8,771,110
Furniture and equipment	<u>1,620,003</u>	<u>244,631</u>	<u>(1,349)</u>	<u>-0-</u>	<u>1,863,285</u>
Total capital assets being depreciated	12,202,974	244,631	(1,349)	190,981	12,637,237
Less accumulated depreciation for:					
Buildings and improvements	1,390,408	69,060	-0-	-0-	1,459,468
Infrastructure	2,708,977	423,211	-0-	-0-	3,132,188
Furniture and equipment	<u>1,326,762</u>	<u>182,074</u>	<u>(1,349)</u>	<u>-0-</u>	<u>1,507,487</u>
Total accumulated depreciation	<u>5,426,147</u>	<u>674,345</u>	<u>(1,349)</u>	<u>-0-</u>	<u>6,099,143</u>
Total capital assets, being depreciated, net	<u>6,776,827</u>	<u>(429,714)</u>	<u>-0-</u>	<u>190,981</u>	<u>6,538,094</u>
Governmental activities capital assets, net	<u>\$ 10,633,034</u>	<u>\$ 755,697</u>	<u>\$ (54,129)</u>	<u>\$ -0-</u>	<u>\$ 11,334,602</u>

Depreciation expense in the governmental activities was allocated as follows: General Government \$235,148, Public Safety \$104,797, Planning \$1,879, Public Works \$47,360, and Culture and Recreation \$285,161.

Lease activity for governmental activities for the year ended September 30, 2023 was as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Modifications & Remeasurement</u>	<u>Subtractions</u>	<u>End of Year</u>
Lease assets					
Vehicle	\$ 66,478	\$ -0-	\$ -0-	\$ -0-	\$ 66,478
Less: accumulated amortization					
Vehicle	<u>(27,508)</u>	<u>(27,508)</u>	<u>-0-</u>	<u>-0-</u>	<u>(55,016)</u>
Total lease assets, net	<u>\$ 38,970</u>	<u>\$ (27,508)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 11,462</u>

NOTE 5 – LONG-TERM LIABILITIES

The City provides vacation pay and sick leave to its employees. Accrued vacation and sick pay of \$160,832 is included as a liability in the government-wide financial statements. Upon retirement from the City, after 20 years of service, or reaching age 62, the employee is entitled to one-half of their accumulated sick time. The City has estimated the accrued sick time based on this policy. Accrued compensated absences are typically liquidated from the General Fund.

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

NOTE 5 – LONG-TERM LIABILITIES – CONTINUED

During 2022, the City entered into a direct borrowing agreement for financing an additional police vehicle in the amount of \$42,000. Interest is charged at 2.11%. The police vehicle was recognized as a capital asset addition in the amount of \$41,483 and accumulated depreciation was \$20,742 as of September 30, 2023. Remedies of default include: a) termination of the agreement, b) demand payment on outstanding amounts, c) obtain possession of the vehicle, and/or d) take whatever action under law. Future principal and interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,607	\$ 452	\$ 11,059
2025	10,667	229	10,896
	\$ 21,274	\$ 681	\$ 21,955

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

	<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>	<u>Due Within One Year</u>
Compensated absences	\$ 121,918	\$ 119,420	\$ (80,506)	\$ 160,832	\$ -0-
Lease liability	44,139	-0-	(21,806)	22,333	22,333
Direct borrowing arrangement	31,662	-0-	(10,388)	21,274	10,607
	\$ 197,719	\$ 119,420	\$ (112,700)	\$ 204,439	\$ 32,940

The lease liability is further described in NOTE 6.

NOTE 6 – LESSEE LEASE AGREEMENT

The City has entered into a four-year lease agreement as a lessee for financing a police vehicle in 2020. Interest is charged at 2.38%, which was used as the discount rate for determining the lease liability. Payments of principal and interest are due annually and the lease expires on February 6, 2024.

