



CITY OF BARTOW, FLORIDA
FINANCIAL STATEMENTS AND AUDITOR'S
REPORTS

September 30, 2023

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bartow, Florida (the 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, based on our audit and reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type 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, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police Officers' Retirement Trust Fund or the Firefighters' Retirement Trust Fund, which represent 41% and 20%, respectively, of the assets and expenditures/deductions of the aggregate remaining fund information as of September 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Officers' Retirement Trust Fund and the Firefighters' Retirement Trust Fund, is based solely on the report of other auditors. The financial statements of the Police Officers' Retirement Trust Fund and the Firefighters' Retirement Trust Fund were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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.

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The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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, 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.

The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

INDEPENDENT AUDITOR'S REPORT

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 (collectively, the required supplementary information) 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion, or provide any assurance, on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 combining statements and budgetary comparison schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, and is also 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Data Elements required by Section 218.32(1)(e), Florida Statutes (the Data Elements), but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 7, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



June 7, 2024
Sarasota, Florida

The Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the City's financial activities. The analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify the changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues of concern.

Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the City's financial statements and independent auditors' report (beginning on Page 1).

Financial Highlights

- The City's assets (plus deferred outflows of resources) exceeded its liabilities (plus deferred inflows of resources) at the close of fiscal year 2022 by \$130,676,802 (net position). Of this amount, \$18,924,133 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$10,820,628 during the year or a 9% increase compared to the prior year's net position. Net position for governmental activities increased by \$4,918,393 (22%) while the business-type activities' net position increased by \$5,902,235 (6%).
- Total combined revenues resulting from governmental activities and business-type activities decreased \$1,356,605 or 1% when compared to the prior year.
- Total combined expenses resulting from governmental activities and business-type activities increased \$3,335,888 or 4% when compared to the prior year.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,529,623 an increase of \$3,477,279 or 13% for the year.
- The City's business-type activities transferred \$9,916,751 to cover the cost of governmental activities not funded by taxes or user fees for the fiscal years ended September 30, 2023 and 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability. The Statement of Net Position and Statement of Activities seek to give the user a combined overview of the City's financial position.

The financial statements use accrual accounting (which focuses on economic resources) in the government-wide statements, while maintaining modified accrual accounting (which focuses on current financial resources—budget basis) at the fund level (governmental funds only). This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the City as a whole, separating its operations between governmental and business-type activities. The governmental activities of the City include general government, law enforcement, fire control, building and zoning, public works, transportation, library, parks and recreation, and community development. The business-type activities of the City consist of electric, water, wastewater, sanitation, stormwater, information technology and airport services. All information is presented utilizing the economic resources measurement focus and accrual basis of accounting. This method better matches revenues and expenses to the period in which the revenue is earned and the expense incurred.

The City's Community Redevelopment Agency is shown as a "blended" component unit of the City, which is a governmental unit over which the City can exercise influence and/or may be obligated to provide financial subsidy. Blending refers to the fact that the component unit's funds and balances are combined with those of the primary government for financial reporting.

The Statement of Net Position presents information on all the City's assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources), with the difference between the two reported as net position. The focus of the Statement of Net Position (the "unrestricted net position") is designed to be like bottom line results for businesses. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increase or decrease 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, focusing on both the gross and net cost of various activities, both governmental and business-type, that are supported by the government's taxes and other general revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy by various business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over the 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 funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds. Traditional users of governmental financial statements may find the fund financial statement presentation more familiar.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains four separate governmental funds – the General Fund, the Community Redevelopment Agency (CRA) Fund, the Transportation Fund, and the Fire Services Fund. The first two are considered major funds. Information is presented separately for the two major funds in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance which can be found by referring to the table of contents of this report. The Transportation and Fire Services Funds have been combined in the column entitled "non-major governmental funds" on these two statements. Separate schedules of the two non-major funds can be found in the "Other Supplementary Information" section by referring to the table of contents of this report.

The City adopts an annual appropriated budget each year in September. Budgetary comparison statements have been provided to demonstrate compliance with the budget. These can be found for the General Fund and the CRA Fund in the "Required Supplementary Information" section by referring to the table of contents of this report.

The basic governmental funds financial statements can be found by referring to the table of contents of this report and the presentation is on the current financial resources measurement focus. This is the way the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance for each fund.

Proprietary Funds. The City maintains only one of the two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City uses enterprise funds to account for its electric, water, wastewater, sanitation, information technology, stormwater, and airport activities. The basic proprietary fund financial statements can be found by referring to the table of contents of this report. On those pages, the Sanitation, Information Technology, and Stormwater Funds are combined and shown as non-major funds. Combining statements for these three funds can be found in the "Other Supplementary Information" section by referring to the table of contents of this report. The other proprietary fund type known as internal service funds is an accounting device used to accumulate and allocate costs internally among a government's various functions. The City does not presently utilize internal service funds.

Fiduciary Funds. Fiduciary funds are used to account for pension resources held for the benefit of parties outside the City as well as certain fees collected on behalf of other governments. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements and combining statements for the individual pension plans can be found by referring to the table of contents of this report.

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2023

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found by referring to the table of contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the end of the current year, the City's net position was \$119,856,174. The following table reflects a summary of net position compared to the prior year. For additional information, see the Statement of Net Position by referring to the table of contents of this report.

Statement of Net Position (Summary)
as of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 35,441,941	\$ 30,853,328	\$ 77,103,315	\$ 86,528,604	\$ 112,545,256	\$ 117,381,932
Capital assets	29,404,604	26,989,915	92,507,504	86,689,491	121,912,108	113,679,406
Total assets	64,846,545	57,843,243	169,610,819	173,218,095	234,457,364	231,061,338
Deferred outflows	17,850,035	10,630,850	5,144,163	3,568,273	22,994,198	14,199,123
Current liabilities	4,233,661	2,124,153	13,182,171	19,807,586	17,415,832	21,931,739
Non-current liabilities	36,352,986	32,298,732	41,979,427	43,637,045	78,332,413	75,935,777
Total liabilities	40,586,647	34,422,885	55,161,598	63,444,631	95,748,245	97,867,516
Deferred inflows	14,265,001	11,124,669	16,761,514	16,412,102	31,026,515	27,536,771
Net position:						
Net investment in capital assets	28,672,356	25,735,429	63,867,631	56,442,295	92,539,987	82,177,724
Restricted	5,922,549	4,340,952	13,290,133	8,636,022	19,212,682	12,976,974
Unrestricted	(6,749,973)	(7,149,842)	25,674,106	31,851,318	18,924,133	24,701,476
Total net position	\$ 27,844,932	\$ 22,926,539	\$ 102,831,870	\$ 96,929,635	\$ 130,676,802	\$ 119,856,174

On September 30, 2023, approximately 71% of the City's net position reflects its investment in capital assets (land, buildings, improvements, infrastructure, vehicles and equipment) net of any related debt used to acquire those assets that is still outstanding, compared to 69% for the prior year. The City uses these capital assets to provide services to citizens; consequently, this component of net position is not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 11% of the City's net position represents resources that are subject to external restrictions on how they may be used. That compares to 11% in the prior year. The remaining balance of unrestricted net position, \$18,924,133 or 18% of the City's net position in 2023, compared to 20% in the prior year, may be used to meet the City's ongoing obligations to citizens and creditors. This is a decrease in unrestricted net position of \$5,777,343 or 23% for the year.

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2023

Statement of Activities. The following table reflects a summary of the Statement of Activities which can be found by referring to the table of contents of this report.

Statement of Activities (Summary)

For the year ended September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 4,626,416	\$ 3,562,288	\$ 56,697,839	\$ 63,664,775	\$ 61,324,255	\$ 67,227,063
Operating grants/contrib.	1,811,730	1,387,926	-	62,183	1,811,730	1,450,109
Capital grants/contrib.	1,196,595	1,142,256	10,269,142	11,538,372	11,465,737	12,680,628
<i>General revenues:</i>						
Property taxes - General	3,540,547	2,744,430	-	-	3,540,547	2,744,430
Property taxes - CRA	1,814,615	1,399,634	-	-	1,814,615	1,399,634
Pub svc tax/franchise fees	3,006,937	2,784,300	-	-	3,006,937	2,784,300
Transportation fuel taxes	1,088,026	1,125,176	-	-	1,088,026	1,125,176
State shared revenue	2,748,882	2,940,849	-	-	2,748,882	2,940,849
Other	1,854,429	(587,402)	2,114,627	361,603	3,969,056	(225,799)
Total revenues	21,688,177	16,499,457	69,081,608	75,626,933	90,769,785	92,126,390
Expenses:						
<i>Governmental activities:</i>						
General government	3,380,559	2,964,513	-	-	3,380,559	2,964,513
Law enforcement	8,138,559	6,982,864	-	-	8,138,559	6,982,864
Fire control	3,557,072	2,736,629	-	-	3,557,072	2,736,629
Building and zoning	454,936	446,199	-	-	454,936	446,199
Public works	1,125,774	1,058,587	-	-	1,125,774	1,058,587
Transportation	1,707,658	1,547,843	-	-	1,707,658	1,547,843
Library	1,526,514	1,596,649	-	-	1,526,514	1,596,649
Parks and recreation	6,182,085	4,967,436	-	-	6,182,085	4,967,436
Community redevelopment	593,295	530,619	-	-	593,295	530,619
Interest on long-term debt	20,083	27,264	-	-	20,083	27,264
<i>Business-type activities:</i>						
Electric	-	-	29,071,255	33,657,295	29,071,255	33,657,295
Water	-	-	6,333,562	4,650,318	6,333,562	4,650,318
Wastewater	-	-	5,427,170	4,559,795	5,427,170	4,559,795
Sanitation	-	-	4,923,767	3,996,439	4,923,767	3,996,439
Stormwater	-	-	775,434	614,006	775,434	614,006
Information technology	-	-	367,146	264,889	367,146	264,889
Airport	-	-	6,364,288	6,011,924	6,364,288	6,011,924
Total expenses	26,686,535	22,858,603	53,262,622	53,754,666	79,949,157	76,613,269
Transfers in (out)	9,916,751	9,916,751	(9,916,751)	(9,916,751)	-	-
Change in Net Position	4,918,393	3,557,605	5,902,235	11,955,516	10,820,628	15,513,121
Net position - Beginning	22,926,539	19,368,934	96,929,635	84,974,119	119,856,174	104,343,053
Net position - Ending	<u>\$ 27,844,932</u>	<u>\$ 22,926,539</u>	<u>\$ 102,831,870</u>	<u>\$ 96,929,635</u>	<u>\$ 130,676,802</u>	<u>\$ 119,856,174</u>

Governmental activities

On the Statement of Activities as referred to in the table of contents of this report, general revenues including transfers are reported separately after the total net expenses of the City's functions, ultimately arriving at the change in net position for the year. The City has in place fees and charges that are designed to recover in part or in whole the cost of providing services. Florida case law prevents recovery of more than the cost of services provided, except for proprietary activities.

During 2023, governmental activities net position increased by \$4,918,393 compared to an increase in 2022 of \$3,557,605, which was an improvement of \$1,360,788 or 38%. However, this required transfers from business-type activities of \$9,916,751 in 2023 and 2022 to achieve these results. Overall, total revenues-governmental activities were up \$5,188,720 or 31% while total expenses were up \$3,827,932 or 17%, and transfers to the governmental activities were the same in 2023 as in 2022. Following are key changes in the statement of activities from 2022 to 2023:

- Charges for service revenue increased \$1,064,128 or 30% in 2023 compared to 2022 mainly driven by a \$775,231 (58%) increase in the fire assessment fees and \$300,294 (27%) increase in parks and recreation fees due mainly to increased activity at the City's golf course.
- Property taxes are up \$1,211,098 or 29% in 2023 compared to 2022. The City's millage rate increased from 4.0000 in 2022 to 4.6080 in 2023, a 15% increase in the millage rate.
- Remaining general revenues increased by \$2,435,351 or 39% for various reasons but mainly due to positive returns on City investments of \$1,013,563 in 2023 compared to a decline of \$1,161,628 in 2022.

On the expense side, significant changes were as follows:

- General government expenses increased by \$416,046 or 14% in 2023 compared to 2022 caused by a myriad of changes across a diverse range of expense categories including the following changes:
 - Payroll and payroll taxes increased approximately \$223,000 or 9%.
 - Pension expenses decreased approximately \$98,000 or 41%.
 - OPEB expenses decreased approximately \$131,000 or 13%.
- Law enforcement expenses increased by \$1,155,695 or 17% in 2023 compared to 2022 mainly due to increased personnel expenses of \$756,676 (14%), increased repair and maintenance expenses of \$53,404 (263%) and increased first aid, safety gear and uniform expenses of \$107,248 (118%). Personnel expenses included an increase in pension expenses of \$1,478,336 partially offset by a decline in health and life insurance expenses of \$116,713. The increase in pension expenses is directly attributable to investment rate of return that was lower than expected for 2022 which is the period used to determine pension expense for the City's 2023 financial statements. The decrease in health and life insurance expenses is due to increased municipal bond rates which are used to discount the City's other postemployment benefits (OPEB) obligation, thus reducing the OPEB expense for the year.
- Fire control expenses increased by \$820,443 or 30% in 2023 compared to 2022 mainly due to increased personnel expenses of \$706,867 (35%) caused primarily by increased pension expense totaling \$709,042. The increased pension expense is directly attributable to investment rate of return that was lower than expected for 2022 which is the period used to determine pension expense for the City's 2023 financial statements.

- Parks and recreation expenses increased by \$1,214,649 or 24% in 2023 compared to 2022 mainly due to increased personnel expenses of \$298,713 (12%), increased repair and maintenance of \$204,506 (94%) due to general maintenance and upkeep, and increased mowing expenses of \$230,828 (119%). The remainder of the increase was caused by a myriad of changes across broad categories of other functional expenses.
- Remaining program expenses increased by \$221,099 or 4% in 2023 compared to 2022.

The extent of governmental fund reliance on proprietary fund transfers emphasizes the need for tighter controls on governmental fund spending. Slight fluctuations in the weather have a substantial impact on utility revenues and the ultimate transfers to support governmental activities. Growing personnel and operating costs in the service-oriented governmental funds make it difficult to adapt quickly to fluctuating utility revenues and profit margins. This lack of flexibility emphasizes the need for increased reserves and to control costs.

Business-type activities

Business-type activities experienced an increase in net position of \$5,902,235 compared to an increase of \$11,955,516 in the prior year, a decline of \$6,053,281 or 51%. This is after the transfer supporting governmental activities discussed above.

- Revenues decreased \$6,545,325 or 9% from 2022 to 2023, and expenses decreased by \$492,044 or 1%. Power costs in the City's Electric Fund decreased by approximately \$7,822,658 or 30%. The City purchased more kilowatt hours which were offset by decreased fuel prices in 2023. Because the City uses a power cost adjustment in its retail electric rates, those fuel cost decreases were passed on to the City's customers, causing revenues to decrease by approximately \$8,285,000 or 19%.
- Charges for services revenue decreased by \$6,966,936 or 30% driven mainly by decreased electricity sales, as discussed above, partially offset by other increases in the water and sewer segments.
- Capital grants and contributions decreased by \$1,269,230 or 11% due to the following:
 - Increased grant revenue of \$820,744 related to airport improvements.
 - Increased impact fee collections of \$290,084 due to increased construction activity within the City.
 - Decreased contributions for electric distribution infrastructure expansion of \$2,461,644 in 2023.
- Total expenses decreased by \$492,044 or 1%, due to a myriad of reasons but mainly because of decreased power costs as discussed above that were almost entirely offset by increases in other functions and categories. Personnel expenses increased by \$432,273 (6%), depreciation expense increased by \$397,428 (8%), repair and maintenance increased by \$574,338 or 36%, the water department incurred expenses of \$666,381 due to the City's participation in the Polk Regional Water Cooperative loan guarantee, the loss on disposal of capital assets in the airport department increased \$725,557 as a construction project was deemed not to be viable and was written off and hurricane response expenses in the electric department increased by approximately \$3,000,000 related to Hurricane Ian.
- Operating income for all business-type activities for 2023 was \$4,752,447 or 8% of operating revenue compared to 2022 operating income of \$10,344,061 which represented 16% of operating revenue.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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. The City reports the General Fund and the Community Redevelopment Agency as major governmental funds.

At the end of the current fiscal year, the City's governmental funds reported a combined fund balance of \$30,529,623. Of this amount, \$454,566 or 1% is non-spendable, \$5,922,549 or 19% is legally restricted for specific purposes, \$7,135,977 or 23% has been assigned by the City Commission for fire services (\$561,181) and amounts to be used during the 2023-24 fiscal year (\$6,574,796), and \$17,016,531 or 56% is unassigned and available for spending at the City's discretion. The following is a discussion of individual major governmental funds.

General Fund. The General Fund is the chief operating fund of the City. At year end, unassigned and assigned fund balance of the General Fund totaled \$23,679,314, and total fund balance was \$25,665,962. This represents 109% and 119% respectively, of total General Fund expenditures for the year ended September 30, 2023.

In the General Fund, the change in fund balance for the year went from an increase of \$893,559 in 2022 to an increase of \$1,767,753 in 2023 for an improvement of \$874,194. Following is a summary of the notable changes from 2022 to 2023:

- Revenues are up \$3,958,442 or 34%. The revenue category that was up the most was investment income, which increased \$2,090,404 or 178% due mainly due to changes in the fair value of City investments and increased interest earned on City deposits and investments. Additionally,
 - Tax revenue increased by approximately \$1,042,414 or 19% mainly due to increased property tax revenue of \$1,211,098.
 - Charges for services revenue increased by approximately \$298,865 or 18% mainly due to increased use of the City's parks and recreation facilities and programs.
- Expenditures increased \$2,910,834 or 16%. The expenditure category that changed the most was capital outlay which increased \$1,146,945 or 61% due to increased projects and other capital purchases such as equipment and vehicles. Additionally,
 - Public safety expenditures increased by \$648,187 or 9% due to a wide variety of changes across a myriad of expenditure accounts and includes an increase in personnel expenditures of \$293,745 or 5% and an increase in the allocation of worker compensation insurance costs, allocated fleet maintenance costs and allocated IT departmental costs of approximately \$151,342 or 20%.

The Community Redevelopment Agency. The Community Redevelopment Agency (CRA) was created by City Ordinance No. 1547 pursuant to Florida Statutes Chapter 163. To satisfy the requirements of Section 163.387(8) of the Florida Statutes, the CRA is included in the primary government's report as a major fund. The CRA receives the incremental ad valorem taxes from the County and the City, generated by the increase in property values within the redevelopment area.

The CRA's property taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The CRA board consists of seven citizens appointed by the City Commission.

At year end, fund balance in the CRA Fund totaled \$2,409,497. The change in fund balance for the year improved from an increase of \$653,808 in 2022 to an increase of \$842,379 in 2023, an improvement of \$188,571.

Following is a summary of the significant changes from 2022 to 2023:

- Total property tax increment revenue increased by \$414,981 or 30% due to increased millage rates within the CRA District and increased value of the properties within the CRA District.
- Total expenditures increased by \$296,594 or 40% mainly due to increased redevelopment projects and program expenditures.

Proprietary Funds. The City's proprietary funds provide essentially the same type of information found in the government-wide financial statements, but presented by fund, and is in more detail. The City's proprietary funds consist of seven enterprise funds, four of which are reported as major funds. An overall picture of the operating results of the combined enterprise funds was addressed above in the discussion of the City's business-type activities. Following are the highlights of the changes from 2022 to 2023, by major fund:

- In the Electric Fund, the change in net position declined from an increase of \$3,578,307 in 2022 to a decrease of \$1,793,620 in 2023, a decline of \$5,371,927 or 150%. The decline was due to the Electric Fund receiving \$2,910,555 in contributions in aid of construction in 2022 and \$448,911 in 2023. Operating income also declined by \$3,701,276 or 37% as both operating income and expense declined but the operating income declined to a greater degree than the operating expenses.
- In the Water Fund, the change in net position declined from an increase of \$2,353,043 in 2022 to an increase of \$879,961 in 2023, a deterioration of \$1,473,082 or 63%. Operating revenue increased by \$384,822 or 8% and operating expenses increased by \$1,045,147 or 24%. Total capital contributions decreased by \$469,509 or 24% due to increased impact fees which was more than offset by a decrease in donated water system infrastructure in 2023.
- In the Wastewater Fund, the change in net position improved from an increase of \$5,947,129 in 2022 to an increase of \$6,308,736 in 2023, an improvement of \$361,607 or 6%. Operating revenue increased by \$127,983 or 2% and operating expenses increased by \$877,649 or 20%. Total capital contributions increased by \$841,178 or 14% due to increased impact fees, decreased donated infrastructure and increase grant revenue.
- In the Airport Fund, the change in net position improved from an increase of \$516,291 in 2022 to an increase of \$1,951,346 in 2023 or 278%. Operating revenue increased by \$389,678 or 7%, and operating expenses decreased by \$372,365 or 7%. Capital grants increased by \$820,745 or 98% in 2023 compared to 2022.
- In the combined Non-Major Funds, the change in net position was a negative \$439,254 in 2022 compared to a negative \$1,444,188 in 2023, a deterioration of \$1,004,934 or 229%. Operating revenues decreased by \$51,377 or 1% and operating expenses increased \$1,191,013 or 24%. Combining statements can be found in the "Other Supplementary Information" section of the financial statements.

- The enterprise funds as a whole experienced an increase in investments income of \$1,222,036 or 512% due to higher interest rates and more surplus funds placed in investments as opposed to cash deposit accounts.

Fiduciary Funds. The City uses Fiduciary Funds to report assets held in a trustee or agency capacity that are, therefore, not available to support City programs. The City reports two types of fiduciary funds, a custodial fund and three single employer defined benefit pension plans trust funds for its employees.

The three pension trust funds reported \$69,702,535 of net position restricted for pension benefits on September 30, 2023. This is an increase of \$4,891,338 or 8% for the year. The combined funds reported net investment loss of \$14,366,372 for 2022 compared to a net investment income of \$6,147,855 in 2023. Combining statements can be found in the "Other Supplementary Information" section of the financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budgetary comparison schedule can be found in the "Required Supplementary Information" section of the financial statements. As shown on that schedule, the original 2023 General Fund budget anticipated using \$2,934,821 of beginning fund balance during 2023. Amendments to the original budget during 2023 increased anticipated revenues, increased budgeted expenditures and increased other financing uses resulting in a final *budgeted* use of fund balance of \$1,343,466 (final budget), and included the following:

- The original budget for revenue was increased by \$2,107,955 due to greater than initially anticipated licenses and permit revenue as well as intergovernmental revenue.
- The original budget for expenditures was increased by \$670,573. Amendments included increases to the general government budget totaling \$234,859 (mainly in the commission, city manager and finance departments) increases to public safety of \$634,043, increases to the culture/recreation budget totaling \$718,112 and reductions to the physical environment ("public works") budget totaling \$892,481.
- The original budget for other financing uses was increased by \$153,973 to reflect higher than initially anticipated interfund transfers out of the general fund.