Lease expense was reported during the year ended September 30, 2023 as follows:

Lease expense:	
Amortization expense by class of the Underlying asset	
Vehicle	\$ 27,508
Total amortization expense	27,508
Interest on lease liabilities	714
Variable lease expense	-0-
Total	\$ 28,222

The future maturity schedule is as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 22,332	\$ 537	\$ 22,869
Total Future Payments	\$ 22,332	\$ 537	\$ 22,869

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

NOTE 7 – LESSOR LEASE AGREEMENTS

The City is engaged in a lease agreement allowing the lessee to lease space on the City’s cell phone tower. The lease agreement initially commenced in July 2012 with an initial lease term of five years with nine additional five-year renewal. The lease is in the second renewal term which expires in July 2027. With all renewal periods, the lease will ultimately expire in July 2062. Monthly rental revenue is based on 30% of the gross rental revenue generated and is estimated at \$529 per month over the remaining lease periods. Revenue of \$12,320 was recognized in the general fund during the year.

The City leases space on the Bradenton Beach Pier, under an agreement which was amended on September 22, 2023. The lease is for a term of five years, with five additional five year options. As the City cannot determine the likelihood of exercising the additional option periods, the initial five year term was used for recognition. Monthly rent ranges from \$2,667 to \$3,500. Revenue of \$44,558 was recognized in the general fund during the current year.

Lease-related revenue for governmental activities for the year ended September 30, 2023 was as follows:

Lease-related revenue	
Lease revenue	
Total	\$ 6,481
Total lease revenue	6,481
Interest revenue	5,255
Variable & other revenue	-0-
Total	<u>\$ 11,736</u>

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

Year <u>Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Receipts</u>
2024	\$ 24,339	\$ 14,017	\$ 38,356
2025	36,057	12,300	48,357
2026	38,216	10,141	48,357
2027	40,506	7,850	48,356
2028	42,936	5,421	48,357
5 Years Ending 2033	12,426	19,357	31,783
5 Years Ending 2038	14,434	17,349	31,783
5 Years Ending 2043	16,767	15,016	31,783
5 Years Ending 2048	19,477	12,306	31,783
5 Years Ending 2053	22,624	9,158	31,782
5 Years Ending 2058	26,281	5,502	31,783
5 Years Ending 2063	<u>22,990</u>	<u>1,376</u>	<u>24,366</u>
Total Future Receipts	<u>\$ 317,053</u>	<u>\$ 129,793</u>	<u>\$ 446,846</u>

NOTE 8 – INTERFUND BALANCES

Interfund balances arise from the general fund cash account being the primary disbursement account for the City. At September 30, 2023, the General Fund was owed \$20,878 by the CRA Fund.

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – DEFINED CONTRIBUTION RETIREMENT PLAN

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

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the City Commission. For each employee in the pension plan, the City is required to contribute 13.5 percent of annual regular salary. Employees are not eligible to contribute to the plan through payroll deductions. For the year ended September 30, 2023, the City recognized pension expense of \$64,422.

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

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS

Plan Description and Summary of Significant Accounting Policies

Effective February 1, 2022, the City Commission, in Ordinance 22-540, established the Retirement Plan and Trust for the Police Officers' of the City of Bradenton Beach (the Police Plan), which is a single-employer, defined benefit plan. The City has established a special pension trust fund into which shall be paid all monies received by the City under the provisions of Chapter 185, Florida Statutes. The City Commission of the City has the power to amend the Police Plan. The Trustee of the Police Plan is the Florida Municipal Pension Trust Fund (Trustee) and the Plan Administrator is the Florida League of Cities (Administrator). All police officers of the City are eligible to participate in the Police Plan. Per the October 1, 2022 valuation, the Police Plan had 8 active participants.