Actual results for 2023 increased beginning fund balance by \$1,767,753 which is \$3,111,219 better than the final budget discussed above. Actual revenues came in \$1,223,202 or 8% more than the final amended budget. Expenditures came in \$1,882,547 or 8% less than the final amended budget, spread across all departments. Actual other financing sources (uses) were \$5,470 more than the final amended budget.

The general fund's actual expenditures exceeded the final amended budget in total as well as in several of the budgetary departments within the general fund.

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets includes land, buildings and improvements, infrastructure, and equipment, net of accumulated depreciation. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, totals \$121,912,108 (net of accumulated depreciation), an increase of \$8,232,702 for the current year. Governmental activities' net additions were \$3,887,694 and depreciation expense was \$1,473,005 for a net increase of \$2,414,689. Business-type net additions/disposals were \$10,918,895, depreciation expense was \$5,100,882 for a net increase of \$10,918,895. Following is a schedule of capital assets at the end of the current and prior year:

Capital Assets Activity (net of accumulated depreciation) as of September 30,						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 6,975,118	\$ 6,799,618	\$ 1,662,582	\$ 1,662,582	\$ 8,637,700	\$ 8,462,200
Buildings and improvements	18,682,586	16,925,918	154,623,017	150,668,563	173,305,603	167,594,481
Equipment	9,124,247	8,218,700	14,106,094	13,884,099	23,230,341	22,102,799
Infrastructure	36,020,325	35,035,241	-	-	36,020,325	35,035,241
Construction in progress	242,512	263,996	28,474,137	22,099,109	28,716,649	22,363,105
Accumulated Depreciation	(41,640,184)	(40,253,558)	(106,358,326)	(101,624,862)	(147,998,510)	(141,878,420)
Total	<u>\$ 29,404,604</u>	<u>\$ 26,989,915</u>	<u>\$ 92,507,504</u>	<u>\$ 86,689,491</u>	<u>\$ 121,912,108</u>	<u>\$ 113,679,406</u>

Infrastructure assets. The City has elected to record and depreciate its infrastructure, rather than use the optional "modified approach". The City's roads, sidewalks and drainage networks were determined to be significant enough to record.

Additional information on the City's capital assets can be found in Note 6 of the Notes to the Financial Statements.

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2023

Long-term obligations. At the end of the current fiscal year, the City's long-term obligations totaled \$78,332,413 compared to \$75,935,777 at the end of 2022. Long-term obligations include long-term debt and estimated workers compensation claims, other post-employment benefit liability, net pension liabilities and accumulated compensated absences. Long-term debt consists of bonds and notes.

	Long-Term Obligations as of September 30,					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Bonds and notes payable	\$ 629,304	\$ 930,145	\$ 28,858,283	\$ 30,286,678	\$ 29,487,587	\$ 31,216,823
Estimated workers compensation claims	497,623	509,329	-	-	497,623	509,329
Other post employment benefits	16,335,273	27,173,871	7,033,496	11,022,483	23,368,769	38,196,354
Net pension liability	17,333,168	2,201,719	4,997,040	1,279,385	22,330,208	3,481,104
Compensated absences	1,557,618	1,483,668	1,090,608	1,048,499	2,648,226	2,532,167
Total	<u>\$ 36,352,986</u>	<u>\$ 32,298,732</u>	<u>\$ 41,979,427</u>	<u>\$ 43,637,045</u>	<u>\$ 78,332,413</u>	<u>\$ 75,935,777</u>

At the end of the current fiscal year, the City's *long-term debt* totaled \$29,487,587, compared to the balance of \$31,216,823 at the end of 2022, a decrease of \$1,729,236 or 6%. Of the year-end balance, \$629,304 was in governmental activities and \$28,858,283 was in business-type activities. The net decrease in long-term debt for 2023 was attributable to scheduled principal payments and amortization of bond discounts.

Long-term obligations other than long-term debt consist of obligations related to workers compensation claims, total OPEB liability, accrued compensated absences and net pension liabilities. At the end of the current fiscal year, the City's long-term obligations other than long-term debt totaled \$48,844,826 compared to \$44,718,954 at the end of 2022. Of the year-end balance, \$35,723,682 was in governmental activities and \$13,121,144 was in business-type activities. The total OPEB liability decreased by \$14,827,585 during 2023 and the net pension liabilities increased by \$19,846,117 (including the decrease in the net pension asset during 2023 from \$997,013 in the prior year to zero in 2023).

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2023

Factors considered in preparing the City's 2023-24 fiscal year budget were:

- The unemployment rate for the Central Florida area as of October 2023 was 3.5%, compared to 2.9% state-wide and 3.6% nationally.
- The operating millage rate for the 2023-24 fiscal year increased from \$4.6080 to \$6.1080 per \$1,000.00 of taxable value.
- The taxable value of commercial and residential property increased \$178,958,026 or 17% in the 2023 tax year (fiscal year ending September 30, 2024).
- There were no changes to water and sewer rates, solid waste rates, or stormwater rates. Studies for these areas have just been completed and the new rates for 24-25 will be brought before the City Commission for consideration in the near future.
- The City has entered into a new power supply contract effective January 1, 2024 and an electric rate study is currently under way.
- The City's population has increased to approximately 19,969 or 2% in 2023 based on State estimates. No significant changes in population are expected for the 2023-24 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide users with a general overview of the City of Bartow's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P. O. Box 1069, Bartow, Florida 33831 or telephone (863) 534-0100. You can also access our website at www.cityofbartow.net.

CITY OF BARTOW, FLORIDA
Statement of Net Position

September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 14,293,223	\$ 12,231,845	\$ 26,525,068
Investment securities	12,446,651	22,517,502	34,964,153
Receivables, current:			
Customer accounts, net	719,811	7,505,967	8,225,778
Intergovernmental and other	821,168	823,177	1,644,345
Lease receivable	-	1,601,561	1,601,561
Accrued income	16,980	-	16,980
Inventory and prepaids	454,566	2,515,963	2,970,529
Receivables, noncurrent:			
Customer accounts, net	-	2,017,335	2,017,335
Lease receivable	-	10,496,394	10,496,394
Restricted assets:			
Equity in pooled cash and cash equivalents	6,584,501	17,116,155	23,700,656
Customer receivable	105,041	277,416	382,457
Capital assets:			
Non-depreciable	7,217,630	30,136,719	37,354,349
Depreciable, net	22,186,974	62,370,785	84,557,759
TOTAL ASSETS	64,846,545	169,610,819	234,457,364
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	12,997,128	3,154,093	16,151,221
Deferred outflows - loss on refunding	-	149,866	149,866
Deferred outflows related to OPEB	4,852,907	1,840,204	6,693,111
TOTAL DEFERRED OUTFLOWS OF RESOURCES	17,850,035	5,144,163	22,994,198
LIABILITIES			
Accounts payable and accrued expenses	1,319,329	2,595,488	3,914,817
Construction costs payable	102,944	2,536,398	2,639,342
Accrued wages	617,104	244,043	861,147
Due to other governments	258,761	-	258,761
Unearned revenue	1,930,447	4,823,294	6,753,741
Accrued interest payable	5,076	130,123	135,199
Customer deposits	-	2,852,825	2,852,825
Long-term obligations:			
Due within one year	310,045	2,146,354	2,456,399
Due in more than one year	36,042,941	39,833,073	75,876,014
TOTAL LIABILITIES	40,586,647	55,161,598	95,748,245
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	433,371	46,937	480,308
Deferred inflows related to OPEB	13,831,630	5,119,849	18,951,479
Deferred inflows related to leases	-	11,594,728	11,594,728
Total deferred inflows of resources	14,265,001	16,761,514	31,026,515
NET POSITION			
Net investment in capital assets	28,672,356	63,867,631	92,539,987
Restricted for:			
General government facilities	1,535,358	-	1,535,358
Community redevelopment	2,409,497	-	2,409,497
Transportation	1,977,694	-	1,977,694
Municipal Airport activities	-	5,259,600	5,259,600
Debt service	-	1,542,443	1,542,443
Water and wastewater improvements	-	6,488,090	6,488,090
Unrestricted	(6,749,973)	25,674,106	18,924,133
TOTAL NET POSITION	\$ 27,844,932	\$ 102,831,870	\$ 130,676,802

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Statement of Activities

For the year ended September 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grant and Contributions	Capital Grant and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ 4,785,381	\$ (1,404,822)	\$ 119,723	\$ 279,660	\$ 446,472	\$ (2,534,704)	\$ -	\$ (2,534,704)
Law enforcement	8,138,559	-	159,342	520,511	29,368	(7,429,338)	-	(7,429,338)
Fire control	3,557,072	-	2,113,585	169,608	-	(1,273,879)	-	(1,273,879)
Building and zoning	454,936	-	657,906	-	-	202,970	-	202,970
Public works	1,162,689	(36,915)	-	-	-	(1,125,774)	-	(1,125,774)
Transportation	1,707,658	-	137,899	-	338,058	(1,231,701)	-	(1,231,701)
Library	1,526,514	-	10,327	841,951	-	(674,236)	-	(674,236)
Parks and recreation	6,182,085	-	1,427,634	-	382,697	(4,371,754)	-	(4,371,754)
Community redevelopment	593,295	-	-	-	-	(593,295)	-	(593,295)
Interest on long-term debt	20,083	-	-	-	-	(20,083)	-	(20,083)
Total governmental activities	28,128,272	(1,441,737)	4,626,416	1,811,730	1,196,595	(19,051,794)	-	(19,051,794)
Business-type activities								
Electric	28,533,625	537,630	35,325,331	-	448,911	-	6,702,987	6,702,987
Water	6,063,424	270,138	5,433,491	-	1,472,471	-	572,400	572,400
Wastewater	5,181,911	245,259	5,329,113	-	6,692,646	-	6,594,589	6,594,589
Sanitation	4,694,157	229,610	3,717,776	-	-	-	(1,205,991)	(1,205,991)
Stormwater	699,519	75,915	598,473	-	-	-	(176,961)	(176,961)
Information technology	283,961	83,185	111,407	-	-	-	(255,739)	(255,739)
Airport	6,364,288	-	6,182,248	-	1,655,114	-	1,473,074	1,473,074
Total business-type activities	51,820,885	1,441,737	56,697,839	-	10,269,142	-	13,704,359	13,704,359
TOTAL PRIMARY GOVERNMENT	\$ 79,949,157	\$ -	\$ 61,324,255	\$ 1,811,730	\$ 11,465,737	\$ (19,051,794)	\$ 13,704,359	\$ (5,347,435)
GENERAL REVENUES								
Taxes:								
Property taxes, levied for general purposes						3,540,547	-	3,540,547
Property taxes, levied for community redevelopment purposes						1,814,615	-	1,814,615
Public service taxes and franchise fees						3,006,937	-	3,006,937
Fuel taxes levied for transportation purposes						1,088,026	-	1,088,026
State shared revenue						2,748,882	-	2,748,882
Investment earnings (loss)						1,013,562	1,460,505	2,474,067
Miscellaneous						727,389	621,927	1,349,316
Gain (loss) on disposal of capital assets						113,478	32,195	145,673
TRANSFERS						9,916,751	(9,916,751)	-
Total general revenues and transfers						23,970,187	(7,802,124)	16,168,063
CHANGE IN NET POSITION						4,918,393	5,902,235	10,820,628
NET POSITION, beginning of year						22,926,539	96,929,635	119,856,174
NET POSITION, end of year						\$ 27,844,932	\$ 102,831,870	\$ 130,676,802

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Balance Sheet – Governmental Funds

September 30, 2023

	General Fund	Community Redevelopment Agency	Non-major Governmental Funds	Total
ASSETS				
Equity in pooled cash and cash equivalents	\$ 14,293,223	\$ 2,275,481	\$ 795,968	\$ 17,364,672
Investments	12,446,651	-	-	12,446,651
Receivables, net				
Customer accounts, net	529,356	173,087	17,368	719,811
Intergovernmental and other	633,947	-	187,221	821,168
Accrued income	16,980	-	-	16,980
Inventory	347,298	-	-	347,298
Prepaid expenditures	103,992	-	3,276	107,268
Restricted assets:				
Cash and cash equivalents	1,535,358	-	1,977,694	3,513,052
Customer receivables	45,686	-	59,355	105,041
TOTAL ASSETS	\$ 29,952,491	\$ 2,448,568	\$ 3,040,882	\$ 35,441,941
LIABILITIES				
Accounts payable	831,824	39,071	448,434	1,319,329
Construction costs payable	102,944	-	-	102,944
Accrued payroll	538,175	-	78,929	617,104
Accrued claims payable	497,623	-	-	497,623
Due to other governments	258,761	-	-	258,761
Unearned revenue	1,930,447	-	-	1,930,447
TOTAL LIABILITIES	4,159,774	39,071	527,363	4,726,208
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	126,755	-	59,355	186,110
FUND BALANCE				
Nonspendable:				
Inventory	347,298	-	-	347,298
Prepays	103,992	-	3,276	107,268
Restricted for:				
Transportation improvements	-	-	1,977,694	1,977,694
Facilities improvements	1,535,358	-	-	1,535,358
Redevelopment	-	2,409,497	-	2,409,497
Assigned to:				
Fire services	-	-	561,181	561,181
Subsequent year budget	6,574,796	-	-	6,574,796
Unassigned	17,104,518	-	(87,987)	17,016,531
TOTAL FUND BALANCES	25,665,962	2,409,497	2,454,164	30,529,623
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 29,952,491	\$ 2,448,568	\$ 3,040,882	\$ 35,441,941

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDAReconciliation 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 BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 30,529,623
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	29,404,604
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities	186,110
Deferred outflows of resources represent an consumption of net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.	17,850,035
Deferred inflows of resources represent an increase in net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.	(14,265,001)
Interest payable on long-term debt does not require current financial resources and therefore, is not reported as a liability in governmental funds.	(5,076)
Long-term liabilities (including bonds and notes payable, compensated absences liability, estimated workers' compensation claims, OPEB obligation, and net pension liabilities) are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
This is the amount of the long-term obligations	(36,352,986)
This is the amount of workers' comp liability recorded at the fund level	497,623
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 27,844,932</u></u>

CITY OF BARTOW, FLORIDA**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds**

For the year ended September 30, 2023

	General Fund	Community Redevelopment Agency	Non-major Governmental Funds	Total
REVENUES:				
Taxes	\$ 6,744,434	\$ 1,814,615	\$ 1,254,034	\$ 9,813,083
Licenses and permits	649,701	-	-	649,701
Intergovernmental revenue	3,753,336	-	220,677	3,974,013
Charges for services	1,903,922	-	2,250,263	4,154,185
Fines and forfeitures	116,060	-	-	116,060
Investment income, net	921,887	-	-	921,887
Other	1,483,501	73,625	411,360	1,968,486
Total revenues	15,572,841	1,888,240	4,136,334	21,597,415
EXPENDITURES:				
General government	2,796,543	-	-	2,796,543
Public safety	8,162,257	-	3,258,200	11,420,457
Physical environment	681,431	-	-	681,431
Economic environment	129,329	809,100	-	938,429
Transportation	-	-	1,136,903	1,136,903
Culture/recreation	6,746,775	-	-	6,746,775
Capital outlay	3,032,752	-	1,006,899	4,039,651
Debt service	86,587	236,761	-	323,348
Total expenditures	21,635,674	1,045,861	5,402,002	28,083,537
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,062,833)	842,379	(1,265,668)	(6,486,122)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,916,751	-	2,111,635	12,028,386
Transfers (out)	(2,111,635)	-	-	(2,111,635)
Sale of general capital assets	25,470	-	21,180	46,650
TOTAL OTHER FINANCING SOURCES (USES)	7,830,586	-	2,132,815	9,963,401
NET CHANGE IN FUND BALANCE	1,767,753	842,379	867,147	3,477,279
FUND BALANCE, beginning of year	23,898,209	1,567,118	1,587,017	27,052,344
FUND BALANCE, end of year	\$ 25,665,962	\$ 2,409,497	\$ 2,454,164	\$ 30,529,623

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds to the Statement of Activities
For the year ended September 30, 2023****Amounts reported for governmental activities in the statement of net activities are different because:**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 3,477,279
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
This is the amount of capital assets recorded in the current period.	3,899,116
This is the amount of depreciation recorded in the current period.	(1,473,005)
This is the book value of dispositions recorded in the current period.	(11,422)
Revenue not received within the "availability" period are not reported as revenues at the fund level and are recognized as revenue in the statement of activities.	
This represents the change caused by the "availability" criterion	8,118
Long-term obligations including bonds and notes payable, compensated absences and other post-employment benefit obligations are reported as liabilities in the government-wide statement of net position but are not reported as liabilities in the governmental funds because they do not require the use of current financial resources:	
This is the repayment of bond principal reported as expenditures in governmental funds.	300,841
This is the change in accrued interest payable on long-term obligations.	2,427
This is the change in accrued compensated absences during the year.	(73,950)
Other postemployment benefit (OPEB) expense is reported in the statement of activities which differs from OPEB expenditures as report in the governmental funds:	
This amount represents the change in deferred inflows related to OPEB.	(9,267,422)
This amount represents the change in deferred outflows related to OPEB.	(1,598,541)
This amount represents the change in the total OPEB liability.	10,838,598
Pension expense is reported in the statement of activities which differs from pension expenditures as reported in the governmental funds:	
This amount represents the change in deferred inflows related to pensions.	6,127,090
This amount represents the change in deferred outflows related to pensions.	8,817,726
This amount represents the change in the net pension liability (asset).	<u>(16,128,462)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>4,918,393</u>

CITY OF BARTOW, FLORIDA
Statement of Net Position – Proprietary Funds

September 30, 2023

Business Type Activities - Enterprise Funds

	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	Total
ASSETS						
Current assets:						
Equity in pooled cash and cash equivalents	\$ 541,456	\$ (1,621,744)	\$ 5,866,230	\$ 5,319,363	\$ 2,126,540	\$ 12,231,845
Investment securities	8,640,110	3,904,432	5,968,680	-	4,004,280	22,517,502
Receivables:						
Customers, net	5,651,633	624,226	646,742	128,983	454,383	7,505,967
Lease receivable, current	-	17,966	-	1,583,595	-	1,601,561
Intergovernmental and other	5,738	521	-	794,787	22,131	823,177
Inventory and prepaids	2,096,563	153,998	16,360	180,224	68,818	2,515,963
Total current assets	16,935,500	3,079,399	12,498,012	8,006,952	6,676,152	47,196,015
Noncurrent assets:						
Restricted assets:						
Equity in pooled cash and cash equivalents	2,661,382	8,850,801	5,603,972	-	-	17,116,155
Customer receivable	-	160,415	117,001	-	-	277,416
Receivables, noncurrent	2,017,335	-	-	-	-	2,017,335
Lease receivable, noncurrent	-	634,043	-	9,862,351	-	10,496,394
Capital assets:						
Non-depreciable	329,762	674,042	26,208,936	2,285,034	638,945	30,136,719
Depreciable, net	16,653,613	11,864,827	15,723,762	14,846,823	3,281,760	62,370,785
Total noncurrent assets	21,662,092	22,184,128	47,653,671	26,994,208	3,920,705	122,414,804
Total assets	38,597,592	25,263,527	60,151,683	35,001,160	10,596,857	169,610,819
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	1,503,764	522,160	400,581	-	727,588	3,154,093
Deferred outflows - refunding loss	-	149,866	-	-	-	149,866
Deferred outflows related to OPEB	829,054	263,414	258,948	43,876	444,912	1,840,204
Total deferred outflows of resources	2,332,818	935,440	659,529	43,876	1,172,500	5,144,163

Continued...

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA
Statement of Net Position – Proprietary Funds (concluded)

September 30, 2023

	Business Type Activities - Enterprise Funds					Total
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	
LIABILITIES						
Current liabilities:						
Accounts payable	1,882,423	239,178	170,064	131,417	172,406	2,595,488
Construction costs payable	-	-	1,895,357	584,590	56,451	2,536,398
Accrued wages	109,098	36,896	29,436	24,869	43,744	244,043
Unearned revenue	2,804	-	4,646,485	174,005	-	4,823,294
Bonds and notes payable, current	97,657	1,562,295	486,402	-	-	2,146,354
Total current liabilities	2,091,982	1,838,369	7,227,744	914,881	272,601	12,345,577
Noncurrent liabilities:						
Liabilities payable from restricted assets:						
Customer deposits	2,661,382	-	-	191,443	-	2,852,825
Interest payable	1,599	115,370	13,154	-	-	130,123
Compensated absences	384,897	227,136	172,590	168,108	137,877	1,090,608
Post employment obligation payable	2,790,662	886,674	871,639	986,911	1,497,610	7,033,496
Net pension liability	2,382,417	827,260	634,642	-	1,152,721	4,997,040
Bonds and notes payable, noncurrent portion	100,558	10,251,888	16,359,483	-	-	26,711,929
Total noncurrent liabilities	8,321,515	12,308,328	18,051,508	1,346,462	2,788,208	42,816,021
Total liabilities	10,413,497	14,146,697	25,279,252	2,261,343	3,060,809	55,161,598
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	22,378	7,771	5,961	-	10,827	46,937
Deferred inflows related to OPEB	2,362,948	750,777	738,046	-	1,268,078	5,119,849
Deferred inflows related to leases	-	617,902	-	10,976,826	-	11,594,728
Total deferred inflows of resources	2,385,326	1,376,450	744,007	10,976,826	1,278,905	16,761,514
NET POSITION						
Net investment in capital assets	16,785,160	3,479,494	23,191,456	16,547,267	3,864,254	63,867,631
Restricted for:						
Debt retirement	-	1,465,000	77,443	-	-	1,542,443
Utility system improvements (expendable)	-	5,504,199	983,891	-	-	6,488,090
Municipal airport activities	-	-	-	5,259,600	-	5,259,600
Unrestricted	11,346,427	227,127	10,535,163	-	3,565,389	25,674,106
Total net position	\$ 28,131,587	\$ 10,675,820	\$ 34,787,953	\$ 21,806,867	\$ 7,429,643	\$ 102,831,870

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds
For the year ended September 30, 2023

	Business Type Activities - Enterprise Funds					
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	Total
OPERATING REVENUES:						
Charges for services	\$ 35,325,331	\$ 5,433,491	\$ 5,329,113	\$ 5,715,235	\$ 4,427,656	\$ 56,230,826
Total operating income	35,325,331	5,433,491	5,329,113	5,715,235	4,427,656	56,230,826
OPERATING EXPENSES:						
Personnel services	3,330,790	1,278,049	1,030,902	1,076,482	1,877,530	8,593,753
Purchased power	17,919,785	-	-	-	-	17,919,785
Operating expenses	6,911,252	3,135,515	2,871,953	3,299,976	3,645,263	19,863,959
Depreciation	903,102	960,819	1,431,134	1,262,273	543,554	5,100,882
Total operating expenses	29,064,929	5,374,383	5,333,989	5,638,731	6,066,347	51,478,379
OPERATING INCOME (LOSS)	6,260,402	59,108	(4,876)	76,504	(1,638,691)	4,752,447
NONOPERATING REVENUE (EXPENSE)						
Investment income (loss)	401,818	147,831	264,650	478,272	167,934	1,460,505
Interest expense	(6,326)	(282,476)	(93,181)	-	-	(381,983)
Gain (loss) on disposal of property	-	10,235	17,360	(725,557)	4,600	(693,362)
Insurance recoveries	-	-	-	467,013	-	467,013
Other, net	418,326	(527,208)	32,137	-	21,969	(54,776)
Total nonoperating revenues (expense)	813,818	(651,618)	220,966	219,728	194,503	797,397
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	7,074,220	(592,510)	216,090	296,232	(1,444,188)	5,549,844
CAPITAL CONTRIBUTIONS						
Capital grants and contributions	448,911	574,465	5,882,573	1,655,114	-	8,561,063
Impact fees	-	898,006	810,073	-	-	1,708,079
Total capital contributions	448,911	1,472,471	6,692,646	1,655,114	-	10,269,142
TRANSFERS IN (OUT)	(9,316,751)	-	(600,000)	-	-	(9,916,751)
CHANGE IN NET POSITION	(1,793,620)	879,961	6,308,736	1,951,346	(1,444,188)	5,902,235
NET POSITION, beginning of year	29,925,207	9,795,859	28,479,217	19,855,521	8,873,831	96,929,635
NET POSITION, end of year	\$ 28,131,587	\$ 10,675,820	\$ 34,787,953	\$ 21,806,867	\$ 7,429,643	\$ 102,831,870

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Statement of Cash Flows – Proprietary Funds

For the year ended September 30, 2023

	Business Type Activities - Enterprise Funds					Total
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 40,490,675	\$ 5,428,882	\$ 5,493,275	\$ 5,419,864	\$ 4,774,718	\$ 61,607,414
Payments to suppliers	(27,272,262)	(3,007,045)	(2,832,613)	(1,639,772)	(3,666,342)	(38,418,034)
Payments for salaries and benefits	(3,167,033)	(1,099,157)	(803,959)	(3,302,673)	(1,604,208)	(9,977,030)
Net cash flows from operating activities	10,051,380	1,322,680	1,856,703	477,419	(495,832)	13,212,350
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers to other funds	(9,316,751)	-	(600,000)	-	-	(9,916,751)
Insurance recoveries	-	-	-	467,013	-	467,013
Increase (decrease) in deposits	(11,653)	-	-	113,412	-	101,759
Net cash flows from noncapital financing activities	(9,328,404)	-	(600,000)	580,425	-	(9,347,979)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets, net of related payables	(2,169,303)	(52,262)	(5,758,753)	(1,245,003)	(738,206)	(9,963,527)
Principal paid on notes, bonds and lease obligations	(94,755)	(1,534,406)	(94,834)	-	-	(1,723,995)
Interest paid on borrowings and other debt costs	(7,090)	(249,592)	(475,937)	-	-	(732,619)
Proceeds from the sale of assets	-	10,235	17,360	-	4,600	32,195
Capital contributions and impact fees received, net of change in related receivables	-	891,898	1,170,512	944,867	(11,011)	2,996,266
Net cash flows from capital and related financing activities	(2,271,148)	(934,127)	(5,141,652)	(300,136)	(744,617)	(9,391,680)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on invested funds	399,288	141,584	264,650	478,272	183,534	1,467,328
Other income	418,326	133,109	32,137	-	21,969	605,541
Purchase of investments	(5,000,000)	(3,093,000)	(6,031,000)	-	(4,031,000)	(18,155,000)
Net cash flows from investing activities	(4,182,386)	(2,818,307)	(5,734,213)	478,272	(3,825,497)	(16,082,131)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,730,558)	(2,429,754)	(9,619,162)	1,235,980	(5,065,946)	(21,609,440)
CASH AND CASH EQUIVALENTS, beginning of year	8,933,396	9,658,811	21,089,364	4,083,383	7,192,486	50,957,440
CASH AND CASH EQUIVALENTS, end of year	\$ 3,202,838	\$ 7,229,057	\$ 11,470,202	\$ 5,319,363	\$ 2,126,540	\$ 29,348,000
As shown in the Accompanying Financial Statements						
Equity in cash and investments	\$ 541,456	\$ (1,621,744)	\$ 5,866,230	\$ 5,319,363	\$ 2,126,540	\$ 12,231,845
Restricted equity in cash and investments	2,661,382	8,850,801	5,603,972	-	-	17,116,155
Total cash and cash equivalents	\$ 3,202,838	\$ 7,229,057	\$ 11,470,202	\$ 5,319,363	\$ 2,126,540	\$ 29,348,000

Continued...

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (concluded)

For the year ended September 30, 2023

	Business Type Activities - Enterprise Funds					Total
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	
Noncash financing and investing activities:						
Donated infrastructure	\$ -	\$ 574,465	\$ 214,398	\$ -	\$ -	\$ 788,863
Joint venture loan guarantee	\$ -	\$ 676,703	\$ -	\$ -	\$ -	\$ 676,703
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 6,260,402	\$ 59,108	\$ (4,876)	\$ 76,504	\$ (1,638,691)	\$ 4,752,447
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	903,102	960,819	1,431,134	1,262,273	543,554	5,100,882
(Increase) decrease in inventory and prepaids	(461,283)	5,238	7,430	(42,595)	13,472	(477,738)
(Increase) decrease in accounts receivable	5,164,644	(1,910)	164,162	(48,689)	347,062	5,625,269
(Increase) decrease in leases receivables	-	-	-	1,477,076	-	1,477,076
Increase (decrease) in lease related deferred inflows	-	-	-	(1,807,300)	-	(1,807,300)
Increase (decrease) in accounts payable	(1,979,942)	123,232	31,910	39,898	(34,551)	(1,819,453)
Increase (decrease) in accrued wages and compensated absences	(25,325)	20,508	1,945	24,630	(35,957)	(14,199)
(Increase) decrease in OPEB related deferred outflows	256,447	60,427	40,805	(5,779)	90,368	442,268
Increase (decrease) in the total OPEB liability	(1,781,529)	(477,362)	(390,936)	(582,141)	(757,019)	(3,988,987)
Increase (decrease) in OPEB related deferred inflows	1,594,989	521,669	525,980	-	889,384	3,532,022
(Increase) decrease in pension related deferred outflows	(966,176)	(343,925)	(269,340)	-	(487,339)	(2,066,780)
Increase (decrease) in the net pension liability	1,749,865	617,540	480,218	-	870,032	3,717,655
Increase (decrease) in pension related deferred inflows	(664,514)	(219,965)	(161,729)	-	(296,147)	(1,342,355)
Increase (decrease) in unearned revenue and other	700	(2,699)	-	83,542	-	81,543
Net cash flows from operating activities	\$ 10,051,380	\$ 1,322,680	\$ 1,856,703	\$ 477,419	\$ (495,832)	\$ 13,212,350

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2023

	Pension Trust Funds	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 193,532	\$ 182,075
Receivables:		
City and plan members	107,928	-
State of Florida	26,969	-
Due from broker	4,492	-
Accrued income	30,066	-
Total receivables	169,455	-
Prepaid expenses	-	-
Investments, at fair value:		
Short-term money market funds	679,173	-
Fixed income investments	15,659,111	-
Equity securities	44,102,534	-
Diversified mutual fund	1,675,260	-
Real estate investments	7,381,491	-
Total investments	69,497,569	-
Total assets	69,860,556	182,075
LIABILITIES		
Accounts payable	68,082	-
Accrued benefits payable	89,939	-
Due to other governments	-	182,075
Total Liabilities	158,021	182,075
NET POSITION		
Restricted for pension benefits	\$ 69,702,535	\$ -

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended September 30, 2023

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions:		
City	\$ 2,839,279	\$ -
Plan members	501,060	-
State of Florida	509,968	-
Fees collected on behalf of other governments	-	3,365,816
Total contributions	3,850,307	3,365,816
Investment income	6,339,557	-
Less investment expenses:		
Performance evaluation	67,000	-
Custodial fees	31,319	-
Investment management fees	93,383	-
Total investment expenses	191,702	-
Net investment income	6,147,855	-
Total additions	9,998,162	3,365,816
DEDUCTIONS		
Administrative expenses:		
Legal	46,933	-
Administrator fee	77,361	-
Actuarial	112,583	-
Travel, training and other	8,584	-
Accounting	8,202	-
Insurance	13,688	-
Audit	17,060	-
Total administrative expenses	284,411	-
Remittance of fees to other governments	-	3,365,816
Payments to retirees and participants	4,822,413	-
Total deductions	5,106,824	3,365,816
CHANGE IN NET POSITION	4,891,338	-
NET POSITION, beginning of year	64,811,197	-
NET POSITION, end of year	\$ 69,702,535	\$ -

See Accompanying Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its statements (GASBS) and Interpretations (GASBI). The more significant accounting policies established by GAAP and used by the City are discussed below.

A. REPORTING ENTITY

The City of Bartow, Florida (the "City") is a municipal corporation governed by a board of five (5) elected commissioners and was established by a special act of the Florida legislature, laws of the State of Florida Chapter 63-1109, House Bill No. 1953.

As required by GAAP, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The City has two blended component units as follows:

- Bartow Community Redevelopment Agency (the "CRA"). The CRA was created by City Ordinance No. 1547 pursuant to Chapter 163, Florida Statutes. The CRA is presented in the financial statements of the City as a special revenue fund. The CRA issues a separate set of audited financial statements which can be obtained by contacting the Office of the Finance Director, P. O. Box 1069, Bartow, Florida 33831 or telephone (863) 534-0100.
- Bartow Municipal Airport Development Authority (the "Authority"). The Authority was created by City Ordinance No. 776-A pursuant to a special act of the Florida Legislature in June 1967. The Authority manages and operates an airport and industrial park on land owned and leased to the Authority by the City for \$1 per year. The Authority's Board of Commissioners are also the City Commissioners of the City of Bartow. The Authority is presented in the financial statements of the City as a major enterprise fund. The Authority issues a separate set of audited financial statements which can be obtained by contacting the Office of the Executive Director, P. O. Box 650, Bartow, Florida 33831 or telephone (863) 533-1195.

These financial statements include the accounts and transactions of the following entities, which satisfy the definition of fiduciary component units.

- City of Bartow Municipal Firefighters' Retirement Trust Fund established pursuant to Florida Statute Chapter 175 and Ordinance No. 1805.
- City of Bartow Municipal Police Officers' Retirement Trust Fund established pursuant to Florida Statute Chapter 185 and Ordinance No. 1806.
- City of Bartow General Employees' Retirement Plan was established pursuant to Ordinance No. 2002-33.

Related organizations are those legally separate entities for which the City is responsible for appointing the board members or Trustees and for which the City is not otherwise financially accountable. These organizations are not included in the primary government's financial statements as they are not considered to be part of the financial reporting entity. The only entities meeting these criteria are the Bartow Housing Authority (the "Housing Authority") and the Bartow Employees Internal Revenue Code (IRC) Section 457 deferred compensation plan. The Housing Authority is a Corporation established to provide affordable housing. The Bartow Employees I.R.C. 457 Deferred Compensation Trust Fund is a trust fund established solely for the benefit of the plan participants. All record keeping, administration and investing activities are handled by a third-party administrator.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

B. BASIS OF PRESENTATION

The basic financial statements consist of the government-wide financial statements and fund financial statements.

Government-wide Financial Statements - The required government-wide financial statements are the Statement of Net Position and the Statement of Activities, which report information on all of the nonfiduciary activities of the City. The effects of interfund activity have been removed from these statements. The City's fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to fund activities or obligations of the government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *Business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment, including depreciation. The City does not allocate the interest expense of governmental fund debt or indirect costs such as finance, personnel, legal, etc. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements - The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues and expenditures/expenses. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Cod. Sec 2200 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Each major fund is presented in a separate column and all non-major funds are aggregated and presented in a single column. The City's fiduciary funds are presented in the fund financial statements by type but as noted above are not included in the government-wide statements.

Funds are classified into three categories: governmental, proprietary and fiduciary. The funds used by the City are as follows:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City.

Reported as Major Funds:

- **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

- **Bartow Community Redevelopment Agency** (the "CRA") was created by City Ordinance No. 1547-A pursuant to Florida Statutes chapter 163. In order to comply with the audit requirements of Section 163.387(8), Florida Statutes, the City electively added the Bartow CRA as a major fund. The purpose of the CRA is to eliminate and prevent the spread of blight throughout the redevelopment area pursuant to the City of Bartow City Commission findings of blight, Chapter 163, Part III, of the Florida Statutes (The Florida Community Redevelopment Act) and the City of Bartow Community Redevelopment Plan adopted by the City of Bartow City Commission. The CRA receives the incremental ad valorem taxes generated in future years by the increase in property values in the redevelopment area. The CRA's property taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The CRA's Board members consist of seven citizens appointed by the City Commission.

Reported as Non-Major Governmental Funds:

- **Transportation Fund** is a special revenue fund of the City. It is used to account for all transportation revenues and the related expenses incurred for street and road construction, maintenance and repair.
- **Fire Service Fund** is a special revenue fund used to account for the proceeds of the City's fire services assessment and the cost of providing fire services to area residents.

Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City.

Reported as Major Enterprise Funds:

- **Electric Fund** is used to account for operations associated with providing electric service to its customers inside and outside the City. The Electric Fund is a distribution utility, with no significant power generation assets.
- **Water Fund** is used to account for the operations associated with potable water supply, treatment, transmission and distribution services to area residents.
- **Wastewater Fund** is used to account for the operations associated with sewer collection, treatment and disposal services to area residents.
- **Airport Fund** is used to account for the operations associated with the costs and revenues of the Bartow Municipal Airport Development Authority.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

Reported as Non-Major Enterprise Funds:

- **Sanitation Fund** is used to account for the operations associated with solid waste collection and disposal services for the residents of the City.
- **Information Technology Fund** is used to account for the operations associated with fiber optic installation and broadband services to area residents.
- **Stormwater Fund** is used to account for the operations associated with the collection and distribution of stormwater.

Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The City's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City reports the following fiduciary funds:

- **Pension Trust Funds** - The City has three Pension Trust Funds which accumulate resources to provide retirement benefits to City employees. The three pension trust funds are the Police Officers' Retirement Trust Fund, Firefighters' Retirement Trust Fund, and the General Employees' Retirement Plan Pension Trust Fund.
- **Custodial Fund** – The custodial fund is to account for impact fees collected on behalf of Polk County, Florida (the “County”). These funds are collected on behalf of the County as new construction takes place within the City and remitted to the County monthly.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition under capital leases are reported as other financing sources.

Property taxes, franchise and public service taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions and voluntary nonexchange transactions are reported as liabilities until the eligibility requirements (excluding time requirements) are met and as deferred inflows if received before time requirements are met and all other eligibility requirements have been satisfied.

Proprietary fund operating revenues generally result from producing or providing potable water and wastewater collection, treatment and disposal services to area residents. Operating expenses for these operations include all costs related to providing the service or product. These costs include billing and collection, personnel and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

CASH AND CASH EQUIVALENTS - The City maintains a central pooled cash account that is used by all operating funds of the City. In addition, deposits and investments are separately held by certain enterprise funds and the pension trust funds. Interest income earned in the pooled cash and investments account is allocated to the individual funds based on their respective monthly balances. Each fund's equity in pooled cash is recorded on its respective balance sheet in the caption "equity in pooled cash and cash equivalents." Amounts, if any, reported as deficits in pooled cash do not represent actual overdrawn balances in any bank account, but merely report a negative cash balance in the particular fund. The financial statement caption "equity in pooled cash and cash equivalents" includes all deposits with banks and financial institutions including certificates of deposit and all highly-liquid investments (with original maturities of three months or less), including repurchase agreements, short-term commercial paper and investments in state pools.

INVESTMENTS – Investments are reported at fair value or amortized cost, which approximates fair value. Purchases and sales of investments are reflected on trade dates. Net realized gains or losses on sales of investments are based on the cost of investments applied on a first-in, first-out basis and are reflected in current operating results.

CUSTOMER ACCOUNTS RECEIVABLE - The City accrues unbilled service of its enterprise funds representing the estimated value of service from the last billing date to year-end, which totaled \$2,035,042 on September 30, 2023. A reserve for doubtful accounts is maintained in each fund equal to the value of the customer receivables that are not expected to be collected. As of September 30, 2023, business-type activities and governmental activities reserves for doubtful accounts totaled \$87,354 and \$983,217, respectively. Receivables are reported in the financial statements net of the reserve for doubtful accounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

NOTES RECEIVABLE - In the Community Redevelopment Agency, notes receivable represents loans to property owners to fund property improvements and are secured by first mortgage liens on the related properties with payment terms extending to five years. In some cases, the notes will be forgiven if certain conditions are met by the property owner. Certain of the loans are non-interest bearing and have been discounted to reflect a 5% annual interest rate which is being amortized to income over the life of the related loans. There was no discount amortization for 2023. The notes, which have a face value of \$664,000, are reduced by an allowance representing management's estimate of uncollectible amounts which totaled \$664,000 on September 30, 2023 resulting in a carrying value of zero at September 30, 2023 and resulting in no charge to the community redevelopment expenditures/expense as no such loans were made during the year then ended.

INTERFUND RECEIVABLES AND PAYABLES - To the extent any interfund balances exist, management anticipates they will be settled in cash as opposed to a permanent transfer.

INVENTORIES - Inventories in governmental and enterprise funds consist of expendable supplies held for consumption and are recorded at the lower of cost or market computed on an average cost basis.

PREPAID ITEMS – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CAPITAL ASSETS - In the government-wide financial statements, capital assets include land, buildings, improvements, utility plant, furniture, equipment, and infrastructure assets (e.g., roads, sidewalks, streets, and drainage systems) with an individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost, if purchased, and at fair market value at date of gift, if donated. Major additions are capitalized while maintenance and repairs which do not improve or extend the life of the respective assets, are charged to expense.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Capital asset depreciation is recognized using the straight-line method over the estimated useful lives as follows:

<u>Asset Type</u>	<u>Years</u>
Utility plant in service	30
Buildings and improvements	20-40
Machinery and equipment	5-15
Infrastructure	20-80

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

INTEREST COSTS - Interest costs incurred before the end of a construction period are financing activities separate from the related capital asset and interest costs incurred before the end of the construction period are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

RESTRICTED ASSETS - Assets are reported as restricted when constraints are placed on their use. The constraints are either: (1) imposed by law or through constitutional provisions or enabling legislation; or (2) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments including specific provisions of debt resolutions and agreements. Restricted assets include cash and investments as well as other assets such as the customer restricted receivables reported in the water fund and wastewater fund that represent unpaid impact fees due to the City. The City generally uses restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until that time.

The City has three items that qualify for reporting as deferred outflows of resources. The first item is the deferred outflows related to pensions. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Cod. Sec. P20 and will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. The second item is a deferred charge on refunding that results from the difference in the carrying value of a refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third item is deferred outflows related to OPEB (other-post employment benefits). The deferred outflows related to OPEB are an aggregate of other-post employment benefit items as calculated in accordance with GASB Cod. Sec. P52 and will be recognized as either OPEB expense or as a reduction in the other-post employment benefits liability.

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applied to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The City has four items that qualify for reporting as deferred inflows of resources. The first item of deferred inflows of resources is reported in the governmental funds balance sheet and represents unavailable revenues that were not received within 60 days of year-end. This type of deferred inflows only arises under the modified accrual basis of accounting. The second item is deferred inflows related to pensions. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Cod. Sec. P20 and will be recognized as a reduction to pension expense in future reporting years. The third item is deferred inflows related to OPEB (other-post employment benefits). The deferred inflows related to OPEB are an aggregate of other-post employment benefit items as calculated in accordance with GASB Cod. Sec. P52 and will be recognized as a reduction in OPEB expense in future reporting years. The final item is deferred inflows related to leases which is the total unrecognized revenue to be received by the City pursuant to various lease agreements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Debt issuance costs are reported as an expense in the period incurred. Bond premiums and discounts are reported, net of amortization, in the related debt balances shown in the financial statements. For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is the shorter. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements; rather the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

COMPENSATED ABSENCES – The City’s personnel policy provides for the payment of accrued vacation and sick pay upon separation of its employees. The liability for these compensated absences is recorded as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured because of employee resignations, terminations or retirements.

INTERFUND TRANSFERS – Permanent reallocation of resources between the funds of the City is classified as interfund transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statement presentation.

CONNECTION FEES AND IMPACT FEES - Water and wastewater connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities and are recorded as operating revenue when received. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as capital contributions when received. Impact fees receivable are reduced by an allowance for estimated uncollectible amounts when management believes collectability is doubtful.

ON-BEHALF PAYMENTS FOR FRINGE BENEFITS - The City receives on-behalf payments from the State of Florida to be used for Municipal Police Officers’ Pension Plan and Municipal Firefighters’ Pension Plan contributions which totaled \$196,950 and \$166,008, respectively, for the fiscal year ended September 30, 2023. Such payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the government-wide and general fund financial statements but are not budgeted and therefore are not included in the general fund budgetary basis financial statements.

PENSION COSTS - The actuarially determined provision for pension costs is recorded on an accrual basis in the period for which the costs pertain, and the City's policy is to fund pension costs as they accrue.

INDIRECT COST ALLOCATION - The City allocates charges for indirect services provided by General Fund departments based on a cost allocation plan. The costs are included in the program expense reported by functional activity in the Statement of Activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

EQUITY CLASSIFICATIONS -

Government-wide Statements - The difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and displayed in three components:

- *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. On September 30, 2023, the governmental activities had a deficit unrestricted net position of \$6,749,973.