Effective October 1, 2022, the City Commission, in Ordinance 22-543, established the Retirement Plan and Trust for the General Employees of the City of Bradenton Beach (the GE Plan), which is a single-employer, defined benefit plan. The City has established a special pension trust fund into which shall be paid all monies received by the City under the provisions of the Plan document. The City Commission of the City has the power to amend the GE Plan. The Trustee of the GE Plan is the Florida Municipal Pension Trust Fund (Trustee) and the GE Plan Administrator is the Florida League of Cities (Administrator). All general employees of the City are eligible to participate in the GE Plan. Per the October 1, 2022 valuation, the GE Plan had 9 active participants.

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

Basis of Accounting

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

Asset Valuation

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

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Police Plan Retirement

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

GE Plan Retirement

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

Police Plan Benefits and Eligibility

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

GE Plan Benefits and Eligibility

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

Disability Benefits—Police Plan and GE Plan

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

Police Plan Death Benefits

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

GE Plan Death Benefits

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

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Police Plan Termination

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

GE Plan Termination

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

Contribution Information – Police Plan

Employee contributions of 6% of pre-tax basic annual compensation are required and were made in the amount of \$31,985. Basic member payroll subject to contributions excludes overtime, sick time, and vacation time. Payments for accrued unused sick or annual leave are also excluded.

Total payroll covered by the plan for the year was \$448,503 of a total City payroll of \$1,667,154. Total contributions, which equaled required contributions, were \$101,451 during the year ended September 30, 2023.

Contribution Information – GE Plan

Employee contributions of 3% of pre-tax basic annual compensation are required and were made in the amount of \$15,126. Basic member payroll subject to contributions excludes overtime, sick time, and vacation time. Payments for accrued unused sick or annual leave are also excluded.

Total payroll covered by the plan for the year was \$457,624 of a total City payroll of \$1,667,154. Total contributions, which equaled required contributions, were \$85,715 during the year ended September 30, 2023.

Investments

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

The plans follow the investment policies of the FMPTF. The Master Trustees of the FMPTF have the exclusive authority and discretion to manage and control the assets of the FMPTF. The City has selected to participate in the FMPTF 60/40 Target Fund. The maximum target asset allocation for equities is 60%. The following was the adopted asset allocation policy as of September 30, 2023:

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

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

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

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

As of September 30, 2023, the asset allocations for the various investment models were as follows:

<u>Asset Allocation and Model/Percentage</u>	<u>60/40</u>
Cash and Money Market	1.4%
FMIvT Broad Market High Quality Bond	14.6%
FMIvT Diversified Large Cap	24.4%
FMIvT Diversified Small to Mid Cap Equity	13.9%
FMIvT Core Real Estate	12.8%
FMIvT International Equity	19.3%
FMIvT Core Plus Fixed Income	<u>13.6%</u>
	<u>100.0%</u>

Credit Risk

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

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

Interest Rate Risk

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

The FMIvT Broad Market High Quality Bond Fund has a weighted average maturity of 6.90 years. The FMIvT Core Plus Fixed Income Fund has a weighted average to maturity of 8.03 years.

Foreign Currency Risk

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

CITY OF BRADENTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Police Plan Rate of Return

For the year ended September 30, 2023 the annual money-weighted rate of return on Pension Plan Investments, net of pension plan investment expense, was 3.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

GE Plan Rate of Return

For the year ended September 30, 2023 the annual money-weighted rate of return on Pension Plan Investments, net of pension plan investment expense, was -2.46%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations

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

Fair Value Measurement

The investments held by the Plans are measured at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2023:

	<u>September 30,</u> <u>2023</u>	<u>Quoted Prices</u> <u>In Active</u> <u>Markets for</u> <u>Identical</u> <u>Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Investments by fair value level:				
Mutual Funds/Short-Term Investments	\$ 3,893	\$ 3,893	\$ -	\$ -
FMLvT Broad Market High Quality Bond	40,606	-	40,606	-
FMLvT Core Plus Fixed Income	37,827	-	-	37,824
FMLvT Diversified Large Cap	67,860	-	67,860	-
FMLvT Diversified Small to Mid Cap	38,658	-	38,658	-
FMLvT International Equity	53,677	-	53,677	-
FMLvT Core Real Estate	<u>35,599</u>	<u>-</u>	<u>-</u>	<u>35,599</u>
Total Investments	<u>\$ 278,117</u>	<u>\$ 3,893</u>	<u>\$ 200,801</u>	<u>\$ 73,423</u>

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

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

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Actuarial Assumptions–Police Plan

The total pension liability, net pension liability (asset), and certain sensitivity information are based on an actuarial valuation performed as of October 1, 2022, with a measurement period of September 30, 2023, using the aggregate cost method.

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

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

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

Pre–retirement mortality:

Based on the sex–distinct rates set forth in the PUB–2010 Headcount–Weighted Employee Mortality Table for public safety employees, (Below Median table for males) with full generational improvements in mortality using Scale MP–2018 and with ages set forward one year.

Post–retirement mortality:

Non–disabled retirees, sex distinct rates set forth in PUB–2010 Headcount–Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP–2018 and with ages set forward one year;

Disabled retirees, sex–distinct rates set forth in the PUB–2010 Headcount–Weighted Disabled Retiree Mortality Table (80% general employee rate plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP–2018.

Actuarial Assumptions–GE Plan

The total pension liability, net pension liability (asset), and certain sensitivity information are based on an actuarial valuation performed as of October 1, 2022, with a measurement period of September 30, 2023, using the aggregate cost method.

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

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

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

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

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Actuarial Assumptions–GE Plan – Continued

Pre-retirement mortality: None is assumed.

Post-retirement mortality: Based on the sex-distinct rates set forth in PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the pension plan's target asset allocation as of September 30, 2023 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability (asset) was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Changes of Assumptions

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

Net Pension Liability (Asset)

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

	Police Plan	GE Plan
Total Pension Liability	\$ 190,183	\$ 92,586
Plan Fiduciary Net Position	(195,942)	(99,544)
Sponsors Net Pension Liability (Asset)	\$ (5,759)	\$ (6,958)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	103.03%	107.52%

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

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

Net Pension Liability (Asset) – Continued

<u>Police Plan</u>	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance as of September 30, 2022	\$ 86,590	\$ (65,041)	\$ 21,549
Change due to:			
Service cost	96,876	-0-	96,876
Expected interest growth	12,843	(8,901)	3,942
Unexpected investment income	-0-	4,372	4,372
Demographic experience	(6,126)	-0-	(6,126)
Employer contributions	-0-	(101,451)	(101,451)
Employee contributions	-0-	(33,082)	(33,082)
Benefit payments & refunds	-0-	-0-	-0-
Administrative expenses	-0-	8,161	8,161
Assumption changes	-0-	-0-	-0-
Balance as of September 30, 2023	<u>\$ 190,183</u>	<u>\$ (195,942)</u>	<u>\$ (5,759)</u>

<u>GE Plan</u>	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance as of September 30, 2022	\$ -0-	\$ -0-	\$ -0-
Change due to:			
Service cost	86,529	-0-	86,529
Expected interest growth	6,057	(3,468)	2,589
Unexpected investment income	-0-	4,706	4,706
Demographic experience	-0-	-0-	-0-
Employer contributions	-0-	(85,715)	(85,715)
Employee contributions	-0-	(15,126)	(15,126)
Benefit payments & refunds	-0-	-0-	-0-
Administrative expenses	-0-	59	59
Assumption changes	-0-	-0-	-0-
Balance as of September 30, 2023	<u>\$ 92,586</u>	<u>\$ (99,544)</u>	<u>\$ (6,958)</u>

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

	<u>1% Decrease</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase</u>
Police Plan	\$ 28,309	\$ (5,759)	\$ (33,632)
GE Plan	\$ 4,990	\$ (6,958)	\$ (17,070)