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

In the fund financial statements, proprietary fund equity is classified the same as in the government-wide statements.

Fund Statements - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. Spendable resources are to be shown as restricted, committed, assigned and unassigned as considered appropriate in the City's circumstances. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has inventories, prepaid items and notes receivable as being non-spendable as these items are not expected to be converted to cash.
- *Restricted* — This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified debt service balances and impact fees as being restricted because their use is restricted by State Statute and/or local ordinance. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Impact fees are to be used for water and wastewater system improvements. The City also has restricted unexpended gas taxes in the transportation fund, and the unexpended community development resources of the Community Redevelopment Agency.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

- *Committed* — This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission. These amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City did not have any committed resources as of September 30, 2023.
- *Assigned* — This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Commission or through the City Commission delegating this responsibility to the City Manager through the budgetary process. The City reports assigned fund balance that was budgeted to cover the difference between estimated revenue and appropriations in the subsequent year's budget.
- *Unassigned* — This classification is used for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

USE OF ESTIMATES – The preparation of the basic financial statements in conformity with generally accepted accounting principles, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the basic financial statements. Actual results could differ from estimates.

LEASES -

Lessee: The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements when the initial, individual value of the lease liability is \$5,000 or more. For the year ended September 30, 2023, the City reports no right-to-use lease assets or lease liabilities.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Lessor: The City is a lessor for several noncancellable antenna placement leases and property leases. The City recognizes a lease receivable and a deferred inflow of resources in the water enterprise fund (antenna leases) and airport enterprise fund (property leases) and combined in the business-type activities.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset, receivable, liability and/or deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease liability.

NOTE 2 - PROPERTY TAX CALENDAR

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The tax levy of the City is established by the City Commission prior to October 1 of each year and the Polk County Property Appraiser incorporates the millages into the total tax levy, which includes the municipalities, the County, independent districts and the County School Board tax requirements. State statutes permit cities to levy property taxes at a rate of up to 10 mills. The City's millage rate in effect for the fiscal year ended September 30, 2023 was 4.6080.

All taxes are due and payable on November 1 (levy date) of each year and unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment as follows: 4% in November, 3% in December, 2% in January, 1% in February. The taxes paid in March are without discount. Delinquent taxes on real and personal property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property.

NOTE 3 - BUDGETARY LAW AND PRACTICE

The budget is adopted by Resolution on a City-wide basis for all City funds on or before October 1 of each year as required by State Statute. City Ordinance establishes the legal level of budgetary control as set forth below:

Adjustment of Appropriations:

- *Supplemental appropriations* - If during the fiscal year the City Manager certifies that there are revenues available for appropriation in excess of those estimated in the budget, the City commission may make supplemental appropriations for the year up to the amount of such excess. Prior to making such supplemental appropriations, the City Commission shall advertise and hold a public hearing on the supplemental appropriations, in the manner prescribed for the public hearing on the budget, and shall follow such other procedures outlined for adoption of the budget in making supplemental appropriations as may be applicable.
- *Reduction of appropriations* - If at any time during the fiscal year the City Manager shall ascertain that the available income for the year will be less than the total appropriations, he shall reconsider the work programs and allotments of the various offices, departments, and agencies and revise the allotments so as to forestall the making of expenditures in excess of such income.
- *Transfer of appropriations* - At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation balance within a department, office or agency; provided, that no transfer of appropriations to the personnel services account shall be made without approval of the City Commission. Upon written recommendation by the City Manager, the City Commission may by resolution transfer part or all of any unencumbered appropriation balance from one department, office or agency, to another.
- *Limitations; effective date* - No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof.
- *Lapse of unencumbered appropriations* - All appropriations shall lapse at the end of the fiscal year to the extent that they shall not have been expended or lawfully encumbered.

All final budget amounts presented in the accompanying supplementary information have been adjusted for legally authorized amendments.

NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- *Compliance with Finance Related Legal and Contractual Provisions* - the City had no material violations of finance related legal and contractual provisions.
- *Deficit Fund Balance or Net Position of Individual Funds* - As of September 30, 2023, no individual fund had a deficit fund balance or net position deficit.
- *Excess of Expenditures Over Budget Appropriations in Individual Funds* - For the year ended September 30, 2023, no major governmental fund had an excess of expenditures over budgeted appropriations.

NOTE 5 - DEPOSITS AND INVESTMENTS

DEPOSITS IN FINANCIAL INSTITUTIONS - Municipalities in Florida are required by State Statute Chapter 280 - "Security for Public Deposits Act", to deposit operating funds only with financial institutions who are members of the State of Florida collateral pool ("qualified public depositories"). The State of Florida collateral pool is a multiple financial institution collateral pool with the ability to make additional assessments to satisfy the claims of governmental entities if any member financial institution fails. This ability provides protection which is similar to depository insurance.

The captions on the government-wide statement of net position for "equity in pooled cash and cash equivalents" and "investments", both restricted and unrestricted, are comprised of the following:

Equity in pooled cash and cash equivalents:

Cash on hand	\$	7,680
Cash deposits in financial institutions:		
Insured or fully collateralized bank deposits		45,282,809
Investments:		
Florida Safe - investment pool		1,659,397
FLCLASS - investment pool		3,275,838
Total equity in pooled cash and cash equivalents	\$	<u>50,225,724</u>

Investments:

U.S. Government and U.S. Government Agencies	\$	<u>34,964,153</u>
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The "Florida Safe" and "FLCLASS" investment pools are similar to a money market investment in that it strives to maintain a net asset value of \$1.00 per share and meets the criteria in GASB Cod. Sec. In5 to measure all of pooled investments at amortized cost. The pools are rated AAAM by Standard and Poor and the pools are not exposed to custodial credit risk because the investments are not evidenced by securities that exist in physical or book entry form.

The City also had direct investments in U.S. Government debt securities as well as investments in U.S. Government agencies.

NOTE 5 - DEPOSITS AND INVESTMENTS (cont...)

INVESTMENTS - The types of investments that the City may invest in are governed by the City's investment policy which sets forth the following allowable investments and certain other specific criteria related to maximum permitted concentrations, maturities (interest rate risk), and minimum credit quality ratings (credit risk):

Authorized Investments	Maximum Portfolio Concentration	Maximum Maturity	Maximum Issuer Concentration	Lowest Permitted S&P Rating
Florida Local Government Surplus Funds Trust Fund	100%			
U. S. Government securities	100%	5 years		
U. S. Government Agency securities	50%	5 years	25%	
Federal Instrumentalities securities	80%	5 years	40%	
Non-negotiable interest bearing deposits in qualified public depositories	20%	2 years	15%	
Repurchase agreements 102% secured by securities of the U. S. Government its Agencies or Instrumentalities	50%	90 days	25%	
Commercial paper of any U. S. company	25%	270 days	15%	A-1
Corporate notes of any U. S. company	15%	2 years	5%	AA
Bankers Acceptances	25%	180 days	10%	A-1
State or local government obligations	20%	3 years		AA
Mutual funds (registered investment companies)	50%	90 days	25%	AAA
Intergovernmental investment pools	20%			

All of the City's investments were held in the City's name. Information concerning credit risk and interest rate risk for the City's investments on September 30, 2023 is presented below:

Investment Type	S&P Rating	Fair Value / Amortized Cost	Average Maturity Years
Primary government			
Investments measured at fair value:			
U.S. Treasury Notes and Bills	AA+	\$ 31,992,885	1.94
U.S. Government Agencies	AA+	2,971,268	0.99
		<u>34,964,153</u>	
Investments measured at amortized cost and reported as a cash and cash equivalent:			
Florida Safe - investment pool	AAAm	1,659,397	0.12
FLCLASS - investment pool	AAAm	3,275,838	0.12
		<u>\$ 4,935,235</u>	

The City categorizes its fair value measurements within the fair value hierarchy established by GASB Cod. Sec. 3100. The hierarchy is based on the valuation inputs used to measure 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.

NOTE 5 - DEPOSITS AND INVESTMENTS (cont...)

The City's investments have the following carrying values as of September 30, 2023, based on measurement criteria as specified:

	Carrying Value	Fair Value			Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Treasury Notes	\$ 31,992,885	\$ -	\$ 31,992,885	\$ -	\$ -
U.S. Government Agencies	2,971,268	-	2,971,268	-	-
Florida Safe - investment pool	1,659,397	-	-	-	1,659,397
FLCLASS - investment pool	3,275,838	-	-	-	3,275,838
Total investments	<u>\$ 39,899,388</u>	<u>\$ -</u>	<u>\$ 34,964,153</u>	<u>\$ -</u>	<u>\$ 4,935,235</u>

The City's pension trust funds also held investment securities during the year and on September 30, 2023, which are reported at fair value. The City's pension trust funds have the following carrying values as of September 30, 2023, based on the measurement criteria as specified:

General Employees' Retirement Plan Pension Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Cash and short term money market funds	\$ 269,673	\$ -	\$ -	\$ -	\$ 269,673
Fixed income investments	7,385,207	-	7,385,207	-	-
Diversified mutual fund	1,675,260	-	1,675,260	-	-
Equity investments	21,999,612	2,002,018	19,997,594	-	-
Total investments by fair value level	31,329,752	<u>\$ 2,002,018</u>	<u>\$ 29,058,061</u>	<u>\$ -</u>	<u>\$ 269,673</u>
Investments measured at the net asset value (NAV)					
Real estate fund	4,172,595				
Total investments	<u>\$ 35,502,347</u>				

The General Employees' Pension Plan owns shares in a real estate investment fund which is a pooled investment fund that is a broadly diversified core real estate fund that reports its value at the net asset value (NAV) per share. The real estate investment fund allows a redemption frequency quarterly and requires a ten-day redemption notice. All investments of the real estate trust fund are appraised by an independent third-party, Appraisal Institute designated (MAI) appraiser, each and every quarter, commencing the quarter after the investment is made.

NOTE 5 - DEPOSITS AND INVESTMENTS (cont...)

Police Officers' Retirement Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Inflation protected bond funds	\$ 306,500	\$ -	\$ -	\$ -	\$ 306,500
U.S. Government and agencies	1,144,325	-	1,144,325	-	-
Corporate and foreign obligations	923,997	-	923,997	-	-
Fixed income mutual funds	3,112,069	3,112,069	-	-	-
Equity investments	2,657,189	2,657,189	-	-	-
Equity mutual funds	11,222,049	11,222,049	-	-	-
Total investments	19,366,129	<u>\$ 16,991,307</u>	<u>\$ 2,068,322</u>	<u>\$ -</u>	<u>\$ 306,500</u>
Investments measured at the net asset value (NAV)					
Real estate fund	2,026,672				
Total investments	<u>\$ 21,392,801</u>				

Firefighters' Retirement Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Inflation protected bond funds	\$ 103,000	\$ -	\$ -	\$ -	\$ 103,000
Fixed income investments	3,093,513	3,093,513	-	-	-
Equity investments	8,223,684	8,223,684	-	-	-
Total investments	<u>\$ 11,420,197</u>	<u>\$ 11,317,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,000</u>
Investments measured at the net asset value (NAV)					
Real estate fund	1,182,224				
Total investments	<u>\$ 12,602,421</u>				

Equity investments and investments in mutual funds are valued using Level 1 inputs consisting of using prices quoted in active markets for identical securities. Government bonds, government asset backed securities and certain other investments are valued using Level 2 inputs consisting of quoted prices for similar assets; interest rates and yield curves at commonly quoted intervals; implied volatilities; credit spreads and market corroborated inputs.

The Police Officers' Retirement Trust Fund and the Firefighters' Retirement Trust Fund own shares in the U.S. Real Estate Investment Fund, LLC, which is an open-end commingled real estate fund. Its primary investment objectives are to invest in a pool of real estate assets that are diversified by geography and property type, with a focus on yield-driven investments and, to a lesser extent, on value-added investments. The real estate investment fund is intended to have an indefinite term.

The real estate investment fund reports its value at net asset value (NAV) per share. Redemption requests of units in the real estate investment fund may be made at any time and are effective at the end of the calendar quarter in which the request is received by the investment fund. The units that are subject to the Plans' redemption notice may be redeemed in installments as funds become available for such purpose and the redemption price will be the value per unit as such time the payment is made.

NOTE 5 - DEPOSITS AND INVESTMENTS (cont...)

The real estate investment fund is not required to liquidate or encumber assets or defer investments in order to make redemptions. There were no unfunded commitments at year end.

All investments of the real estate investment fund are appraised by an independent third-party appraiser each quarter, commencing the quarter after the investment is made with the exception of newly acquired assets which would join the appraisal cycle within two quarters of purchase. All appraisal reports are completed in accordance with the currently published Uniform Standards of Professional Practice, as promulgated by the Appraisal Foundation.

Information related to each Plan's investment policy, and the custodial, concentration and interest rate risk for each plan is set forth below.

General Employees Retirement Plan Pension Fund - The types of investments in which the Plan may invest are governed by City policy which authorizes investment in the following instruments: federally-insured depositories, direct or guaranteed obligations of the United States; stocks, commingled funds, mutual funds, bonds or other evidences of indebtedness issued by a U.S. Corporation or any state or territory of the United States; structured mortgage products issued by the U.S. Government or government agency; mortgage related or asset backed securities not issued by the U.S. Government, government agency or instrumentally; bonds issued by municipal issuers, real estate and foreign securities. No more than 70%, at market value, of the Plans assets can be invested in equity securities nor more than 5% in any one issuer. Fixed income securities must be investment grade except 20% can be invested in securities not meeting these criteria and must have a minimum total portfolio weighted average credit rating of "A" by Standard and Poors or Moodys and no more than 3% of the fixed income portfolio in any one single corporate issuer. Foreign securities cannot exceed 25% of the total value at market value.

All the Plan's investments were held in the Plan's name. Information concerning the Plan's fixed income investments is presented below:

Investment Type	S&P Rating	Fair Value	Average Maturity Years
Short-term money market	AAAm	\$ 269,673	
Fixed income investments:			
Dodge & Cox Income Fund	Not Rated	3,820,459	5.7
Metropolitan West T/R Bond Fund	Not Rated	3,564,748	7.2
		\$ 7,385,207	

NOTE 5 - DEPOSITS AND INVESTMENTS (concluded)

Police Officers' Retirement Pension Trust Fund - The types of investments in which the Plan may invest are governed by City Ordinance and supplemented by a Board approved investment policy which authorizes investments in the following instruments: interest-bearing time deposits and savings accounts in federally-insured depositories, direct or guaranteed obligations of the United States and the State of Israel; stocks, commingled funds, mutual funds, bonds or other evidences of indebtedness issued by a U.S. Corporation, except that up to 25% may be invested in foreign securities. No more than 5% of the Plan's assets may be invested in any one issuer. In addition, the aggregate investment in any single issuing company cannot exceed 5% of the outstanding capital stock of the company. The value of bonds issued by a single corporation shall not exceed 3% of total investments.

All of the Plan's investments were held in the Plan's name. Information concerning Plan's fixed income investments, is presented below:

Investment Type	S&P Rating	Fair Value	Average Maturity Years
Fixed income investments:			
U.S. Government obligations	AA+	\$ 291,351	14.73
U.S. Government mortgaged-backed securities	AA+	753,028	26.45
U.S. Government mortgaged-backed securities	Not Rated	99,946	26.45
Inflation protected bond funds	Not Rated	306,500	0.00
Other mutual funds	Not Rated	3,112,069	10.40
Corporate and foreign bonds	AAA to BBB-	923,997	8.16
		<u>\$ 5,486,891</u>	

Firefighters' Retirement Pension Trust Fund - The types of investments in which the Plan may invest are governed by City Ordinance and supplemented by a Board approved investment policy which authorizes the Plan to invest in the following instruments: annuity or life insurance contracts, interest-bearing time deposits and savings accounts in federally-insured depositories, direct or guaranteed obligations of the United States and the State of Israel; stocks, commingled funds, mutual funds, bonds or other evidences of indebtedness issued by a U.S. Corporation, except that up to 25% may be invested in foreign securities. No more than 5% of the Plan's assets may be invested in any one issuer. In addition, the aggregate investment in any single issuing company cannot exceed 5% of the outstanding capital stock of the company. The value of bonds issued by a single corporation shall not exceed 3% of total investments.

All of the Plan's investments were held in external investment pools or in the name of the Plan and therefore, were not subject to the custodial credit risk disclosures. No single issuer comprised 5% or more of the plan's investments and therefore the plan is not subject to the concentrations of credit risk disclosures. Information concerning the Plan's fixed income investments is presented below:

Investment Type	S&P Rating	Fair Value	Average Maturity Years
Fixed income investments:			
Inflation protected bond funds	Not Rated	\$ 103,000	0.00
Dodge & Cox Income Fund	Not Rated	3,093,513	10.40
		<u>\$ 3,196,513</u>	

NOTE 6 - CAPITAL ASSETS

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

	Balance October 1, 2022	Transfers	Increases	Decreases	Balance September 30, 2023
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 5,211,405	\$ -	\$ 175,500	\$ -	\$ 5,386,905
Infrastructure - land	1,588,213	-	-	-	1,588,213
Construction in process	263,996	(180,741)	159,257	-	242,512
Total capital assets, not being depreciated	<u>7,063,614</u>	<u>(180,741)</u>	<u>334,757</u>	<u>-</u>	<u>7,217,630</u>
Capital assets, being depreciated:					
Buildings and improvements	16,925,918	180,741	1,595,507	(19,580)	18,682,586
Equipment	8,218,700	107,606	983,768	(185,827)	9,124,247
Infrastructure:					
Road network	31,195,239	-	985,084	-	32,180,323
Sidewalk network	3,840,002	-	-	-	3,840,002
Total capital assets, being depreciated	<u>60,179,859</u>	<u>288,347</u>	<u>3,564,359</u>	<u>(205,407)</u>	<u>63,827,158</u>
Less accumulated depreciation for:					
Buildings and improvements	(10,818,718)	-	(473,374)	8,158	(11,283,934)
Equipment	(6,607,075)	(107,606)	(528,598)	185,827	(7,057,452)
Infrastructure:					
Road network	(20,259,874)	-	(430,752)	-	(20,690,626)
Sidewalk network	(2,567,891)	-	(40,281)	-	(2,608,172)
Total accumulated depreciation	<u>(40,253,558)</u>	<u>(107,606)</u>	<u>(1,473,005)</u>	<u>193,985</u>	<u>(41,640,184)</u>
Total capital assets being depreciated, net	<u>19,926,301</u>	<u>180,741</u>	<u>2,091,354</u>	<u>(11,422)</u>	<u>22,186,974</u>
Governmental activities capital assets, net	<u>\$ 26,989,915</u>	<u>\$ -</u>	<u>\$ 2,426,111</u>	<u>\$ (11,422)</u>	<u>\$ 29,404,604</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 1,662,582	\$ -	\$ -	\$ -	\$ 1,662,582
Construction-in-progress	22,099,109	(765,508)	7,866,093	(725,557)	28,474,137
Total capital assets, not being depreciated	<u>23,761,691</u>	<u>(765,508)</u>	<u>7,866,093</u>	<u>(725,557)</u>	<u>30,136,719</u>
Capital assets, being depreciated:					
Buildings, utility plant and improvements	150,668,563	765,508	3,188,946	-	154,623,017
Equipment	13,884,099	(107,606)	589,413	(259,812)	14,106,094
Total capital assets, being depreciated	<u>164,552,662</u>	<u>657,902</u>	<u>3,778,359</u>	<u>(259,812)</u>	<u>168,729,111</u>
Less accumulated depreciation	<u>(101,624,862)</u>	<u>107,606</u>	<u>(5,100,882)</u>	<u>259,812</u>	<u>(106,358,326)</u>
Total capital assets being depreciated, net	<u>62,927,800</u>	<u>765,508</u>	<u>(1,322,523)</u>	<u>-</u>	<u>62,370,785</u>
Business-type activities capital assets, net	<u>\$ 86,689,491</u>	<u>\$ -</u>	<u>\$ 6,543,570</u>	<u>\$ (725,557)</u>	<u>\$ 92,507,504</u>

NOTE 6 - CAPITAL ASSETS (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:

General government	\$	77,447
Library		54,030
Law enforcement		245,455
Fire control		56,639
Public works		48,295
Transportation		561,663
Parks and recreation		418,028
Community redevelopment		11,448
Total depreciation expense - governmental activities	\$	<u>1,473,005</u>

Business-type Activities:

Electric	\$	903,102
Water		960,819
Wastewater		1,431,134
Airport		1,262,273
Sanitation		443,162
Information Technology		49,447
Stormwater		50,945
Total depreciation expense - business-type activities	\$	<u>5,100,882</u>

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2023:

	Balance October 1, 2022	Increases	Decreases	Balance September 30, 2023	Amounts Due within One Year
Governmental Activities:					
Long-term debt:					
BB&T Refunding Series 2014-A	\$ 930,145	\$ -	\$ (300,841)	\$ 629,304	\$ 310,045
Total long-term debt	930,145	-	(300,841)	629,304	310,045
Other liabilities:					
Estimated workers compensation claims	509,329	-	(11,706)	497,623	-
Other postemployment benefits	27,173,871	-	(10,838,598)	16,335,273	-
Net pension liability	2,201,719	15,131,449	-	17,333,168	-
Compensated absences	1,483,668	73,950	-	1,557,618	-
Total other liabilities	31,368,587	3,517,271	(10,850,304)	35,723,682	-
Total long-term obligations	\$ 32,298,732	\$ 3,517,271	\$ (11,151,145)	36,352,986	\$ 310,045
Less amounts due in one year				(310,045)	
Total noncurrent obligations due in more than one year				\$ 36,042,941	
Business-type Activities:					
Long-term debt:					
BB&T Refunding Series 2014-A	\$ 584,856	\$ -	\$ (189,161)	\$ 395,695	\$ 194,952
SRF Construction Loan (No. WW 755040)	3,697,192	-	(375,620)	3,321,572	383,967
SRF Preconstruction Loan (No. WW 75504P)	748,284	-	(100,317)	647,967	102,435
SRF Construction Loan (No. WW 530220)	12,876,346	-	-	12,876,346	-
Water and sewer, Series 2016	12,380,000	-	(1,440,000)	10,940,000	1,465,000
Joint venture loan guarantee	-	676,703	-	676,703	-
Total bonds and notes payable	30,286,678	676,703	(2,105,098)	28,858,283	2,146,354
Other liabilities:					
Other postemployment benefits	11,022,483	-	(3,988,987)	7,033,496	-
Net pension liability	1,279,385	3,717,655	-	4,997,040	-
Compensated absences	1,048,499	42,109	-	1,090,608	-
Total other liabilities	13,350,367	3,759,764	(3,988,987)	13,121,144	-
Total long-term liabilities	\$ 43,637,045	\$ 4,436,467	\$ (6,094,085)	41,979,427	\$ 2,146,354
Less amounts due in one year				(2,146,354)	
Net long-term liabilities in excess of one year				\$ 39,833,073	

Notes to Long-Term Obligations Table

Long term liabilities, including accumulated compensated absences are typically liquidated by the individual fund to which the liability is directly associated.