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

Police Plan

For the year ended September 30, 2023 the City recognized pension expense of \$77,820. At September 30, 2023 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

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

Police Plan – Continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance as of September 30, 2022	\$ 5,412	\$ -0-
Change due to:		
Amortization payments	(2,227)	(304)
Investment gain/loss	4,372	-0-
Demographic gain/loss	-0-	6,126
Assumption changes	-0-	-0-
Total change	2,145	5,822
Balance as of September 30, 2023	\$ 7,557	\$ 5,822

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

<u>Year ended September 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 2,227	\$ 304
2025	2,227	304
2026	2,227	304
2027	876	304
2028	-0-	304
Thereafter	-0-	4,302
	\$ 7,557	\$ 5,822

GE Plan

For the year ended September 30, 2023 the City recognized pension expense of \$74,992. At September 30, 2023 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance as of September 30, 2022	\$ -0-	\$ -0-
Change due to:		
Amortization payments	(941)	-0-
Investment gain/loss	4,706	-0-
Demographic gain/loss	-0-	-0-
Assumption changes	-0-	-0-
Total change	3,765	-0-
Balance as of September 30, 2023	\$ 3,765	\$ -0-

<u>Year ended September 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 941	\$ -0-
2025	941	-0-
2026	941	-0-
2027	942	-0-
	\$ 3,765	\$ -0-

The following financial statements present the combining statement of fiduciary net position by pension trust fund as of and for the year ended September 30, 2023.

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

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

COMBINING STATEMENT OF FIDUCIARY NET POSITION

	Police Plan	GE Plan	Total Pension Trust Funds
ASSETS			
Investments, at fair value	\$ 183,108	\$ 95,009	\$ 278,117
Employer contribution receivable	3,803	3,855	7,658
Employee contribution receivable	1,342	680	2,022
TOTAL ASSETS	<u>\$ 188,253</u>	<u>\$ 99,544</u>	<u>\$ 287,797</u>
FIDUCIARY NET POSITION			
Restricted for pension benefits	<u>\$ 188,253</u>	<u>\$ 99,544</u>	<u>\$ 287,797</u>

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

ADDITIONS

CONTRIBUTIONS:			
Employer contributions	\$ 90,652	\$ 85,715	\$ 176,367
Employee contributions	31,985	15,126	47,111
Total contributions	<u>122,637</u>	<u>100,841</u>	<u>223,478</u>
INVESTMENT INCOME:			
Net realized and unrealized gains (losses)	4,528	(1,238)	3,290
Total investment earnings	<u>4,528</u>	<u>(1,238)</u>	<u>3,290</u>
Less investment expense	8,161	59	8,220
Net investment income	<u>(3,633)</u>	<u>(1,297)</u>	<u>(4,930)</u>
TOTAL ADDITIONS	<u>119,004</u>	<u>99,544</u>	<u>218,548</u>
Change in fiduciary net position	119,004	99,544	218,548
Beginning of year	<u>69,249</u>	<u>-</u>	<u>69,249</u>
End of year	<u>\$ 188,253</u>	<u>\$ 99,544</u>	<u>\$ 287,797</u>

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

NOTE 10 – DEFINED BENEFIT RETIREMENT PLANS – CONTINUED

AGGREGATE INFORMATION FOR CITY PENSION PLANS

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

	<u>Deferred Outflows of Resources</u>	<u>Net Pension Liability</u>	<u>Net Pension (Asset)</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Police Plan	\$ 7,557	\$ -0-	\$ (5,759)	\$ 5,822	\$ 77,820
GE Plan	<u>3,765</u>	<u>-0-</u>	<u>(6,958)</u>	<u>-0-</u>	<u>74,992</u>
	<u>\$ 11,322</u>	<u>\$ -0-</u>	<u>\$ (12,717)</u>	<u>\$ 5,822</u>	<u>\$ 152,812</u>