All of the Cities long-term debt arose through direct borrowing or direct placement.

Interest Included as Direct Expense:

None of the interest on governmental activities long-term debt has been included in the direct expenses of any of the various programs.

NOTE 7 - LONG-TERM OBLIGATIONS (cont...)

Governmental and Business-Type Activities:

- BB & T Refunding Series 2014-A, par value \$4,665,000, is secured by all non-advalorem revenues of the City, essentially all legally available revenues of the City except taxes on real and personal property. The bonds were issued May 16, 2014 to advance refund the Florida Municipal Loan Council Series 2005A and 2005D bonds. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due.

The 2014-A bonds bear interest at 2.4% payable semi-annually on June 1 and December 1 with principal payments annually on June 1 and a final maturity on June 1, 2025. The Florida Municipal Loan Council Revenue Bonds, Series 2005D were paid off in 2016 and were originally issued in 2005. The 2005A bonds bore interest at 4.00% and the 2005D bonds bear interest at 4.06%.

Business-Type Activities:

- Water and Sewer Refunding Revenue Bank Loan, Series 2016 - These bonds were issued September 22, 2016 to refund the Water and Sewer Revenue Bonds, Series 2006. The bonds bear interest at 2.08% payable semiannually October 1 and April 1 with a final maturity on October 1, 2029. The Series 2016 bonds are secured by a senior lien on the net revenues of the water and sewer systems and require the maintenance of a principal and interest sinking fund. The Series 2016 bonds also require \$1,928,239 of the bond proceeds to be placed in a construction fund account to be used on system improvements within a three-year period beginning on September 22, 2016. As of September 30, 2023, the City has \$1,928,239 in the construction fund account and this amount is reported as a component of restricted equity in pooled cash and cash equivalents in the water fund and business-type activities.

In the event of default, the interest rate on the loan shall increase to 6% per annum.

- SRF Loans - These loans are from the State of Florida Revolving Loan Program ("SRF") to fund pre-construction costs and construction of improvements to the wastewater systems. Agreement No. WW75504P bears interest at 2.38%. Agreement No. WW755040 bears interest at 1.97%. Agreement No. WW530220 is an interest free loan. All three loans are payable semi-annually as to principal and interest of each year with the final payment due August 15, 2031. The loans are secured by a junior lien on the net revenues of the water and sewer systems. Loan WW530220 is for a total of \$23,685,025 of which \$12,876,346 has been drawn as of February 29, 2024.

In the event of default the lender, subject to superior liens on the pledged revenues, may request a court to appoint a receiver to manage the water and sewer systems, intercept the delinquent amount from any unobligated funds due to the City under any revenue or tax sharing fund established by the State of Florida, impose a penalty in the amount not to exceed a rate of 18 percent per annum on the amount due, notify financial market credit rating agencies and potential creditors and may accelerate the repayment schedule or increase the interest rate on the unpaid principal of the loan to as much as 166.7% of the loan interest rate.

NOTE 7 - LONG-TERM OBLIGATIONS (cont...)

Business-Type Activities: (cont...)

Maturities:

Annual requirements to repay all long-term debt as of September 30, 2023, were as follows:

Fiscal Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 310,045	\$ 15,229	\$ 2,146,354	\$ 306,261
2025	319,259	7,726	2,606,343	272,560
2026	-	-	3,309,212	224,076
2027	-	-	3,356,589	179,511
2028	-	-	3,399,234	134,002
2029-2033	-	-	11,100,567	147,168
2034-2038	-	-	2,939,984	1,049
Total	<u>\$ 629,304</u>	<u>\$ 22,955</u>	<u>\$ 28,858,283</u>	<u>\$ 1,264,627</u>

Pledged Revenues:

The City has pledged certain future revenues, net of operation and maintenance expenses, for payment of debt. The following table provides a summary of the pledged revenues for the City's outstanding debt issues for which specific revenues have been pledged:

<u>Pledged Revenue</u>	<u>Revenue Pledged Through</u>	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Current Year Net Revenue</u>	<u>Percentage of Net Revenues to Principal and Interest Paid</u>
Water and sewer revenue	8/15/2031	\$ 28,966,658	\$ 2,253,299	\$ 2,363,595	104.89%

NOTE 8 – LEASES

Lease Receivable – The City reports the following lease receivables:

- The City reports one lease receivable related to an antenna lease agreement originally executed in 2007. The lease term was originally for an initial 5-year period with the option of 2 separate 5-year renewal periods thereafter. The lease term for each of these leases was originally 15 years ending in 2022 but was amended to extend the lease term to 2042. The City receives monthly payments which are increased each year by 3% and the City recognized \$32,954 in lease revenue during the fiscal year related to this lease. On September 30, 2023, the City's receivable for lease payments was \$652,009. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. On September 30, 2023, the balance of the deferred inflow of resources was \$617,902. The activity related to this lease is reported in the City's water enterprise fund.
- The City's airport fund is a lessor for noncancellable leases of buildings within the airport's industrial park and recognizes a lease receivable and deferred inflow of resources on the statement of net position related to these leases. The terms of the lease agreements are varied but generally establish a fixed lease payment due over the term of the agreement and contain a provision for a cost-of-living increase each year based on the change in the consumer price index (CPI) which was not included in the measurement of the receivable. The airport fund recognized \$2,746,819 of lease revenue during the fiscal year. On September 30, 2023, the airport fund reported lease receivables of \$11,445,946. The airport fund also reports deferred inflows of resources associated with these leases in the amount of \$10,976,826 as of September 30, 2023. The deferred inflows of resources will be recognized as revenue over the various lease terms.

The airport fund is a party to certain regulated lease agreements as lessor of industrial park commercial buildings. These leases are to tenants in the aviation industry and are regulated by the Federal Aviation Administration (FAA). Such leases of 5 years or longer require FAA approval and the FAA requires similar lease rates for similarly situated aviation related leases and prohibits unfair discrimination against certain aviation types. The airport fund recognized \$132,602 of lease revenue from these agreements for the year ended September 30, 2023. A schedule of expected future minimum payments under these agreements are as follows:

Fiscal year Ending September 30,	
2024	\$99,741
2025	99,741
2026	73,297
2027	58,863
2028	58,863
2029-2033	271,940
2034-2038	217,957
2039-2043	44,770
	<u>\$925,172</u>

NOTE 9 – INTERFUND TRANSACTIONS

There were no interfund receivables and payables as of September 30, 2023.

Interfund transfers in (out) for the year ending September 30, 2023 consisted of the annual budgeted reallocation of resources as follows:

	Transfers In:			
	General Fund	Transportation Fund	Fire Services Fund	Total
Transfers Out:				
Electric Fund	\$ 9,316,751	\$ -	\$ -	\$ 9,316,751
Wastewater Fund	600,000	-	-	600,000
General Fund	-	654,855	1,456,780	2,111,635
Total	<u>\$ 9,916,751</u>	<u>\$ 654,855</u>	<u>\$ 1,456,780</u>	<u>\$ 12,028,386</u>

Transfers in (out) during the fiscal year are as follows:

- \$9,316,751 was transferred from the Electric Fund to the General Fund to support governmental activities.
- \$600,000 was transferred from the Wastewater Fund to the General Fund to support governmental activities.
- \$654,855 was transferred from the General Fund to the Transportation Fund to provide additional funding for expenses in excess of revenues.
- \$1,456,780 was transferred from the General Fund to the Fire Services Fund to provide additional funding for expenses in excess of revenues.

NOTE 10 – PENSION TRUST FUNDS

Plan Descriptions - The City of Bartow contributes to three single-employer defined benefit pension plans: the General Employees Retirement Plan ("GE Plan"), the Police Officers' Retirement Trust Fund ("Police Plan"), and the Municipal Firefighters' Retirement Trust Fund ("Fire Plan"). Each plan provides retirement and disability benefits to plan members and beneficiaries. The plans are established by City Ordinance and the benefits and contribution requirements can be amended by the City Commission through ordinance. All three plans are administered by separate boards of trustees who are either appointed by the City Commission or elected by the plan members. It is the City's policy to annually fund the annual required contribution amount for each plan. Contributions are also provided to the Firefighters' and Police Officers' plans by the State of Florida from a tax collected on insurance premiums. Each plan issues a publicly available financial report that includes financial statements and required supplementary information (RSI) for that plan. Those reports may be obtained by contacting the City of Bartow Finance Department, 450 North Wilson Avenue, Bartow, FL 33830.

In the government-wide and proprietary statement of net position, liabilities are recognized for the City's share of each defined benefit pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's sponsored single employer plans and additions to/deductions from the City's sponsored single employer plans have been determined on the same basis as they are reported by the City's sponsored single employer plans. For this purpose, defined benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided - The City's pension plans provide retirement and disability benefits. Benefits for members of all plans vest after six years of credited service. Retirement benefits are calculated based upon a certain percentage of average earnings for the highest five consecutive years of the preceding ten-year period times the number of years of credited service. The certain retirement percentage for the GE Plan is 2.53% and 3.15% for the Police and Fire Plans. Early retirement is available for members who have completed ten years of credited service at reduced benefits. Normal retirement for the GE Plan is the earlier of age sixty-two with ten years credited service or attainment of twenty-five years of credited service. Normal retirement for the Police Plan is the earlier of age fifty-five with ten years of credited service or attainment of twenty years of credited service regardless of age. Normal retirement for the Fire Plan is the earlier of age fifty-five with ten years credited service, age fifty-two with twenty-five years of credited service or the completion of twenty-eight years of credited service regardless of age. The GE Plan does not provide post-employment benefit adjustments and the Police and Fire Plans contain provisions for automatic cost-of-living adjustments.

NOTE 10 – PENSION TRUST FUNDS (cont...)

Contributions - It is the City's policy to annually fund the actuarially determined required contributions representing the difference between the actuarially determined amount and the contributions of plan members.

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire- Fighters' Pension Trust Fund
Contribution rates:			
City and State	19.1%	33.3%	41.7%
Plan members	4.0%	4.0%	2.0%
Actuarially determined contribution	\$ 1,633,035	\$ 891,128	\$ 587,337
Contributions made	\$ 1,675,270	\$ 932,389	\$ 594,578

Plan Membership - Participant data for the City pension plans as of the current actuarial valuation date was as follows:

	as of October 1, 2022		
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire- Fighters' Pension Trust Fund
Inactive plan members or beneficiaries currently receiving benefits	136	47	17
Inactive plan members entitled to but not yet receiving benefits	170	32	5
Active plan members	163	39	19
Total	469	118	41

Net Pension Liability – The components of the changes in the net pension liability for all three pension trust funds for the year ended September 30, 2022 are shown below. The net pension liability as of September 30, 2023 for financial reporting purposes was determined by actuarial valuations as of October 1, 2021 updated to September 30, 2022 (the measurement date).

NOTE 10 – PENSION TRUST FUNDS (cont...)

General Employees' Retirement Trust Fund:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2022	\$ 43,700,565	\$ 40,219,461	\$ 3,481,104
Changes for the year:			
Service cost	778,554	-	778,554
Interest	3,153,676	-	3,153,676
Difference between actual and expected experience	898,050	-	898,050
Contributions - City	-	1,479,001	(1,479,001)
Contributions - employee	-	339,990	(339,990)
Net investment income	-	(6,894,678)	6,894,678
Benefit payments, including refunds of employee contributions	(1,960,288)	(1,960,288)	-
Administrative expense	-	(95,204)	95,204
Net changes	2,869,992	(7,131,179)	10,001,171
Reporting period ending 9/30/2023	\$ 46,570,557	\$ 33,088,282	\$ 13,482,275

Police Officers' Retirement Trust Fund:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2022	\$ 24,717,105	\$ 25,448,347	\$ (731,242)
Changes for the year:			
Service cost	534,915	-	534,915
Interest	1,837,901	-	1,837,901
Difference between actual and expected experience	127,869	-	127,869
Share Plan allocation	29,430		29,430
Contributions - Buy Back	9,749	9,749	-
Contributions - City	-	821,077	(821,077)
Contributions - State	-	173,289	(173,289)
Contributions - employee	-	99,592	(99,592)
Net investment income	-	(4,783,300)	4,783,300
Benefit payments, including refunds of employee contributions	(1,493,357)	(1,493,357)	-
Administrative expense	-	(108,218)	108,218
Net changes	1,046,507	(5,281,168)	6,327,675
Reporting period ending 9/30/2023	\$ 25,763,612	\$ 20,167,179	\$ 5,596,433

NOTE 10 – PENSION TRUST FUNDS (cont...)

Firefighters' Retirement Trust Fund:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2022	\$ 14,060,199	\$ 14,325,970	\$ (265,771)
Changes for the year:			
Service cost	214,184	-	214,184
Interest	1,012,540	-	1,012,540
Difference between actual and expected experience	136,937	-	136,937
Contributions - City	-	468,199	(468,199)
Contributions - State	-	123,413	(123,413)
Contributions - employee	-	26,879	(26,879)
Net investment income	-	(2,688,394)	2,688,394
Benefit payments, including refunds of employee contributions	(616,624)	(616,624)	-
Administrative expense	-	(83,707)	83,707
Net changes	747,037	(2,770,234)	3,517,271
Reporting period ending 9/30/2023	\$ 14,807,236	\$ 11,555,736	\$ 3,251,500

Actuarial Assumptions - The actuarial valuation date and significant actuarial assumptions used to measure the total pension liability were as follows:

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Actuarial valuation date	October 1, 2021 updated to September 30, 2022	October 1, 2021 updated to September 30, 2022	October 1, 2021 updated to September 30, 2022
Inflation	2.50%	2.50%	2.50%
Projected salary increases	Service based	Service based	Service based
Investment rate of return	7.25%	7.50%	7.25%
Discount rate	7.25%	7.50%	7.25%
Mortality rates	PubG.H.-2010	PubS.H.-2010	PubS.H.-2010
Date of actuarial experience study	August 23, 2017	September 19, 2019	September 19, 2019

Mortality rates were based on the PubG.H-2010 and PubS.H-2010 mortality tables, as appropriate, for active, inactive and disabled males or females, as appropriate, projected generationally with Mortality Improvements Scale MP-2018.

NOTE 10 – PENSION TRUST FUNDS (cont...)

Long-term Expected Rate of Return on Pension Plan Investments - The long-term expected rate of return on pension plan investments was determined using a building-block method 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 in the pension plan's target asset allocation as of September 30, 2023, are summarized in the following table:

	General Employees' Retirement Trust Fund	Police Officers' Retirement Trust Fund	Firefighters' Retirement Trust Fund
Asset Class	Long-Term Expected Real Rates of Return		
Domestic equity	7.50%	7.50%	7.50%
International equity	8.50%	8.50%	8.50%
Broad market fixed income	2.50%	NA	NA
Global fixed income	3.50%	NA	NA
Real estate	4.50%	4.50%	4.50%
Global tactical allocation	3.50%	NA	NA
Fixed income (Core)	NA	2.50%	2.50%
Fixed income (Non-Core)	NA	2.50%	2.50%
Alternative	NA	6.03%	6.03%
	Target Asset Allocations		
Domestic equity	45%	45%	45%
International equity	15%	15%	15%
Broad market fixed income	20%	NA	NA
Global fixed income	5%	NA	NA
Real estate	10%	10%	10%
Global tactical allocation	5%	NA	NA
Fixed income (Core)	NA	15%	15%
Fixed income (Non-Core)	NA	10%	10%
Alternative	NA	5%	5%

Investments and Rate of Return - The Plans' investment policy and information related to concentrations and custodial and credit risk is discussed in Note 5 to the financial statements. For the year ended September 30, 2023, the net money-weighted rate of return, adjusted for the changing amounts actually invested, for each of the Plans was as follows:

	General Employees' Retirement Trust Fund	Police Officers' Retirement Trust Fund	Firefighters' Retirement Trust Fund
Money-weighted Rate of Return	8.67%	10.14%	11.31%

NOTE 10 – PENSION TRUST FUNDS (cont...)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pension - For the year ended September 30, 2023, the City recognized pension expense of \$4,694,838 consisting of pension expense for the general employees' pension plan of \$2,472,075, the police officers' pension plan of \$1,505,753 and the firefighters' pension plan of \$717,010. On September 30, 2023, the City reported deferred outflows and deferred inflows of resources related to pensions, combined and individually for all three plans, was as follows:

Combined All Pension Trust Funds:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,201,324	\$ 353,668
Change in assumptions	758,893	126,640
Net difference between projected and actual earnings on Plan investments	10,987,828	-
City contributions subsequent to the measurement date	3,203,176	-
Total	<u>\$ 16,151,221</u>	<u>\$ 480,308</u>

General Employees' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 966,290	\$ -
Change in assumptions	571,228	126,640
Difference between projected and actual earnings on Plan investments	5,296,182	-
City contributions subsequent to the measurement date	1,676,208	-
Total	<u>\$ 8,509,908</u>	<u>\$ 126,640</u>

NOTE 10 – PENSION TRUST FUNDS (cont...)

Police Officers' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 85,246	\$ 155,166
Net difference between projected and actual earnings on Plan investments	3,733,065	-
City contributions subsequent to the measurement date	932,389	-
Total	<u>\$ 4,750,700</u>	<u>\$ 155,166</u>

Firefighters' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 149,788	\$ 198,502
Change in assumptions	187,665	-
Net difference between projected and actual earnings on Plan investments	1,958,581	-
City contributions subsequent to the measurement date	594,579	-
Total	<u>\$ 2,890,613</u>	<u>\$ 198,502</u>

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2022 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Remaining amounts reported as deferred inflows and outflows of resources will be recognized in pension expense in the years and amounts shown below:

Year ending September 30,	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire- Fighters' Pension Trust Fund	Total
2024	\$ 1,883,900	\$ 678,023	\$ 422,453	\$ 2,984,376
2025	1,707,342	719,768	472,388	2,899,498
2026	1,155,394	930,703	457,879	2,543,976
2027	1,960,424	1,334,651	744,812	4,039,887
	<u>\$ 6,707,060</u>	<u>\$ 3,663,145</u>	<u>\$ 2,097,532</u>	<u>\$ 12,467,737</u>

NOTE 10 – PENSION TRUST FUNDS (cont...)

Discount Rate – a rate of 7.25% for the General Employees Retirement Trust Fund and the Firefighters' Retirement Trust Fund and 7.50% for the Police Officers' Retirement Trust Fund was used to measure the total pension liability of each of the three plans as of September 30, 2022, which is the measurement date for financial reporting purposes. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plans' 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City as of the measurement date (September 30, 2022), calculated using the current discount rates discussed above for each plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate used by each plan.

	Current Discount Rate	Net Pension Liability at Measurement Date		
		1% Decrease	Current Discount	1% Increase
General Employees'	7.25%	\$ 18,758,316	\$ 13,482,275	\$ 9,047,667
Police Officers'	7.50%	8,610,542	5,596,433	3,100,896
Firefighters'	7.25%	5,004,166	3,251,500	1,791,896
City's Net Pension Liability		<u>\$ 32,373,024</u>	<u>\$ 22,330,208</u>	<u>\$ 13,940,459</u>

The following presents the net pension liability of the City as of the financial reporting date (September 30, 2023), calculated using the current discount rates discussed above for each plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate used by each plan.

	Current Discount Rate	Net Pension Liability at Financial Reporting Date		
		1% Decrease	Current Discount	1% Increase
General Employees'	7.00%	\$ 21,063,538	\$ 15,317,951	\$ 10,504,427
Police Officers'	7.50%	9,015,066	5,758,977	3,061,137
Firefighters'	7.25%	5,129,099	3,224,041	1,639,049
City's Net Pension Liability		<u>\$ 35,207,703</u>	<u>\$ 24,300,969</u>	<u>\$ 15,204,613</u>
Change in City's net pension liability between measurement date and reporting date		<u>\$ 2,834,679</u>	<u>\$ 1,970,761</u>	<u>\$ 1,264,154</u>

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS PLAN

The City has a policy of paying the cost of post-employment Medicare supplement health insurance upon reaching age 65, and \$1,000 face value life insurance for its retirees' upon reaching age 62. The City follows GASB Cod. Sec. P50 for certain post-employment health care and dental benefits provided by the City.

Plan Description – Under the provisions of the Plan, retirees who are eligible to retire under one of the City's pension plans and have at least 10 years of continuous service are eligible to receive subsidized health insurance beginning at age 65. In order to be eligible for the subsidy beginning at age 65, retirees must continue to be on the City's insurance prior to age 65 and pay 100% of the active premium. At age 65, depending on which health plan the retiree chooses, the City will pay the retiree premium up to the cap set by the City each year. For the fiscal year ended September 30, 2022, the cap was \$660 per month and for fiscal year September 30, 2023, the cap was decreased to \$647 per month. The retiree is responsible for the remaining amount not covered by the City, if any. In addition, retirees must pay the full cost of coverage for spouses and dependents. The City also provides a full insured \$1,000 life insurance benefit to each retiree, regardless of whether the retiree elects other postemployment benefit coverage. The Plan does not issue a stand-alone financial report.

Funding Policy – The City currently pays for post-employment health care benefits on a pay-as-you-go basis. The contribution requirements of the City and plan members are established and may be amended by the City Commission. These contributions are neither guaranteed nor mandatory. The City has retained the right to unilaterally modify its payments towards retiree health care benefits. For the year ended September 30, 2023, the City paid \$520,427 for retiree health insurance premiums or approximately 3% of actual payroll.

Participant data as of the most recent actuarial valuation:

Inactive plan members of beneficiaries currently receiving benefits	71
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	245
Total	<u>316</u>

Total OPEB liability – The City's total OPEB liability was measured as of September 30, 2022 and was determined by an actuarial valuation as of that date. The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial experience study dated August 23, 2017.

Actuarial assumptions - Significant actuarial assumptions used to measure the total OPEB liability were as follows:

Inflation	2.50%
Salary inflation	9.00% in the first year then 4.5% thereafter for Police Officers', 10% in the first year then 4.5% thereafter for Firefighters' and using a service-based table for all other employees assuming an 8.00% increase in year 1, 5.00% increase in year 2, 4.75% increase in year 3, 4.50% in year 4 and 4.25% for the remaining years of service.
Discount rate	4.77%
Investment rate of return	0.00%
Healthcare cost trend rates	7.25% in 2023, grading down to the ultimate trend rate of 4.00% in 2075.

Mortality rates were based on the Pub-2010 mortality tables for males or females, as appropriate, with adjustment for mortality improvements based on Scale MP-2018.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS PLAN (cont...)

Discount rate – The discount rate was based on a high-quality municipal bond rate of 4.77%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Reporting period ending September 30, 2022	\$ 38,196,354
Changes for the year:	
Service cost	2,389,741
Interest	977,561
Differences between expected and actual experience	(3,130,685)
Changes of assumptions	(14,345,372)
Benefit payments	(718,830)
Net changes	(14,827,585)
Reporting period ending September 30, 2023	\$ 23,368,769

Sensitivity of the Total OPEB Liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.77%)	Discount Rate (4.77%)	1% Increase (5.77%)
Total OPEB liability	\$ 27,153,425	\$ 23,368,769	\$ 20,315,861

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a health care cost trend rate range that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate range:

	1% Decrease (6.25% decreasing to 3.00%)	Healthcare Cost Trend Rates (7.25% decreasing to 4.00%)	1% Increase (8.25% decreasing to 5.00%)
Total OPEB liability	\$ 19,909,877	\$ 23,368,769	\$ 27,727,722

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS PLAN (concluded)

OPEB expenses and deferred outflows of resources related to OPEB – For the year ended September 30, 2023, the City recognized OPEB expense of \$690,436. On September 30, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 6,015,340	\$ 14,227,422
Differences between expected and actual experience	-	4,724,057
City contributions subsequent to the measurement date	677,771	-
Total	<u>\$ 6,693,111</u>	<u>\$ 18,951,479</u>

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2022 will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	Amount
2024	\$ (2,375,236)
2025	(1,993,509)
2026	(1,565,447)
2027	(1,943,237)
2028	(2,662,572)
Thereafter	(2,396,138)
Total	<u>\$ (12,936,139)</u>

NOTE 12 – OTHER EMPLOYEE BENEFIT PLANS

The City offers its employees, who have completed one year of continuous service, an optional non-contributory deferred compensation plan created pursuant to Internal Revenue Code Section 457. The 457 Plan is administered by a third-party custodian and the plan's assets are not considered part of the reporting entity and are not included in these financial statements.

NOTE 13 – RISK MANAGEMENT

INSURANCE - Commercial insurance protection with normal deductibles is in place to limit the City's exposure from losses arising from liability and property damages for which there has been no significant reduction in coverages, nor have settlement amounts exceeded the City's coverages during the year ended September 30, 2023 or the previous two years. All of the City's insurance is from commercial carriers and there is no self-insurance other than for workers' compensation which is discussed below.

SELF-INSURED WORKERS' COMPENSATION - The City provides its employees with workers' compensation coverage for job-related claims expenses through a self-funded plan administered by a third-party administrator. The Plan carries specific stop-loss insurance against catastrophic losses exceeding \$650,000 per incident and for aggregate claims over a two-year period exceeding \$2 million. Actual costs incurred, including administrative and claims expenses, are allocated to the respective departments and funds based on standard workers compensation classification rates applied to the payroll costs of the respective departments and funds within the City.

The City records an estimated liability for reported workers' compensation claims based on loss reserves estimated by the third-party administrator and for loss reserves for claims incurred but not reported, based on actuarially determined estimates of the ultimate cost of such claims (including future claims adjustment expenses) provided by outside consulting actuaries. The liability for the estimated workers' compensation costs is recorded in the general fund because it is fully funded. The liability is also reported as long-term in the governmental activities because the maturities are expected to exceed one year. A workers' compensation claim was settled in April 2024 related to injuries from a prior year in the amount of \$561,369 of which \$495,000 will be paid by the City's excess insurance carrier and the City is required to pay the remaining \$66,539. Management believes the estimated claims liability is sufficient and able to cover any future settlements.

Changes in the aggregate workers' compensation liabilities for the years ended September 30, 2023 and 2022, were as follows:

	2023	2022
Claims liability balance, October 1	\$ 509,329	\$ 577,828
Claims and changes in estimates	199,158	256,040
Claims payments	<u>(210,864)</u>	<u>(324,539)</u>
Claims liability balance, September 30	<u>\$ 497,623</u>	<u>\$ 509,329</u>
Cash set aside to pay claims on September 30	<u>\$ 923,446</u>	<u>\$ 919,663</u>

NOTE 14 – COMMITMENTS AND CONTINGENCIES

UNEMPLOYMENT CLAIMS - The City reimburses the State directly for its unemployment claims rather than participate in the State insurance fund for this purpose. As a result, the cost for unemployment claims is deducted when paid. Such costs have been insignificant in the past and no provisions for potential claims have been made in the financial statements.

LITIGATION - The City is a party to various claims and assessments arising from its actions while carrying out its public services. The City carries general liability coverage and management believes its coverage is sufficient to cover all significant losses arising from the unsuccessful outcome of any pending and/or threatened litigation.

CONSTRUCTION COMMITMENTS – The City has construction commitments of approximately \$8,302,100 as of September 30, 2023, related to the wastewater facility expansion project in the wastewater fund (\$7,970,000) water improvement projects in the water fund (\$193,700) and softball field improvements (\$138,400) in the general fund.

NOTE 14 – COMMITMENTS AND CONTINGENCIES (cont...)

ELECTRICAL POWER PURCHASE AGREEMENT - The City owns its electrical distribution systems and purchases its power under an agreement with the Florida Municipal Power Agency (FMPA) since January 1, 2021 and has contracted with Duke Energy for network integration transmission services. The agreement with FMPA expires on December 31, 2023. Effective January 1, 2024, the City has entered into power purchase agreement with Florida Power and Light (FPL) for the purchase and sale of electricity and entered into an agreement with Duke Energy and FPL for network integration transmission services.

WASTEWATER TREATMENT AGREEMENT WITH POLK COUNTY - The City entered into an agreement through October 6, 2038 to process up to 1.0 MGD of wastewater for the County at a rate of \$2.88/1000 gallon. To secure the capacity in the City's existing facilities, the County is paying a portion of the City's debt service (\$16,768 per month) related to certain existing wastewater treatment capital improvements made by the City in cooperation with the County. These payments are reported as capital contributions when received. In addition, the County has paid the City \$2,766,698, towards future improvements to secure capacity up to 2.5 MGD when the facilities are built. This money is reported as unearned revenue until the planned improvements are implemented.

IMPACT FEE CREDITS – In prior years certain developers constructed City utility system improvements to provide water and wastewater service to the areas being developed. In return for these utility system improvements, the developer received credit for future water and wastewater impact fee payments. As of September 30, 2023, the remaining impact fee credits totaled \$2,486,885 of water impact fee credits and \$3,359,012 of wastewater impact fee credits. These utility system improvements were recorded as additions to capital assets and as donated infrastructure revenue in the period they were constructed and donated to the City.

NOTE 15 – JOINT VENTURE

Background - The Polk Regional Water Cooperative (PRWC) was created on April 1, 2016 by an interlocal agreement between the City of Bartow, City of Auburndale, City of Davenport, City of Eagle Lake, City of Fort Meade, City of Frostproof, City of Haines City, City of Lake Alfred, City of Lakeland, City of Lake Wales, City of Mulberry, Polk City, City of Winter Haven, Town of Dundee, Town of Lake Hamilton and Polk County in accordance with Chapters 163 and 373 of the Florida Statutes. These local government units are collectively considered the Member Governments. The PRWC is a separate legal entity organized under the laws of the State of Florida, and the Member Governments have no equity ownership in the PRWC.

The PRWC is devoted to encouraging the development of fully integrated, robust public water supply systems comprised of diverse sources managed in a manner that take full advantage of Florida's intense climatic cycles to ensure reliable, sustainable and drought resistant systems which maximize the use of alternative water supplies to the greatest extent practicable. The PRWC will evaluate, plan and implement water projects and coordinate partnerships with other water users.

Membership fees - The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC's annual working capital needs which are established annually by a resolution of the PRWC's Board of Directors. For the year ended September 30, 2023, the total annual working capital needs of the PRWC was \$235,000 of which the City's proportionate share was \$9,440.

NOTE 15 – JOINT VENTURE (concluded)

Combined projects background - The Member Governments, except for the City of Frostproof, entered into a combined projects implementation agreement on March 16, 2017. This agreement established three combined projects to be pursued by the PRWC with a total estimated cost of \$23,000,000. The South West Florida Water Management District (SWFWMD) is funding 50% of the total estimated cost and the remainder is funded by the Member Governments based upon their average water use in comparison to the total average water use by all Member Governments.

Combined projects funding - The PRWC has entered a state revolving fund (SRF) loan agreement with the State of Florida Department of Environmental Protection (FDEP) to borrow up to \$9,914,390 to assist Member Governments in meeting their local share of the total estimated combined project initial planning and design costs. Member Governments had the option to fund their local share of the project costs from their existing funds or participate in the SRF loan agreement. The City originally paid their estimated local share of \$796,516 in a prior year. The PRWC has amended their SRF loan agreement with FDEP to increase the funding to \$13,624,438 and as part of this amendment, the City has elected to receive a refund of their up-front contribution in a future year and to participate in the SRF loan agreement to fund their amended estimated local share (\$1,023,796) of the project costs and as a result have entered into an agreement with FDEP to guarantee the City's payment of their share of the SRF loan debt service requirements. The SRF loan bears interest at 1.89% and principal and interest are due semiannually beginning on February 15, 2025 for a ten-year term to maturity on August 15, 2034.

As of September 30, 2023, \$9,005,398 of SRF funds have been drawn by the PRWC. The City's proportionate share of this liability totaled \$676,702 as of September 30, 2023 and has been recorded as a City liability and as a nonoperating expense in the business-type activities/water fund. See Note 6 for more detail.

Project Implementation Agreements – The City has agreed to be a project participant in the following Projects, the Southeast Wellfield, a new lower Floridan aquifer public supply wellfield located in southeast Polk County and the West Polk Lower Aquifer Wellfield, a new lower Floridan aquifer public water supply wellfield located in west Polk County, Florida. Project participants agree to receive potable water from the Projects once completed. The Projects are being funded through the PRWC using a combination of grants and loans and the ultimate debt service and operating costs of the project will be passed through to the Project participants through the water service charges which have not been determined as of the date of this report. The City will be notified as to the amount of these water charges on or before May 31st prior to the fiscal year in which finished water service is scheduled to commence and on or before May 31st thereafter. The expected date of finished water production from these projects or the future water charges are indeterminable as of the date of this report.

Contact - Complete financial statements of the PRWC may be obtained from the PRWC's Executive Director at 330 W. Church Street, P.O. Box 9005, Drawer CA01, Bartow, FL 33831-9005.

NOTE 16 – SUBSEQUENT EVENT

On October 1, 2023 the City's fleet inventory was sold to a national retail parts supplier for \$229,000 who then became the provider to the City for fleet parts and supplies.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARTOW, FLORIDA
Budgetary Comparison Schedule – General Fund
For the year ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RESOURCES:				
Taxes	\$ 7,151,806	\$ 7,151,806	\$ 7,485,202	\$ 333,396
Licenses and permits	333,335	333,335	649,701	316,366
Intergovernmental revenue	3,045,320	5,150,975	3,753,336	(1,397,639)
Charges for services	1,604,098	1,604,098	1,903,922	299,824
Fines and forfeitures	164,945	164,945	116,060	(48,885)
Investment income, net	105,018	105,018	921,887	816,869
Other	577,930	580,230	1,483,501	903,271
Total revenues	12,982,452	15,090,407	16,313,609	1,223,202
CHARGES TO APPROPRIATIONS:				
General government:				
Commission	1,902,446	2,079,472	1,814,852	264,620
City manager	682,974	698,474	570,635	127,839
City clerk	317,931	317,931	310,223	7,708
Finance	484,181	496,894	406,230	90,664
Personnel	287,293	297,993	286,313	11,680
Purchasing	103,234	172,154	96,044	76,110
Planning	229,203	179,203	171,743	7,460
Fleet maintenance	181,927	181,927	85,274	96,653
Public safety:				
Police	7,837,125	8,566,236	8,378,680	187,556
Building	667,245	572,177	432,260	139,917
Physical environment:				
Public works	2,022,042	1,129,561	986,936	142,625
Economic environment:				
Community development	157,690	133,730	129,329	4,401
Culture/recreation:				
Library	789,475	729,475	679,627	49,848
Library Coop - County	379,293	379,293	225,343	153,950
Library Coop - State aid	610,553	494,253	469,880	24,373
Parks and recreation	4,885,731	5,730,368	5,424,536	305,832
Golf course	1,269,708	1,284,787	1,140,999	143,788
Golf course - restaurant	780,365	815,061	767,538	47,523
Total expenditures	23,588,416	24,258,989	22,376,442	1,882,547
EXCESS (DEFICIENCY) OF REVENUE OVER(UNDER) EXPENDITURES	(10,605,964)	(9,168,582)	(6,062,833)	3,105,749
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,265,608)	(2,111,635)	(2,111,635)	-
Transfers in	9,916,751	9,916,751	9,916,751	-
Sale of general capital assets	20,000	20,000	25,470	5,470
Total other financing sources (uses)	7,671,143	7,825,116	7,830,586	5,470
NET CHANGE IN FUND BALANCE	\$ (2,934,821)	\$ (1,343,466)	\$ 1,767,753	\$ 3,111,219

CITY OF BARTOW, FLORIDA

Notes to the Budgetary Comparison Schedule – General Fund

For the year ended September 30, 2023

Basis of Accounting – The budget for this fund was prepared and reported on the modified accrual basis of accounting.

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund and the Budgetary Comparison Schedule – General Fund - The General Fund's tax increment contribution to the Community Redevelopment Agency Fund for the fiscal year ended September 30, 2023, totaled \$740,768 and is reported above as a component of the commission departmental expenditures whereas on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund, it is reported as a reduction in the General Fund's tax revenue rather than as an expenditure.

CITY OF BARTOW, FLORIDA**Budgetary Comparison Schedule – Community Redevelopment Agency**

For the year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,814,913	\$ 1,814,913	\$ 1,814,615	\$ (298)
Other	-	-	73,625	73,625
Total revenues	1,814,913	1,814,913	1,888,240	73,327
EXPENDITURES:				
Economic environment	2,274,653	2,274,653	809,100	1,465,553
Debt service	237,500	237,500	236,761	739
Total expenditures	2,512,153	2,512,153	1,045,861	1,466,292
NET CHANGE IN FUND BALANCE	\$ (697,240)	\$ (697,240)	\$ 842,379	\$ 1,539,619

Basis of Accounting – The budget for this fund was prepared and reported on the modified accrual basis of accounting.

CITY OF BARTOW, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios
General Employees' Retirement Trust Fund

City reporting period date	9/29/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total pension liability					
Service cost	\$ 822,091	\$ 778,554	\$ 772,677	\$ 747,116	\$ 707,794
Interest	3,345,115	3,153,676	2,994,734	2,826,188	2,715,913
Change in assumptions	1,303,160	-	1,142,456	(506,559)	-
Change in funding standard account	-	-	-	-	-
Difference between expected and actual experience	1,124,505	898,049	450,120	570,119	(494,481)
Benefit payments, including refunds of employee contributions	(2,506,264)	(1,960,287)	(1,633,064)	(1,572,968)	(1,423,467)
Employee buy-back	147,010	-	-	187,878	-
Net change in total pension liability	4,235,617	2,869,992	3,726,923	2,251,774	1,505,759
Total pension liability, beginning	46,570,557	43,700,565	39,973,642	37,721,868	36,216,109
Total pension liability, ending (a)	<u>\$ 50,806,174</u>	<u>\$ 46,570,557</u>	<u>\$ 43,700,565</u>	<u>\$ 39,973,642</u>	<u>\$ 37,721,868</u>
Plan fiduciary net position					
Contributions - City	\$ 1,675,270	\$ 1,479,001	\$ 1,573,343	\$ 1,531,822	\$ 1,568,825
Contributions - Employee	350,400	339,990	334,871	332,239	320,965
Contributions - Employee buy-back	147,010	-	-	187,878	-
Net investment income (loss)	2,856,621	(6,894,678)	6,548,888	3,003,425	1,324,954
Benefit payments, including refunds of employee contributions	(2,506,164)	(1,960,288)	(1,633,064)	(1,572,968)	(1,423,468)
Administrative expenses	(123,196)	(95,204)	(90,548)	(41,612)	(43,879)
Net change in plan fiduciary net position	2,399,941	(7,131,179)	6,733,490	3,440,784	1,747,397
Plan fiduciary net position, beginning	33,088,282	40,219,461	33,485,971	30,045,187	28,297,790
Plan fiduciary net position, ending (b)	<u>\$ 35,488,223</u>	<u>\$ 33,088,282</u>	<u>\$ 40,219,461</u>	<u>\$ 33,485,971</u>	<u>\$ 30,045,187</u>
Net pension liability (asset) (a)-(b)	<u>\$ 15,317,951</u>	<u>\$ 13,482,275</u>	<u>\$ 3,481,104</u>	<u>\$ 6,487,671</u>	<u>\$ 7,676,681</u>
Plan fiduciary net position as a percentage of total pension liability	69.85%	71.05%	92.03%	83.77%	79.65%
Covered payroll	\$ 8,759,999	\$ 8,502,922	\$ 8,368,229	\$ 8,306,534	\$ 8,016,434
Net pension liability as a percentage of covered payroll	174.86%	158.56%	41.60%	78.10%	95.76%

Continued...

CITY OF BARTOW, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios
General Employees' Retirement Trust Fund (concluded)

City reporting period date	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability					
Service cost	\$ 724,848	\$ 626,030	\$ 594,932	\$ 582,546	\$ 613,352
Interest	2,520,111	2,445,146	2,285,926	2,218,251	2,079,693
Change in assumptions	-	687,125	794,635	-	-
Change in funding standard account	-	-	(33,336)	(224,714)	-
Difference between expected and actual experience	1,003,115	(285,652)	107,208	(387,282)	-
Benefit payments, including refunds of of employee contributions	(1,817,188)	(1,324,802)	(2,127,216)	(775,295)	(973,494)
Employee buy-back	-	50,733	-	123,299	-
Net change in total pension liability	2,430,886	2,198,580	1,622,149	1,536,805	1,719,551
Total pension liability, beginning	33,785,223	31,586,643	29,964,494	28,427,689	26,708,138
Total pension liability, ending (a)	<u>\$ 36,216,109</u>	<u>\$ 33,785,223</u>	<u>\$ 31,586,643</u>	<u>\$ 29,964,494</u>	<u>\$ 28,427,689</u>
Plan fiduciary net position					
Contributions - City	\$ 1,380,716	\$ 1,530,529	1,305,948	\$ 1,212,429	\$ 1,278,269
Contributions - Employee	315,137	306,285	301,356	414,836	300,454
Contributions - Employee buy-back	-	50,733	-	-	-
Net investment income (loss)	2,302,808	2,653,336	2,094,864	(214,127)	1,464,081
Benefit payments, including refunds of employee contributions	(1,817,188)	(1,324,802)	(2,127,216)	(775,295)	(973,494)
Administrative expenses	(44,009)	(45,409)	(58,891)	(34,720)	(23,527)
Net change in plan fiduciary net position	2,137,464	3,170,672	1,516,061	603,123	2,045,783
Plan fiduciary net position, beginning	26,160,326	22,989,654	21,473,593	20,870,470	18,824,687
Plan fiduciary net position, ending (b)	<u>\$ 28,297,790</u>	<u>\$ 26,160,326</u>	<u>\$ 22,989,654</u>	<u>\$ 21,473,593</u>	<u>\$ 20,870,470</u>
Net pension liability (asset) (a)-(b)	<u>\$ 7,918,319</u>	<u>\$ 7,624,897</u>	<u>\$ 8,596,989</u>	<u>\$ 8,490,901</u>	<u>\$ 7,557,219</u>
Plan fiduciary net position as a percentage of total pension liability	78.14%	77.43%	72.78%	71.66%	73.42%
Covered payroll	\$ 7,878,494	\$ 7,657,098	\$ 7,557,033	\$ 8,049,198	\$ 6,833,856
Net pension liability as a percentage of covered payroll	100.51%	99.58%	113.76%	105.49%	110.58%

CITY OF BARTOW, FLORIDA**Notes to The Schedule of Changes in Net Pension Liability and Related Ratios
General Employees' Retirement Trust Fund**

Changes of Assumptions:

For measurement date September 30, 2022:

- The assumed rate of investment return was lowered from 7.25% to 7.00% per year net of investment related expenses.
- Demographic updates to retirement rates, termination rates, disability rates and salary increase rates.

For measurement date September 30, 2021:

- The assumed rate of investment return was lowered from 7.50% to 7.25% per year net of investment related expenses.

For measurement date September 30, 2020:

- The assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 30, 2017:

- The assumed rates of mortality were changed from those in the July 1, 2015 Florida Retirement System (FRS) valuation report to those used in the July 1, 2016 FRS valuation report.
- The assumed rate of investment return was lowered from 7.75% to 7.5% per year, net of investment related expenses.
- The assumed rate of salary increases was amended from a flat rate of 4.75% per year to a service-based table.
- The assumed rates of retirement and rates of withdrawal were amended at certain age and service points.
- A "fresh start" to the existing UAAL layers into one single layer which will be amortized over a 15-year period. Future UAAL layers will be amortized over a 15-year period.