NOTE 11 – RISK MANAGEMENT

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

NOTE 12 – CONTINGENCIES

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

**CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES				
Ad Valorem taxes	\$ 2,003,867	\$ 2,003,867	\$ 1,934,603	\$ (69,264)
State shared revenue	291,689	291,689	334,393	42,704
Franchise fees	260,591	260,591	304,983	44,392
Service tax	464,909	464,909	482,227	17,318
Storm water fees	264,907	264,907	272,499	7,592
Licenses and permits	508,958	508,958	728,506	219,548
Court/local fines	72,700	72,700	80,494	7,794
Interest	6,400	6,400	47,997	41,597
Interlocal agreements	125,648	125,648	135,093	9,445
Grants	-	115,000	422,147	307,147
Other	165,241	165,241	195,601	30,360
Total Revenues	<u>4,164,910</u>	<u>4,279,910</u>	<u>4,938,543</u>	<u>658,633</u>
EXPENDITURES				
Administration department	929,647	929,647	739,503	190,144
Public safety	1,706,161	1,706,161	1,731,419	(25,258)
Planning department	444,615	444,615	430,793	13,822
Public works	792,447	823,447	851,510	(28,063)
Culture and recreation	81,295	81,295	98,636	(17,341)
Debt service	-	-	33,871	(33,871)
Capital outlay	160,165	378,785	251,052	127,733
Total Expenditures	<u>4,114,330</u>	<u>4,363,950</u>	<u>4,136,784</u>	<u>227,166</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	50,580	(84,040)	801,759	885,799
OTHER FINANCING SOURCES (USES)				
Transfers out	(125,849)	(125,849)	(125,849)	-
Total other financing sources (uses)	<u>(125,849)</u>	<u>(125,849)</u>	<u>(125,849)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(75,269)	(209,889)	675,910	885,799
FUND BALANCE - October 1, 2022	2,100,094	2,100,094	2,100,094	-
FUND BALANCE - September 30, 2023	<u>\$ 2,024,825</u>	<u>\$ 1,890,205</u>	<u>\$ 2,776,004</u>	<u>\$ 885,799</u>

Note 1 - Summary of Significant Accounting Policies

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

**CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-CRA FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES				
Ad Valorem taxes	\$ 591,416	\$ 591,416	\$ 640,677	\$ 49,261
Interest	3,000	3,000	22,527	19,527
Interlocal agreements	-	-	238,894	238,894
Grants	-	-	-	-
Other	-	-	-	-
Total Revenues	594,416	594,416	902,098	307,682
EXPENDITURES				
Operating	286,744	286,744	253,282	33,462
Capital outlay	1,474,381	1,474,381	1,233,561	240,820
Total Expenditures	1,761,125	1,761,125	1,486,843	274,282
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,166,709)	(1,166,709)	(584,745)	581,964
OTHER FINANCING SOURCES (USES)				
Transfers in	125,849	125,849	125,849	-
Total other financing sources (uses)	125,849	125,849	125,849	-
NET CHANGE IN FUND BALANCES	(1,040,860)	(1,040,860)	(458,896)	581,964
FUND BALANCE – October 1, 2022	1,294,801	1,294,801	1,294,801	-
FUND BALANCE – September 30, 2023	\$ 253,941	\$ 253,941	\$ 835,905	\$ 581,964

Note 1 – Summary of Significant Accounting Policies

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

**CITY OF BRADENTON BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL—LIBRARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL FAVORABLE (UNFAVORABLE)
REVENUES				
Interest	\$ 1,000	\$ 1,000	\$ 6,712	\$ 5,712
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>6,712</u>	<u>5,712</u>
EXPENDITURES				
Personal services	24,458	24,458	19,034	5,424
Operating	79,400	79,400	16,583	62,817
Total Expenditures	<u>103,858</u>	<u>103,858</u>	<u>35,617</u>	<u>68,241</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(102,858)	(102,858)	(28,905)	73,953
FUND BALANCE – October 1, 2022	<u>323,213</u>	<u>323,213</u>	<u>323,213</u>	<u>-</u>
FUND BALANCE – September 30, 2023	<u>\$ 220,355</u>	<u>\$ 220,355</u>	<u>\$ 294,308</u>	<u>\$ 73,953</u>