For measurement date September 30, 2016:

- The assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System.
- The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

CITY OF BARTOW, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios
Police Officers' Retirement Trust Fund

City reporting period date	9/29/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total pension liability					
Service cost	\$ 582,965	\$ 534,915	\$ 411,847	\$ 409,497	\$ 390,208
Interest	1,915,715	1,837,901	1,805,616	1,775,628	1,749,591
Change in excess State money	-	-	-	-	(35,798)
Change in benefit terms	-	-	37,376	-	-
Share plan allocation	41,261	29,430	30,409	25,328	41,676
Difference between expected and actual experience	582,046	127,869	(465,497)	294,146	(106,467)
Change of assumptions	-	-	-	621,793	68,634
Contributions - Buy Back	9,749	9,749	9,748	10,748	-
Benefit payments, including refunds of of employee contributions	(1,607,426)	(1,493,357)	(1,476,108)	(1,680,464)	(1,432,563)
Net change in total pension liability	1,524,310	1,046,507	353,391	1,456,676	675,281
Total pension liability, beginning	25,763,612	24,717,105	24,363,714	22,907,038	22,231,757
Total pension liability, ending (a)	<u>\$ 27,287,922</u>	<u>\$ 25,763,612</u>	<u>\$ 24,717,105</u>	<u>\$ 24,363,714</u>	<u>\$ 22,907,038</u>
Plan fiduciary net position					
Contributions - City	\$ 735,439	\$ 821,077	\$ 838,572	\$ 937,089	\$ 902,680
Contributions - State of Florida	196,950	173,289	175,246	165,084	161,981
Contributions - Employee	112,112	99,592	76,656	75,864	72,904
Contributions - Buy Back	9,749	9,749	9,748	10,748	-
Net investment income (loss)	2,001,523	(4,783,300)	3,671,671	2,827,801	973,587
Benefit payments, including refunds of employee contributions	(1,608,968)	(1,493,357)	(1,476,108)	(1,680,464)	(1,432,564)
Administrative expenses	(85,039)	(108,218)	(122,253)	(104,616)	(82,969)
Net change in plan fiduciary net position	1,361,766	(5,281,168)	3,173,532	2,231,506	595,619
Plan fiduciary net position, beginning	20,167,179	25,448,347	22,274,815	20,043,309	19,447,690
Plan fiduciary net position, ending (b)	<u>\$ 21,528,945</u>	<u>\$ 20,167,179</u>	<u>\$ 25,448,347</u>	<u>\$ 22,274,815</u>	<u>\$ 20,043,309</u>
Net pension liability (asset) (a)-(b)	<u>\$ 5,758,977</u>	<u>\$ 5,596,433</u>	<u>\$ (731,242)</u>	<u>\$ 2,088,899</u>	<u>\$ 2,863,729</u>
Plan fiduciary net position as a percentage of total pension liability	78.90%	78.28%	102.96%	91.43%	87.50%
Covered payroll	\$ 2,802,289	\$ 2,487,455	\$ 1,935,748	\$ 1,898,516	\$ 1,821,678
Net pension liability as a percentage of covered payroll	205.51%	224.99%	-37.78%	110.03%	157.20%

Continued...

CITY OF BARTOW, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios
Police Officers' Retirement Trust Fund (concluded)

City reporting period date	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability					
Service cost	\$ 392,286	\$ 397,225	\$ 409,524	\$ 442,727	\$ 449,350
Interest	1,691,917	1,637,023	1,545,529	1,472,475	1,386,713
Change in excess State money	21,555	13,219	(58,130)	-	-
Change in benefit terms	-	-	6,937	88,018	-
Share plan allocation	-	-	-	-	-
Difference between expected and actual experience	42,199	(18,331)	(232,824)	(48,806)	-
Change of assumptions	-	-	539,060	-	-
Contributions - Buy Back	-	26,843	7,200	-	-
Benefit payments, including refunds of of employee contributions	(1,374,240)	(1,329,052)	(895,977)	(957,923)	(732,947)
Net change in total pension liability	773,717	726,927	1,321,319	996,491	1,103,116
Total pension liability, beginning	21,458,040	20,731,113	19,409,794	18,413,303	17,310,187
Total pension liability, ending (a)	<u>\$ 22,231,757</u>	<u>\$ 21,458,040</u>	<u>\$ 20,731,113</u>	<u>\$ 19,409,794</u>	<u>\$ 18,413,303</u>
Plan fiduciary net position					
Contributions - City	\$ 741,815	\$ 669,668	\$ 706,919	\$ 728,233	\$ 826,682
Contributions - State of Florida	153,190	144,854	132,660	123,940	118,257
Contributions - Employee	63,130	62,586	67,573	67,585	71,421
Contributions - Buy Back	-	26,843	7,200	-	-
Net investment income (loss)	1,452,125	1,906,472	1,600,571	(213,507)	1,582,990
Benefit payments, including refunds of employee contributions	(1,374,240)	(1,329,138)	(895,977)	(957,923)	(735,413)
Administrative expenses	(83,411)	(69,868)	(73,437)	(68,672)	(42,255)
Net change in plan fiduciary net position	952,609	1,411,417	1,545,509	(320,344)	1,821,682
Plan fiduciary net position, beginning	18,495,081	17,083,664	15,538,155	15,858,499	14,036,817
Plan fiduciary net position, ending (b)	<u>\$ 19,447,690</u>	<u>\$ 18,495,081</u>	<u>\$ 17,083,664</u>	<u>\$ 15,538,155</u>	<u>\$ 15,858,499</u>
Net pension liability (asset) (a)-(b)	<u>\$ 2,784,067</u>	<u>\$ 2,962,959</u>	<u>\$ 3,647,449</u>	<u>\$ 3,871,639</u>	<u>\$ 2,554,804</u>
Plan fiduciary net position as a percentage of total pension liability	87.48%	86.19%	82.41%	80.05%	86.13%
Covered payroll	\$ 1,578,253	\$ 1,564,644	\$ 1,689,305	\$ 1,981,362	\$ 1,785,535
Net pension liability as a percentage of covered payroll	176.40%	189.37%	215.91%	195.40%	143.08%

CITY OF BARTOW, FLORIDA**Notes to the Schedule of Changes in Net Pension Liability and Related Ratios
Police Officers' Retirement Trust Fund**

Changes of benefit terms:

For measurement date September 30, 2021:

- The eligibility requirements for normal retirement were reduced from age 55 with 10 years of credited service to age 55 with 6 years of credited service and the eligibility requirements for early retirement were reduced from age 45 with 10 years of credited service to age 45 with 6 years of credited service.

For measurement date September 30, 2016:

- The automatic cost-of-living adjustment (COLA) increased from 1.98% to 2.00% for future retirees (those who terminate employment or enter the DROP after September 30, 2016).

For measurement date September 30, 2015:

- The automatic cost-of-living adjustment (COLA) increased from 1.77% to 1.98% for future retirees (those who terminate employment or enter the DROP after September 30, 2015).

Changes of Assumptions:

For measurement date September 30, 2020:

- The assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees.
- Investment return was lowered from 7.90% to 7.50%.

For measurement date September 30, 2019:

- Investment return was lowered from 8.00% to 7.90%
- Salary increases were changed from a flat salary scale assumption of 6.00% per year to a service-based assumption.
- Termination rates were changed from an age-based assumption to a service-based assumption with diminishing rates of withdrawal as service increases.
- Retirement rates were changed for members eligible for normal retirement based on completion of 20 years of service, and the assumption that members eligible for normal retirement work one additional year was removed.

For measurement date September 30, 2016:

- The assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System.
- The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

CITY OF BARTOW, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Retirement Trust Fund

City reporting period date	9/29/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total pension liability					
Service cost	\$ 228,586	\$ 214,184	\$ 220,243	\$ 180,217	\$ 258,526
Interest	1,064,458	1,012,540	975,604	955,707	987,212
Change in excess State money	-	-	-	-	(245,371)
Change of benefit terms	-	-	-	-	(1,093)
Difference between expected and actual experience	516,409	136,937	(83,517)	117,715	(741,965)
Change of assumptions	-	-	-	403,311	131,704
Benefit payments, including refunds of employee contributions	(707,281)	(616,624)	(576,993)	(567,137)	(564,106)
Net change in total pension liability	1,102,172	747,037	535,337	1,089,813	(175,093)
Total pension liability, beginning	14,807,236	14,060,199	13,524,862	12,435,049	12,610,142
Total pension liability, ending (a)	<u>\$ 15,909,408</u>	<u>\$ 14,807,236</u>	<u>\$ 14,060,199</u>	<u>\$ 13,524,862</u>	<u>\$ 12,435,049</u>
Plan fiduciary net position					
Contributions - City	\$ 428,570	\$ 468,199	\$ 417,798	\$ 412,374	\$ 503,585
Contributions - State of Florida	166,008	123,413	119,837	114,351	106,289
Contributions - Employee	28,799	26,879	24,649	23,139	20,984
Net investment income (loss)	1,289,711	(2,688,394)	2,391,021	1,285,228	470,431
Benefit payments, including refunds of employee contributions	(707,281)	(616,624)	(576,993)	(567,136)	(564,103)
Administrative expenses	(76,176)	(83,707)	(79,542)	(88,327)	(83,846)
Net change in plan fiduciary net position	1,129,631	(2,770,234)	2,296,770	1,179,629	453,340
Plan fiduciary net position, beginning	11,555,736	14,325,970	12,029,200	10,849,571	10,396,231
Plan fiduciary net position, ending (b)	<u>\$ 12,685,367</u>	<u>\$ 11,555,736</u>	<u>\$ 14,325,970</u>	<u>\$ 12,029,200</u>	<u>\$ 10,849,571</u>
Net pension liability (asset) (a)-(b)	<u>\$ 3,224,041</u>	<u>\$ 3,251,500</u>	<u>\$ (265,771)</u>	<u>\$ 1,495,662</u>	<u>\$ 1,585,478</u>
Plan fiduciary net position as a percentage of total pension liability	79.74%	78.04%	101.89%	88.94%	87.25%
Covered payroll	\$ 1,425,576	\$ 1,343,926	\$ 1,214,338	\$ 1,156,915	\$ 1,049,282
Net pension liability as a percentage of covered payroll	226.16%	241.94%	-21.89%	129.28%	151.10%

Continued...

CITY OF BARTOW, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Retirement Trust Fund (concluded)

City reporting period date	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability					
Service cost	\$ 268,455	\$ 250,467	\$ 251,243	\$ 255,726	\$ 254,405
Interest	916,733	874,820	798,268	767,473	721,136
Change in excess State money	31,984	21,629	21,617	18,674	26,346
Change of benefit terms	-	-	-	-	-
Difference between expected and actual experience	258,169	(97,077)	31,215	(206,235)	-
Change of assumptions	-	-	356,791	-	-
Benefit payments, including refunds of of employee contributions	(538,594)	(505,965)	(453,717)	(401,380)	(393,888)
Net change in total pension liability	936,747	543,874	1,005,417	434,258	607,999
Total pension liability, beginning	11,673,395	11,129,521	10,124,104	9,689,846	9,081,847
Total pension liability, ending (a)	<u>\$ 12,610,142</u>	<u>\$ 11,673,395</u>	<u>\$ 11,129,521</u>	<u>\$ 10,124,104</u>	<u>\$ 9,689,846</u>
Plan fiduciary net position					
Contributions - City	\$ 478,195	\$ 423,994	\$ 414,052	\$ 448,832	\$ 420,397
Contributions - State of Florida	107,353	98,062	102,375	104,779	112,451
Contributions - Employee	20,540	21,525	21,034	20,448	19,518
Net investment income (loss)	792,524	1,037,633	550,637	(100,005)	783,353
Benefit payments, including refunds of employee contributions	(538,594)	(505,965)	(453,717)	(401,380)	(393,888)
Administrative expenses	(68,748)	(70,443)	(64,703)	(51,597)	(43,332)
Net change in plan fiduciary net position	791,270	1,004,806	569,678	21,077	898,499
Plan fiduciary net position, beginning	9,604,961	8,600,155	8,030,477	8,009,400	7,110,901
Plan fiduciary net position, ending (b)	<u>\$ 10,396,231</u>	<u>\$ 9,604,961</u>	<u>\$ 8,600,155</u>	<u>\$ 8,030,477</u>	<u>\$ 8,009,400</u>
Net pension liability (asset) (a)-(b)	<u>\$ 2,213,911</u>	<u>\$ 2,068,434</u>	<u>\$ 2,529,366</u>	<u>\$ 2,093,627</u>	<u>\$ 1,680,446</u>
Plan fiduciary net position as a percentage of total pension liability	82.44%	82.28%	77.27%	79.32%	82.66%
Covered payroll	\$ 1,027,021	\$ 1,076,259	\$ 1,051,732	\$ 1,025,578	\$ 975,911
Net pension liability as a percentage of covered payroll	215.57%	192.19%	240.50%	204.14%	172.19%

CITY OF BARTOW, FLORIDA**Notes to the Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Retirement Trust Fund**

Changes in Benefit Terms:

For measurement date September 30, 2019:

- As a result of the provisions of Chapter 112.1816, Florida Statutes, effective July 1, 2019, a death or disability, under the Plan's definition of total and permanent disability, due to the diagnosis of cancer or certain circumstances that arise out of the treatment of cancer will be treated as duty related.

Changes of Assumptions:

For measurement date September 30, 2020:

- The assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees.
- Investment return was lowered from 7.75% to 7.25%.

For measurement date September 30, 2019:

- Investment return was lowered from 8.00% to 7.75%.
- Salary increases were changed from a flat salary scale assumption of 6% per year to a service-based assumption.
- Termination rates were changed from an age-based assumption to a service-based assumption with diminishing rates of withdrawal as service increases.
- Retirement rates were changed to remove the assumption that members eligible for normal retirement work one additional year.

For measurement date September 30, 2016:

- The assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System.
- The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

CITY OF BARTOW, FLORIDA

All Retirement Trust Funds

Schedule of Contributions

Year Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
General Employees' Plan					
2023	\$ 1,633,035	\$ 1,675,270	\$ 42,235	\$ 8,759,999	19.12%
2022	\$ 1,479,001	\$ 1,479,001	\$ -	\$ 8,502,922	17.39%
2021	\$ 1,572,711	\$ 1,573,343	\$ 632	\$ 8,368,229	18.80%
2020	\$ 1,531,822	\$ 1,531,822	\$ -	\$ 8,306,534	18.44%
2019	\$ 1,568,825	\$ 1,568,825	\$ -	\$ 8,016,434	19.57%
2018	\$ 1,415,155	\$ 1,380,716	\$ (34,439)	\$ 7,878,494	17.53%
2017	\$ 1,315,737	\$ 1,350,176	\$ 34,439	\$ 7,657,098	17.63%
2016	\$ 1,339,284	\$ 1,339,284	\$ -	\$ 7,557,033	17.72%
2015	\$ 1,437,143	\$ 1,437,143	\$ -	\$ 8,049,198	17.85%
2014	\$ 1,499,813	\$ 1,499,813	\$ -	\$ 6,833,856	21.95%
Police Officers' Plan					
2023	\$ 891,128	\$ 891,128	\$ -	\$ 2,802,289	31.80%
2022	\$ 987,520	\$ 964,936	\$ (22,584)	\$ 2,487,455	38.79%
2021	\$ 977,359	\$ 983,409	\$ 6,050	\$ 1,935,748	50.80%
2020	\$ 1,101,140	\$ 1,076,942	\$ (24,198)	\$ 1,898,516	56.73%
2019	\$ 1,056,574	\$ 1,040,883	\$ (15,691)	\$ 1,821,678	57.14%
2018	\$ 869,617	\$ 873,450	\$ 3,833	\$ 1,578,253	55.34%
2017	\$ 785,451	\$ 801,304	\$ 15,853	\$ 1,564,644	51.21%
2016	\$ 821,002	\$ 857,739	\$ 36,737	\$ 1,689,305	50.77%
2015	\$ 832,990	\$ 832,990	\$ -	\$ 1,981,362	42.04%
2014	\$ 944,548	\$ 944,548	\$ -	\$ 1,785,535	52.90%
Firefighters' Plan					
2023	\$ 587,337	\$ 594,578	\$ 7,241	\$ 1,425,576	41.71%
2022	\$ 595,359	\$ 591,612	\$ (3,747)	\$ 1,343,926	44.02%
2021	\$ 564,459	\$ 537,635	\$ (26,824)	\$ 1,214,338	44.27%
2020	\$ 531,024	\$ 526,725	\$ (4,299)	\$ 1,156,915	45.53%
2019	\$ 575,006	\$ 609,876	\$ 34,870	\$ 1,049,282	58.12%
2018	\$ 553,564	\$ 553,564	\$ -	\$ 1,027,021	53.90%
2017	\$ 511,223	\$ 500,427	\$ (10,796)	\$ 1,076,259	46.50%
2016	\$ 499,572	\$ 510,368	\$ 10,796	\$ 1,051,732	48.53%
2015	\$ 519,379	\$ 519,379	\$ -	\$ 1,025,578	50.64%
2014	\$ 506,498	\$ 506,498	\$ -	\$ 975,911	51.90%

Significant methods and assumptions used in calculated the actuarially determined contributions:

- Valuation Date: October 1, 2021 for fiscal year 2023 contributions.
- Asset Valuation Method: Historic geometric four-year average market value (net of fees).
- Salary Increases: The general employees' plan uses a service-based assumption ranging from 8% for less than one year of service to 4.25% for greater than 4 years of service. The police officers' plan assumes a 9% increase in an employee's first year and 4.5% per-year thereafter. The firefighters' plan assumes a 10% increase in an employee's first year and 4.5% per-year thereafter.
- Investment Rate of Return; 7.25% (prior year 7.50%) for the general employees' plan, 7.50% for the police officers' plan and 7.25% for the firefighters' plan.
- Payroll Growth: 0% for all plans.
- General Employees' Plan Retirement Age: Varies depending on years of service and employee age.
- Police Officers' Plan Retirement Age: Earlier of age 55 with 10 years of credited service or 20 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
- Firefighters' Plan Retirement Age: Earlier of age 55 with 10 years of credited service, age 52 with 25 years of credited service, or 28 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
- Mortality: Mortality rates were based on the RP-2000 mortality tables for active, inactive and disabled males or females, as appropriate, with adjustments for mortality improvements based on Scale BB.
- Termination and disability rate tables:

General Employees' Plan				Police Officers' Plan				Firefighters' Plan			
				% terminating		% becoming disabled		% terminating		% becoming disabled	
				Years of Service		Assumption		Years of Service		Assumption	
Age	% terminating during year (*)	% disabled during year		Service	Assumption	Age	Assumption	Service	Assumption	Age	Assumption
25	12.00%	0.09%		0-4	12.00%	20	0.30%	0-4	6.00%	20	0.03%
30	12.00%	0.09%		5-9	5.00%	30	0.40%	5-9	5.00%	30	0.04%
35	10.00%	0.15%		10+	3.00%	40	0.70%	10+	4.00%	40	0.07%
40	10.00%	0.15%				50	1.80%			50	0.18%
45	5.40%	0.38%									
50	5.40%	0.38%									
55	1.60%	1.00%									

(*) – termination rates for the General Employees Plan assumes 20% in the first year of employment, 16% in the second year, 10% in the third year, 10% in the fourth year, 10% in the fifth year and after 5 years the plan uses an age-based assumption in the above.

CITY OF BARTOW, FLORIDA
Schedule of Changes in the Total OPEB Liability and Related Ratios

Reporting date	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total OPEB Liability				
Service cost	\$ 2,389,741	\$ 2,492,928	\$ 1,610,448	\$ 1,237,729
Interest	977,561	847,791	1,122,331	1,065,032
Differences between expected and actual experience	(3,130,685)	-	(1,793,963)	-
Changes in assumptions	(14,345,372)	(1,930,154)	8,543,463	2,644,515
Benefit payments	(718,830)	(671,804)	(632,044)	(555,224)
Net change in total OPEB Liability	(14,827,585)	738,761	8,850,235	4,392,052
Total OPEB Liability - beginning (*)	38,196,354	37,457,593	28,607,358	24,516,260
Total OPEB Liability - ending	<u>\$ 23,368,769</u>	<u>\$ 38,196,354</u>	<u>\$ 37,457,593</u>	<u>\$ 28,908,312</u>
 Covered-employee payroll	 \$ 14,609,137	 \$ 13,506,505	 \$ 13,000,932	 \$ 12,747,899
 Total OPEB liability as a percentage of covered-employee payroll	 159.96%	 282.80%	 288.11%	 226.77%
Reporting date	9/30/2019	9/30/2018	9/30/2017	
Measurement date	9/30/2018	9/30/2017	9/30/2016	
Total OPEB Liability				
Service cost	\$ 1,282,787	\$ 1,433,413	\$ 1,141,412	
Interest	974,389	849,073	856,101	
Differences between expected and actual experience	(827,654)	-	-	
Changes in assumptions	(2,168,781)	(2,672,114)	2,803,250	
Benefit payments	(457,185)	(420,400)	(420,400)	
Net change in total OPEB Liability	(1,196,444)	(810,028)	4,380,363	
Total OPEB Liability - beginning (*)	25,712,704	26,522,732	22,142,369	
Total OPEB Liability - ending	<u>\$ 24,516,260</u>	<u>\$ 25,712,704</u>	<u>\$ 26,522,732</u>	
 Covered-employee payroll	 \$ 12,141,199	 \$ 12,176,344	 \$ 11,595,783	
 Total OPEB liability as a percentage of covered-employee payroll	 201.93%	 211.17%	 228.73%	

Notes to Schedule:

(*) the beginning September 30, 2020 total OPEB liability was decreased by \$300,954 because of a change in accounting principle as the Bartow Municipal Airport Development Authority received a stand-alone OPEB valuation for the fiscal year ending September 30, 2021 rather than being included as a component of the City's OPEB valuation resulting in a restatement of the prior year liability.

No assets are being accumulated in a trust to pay for plan benefits.

Additional years will be added to this schedule annually until 10 years' data is presented.

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used for each measurement date.

Measurement Date	Discount Rate
September 30, 2022	4.77%
September 30, 2021	2.43%
September 30, 2020	2.14%
September 30, 2019	3.58%
September 30, 2018	4.18%
September 30, 2017	3.64%
September 30, 2016	3.06%
September 30, 2015	3.71%

Other changes of assumptions:

For measurement date September 30, 2017:

- The annual per capital claims costs have been updated and the premium rates have also been updated. The annual per capita claims costs utilize an updated manual rate tool that includes more recent claims data from which to develop expected Pre-Medicare costs, and higher expected discounts from providers in-network as compared to rates used in prior valuations.
- The trend assumption has been updated to reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries.
- The assumed mortality rates have been updated to be consistent with the October 1, 2016 General Employees, Police Officers and Firefighters pension valuations.