Note 1 – Summary of Significant Accounting Policies

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

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

	<u>2022</u>	<u>2023</u>
Total pension liability		
Service cost	\$ 80,925	\$ 96,876
Expected interest growth	5,665	12,843
Demographic gain/loss	-	(6,126)
Employee contributions	-	-
Benefit payments, including refunds	-	-
Administrative expenses	-	-
Changes in benefit terms	-	-
Assumption changes	-	-
Net change in total pension liability	<u>86,590</u>	<u>103,593</u>
Total pension liability – Beginning	-	86,590
Total pension liability – Ending (a)	<u><u>\$ 86,590</u></u>	<u><u>\$ 190,183</u></u>
Plan fiduciary net position		
Expected interest growth	\$ 2,389	\$ 8,901
Unexpected investment income	(6,765)	(4,372)
Employer contributions	51,327	101,451
Employee contributions	18,115	33,082
Investment Income	-	-
Benefit payments, including refunds of employee contributions	-	(8,161)
Administrative expense	(25)	-
Net change in plan fiduciary net position	<u>65,041</u>	<u>130,901</u>
Plan fiduciary net position – Beginning	-	65,041
Plan fiduciary net position – Ending (b)	<u><u>\$ 65,041</u></u>	<u><u>\$ 195,942</u></u>
Net pension liability (asset) – Ending (a) – (b)	<u><u>\$ 21,549</u></u>	<u><u>\$ (5,759)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	75.11%	103.03%
Covered employee payroll	371,270	448,503
Net pension liability as a percentage of covered employee payroll	5.80%	0.00%

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

NOTE 1:

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

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

	<u>2022</u>	<u>2023</u>
Actuarially determined contribution	\$ -	\$ 101,451
Contributions in relation to the actuarially determined contributions	<u>51,327</u>	<u>101,451</u>
Contribution deficiency (excess)	<u>\$ 51,327</u>	<u>\$ -</u>
Covered employee payroll	371,270	448,503
Contributions as a percentage of covered employee payroll	13.82%	22.62%

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

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

Annual money-weighted rate of return

<u>Plan Year</u>	<u>Percentage</u>
9/30/23	3.53%
9/30/22	-12.61%

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

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

Employers reporting date: September 30, 2023
Measurement date: September 30, 2023
Valuation Date: October 1, 2022

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

Actuarial assumptions

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

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

	2023
Total pension liability	
Service cost	\$ 86,529
Expected interest growth	6,057
Demographic gain/loss	-
Employee contributions	-
Benefit payments, including refunds	-
Administrative expenses	-
Changes in benefit terms	-
Assumption changes	-
Net change in total pension liability	92,586
Total pension liability – Beginning	-
Total pension liability – Ending (a)	\$ 92,586
Plan fiduciary net position	
Expected interest growth	\$ 3,468
Unexpected investment income	(4,706)
Employer contributions	85,715
Employee contributions	15,126
Investment Income	-
Benefit payments, including refunds of employee contributions	-
Administrative expense	(59)
Net change in plan fiduciary net position	99,544
Plan fiduciary net position – Beginning	-
Plan fiduciary net position – Ending (b)	\$ 99,544
Net pension liability (asset) – Ending (a) – (b)	\$ (6,958)
Plan fiduciary net position as a percentage of the total pension liability	107.52%
Covered employee payroll	457,624
Net pension liability as a percentage of covered employee payroll	0.00%

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

NOTE 1:

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

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

	<u>2023</u>
Actuarially determined contribution	\$ 85,715
Contributions in relation to the actuarially determined contributions	<u>85,715</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered employee payroll	457,624
Contributions as a percentage of covered employee payroll	18.73%

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

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

Annual money-weighted rate of return

<u>Plan Year</u>	<u>Percentage</u>
9/30/23	-2.46%

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

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

Employers reporting date: September 30, 2023
Measurement date: September 30, 2023
Valuation Date: October 1, 2022

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

Actuarial assumptions

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

SUPPLEMENTARY INFORMATION

**CITY OF BRADENTON BEACH, FLORIDA
 DETAIL SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	GENERAL FUND			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
EXPENDITURES				
Administration department				
Personal services	\$ 511,546	\$ 511,546	\$ 452,232	\$ 59,314
Operating	418,101	418,101	287,271	130,830
Capital outlay	-	-	29,530	(29,530)
Police department				
Personal services	1,421,666	1,421,666	1,317,097	104,569
Operating	284,495	284,495	414,322	(129,827)
Debt service	-	-	33,871	(33,871)
Capital outlay	119,665	338,285	218,889	119,396
Planning department				
Personal services	137,331	137,331	132,130	5,201
Operating	307,284	307,284	298,663	8,621
Capital outlay	-	-	-	-
Maintenance/streets and roads				
Personal services	339,114	339,114	343,228	(4,114)
Operating	113,925	113,925	136,677	(22,752)
Capital outlay	40,500	40,500	2,633	37,867
Facilities management				
Personal services	63,306	63,306	48,166	15,140
Operating	50,000	81,000	94,393	(13,393)
Capital outlay	-	-	-	-
Stormwater				
Personal services	137,682	137,682	133,743	3,939
Operating	86,420	86,420	93,816	(7,396)
Capital outlay	-	-	-	-
Sanitation				
Operating	2,000	2,000	1,487	513
Culture and recreation				
Operating	81,295	81,295	98,636	(17,341)
Capital outlay	-	-	-	-
Total Expenditures	\$ 4,114,330	\$ 4,363,950	\$ 4,136,784	\$ 227,166

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bradenton Beach, Florida (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 20, 2024.

Report on Internal Control over Financial Reporting

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

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

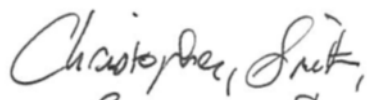
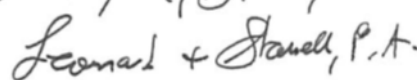
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

June 20, 2024
Bradenton, Florida

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Bradenton Beach, Florida as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 20, 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 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 20, 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 annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial annual report.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Bradenton Beach, Florida met one or more of the conditions described in Section 218.503(1), Florida

Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Bradenton Beach, Florida was not in a state of financial emergency as it did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Special District Component Units

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

Specific Information for a Dependent Special District

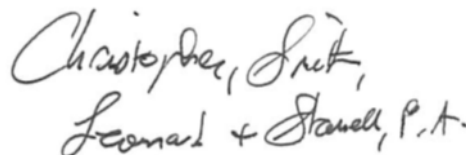
Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6., Rules of the Auditor General is reported in the City of Bradenton Beach Community Redevelopment Agency's audit report.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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 Commission and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



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

June 20, 2024
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

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

We have examined the City of Bradenton Beach, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

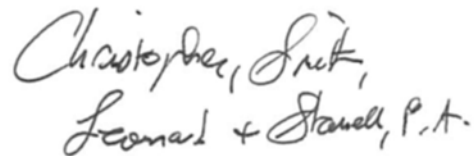
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the City complied in all material respects, with the aforementioned compliance requirements for the year ended September 30, 2023.

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

A handwritten signature in black ink that reads 'Christopher, Smith, Leonard & Stanell, P.A.'.

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

June 20, 2024
Bradenton, Florida