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SUPPLEMENTARY INFORMATION

CITY OF BARTOW, FLORIDA

Combining Balance Sheet – Non-Major Governmental Funds
as of September 30, 2023

	Transportation Fund	Fire Services Fund	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 86,653	\$ 709,315	\$ 795,968
Receivables, net			
Customer accounts, net	16,818	550	17,368
Intergovernmental and other	186,321	900	187,221
Prepaid expenditures	-	3,276	3,276
Restricted assets:			
Cash and cash equivalents	1,977,694	-	1,977,694
Customer receivables	59,355	-	59,355
TOTAL ASSETS	\$ 2,326,841	\$ 714,041	\$ 3,040,882
LIABILITIES			
Accounts payable	376,091	72,343	448,434
Accrued payroll	1,688	77,241	78,929
TOTAL LIABILITIES	377,779	149,584	527,363
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	59,355	-	59,355
FUND BALANCE			
Nonspendable:			
Prepaid expenditures	-	3,276	3,276
Restricted for:			
Transportation improvements	1,977,694	-	1,977,694
Assigned to:			
Fire services	-	561,181	561,181
Unassigned	(87,987)	-	(87,987)
TOTAL FUND BALANCES	1,889,707	564,457	2,454,164
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 2,326,841	\$ 714,041	\$ 3,040,882

CITY OF BARTOW, FLORIDA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major
 Governmental Funds
 for the year ended September 30, 2023

	Transportation Fund	Fire Services Fund	Total
REVENUES:			
Taxes	\$ 1,088,026	\$ 166,008	\$ 1,254,034
Intergovernmental revenue	217,077	3,600	220,677
Charges for services	136,678	2,113,585	2,250,263
Other	370,892	40,468	411,360
Total revenues	<u>1,812,673</u>	<u>2,323,661</u>	<u>4,136,334</u>
EXPENDITURES:			
Public safety	-	3,258,200	3,258,200
Transportation	1,136,903	-	1,136,903
Capital outlay	985,084	21,815	1,006,899
Total expenditures	<u>2,121,987</u>	<u>3,280,015</u>	<u>5,402,002</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(309,314)</u>	<u>(956,354)</u>	<u>(1,265,668)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	654,855	1,456,780	2,111,635
Sale of general capital assets	21,180	-	21,180
TOTAL OTHER FINANCING SOURCES	<u>676,035</u>	<u>1,456,780</u>	<u>2,132,815</u>
NET CHANGE IN FUND BALANCE	<u>366,721</u>	<u>500,426</u>	<u>867,147</u>
FUND BALANCE, beginning of year	<u>1,522,986</u>	<u>64,031</u>	<u>1,587,017</u>
FUND BALANCE, end of year	<u>\$ 1,889,707</u>	<u>\$ 564,457</u>	<u>\$ 2,454,164</u>

CITY OF BARTOW, FLORIDA
Budgetary Comparison Schedule – Transportation Fund
for the year ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 1,165,486	\$ 1,165,486	\$ 1,088,026	\$ (77,460)
Intergovernmental revenue	190,716	190,716	217,077	26,361
Charges for service	136,679	136,679	136,678	(1)
Other	198,072	198,072	370,892	172,820
Total revenues	1,690,953	1,690,953	1,812,673	121,720
EXPENDITURES:				
Transportation	1,196,650	1,298,950	1,136,903	162,047
Capital outlay	1,149,158	1,074,158	985,084	89,074
Total expenditures	2,345,808	2,373,108	2,121,987	251,121
OTHER FINANCING SOURCES (USES):				
Transfer in	654,855	654,855	654,855	-
Sale of general capital assets	-	-	21,180	21,180
Total other financing sources (uses)	654,855	654,855	676,035	21,180
NET CHANGE IN FUND BALANCE	\$ -	\$ (27,300)	\$ 366,721	\$ 394,021

Basis of Accounting – The budget for this fund was prepared and reported on the modified accrual basis of accounting.

CITY OF BARTOW, FLORIDA
Budgetary Comparison Schedule – Fire Services Fund
for the year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes	\$ 119,837	\$ 119,837	\$ 166,008	\$ 46,171
Intergovernmental revenue	1,800	1,800	3,600	1,800
Charges for service	2,077,186	2,077,186	2,113,585	36,399
Fines and forfeitures	-	-	-	-
Other	75	2,075	40,468	38,393
Total revenues	2,198,898	2,200,898	2,323,661	122,763
EXPENDITURES:				
Public safety	2,820,885	3,402,197	3,258,200	143,997
Capital outlay	254,421	21,815	21,815	-
Total expenditures	3,075,306	3,424,012	3,280,015	143,997
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(876,408)	(1,223,114)	(956,354)	266,760
OTHER FINANCING SOURCES (USES):				
Transfers in	876,408	1,456,780	1,456,780	-
Total other financing sources	876,408	1,456,780	1,456,780	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 233,666	\$ 500,426	\$ 266,760

Basis of Accounting – The budget for this fund was prepared and reported on the modified accrual basis of accounting.

CITY OF BARTOW, FLORIDA
**Combining Statement of Net Position – Non-Major Enterprise Funds
as of September 30, 2023**

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
ASSETS				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 1,178,939	\$ 783,419	\$ 164,182	\$ 2,126,540
Investment securities	1,027,680	1,984,400	992,200	4,004,280
Receivables:				
Customers, net	453,703	680	-	454,383
Inventory and prepaids	-	68,818	-	68,818
Total current assets	<u>2,682,453</u>	<u>2,837,317</u>	<u>1,156,382</u>	<u>6,676,152</u>
Noncurrent assets:				
Non-depreciable	247,639	-	391,306	638,945
Depreciable, net	1,298,362	146,075	1,837,323	3,281,760
Total noncurrent assets	<u>1,546,001</u>	<u>146,075</u>	<u>2,228,629</u>	<u>3,920,705</u>
Total assets	<u>4,228,454</u>	<u>2,983,392</u>	<u>3,385,011</u>	<u>10,596,857</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	582,017	64,255	81,316	727,588
Deferred outflows related to OPEB	323,626	31,321	89,965	444,912
Total deferred outflows of resources	<u>905,643</u>	<u>95,576</u>	<u>171,281</u>	<u>1,172,500</u>
LIABILITIES				
Current liabilities:				
Accounts payable	116,087	34,110	22,209	172,406
Construction costs payable	-	-	56,451	56,451
Accrued wages	36,239	-	7,505	43,744
Total current liabilities	<u>152,326</u>	<u>34,110</u>	<u>86,165</u>	<u>272,601</u>
Noncurrent liabilities:				
Compensated absences	117,942	-	19,935	137,877
Post employment obligation payable	1,089,352	105,428	302,830	1,497,610
Net pension liability	922,092	101,800	128,829	1,152,721
Total noncurrent liabilities	<u>2,129,386</u>	<u>207,228</u>	<u>451,594</u>	<u>2,788,208</u>
Total liabilities	<u>2,281,712</u>	<u>241,338</u>	<u>537,759</u>	<u>3,060,809</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	8,661	956	1,210	10,827
Deferred inflows related to OPEB	922,391	89,270	256,417	1,268,078
Total deferred inflows of resources	<u>931,052</u>	<u>90,226</u>	<u>257,627</u>	<u>1,278,905</u>
NET POSITION				
Net investment in capital assets	1,546,001	146,075	2,172,178	3,864,254
Unrestricted	375,332	2,601,329	588,728	3,565,389
Total net position	<u>\$ 1,921,333</u>	<u>\$ 2,747,404</u>	<u>\$ 2,760,906</u>	<u>\$ 7,429,643</u>

CITY OF BARTOW, FLORIDA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Non-Major
Enterprise Funds
for the year ended September 30, 2023

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 3,717,776	\$ 111,407	\$ 598,473	\$ 4,427,656
Total operating income	3,717,776	111,407	598,473	4,427,656
OPERATING EXPENSES:				
Personnel services	1,666,816	36,906	173,808	1,877,530
Operating expenses	2,813,789	280,793	550,681	3,645,263
Depreciation	443,162	49,447	50,945	543,554
Total operating expenses	4,923,767	367,146	775,434	6,066,347
OPERATING INCOME (LOSS)	(1,205,991)	(255,739)	(176,961)	(1,638,691)
NONOPERATING REVENUE (EXPENSE)				
Investment revenue	44,570	81,976	41,388	167,934
Gain (loss) on disposal of property	4,600	-	-	4,600
Other, net	21,969	-	-	21,969
Total nonoperating revenues (expense)	71,139	81,976	41,388	194,503
CHANGE IN NET POSITION	(1,134,852)	(173,763)	(135,573)	(1,444,188)
NET POSITION, beginning of year	3,056,185	2,921,167	2,896,479	8,873,831
NET POSITION, end of year	\$ 1,921,333	\$ 2,747,404	\$ 2,760,906	\$ 7,429,643

CITY OF BARTOW, FLORIDA
**Combining Statement of Cash Flows– Non-Major Enterprise Funds
for the year ended September 30, 2023**

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 4,061,009	\$ 115,236	\$ 598,473	\$ 4,774,718
Payments to suppliers	(2,871,504)	(243,682)	(551,156)	(3,666,342)
Payments for salaries and benefits	(1,331,521)	(99,802)	(172,885)	(1,604,208)
Net cash flows from operating activities	(142,016)	(228,248)	(125,568)	(495,832)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets, net of related payables	(454,606)	-	(283,600)	(738,206)
Proceeds from the sale of assets	4,600	-	-	4,600
Capital contributions and impact fees received, net of change in related receivables	(18,811)	-	7,800	(11,011)
Net cash flows from capital and related financing activities	(468,817)	-	(275,800)	(744,617)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on invested funds	44,570	97,576	41,388	183,534
Other income	21,969	-	-	21,969
Purchase of investments	(1,031,000)	(2,000,000)	(1,000,000)	(4,031,000)
Net cash flows from investing activities	(964,461)	(1,902,424)	(958,612)	(3,825,497)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,575,294)	(2,130,672)	(1,359,980)	(5,065,946)
CASH AND CASH EQUIVALENTS, beginning of year	2,754,233	2,914,091	1,524,162	7,192,486
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,178,939</u>	<u>\$ 783,419</u>	<u>\$ 164,182</u>	<u>\$ 2,126,540</u>
As shown in the Accompanying Financial Statements				
Equity in cash and investments	\$ 1,178,939	\$ 783,419	\$ 164,182	\$ 2,126,540
Restricted equity in cash and investments	-	-	-	-
Total cash and cash equivalents	<u>\$ 1,178,939</u>	<u>\$ 783,419</u>	<u>\$ 164,182</u>	<u>\$ 2,126,540</u>

Continued...

CITY OF BARTOW, FLORIDACombining Statement of Cash Flows– Non-Major Enterprise Funds (concluded)
for the year ended September 30, 2023

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
Noncash financing and investing activities:				
None	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,205,991)	\$ (255,739)	\$ (176,961)	\$ (1,638,691)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	443,162	49,447	50,945	543,554
(Increase) decrease in inventory and prepaids	9,800	3,370	302	13,472
(Increase) decrease in accounts receivable	343,233	3,829	-	347,062
Increase (decrease) in accounts payable	(67,515)	33,741	(777)	(34,551)
Increase (decrease) in accrued wages and compensated absences	(840)	(39,334)	4,217	(35,957)
(Increase) decrease in OPEB related deferred outflows	38,770	17,626	33,972	90,368
Increase (decrease) in the total OPEB liability	(437,080)	(100,738)	(219,201)	(757,019)
Increase (decrease) in OPEB related deferred inflows	666,007	54,642	168,735	889,384
(Increase) decrease in pension related deferred outflows	(389,290)	(41,157)	(56,892)	(487,339)
Increase (decrease) in the net pension liability	695,320	74,622	100,090	870,032
Increase (decrease) in pension related deferred inflows	(237,592)	(28,557)	(29,998)	(296,147)
Net cash flows from operating activities	\$ (142,016)	\$ (228,248)	\$ (125,568)	\$ (495,832)

CITY OF BARTOW, FLORIDACombining Statement of Fiduciary Net Position – Pension Trust Funds
as of September 30, 2023

	Pension Trust Funds			
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 132,158	\$ 61,374	\$ 193,532
Receivables:				
City and plan members	80,922	26,527	479	107,928
State of Florida	-	-	26,969	26,969
Due from broker	-	4,492	-	4,492
Accrued income	5,193	24,327	546	30,066
Total receivables	86,115	55,346	27,994	169,455
Prepaid expenses	-	-	-	-
Investments, at fair value:				
Short-term money market funds	269,673	306,500	103,000	679,173
Fixed income investments	7,385,207	5,180,391	3,093,513	15,659,111
Equity investments	21,999,612	13,879,238	8,223,684	44,102,534
Diversified mutual fund	1,675,260	-	-	1,675,260
Real estate investments	4,172,595	2,026,672	1,182,224	7,381,491
Total investments	35,502,347	21,392,801	12,602,421	69,497,569
Total assets	35,588,462	21,580,305	12,691,789	69,860,556
LIABILITIES				
Accounts payable	21,360	40,300	6,422	68,082
Accrued benefits payable	78,879	11,060	-	89,939
Total Liabilities	100,239	51,360	6,422	158,021
NET POSITION				
Restricted for pension benefits	\$ 35,488,223	\$ 21,528,945	\$ 12,685,367	\$ 69,702,535

CITY OF BARTOW, FLORIDACombining Statement of Changes in Fiduciary Net Position – Pension Trust Funds
for the year ended September 30, 2023

	Pension Trust Funds			
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS				
Contributions:				
City	\$ 1,675,270	\$ 735,439	\$ 428,570	\$ 2,839,279
Plan members	350,400	121,861	28,799	501,060
State of Florida	147,010	196,950	166,008	509,968
Total contributions	2,172,680	1,054,250	623,377	3,850,307
Investment income	2,959,544	2,063,121	1,316,892	6,339,557
Less investment expenses:				
Performance evaluation	25,000	21,500	20,500	67,000
Custodial fees	13,603	11,035	6,681	31,319
Investment management fees	64,320	29,063	-	93,383
Total investment expenses	102,923	61,598	27,181	191,702
Net investment income	2,856,621	2,001,523	1,289,711	6,147,855
Total additions	5,029,301	3,055,773	1,913,088	9,998,162
DEDUCTIONS				
Administrative expenses:				
Legal	13,037	14,534	19,362	46,933
Administrator fee	37,091	27,973	12,297	77,361
Actuarial	53,394	28,591	30,598	112,583
Travel, training and other	4,948	962	2,674	8,584
Accounting	2,800	2,887	2,515	8,202
Insurance	6,316	4,367	3,005	13,688
Audit	5,610	5,725	5,725	17,060
Total administrative expenses	123,196	85,039	76,176	284,411
Payments to retirees and participants	2,506,164	1,608,968	707,281	4,822,413
Total deductions	2,629,360	1,694,007	783,457	5,106,824
CHANGE IN NET POSITION	2,399,941	1,361,766	1,129,631	4,891,338
NET POSITION, beginning of year	33,088,282	20,167,179	11,555,736	64,811,197
NET POSITION, end of year	\$ 35,488,223	\$ 21,528,945	\$ 12,685,367	\$ 69,702,535



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OTHER INFORMATION

CITY OF BARTOW, FLORIDA

Data Elements required by Section 218.32(1)(e), *Florida Statutes*— Bartow Municipal Airport Development Authority
as of and for the year ended September 30, 2023

Data Element	Reference	Comment												
The total number of Authority employees compensated in the last pay period of the district's fiscal year being reported	Section 218.32(1)(e)(2)(a)	25												
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year being reported.	Section 218.32(1)(e)(2)(b)	15												
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	\$1,160,833 for the fiscal year ended September 30, 2023												
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(d)	\$1,023,020 for the fiscal year ended September 30, 2023												
The annual financial report of a dependent special district or an independent special district amending a final adopted budget under s. 189.016(6) must include a budget variance report based on the budget adopted under s. 189.016(4) before the beginning of the fiscal year being reported.	Section 218.32(1)(e)(3)	The budget for the fiscal year ended September 30, 2023 was not amended so this is not applicable.												
Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.	Section 218.32(1)(e)(2)(e)	<table> <tr> <th><u>Project</u></th><th><u>Estimated Total Cost</u></th><th><u>Expenses incurred through September 30, 2023</u></th></tr> <tr> <td>Building Renovation</td><td>\$1,500,000</td><td>\$8,938</td></tr> <tr> <td>T-Hangars</td><td>\$99,197</td><td>\$62,844</td></tr> <tr> <td>Virtual Tower</td><td>\$2,500,000</td><td>\$1,137,225</td></tr> </table>	<u>Project</u>	<u>Estimated Total Cost</u>	<u>Expenses incurred through September 30, 2023</u>	Building Renovation	\$1,500,000	\$8,938	T-Hangars	\$99,197	\$62,844	Virtual Tower	\$2,500,000	\$1,137,225
<u>Project</u>	<u>Estimated Total Cost</u>	<u>Expenses incurred through September 30, 2023</u>												
Building Renovation	\$1,500,000	\$8,938												
T-Hangars	\$99,197	\$62,844												
Virtual Tower	\$2,500,000	\$1,137,225												

GOVERNMENT AUDITING SECTION

CITY OF BARTOW, FLORIDASchedule of Expenditures of Federal Awards and State Financial Assistance
for the year ended September 30, 2023**FEDERAL PROGRAMS:**

Federal Grants			
Funding Source and Grant Program	AL#	Contract/Grant Identification	Total Expenditures
U.S Department of Transportation:			
Direct program:			
Federal Aviation Administration			
Airport Improvement Program:			
Master Plan	20.106	3-12-0005-037-2020	\$ 143,761
Hangar Taxilane	20.106	3-12-0005-041-2022	<u>185,373</u>
Total U.S Department of Transportation			329,134
U.S. Department of Justice			
Passed through:			
Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant:			
Light tower and printers	16.738	15PBJA-21-GG-00241-MUMU	24,999
PD Security Project	16.738	2022-JAGD-POLK-3-4B-069	<u>4,368</u>
Total U.S. Department of Justice			29,367
U.S. Department of Treasury			
Passed through State of Florida Division of Emergency Management			
Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	<u>5,364,952</u>
Total Expenditures of Federal Awards			<u>\$ 5,723,453</u>

Continued...

CITY OF BARTOW, FLORIDA

Schedule of Expenditures of Federal Awards and State Financial Assistance (concluded)
for the year ended September 30, 2023

STATE PROGRAMS:

Funding Source and Grant Program	CSFA#	Contract/Grant Identification	Total Expenditures
State of Florida Department of Management Services			
Direct programs:			
Local Government Cybersecurity Grant Program	72.009	DMS-22/23-239	\$ 185,719
State of Florida Department of Transportation			
Direct programs:			
Local Transportation Projects:			
Building Renovations	55.039	452131-3-94-01	8,938
Aviation Grant Program:			
Airport Security	55.004	450676-1-94-01	93,591
T-Hangar Design	55.004	439944-1-94-01	84,666
Remote Towers	55.004	454153-1-94-01	1,138,785
Total State of Florida Department of Transportation			1,325,980
Total Expenditures of State Financial Assistance			\$ 1,511,699

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

CITY OF BARTOW, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
for the year ended September 30, 2023

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal awards and state financial assistance included herein represents the activities of all federal and state financial grant activity of the City of Bartow, Florida (the City), which includes the Bartow Municipal Airport Development Authority for the year ended September 30, 2023.

Federal awards and state financial assistance received directly, as well as passed through to other government agencies, if any, are included in the schedule. For the year ended September 30, 2023, the City had no subrecipients and therefore did not pass any federal awards or state financial assistance through to other government agencies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 220, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards Subpart F*, Chapter 691.5, *Schedule of Expenditures of State Financial Assistance*, Rules of the Florida Department of Financial Services; and Chapter 10.550, Rules of the Florida Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the City.

Basis of Accounting – The expenditures in the accounting schedule of expenditures of federal and state financial assistance are presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis, as described in Note 1 to the City's financial statements.

NOTE 3 – INDIRECT COST

The City currently does not have a negotiated indirect cost rate for federal awards received. The City has also elected not to charge the de minimis indirect cost rate of 10% allowed by §200.141, Indirect (F&A) costs, of the Uniform Guidance, to all federal awards.

NOTE 4 - CONTINGENCIES

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies because of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations. Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such reviews potentially may result in disallowed expenditures.

NOTE 5 – NON-CASH CONTRIBUTIONS

The City did not receive any federal or state non-cash assistance, including personal protection equipment for the fiscal year ended September 30, 2023.

**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***

The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bartow, Florida (the 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 7, 2024. Our report includes a reference to other auditors who audited the financial statements of the City's Police Officers' and the Firefighters' Retirement Trust Funds, as described in our report on the City's financial statements. This report does include the results of other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Police Officers' Retirement Trust Fund and the Firefighters' Retirement Trust Fund were not audited in accordance with *Government Auditing Standards*. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

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.

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The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

**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***

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's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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.



June 7, 2024
Sarasota, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

Report on Compliance for Each Major Federal Program/State Project

Opinion on Each Major Federal Program/State Project

We have audited the City of Bartow, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2023. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program/State Project

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.500, *Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion of the City's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



June 7, 2024
Sarasota, Florida

**CITY OF BARTOW, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Part A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards and State Financial Assistance Projects

Internal Control Over Major Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor's Report Issued on Compliance for Major Programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557 for local government entities?	No

Identification of Major Programs/Projects:

Federal Program or Cluster

U.S. Department of the Treasury	
Passed Through State of Florida Division of Emergency Management	
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	
<i>American Rescue Plan Act</i>	AL No. 21.027

State Financial Assistance Projects

Florida Department of Transportation	
Aviation Grant Program	CSFA No. 55.004
Dollar threshold used to distinguish between Type A and Type B programs - Federal Programs:	\$750,000
Dollar threshold used to distinguish between Type A and Type B programs - State Projects:	\$453,510
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	No

**CITY OF BARTOW, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

PART B - FINDINGS - FINANCIAL STATEMENT AUDIT

No matters were reported.

PART C - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None

PART D - FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

None

PART E - OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

No corrective action plan is required because there were no current year findings required to be reported under the *Federal or Florida Single Audit Acts*.

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA STATUTES SECTION 218.415 - INVESTMENTS OF PUBLIC FUNDS**

The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

We have examined the City of Bartow, Florida's (the City) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. City management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance 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 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 non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the 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 requirements during the fiscal year ended September 30, 2023.

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



June 7, 2024
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Bartow, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 7, 2024. Our report includes a reference to other auditors who audited the financial statements of the City's Police Officers' and the Firefighters' Retirement Trust Funds, as described in our report on the City's financial statements.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *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 7, 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 the findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

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The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

MANAGEMENT LETTER

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the City has 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 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'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 do 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 – Special Districts

For information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6 and 7, *Rules of the Auditor General*, please see the supplementary schedule on page 96 for the City's special district,

Bartow Municipal Airport Development Authority (the Authority). This information was provided by the Authority's management and is unaudited. Accordingly, we do not express an opinion or provide any assurance on the information.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

The Honorable Mayor and
Members of the City Commission
City of Bartow
Bartow, Florida

MANAGEMENT LETTER

We would like to take this opportunity to express our appreciation for the professionalism and courtesies which were extended to our staff. If you have any questions or comments about the contents of this letter, or the information accompanying this letter, please do not hesitate to contact us.



June 7, 2024
Sarasota, Florida